

LuNa Smelter & Minespider Partner Up for Conflict Mineral Compliance



The partnership will use blockchain to help importers, smelters, refineries and other entities comply with the new European Union Conflict Mineral Regulations that go into effect in 2021.

Minespider, a blockchain protocol for responsible mineral tracking, and LuNa Smelter, a responsible tin producer in Kigali, Rwanda, have partnered up to implement Minespider's OreSource tool. Developed under a grant that was awarded to Minespider by EIT Raw Materials in early 2020, the blockchain-based due diligence tool helps mines and smelters capture key information that European Union (EU) importers require to comply with the new [EU Conflict Mineral Regulation](#).

The new rule law goes into effect Jan. 1, 2021, and aims to stem the trade in four minerals—tin, tantalum, tungsten, and gold—which sometimes finance armed conflict or are mined using forced labor.

The regulation impacts any company that imports minerals or metals; smelts or refines these products; and/or owns a due diligence scheme, according to the European Commission.

Using the due diligence tools, smelters upload the data required into a digital blockchain certificate. By affixing a QR code to a mineral shipment or to an invoice, the recipients of the materials receive all the data they need to ensure their compliance with the EU regulation. That data is secured on Minespider's public blockchain protocol.

Piloting it in Rwanda

According to the [companies' press release](#), LuNa is the first Responsible Minerals Assurance Process (RMAP) conformant tin smelter on the African continent, producing high-

quality tin ingots and other minerals recovered from the refining process, such as tantalum concentrate. The ore is partially procured from LuNa's own operational sites, as well as from third parties who are compliant with LuNa's strict internal environmental and social standards.

LuNa Smelter will pilot OreSource in Rwanda, together with the support and guidance of the Responsible Minerals Initiative (RMI) and Rwandan Mines, Petroleum, and Gas Board (RMB). "The industry is still unsure about how to comply with the EU Conflict Minerals Regulation," LuNa's Olena Wiaderna said in the announcement. "OreSource will give us a tool to provide the information that is required, and help European importers collect the required data."

LuNa and Minespider said RMB sees the project as "an important step in redesigning the mining industry and transforming mining resources into key drivers of [Rwanda's] growth." The board has already deployed different due diligence measures, including the development of tag managers at mining sites to seal and track the minerals extracted.

"This maintains the transparency of the supply chains and reduces the risk of potential illegal trade in minerals," the companies said in their partnership announcement. "RMB believes that this digital identification of minerals may offer upstream companies more direct compensation in exchange for demonstrating responsible mining practices, while optimizing the actual cost."

“This comes as a confirmation to what we have always known: Rwanda is a conflict-free source of minerals, and by LuNa Smelter pioneering blockchain in minerals tracking in Rwanda, we’re taking another big step forward for the Rwandan mining sector,” said RMB’s Francis Gatare in the press release.

Google Gets Onboard

In its role in the project, Google will provide input and offer industry expertise to ensure OreSource is aligned with importer and manufacturer requirements. Minespider and Google have previously implemented a traceability project, tracking tin from the mine to the end-user, along with other consortium members such as Volkswagen and the Peruvian mining company Minsur. The cooperation with LuNa Smelter and Minespider will further Google’s engagement in responsible sourcing practices for 3TGs in the Great Lakes region.

“Historically, companies like LuNa Smelter, who pioneer responsible sourcing in exceptionally challenging environments, have been at a disadvantage,” Minespider’s CEO Nathan Williams said. “Their due diligence incurs costs that are not reflected in the world market’s metal prices. OreSource gives such companies the opportunity to stand out, and to provide their customers due diligence information as an additional service.”