



Heritage  
Bank



LAGOS COMMODITIES  
& FUTURES EXCHANGE

# Launch of the Nationwide Dukia- Heritage Bank Gold & Precious Metals Buying Centre.

Akin Akeredolu-Ale- MD/CEO  
Lagos Commodities and Futures Exchange





Your Excellencies, Distinguished Ladies and Gentlemen, please permit me to stand on existing protocols. I once again welcome you to the occasion of the Launch of the Nationwide Dukia-Heritage Bank Gold and Precious Metals Buying Centres. It gives me great pleasure to be here, and to be a part of this history making moment in the Nigerian Solid Minerals Ecosystem.



---

Suffice it to say that this laudable achievement could not have occurred at a more opportune time in emphasising and addressing the overarching need to diversify the revenue base of the Nigerian economy particularly when juxtaposed against the backdrop of the recent economic shocks arising from global reactions to COVID-19





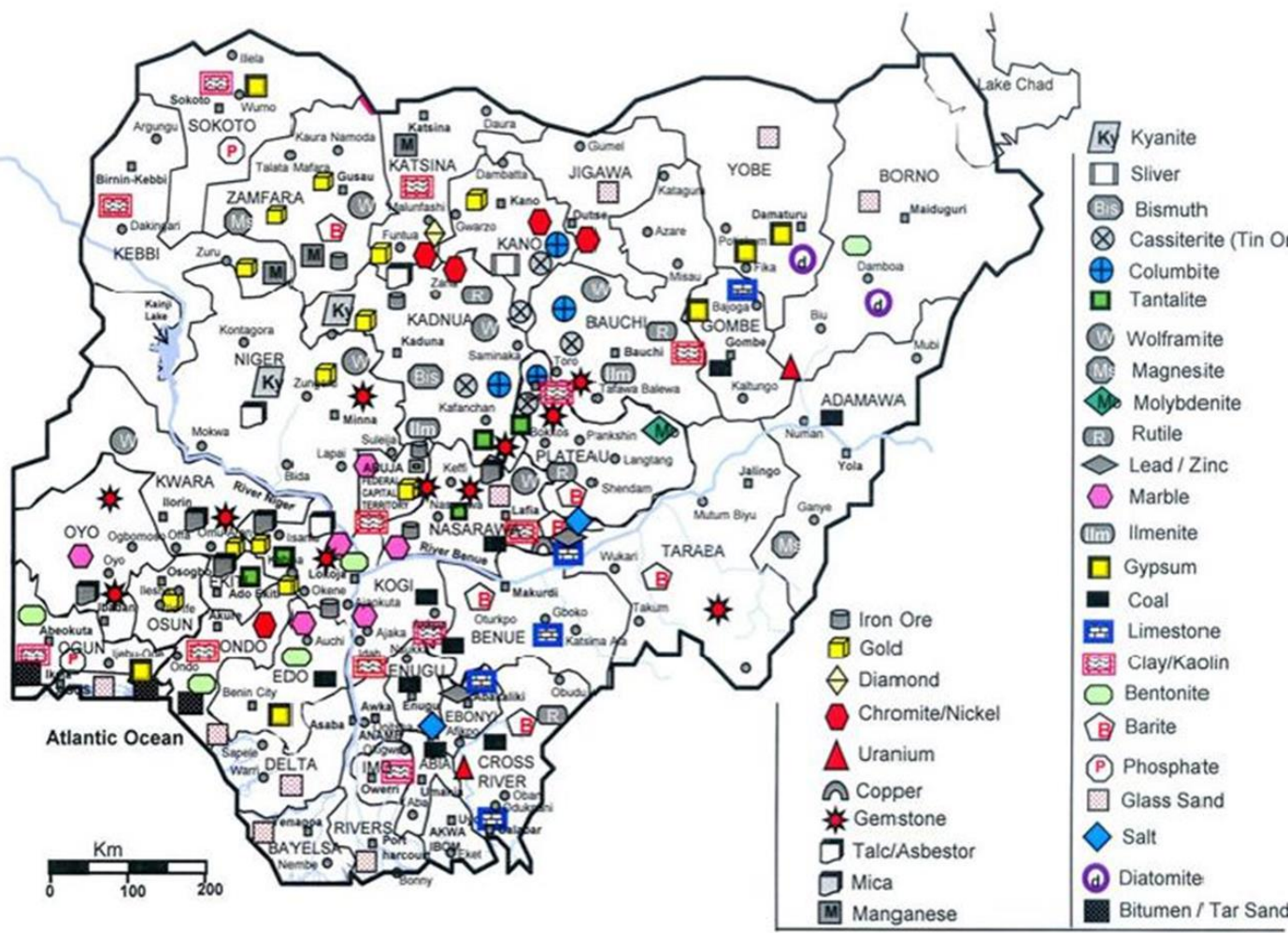
- The World Gold Council reported that although the gold's supply chain has not escaped unscathed, it has demonstrated resilience in the face of these challenges, thus highlighting a key strength of the global gold market.
- They also reported that the coronavirus outbreak, which ravaged the globe during the first quarter of 2020, was incidentally, the single biggest factor influencing the increase in Gold demand which inched up to 1,083.8 tonnes (t) in Q1 of 2020. In April 2020, Gold prices peaked at US\$1,756.70 per ounce representing the highest value in over nine years in the international markets. Indeed, investment demand for Gold, as a safe haven, is rising on the back of recessionary pressures and worsening US-China relations





- One of the paths therefore, towards achieving such diversification is through the expansion of Nigeria's non-oil exports.
- According to the National Bureau of Statistics, the Mining and Quarry Sector contributed just 7.97% to overall Gross Domestic Product (GDP) in the first quarter of 2020, lower however, than the contribution recorded in first quarter 2019 at 9.98%.
- However, it is important to note that within this economic sector is included Crude Petroleum and Natural Gas activity which was the main contributor to the sector with a weight of 99.51%! Indeed, a 2015 report by PWC indicated that the Solid Minerals sector contributed a mere 0.46% to GDP against a target of 5%, and in 2019, according to NEITI stands at around 0.3%.





- Nigeria is heavily blessed with over 40 different mineral types spread across more than 450 deposits across the country, of which seven, including Gold have been identified by the Ministry of Mines and Steel Development, as the most strategic towards a rehabilitation of the Solid Minerals sector.
- Gold has an estimated minimum of 50,000 ounces each in over 10 locations however, the Gold Mining space remains largely unexploited with mining on an artisanal scale.





---

Accordingly, Nigeria's International Trade in Solid Minerals and commodities is behind par and the absence of a listed gold investible instrument on a commodities exchange limits export potential for the exploration of solid minerals in Nigeria, particularly Gold.

The need to harness the potential growth in the Nigerian Solid Mineral/ Gold sector and commodity trades justifies the timely establishment of a gold trading platform and the objectives of the promoters of **DUKIA GOLD.**



- The successful refining and trading activities of DUKIA GOLD and Precious Metals Limited will be of immense benefit to the solid mineral sector and will have a multiplier effect on the Nigerian Economy as a whole.
- The entrant of DUKIA GOLD into the Gold sector addresses the need for a formalized and structured sector. The Launching of the Dukia-Heritage Bank Gold and Precious Metal buying Center is a welcome development which will promote commercial gold procurement, mining, trading, and the growth of the solid mineral sector.



# The LAGOS COMMODITIES AND FUTURES EXCHANGE

stands ready to support this milestone and assures

DUKIA GOLD and its stakeholders of the efficacy of

its value proposition which include:

- Market creation support
- Dissemination of market information
- Price risk management
- Reduction of counter party risk for trades
- Price discovery
- Price transparency
- Contract standardization
- Facilitated provision of commodity finance
- Innovative applications for an exchange mechanism



- As the Managing Director/CEO of Lagos Commodities and Futures Exchange (LCFE), it is my vision to ensure that stakeholders of the commodities ecosystem change their mind view and understand that commodities go beyond agriculture.
- Solid Minerals and precious metals are valuable and tradeable commodities. At LCFE we are creating partnerships with veritable stakeholders who are making notable steps in the development of the various commodities sectors in Nigeria.





LCFE is looking forward to listing DUKIA GOLD and precious Metals on our Commodities Exchange. As the first Mineral Exchange in Nigeria, we are proud to have DUKIA GOLD as the first solid mineral listing on any Exchange in West Africa.



LCFE is not just listing the Gold procured at the buying centres but the refined products as well. This will put Nigeria on the global map with regards to standardised gold tracing, sourcing procurement and trading.

This will instil confidence in the global market thus generating an increased demand for our Gold and other solid minerals and lead to an increased revenue generation for the Nigerian Economy



LCFE is not just listing the Gold procured at the buying centres but the refined products as well. This will put Nigeria on the global map with regards to standardised gold tracing, sourcing procurement and trading.

This will instil confidence in the global market thus generating an increased demand for our Gold and other solid minerals and lead to an increased revenue generation for the Nigerian Economy





**LAGOS COMMODITIES AND FUTURES EXCHANGE** fully supports the **DUKIA-HERITAGE BANK BUYING CENTRE** as a welcome development and milestone for the Nigerian Solid Mineral Sector. We will continue to support this project and look forward to making great strides together that ensure the development of this sector.



- 
- Thank You,
  - Akin Akereolu-Ale
  - MD/CEO,
  - Lagos Commodities and Futures Exchange







