

GUYANA GOLD AND DIAMOND MINERS ASSOCIATION



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GGDMA CONCERNED ABOUT REDUCED DECLARATIONS AND OTHER ISSUES AFFLICTING THE GOLD AND DIAMOND MINING SECTOR.

The Guyana Gold and Diamond Miners Association (GGDMA) has noted with concern the recent drop in gold declaration figures from the small and medium scale miners. This should be expected as the industry has been affected by several factors including the ongoing competition for labour, driven by the explosion in construction and job opportunities in the oil and gas sector. While the entire country is faced with an ongoing labour shortage, the mining sector has been especially hard hit. Workers have been opting out of the sector to work on the coastland where competitive salaries mitigate the risk of interior work. This unprecedented worker scarcity has seen the small and medium scale operators struggling to find workers as the industry bears the brunt of the labour shortage in Guyana.

Currently, several mining outfits are operating at below 50% capacity all the while burdened with a significant escalation in overheads due to the increase in cost of services and supplies such as trucking, groceries etc. This has been compounded over the last three years, with above normal rainfall and the subsequent flooding in mining areas. There is also the need to improve accessibility to minerals, many of the areas near to existing roads and infrastructure have been depleted and yields are low. New infrastructure is now required to access new areas with high mineralization.

These along with several other factors such as the increase in “raiding” and illegal operations have negatively impacted the industry. Most worrying is that it seems as if the illegal operators have found ways to make some GGMC/Core of Warden officers “look the other way.” As a result, legitimate operators feel helpless to stop raiding activities on lands legally held. Some GGMC/Core of Warden officers often frustrate the process; after reports are made, they act slowly, taking more steps to nitpick at infractions by the legitimate tenure holders while not taking the condign steps to stop the illegal operations. In many cases, the illegal operators, despite being given multiple cease work and removal orders do not comply and no enforcement activities are undertaken to remove such repeat offenders. In addition, the illegal operators are notorious for filing several false reports against legitimate operators, including claims about phantom shootings and displacement. These false reports that are often received, distract the police from doing their job effectively by taking the necessary punitive steps against these illegal operators

and end up turning the brunt of their efforts on legitimate operators due to these false reports.

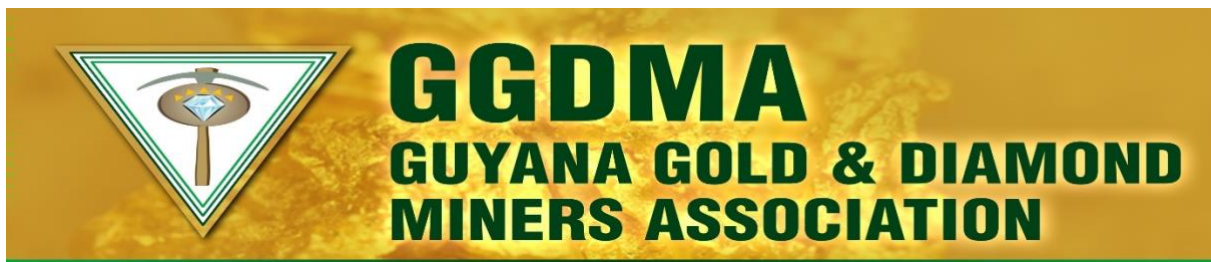
It is the Illegal operators who rob the state of revenue and have an overall negative impact on gold declarations.

It should be noted that licensed traders and dealers are required to follow strict guidelines which includes requiring documentation that show the origin and ownership of the gold including the details about the concession from which the mineral was sourced. In contrast illegal buyers and smugglers do not require documentation and have become the obvious outlet for raiders who steal and sell minerals and have no documentation or legal obligation to prove ownership.

The GGDMA is urging the Government to stamp down on the whole chain of illegality including illicit shops, illicit landings, illicit miners/raiders and on all illicit purchasers of gold. The GGDMA does not support these activities and calls on the Government for immediate action. Buying gold in Guyana is a privilege; any dealer/trader operating must comply fully with the requirements of their licenses and if they do not, they should no longer have that privilege.

The Association calls on the Government to match its public utterances with action and step up its efforts to stamp out any gold smuggling by persons or entities so engaged. The GGDMA is aware that mechanisms are in place to track, identify and prosecute the offenders and calls on the government to take the necessary action to remove the rogue elements in the industry. The GGDMA remains steadfast in its call that miners must sell their gold to the Guyana Gold Board or licensed dealers.

The Association looks forward to the last quarter for a sector recovery and urges miners to increase production where possible.



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