BRIDGING BULLION AND CAPITAL:

How Indian Refiners Can Unlock Global Streaming Partnerships

The Evolution of Silver Financing

Precious metal streaming—where an upfront capital investment is exchanged for a percentage of future production at a predetermined cost—has long been a cornerstone of mining finance. Traditionally, these transactions occur between streaming corporations and primary extraction companies. However, as global demand for silver surges across green technologies, electronics, and photovoltaic manufacturing, streaming companies and institutional financiers increasingly seek downstream and midstream integration to secure liquidity and secure off-take channels.

A metal streaming agreement is a specialized financial structure. It is distinct from traditional banking loans or equity financing:

- **Upfront Capital Injection:** A streaming company (e.g., Wheaton Precious Metals) provides a massive upfront cash deposit to a mining company to help fund mine construction, expansion, or debt restructuring.
- **The Purchase Right:** In exchange, the miner agrees to sell a fixed percentage of its future metal production (e.g., 20% to 50% of the silver produced) to the streaming company over the life of the mine.
- Deeply Discounted Delivery Price: When the metal is actually produced, the streaming company buys it at a heavily discounted, pre-agreed fixed price (or a small percentage of the prevailing market spot price, typically around USD $4 to $6 per ounce for silver).
- **The Profit Engine:** The streaming company then takes that physical metal, sells it at the full market spot price on global exchanges, and captures a massive profit margin without ever having to operate, staff, or take environmental liabilities for the physical mine itself.

Major Players and Volumes Handled

The global streaming and royalty market is highly consolidated. The top three firms control roughly 80% of the market value:

Company	Focus / Specialization	Scale & Volumes Handled
Wheaton Precious Metals (Canada)	Pure play; dominant in silver and gold.	Historically handles tens of millions of ounces of silver annually (frequently between 20 to 30+ million ounces of silver per year depending on mine output).
Franco-Nevada Corporation (Canada)	Diversified (Gold, Silver, Platinum Group Metals, and Energy/Oil).	Generates hundreds of thousands of Gold Equivalent Ounces (GEOs), handling significant auxiliary silver volumes from major copper/polymetallic mines.
Royal Gold (USA)	Precious metals focus (Gold and Silver).	Major global footprint with substantial multi-million-ounce lifetime production streams across the Americas and Australia.
Mid-Tier Players (e.g., Triple Flag, Elemental Royalties, Metalla)	Smaller, fast-growing portfolios.	Scale ranges from 5,000 to 50,000+ GEOs annually, aggressively looking for regional assets.

How Streaming Companies Handle Silver Dore & Refining

Streaming companies are financial and investment entities—they do not own or run refineries, industrial smelters, or chemical laboratories. Because they hold rights to physical metal, they manage the logistics through a strict chain of custody:



1. **Extraction & Dore Production:** The partner mine extracts the ore, processes it, and pours it into silver dore bars (which typically contain 70% to 90% silver mixed with gold, copper, and other impurities).
2. **Designated Refinery Delivery:** Rather than shipping raw dore to the streaming company's office, the mining contract explicitly dictates that the dore must be sent to an accredited, institutional-grade refinery (often an LBMA Good Delivery refinery chosen or approved jointly).
3. **Refining and Credit Issuance:** The refinery melts down the dore, assays it accurately, purifies it to 999.0+ fine silver, and casts it into Good Delivery bars.
4. **Allocation of Shares:** The refinery credits a pre-agreed percentage of the refined silver directly into the bullion account or metal credits account of the streaming company.
   The remaining refined silver is credited to the mining company.
5. **Monetization:** The streaming company instructs its bullion bank or trading desk to either physically ship its silver bars from the refinery vault to international clients (like industrial manufacturers or bullion dealers) or sell the metal credits paper-style on the spot market.

What Indian Silver Refiners Must Do to Tap Into This Ecosystem

Because streaming companies traditionally partner with miners, an Indian silver refiner cannot usually secure a primary stream unless they reposition themselves strategically. Refiners can break into this loop through three pathways:

Acting as the Designated Custodial/Refining Hub

International streaming companies are always looking for reliable, high-capacity refining hubs in major consumption centers like India.

- **The Play:** If an international streaming firm holds a stream on a base-metal or polymetallic mine that exports dore into Asia, the refiner can lobby to become the preferred accredited processing facility for that stream's volume entering India.
- **Requirements:** The refiner must possess LBMA Good Delivery accreditation so that the streaming company's portion of silver is universally tradable without secondary assay penalties.

Structured Working Capital and Inventory Financing

Streaming and royalty companies are increasingly diversifying into midstream "streaming-lite" or structured inventory finance for processing hubs.

The Play: Refiners who require large working capital lines to purchase raw silver dore or industrial scrap can approach streaming/royalty companies for pre-payment financing.

- The Mechanism: The streaming firm provides upfront capital. In return, the Indian refiner agrees to deliver a steady stream of refined, high-purity silver bars over a set period at a pre-negotiated discount or formula price.

Upstream Integration (Refiner-Miner-Streamer Triads)

To prove stability to a streaming company, an Indian refiner must control or heavily secure its feedstock.

- **The Play:** Form joint ventures or exclusive long-term processing agreements with domestic mining output (such as Hindustan Zinc) or international dore traders from Africa and Latin America. By presenting a closed-loop supply chain (Mine $\rightarrow$ Indian Refiner $\rightarrow$ Streaming Company Offtake), the refiner eliminates operational risk, making the streaming company comfortable enough to deploy capital.

Bridging Bullion and Capital: Integrating Indian Silver Refiners into Global Metal Streaming and Financing Frameworks

As India solidifies its position as a primary global nexus for physical silver consumption and industrial demand, the domestic refining sector faces an unprecedented opportunity to scale its operations. While precious metal streaming and royalty models have traditionally served primary mining enterprises, evolving market dynamics are opening pathways for institutional-grade Indian refiners to integrate with global streaming companies. Achieving this requires strict alignment with London Bullion Market Association (LBMA) benchmarks, robust ESG frameworks, and transparent supply chain traceability.

For Indian silver refiners, establishing formal business relationships with global streaming companies requires transitioning from conventional toll-refining models to institutional-grade, transparent, and globally auditable operations.

The Imperative of LBMA Compliance and International Accreditation

To attract capital from international streaming and royalty firms, Indian refiners must eliminate cross-border friction related to product acceptance, assay credibility, and liquidity.

- **Good Delivery Status:** Securing or maintaining alignment with international benchmarks—most notably the LBMA Good Delivery List—is critical. LBMA accreditation guarantees that the refiner's silver bars meet rigorous standards regarding weight, fineness (minimum 999.0 parts per thousand), appearance, and the provenance of the refiner.



- **Independent Assaying and Verification:** Refiners must maintain institutional-grade in-house laboratories or partner with internationally recognized independent assayers to ensure that every batch of silver dore or recycled feedstock can be independently verified and authenticated.

Supply Chain Integrity, Traceability, and ESG Standards

Global streaming firms face stringent Environmental, Social, and Governance (ESG) mandates from their institutional shareholders. Consequently, they can only partner with refiners who demonstrate absolute transparency across the supply chain.

- Responsible Sourcing and Anti-Money Laundering (AML): Refiners must adopt strict Know Your Customer (KYC) protocols and adhere to global frameworks (such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas). Every input—whether artisanal dore, industrial scrap, or mined concentrate—must be fully traceable.
- Carbon Footprint and Sustainable Refining: International capital allocators favor sustainable operations. Indian refiners aiming to tie up with streaming entities must focus on energy-efficient refining technologies, reduction of emissions, and responsible waste management to satisfy international ESG audits.



Structuring Commercial and Financial Frameworks

Because streaming companies invest primarily in production volume, refiners must position themselves as strategic conduits that bridge upstream miners and downstream liquidity providers.

- **Securing Reliable Upstream Feedstock:** A streaming partner requires predictability. Refiners must establish stable, long-term offtake or tolling agreements with primary polymetallic and silver-producing mines (both domestic and international) to guarantee consistent throughput.
- **Innovative Financing Structures:** Collaborating with streaming companies may involve structured inventory-financing or forward-sale agreements. By leveraging secure warehouse receipts, electronic bullion vaulting, and Demat credit systems, refiners can offer streaming companies predictable physical delivery schedules backed by locked-in future output.

Regulatory Harmonization and Cross-Border Compliance

Integrating Indian refiners into international streaming networks requires navigating complex macroeconomic and regulatory structures.

- **Cross-Border Capital Flows:** Transactions must comply with Reserve Bank of India (RBI) guidelines, Foreign Exchange Management Act (FEMA) regulations, and applicable import/export duties on silver dore and refined bullion.
- **Mitigating Counterparty Risk:** Establishing clear legal frameworks—including international arbitration clauses, robust force majeure protections, and transparent pricing mechanisms tied to international benchmarks (such as the LBMA Silver Price)—will assure streaming partners of long-term operational stability.

Conclusion

The convergence of Indian silver refining capabilities and global metal streaming capital presents a transformative opportunity for the bullion ecosystem. By elevating operational transparency to LBMA standards, enforcing strict ESG compliance, and guaranteeing secure supply chain traceability, Indian refiners can successfully position themselves as trusted counterparties for international streaming companies, unlocking new avenues for institutional growth and capital investment.

