THE MINERAL INDUSTRY OF GUYANA

By Philip A. Szczesniak

In 2000, mining remained an important component of Guyana’s economy, which had a gross domestic product (GDP) of $1.86 billion based on 1999 purchasing power parity data. The main mineral commodities, which were bauxite, diamond, and gold, ranked among the largest components (along with sugar) of the country’s exports of $574 million (U.S. Central Intelligence Agency, 2000, Guyana—Economy, World Factbook 2000, accessed August 7, 2001, at URL http://www.odci.gov/cia/publications/factbook/geos/gy.html). Guyana is located within the Guiana Shield, which is in the northeastern part of South America; this region is well-known for its undeveloped resources of copper, gold, iron ore, manganese, nickel, platinum, and uranium (Hinds, 2000b).

After a new Government was elected at the end of 1999, Guyana’s new president sought to attract outside investment in helping to develop the country’s unexploited mineral resources (Mohamed, 2000). The Guyana Geology and Mines Commission (GGMC) is responsible for managing the mining and petroleum industries according to the law and policies of the Government and promotes foreign investment and participation in mineral development in the country (Hinds, 2000a, p. 4).

Mining concessions are negotiated through mineral agreements with the following Government agencies: the Bauxite Industry Development Co. Ltd. (BIDCO) for bauxite, the GGMC for gold and diamond, and the Guyana Natural Resources Agency for oil. Since 1982, the Guyana Gold Board (GGB) has been the sole official buyer of gold. On January 10, 1997, however, 12 private sector individuals and companies were licensed to purchase, store, and export gold on a trial basis initially for 1 year. The program was extended for an unspecified period beyond 1998, which could indicate that the GGB will eventually be phased out in the near future (Hinds, 2000a). In 2000, offshore oil concessions were complicated by weakness in gold market, accessed July 9, 2001, at URL http://www.cambior.com/communique/2001/anglais/omai_gold_mine.htm).

OGML accounted for about 20% of Guyana’s GDP and 18% of its exports. Cambior Inc. estimated that calculated at $300 per ounce, proven and probable ore reserves for Omai were 29.5 Mt at a grade of 1.34 grams per metric ton (g/t) gold, which represented 40.4 t (1.3 million ounces) of gold (Cambior Inc., 2001, Excerpt from 2000 annual report, accessed July 10, 2001, at URL http://www.cambior.com/english/04_o&p/omai_gold_mine.htm).

As a result of low gold prices, exploration programs will continue to be reduced, particularly on the Guiana Shield (northern Brazil, French Guiana, Guyana, Suriname, and southeastern Venezuela). Since the first quarter of 1999, GSRL has reduced exploration activities in Guyana except on its high-priority Eagle Mountain prospect for which the company calculated a resource of 4 Mt at a grade of 1.4 g/t gold (Mining Journal, 1999). The project could supply mill feed to the Omai mill, which is 50 kilometers southwest of the discovery.

Other participants that explored for gold and diamond in Guyana were BHP Ltd. of Australia, International Roraima Gold Corp., Placer Dome Inc., Seahawk Minerals Ltd., Toscan
Resources Ltd., and Vannessa Ventures Ltd., all of Canada, and Migrate Mining Ltd. of South Africa. BHP Ltd. was interested in finding mineral deposits similar to the Carajas iron ore mine in Brazil and low-cost gold producers similar to Peru’s Pierina and Yanacocha gold mines. GSRL was interested in finding deposits similar to Omai and the Five Stars-type gold and diamond prospects in the Guiana Shield of South America.

Baracara Quarries Ltd. of Guyana and Toolsie Persaud Ltd. of Guyana produced gravel near Bartica. The Government’s Teperu-Itabu Quarry reopened in response to the overwhelming demand for construction materials, and consideration was given to using waste rock from the Omai gold mine for aggregate and boulders. In April, Mazaruni Granite Products Inc. of Guyana began production from its new plant, which had the capacity to produce more than 10,000 metric tons per day of stone (Guyana Monthly Update, May 2000, Mazaruni Granite has new plant, accessed July 10, 2001, at URL http://www.guyanaca.com/Update/may_2000.html).

In June, CGX Energy Inc. of Canada announced plans to withdraw from an oil exploration project for which it had originally been granted concessions in 1998 owing to a border dispute between Guyana and Suriname that concerned the official border along the Corentyne River (James, 2000). ExxonMobile Corp. of the United States, Shell Exploration and Production Co. of the United Kingdom, and TotalFinaElf of France were also interested in exploring for gas and oil in the country.

Guyana has diversified the formerly bauxite-oriented mineral industry by means of its gold and diamond (in order of importance) promotion programs. Because much of Guyana has yet to be studied and explored in a systematic way, significant economic deposits of nonferrous metals and petroleum have yet to be discovered (Hinds, 2000a). Foreign participation and internationally funded exploration activity have resulted in augmented gold production, which is considered to be sustainable into the next decade. Large-scale gold operations, such as those at the Omai Mine, would significantly strengthen Guyana’s economy.

References Cited

James, Canute, 2000, Guyana’s foreign oil concessions revive unneighbourly disputes: Financial Times [London], September 28, p. 5.


Major Sources of Information

Bank of Guyana (Central Bank)
1 Avenue of the Republic
Georgetown, Guyana
Telephone: (592) 2-63261; Fax: (592) 2-72965
Bauxite Industry Development Co. Ltd.
71 Main St.
Georgetown, Guyana
Telephone: (592) 2-57780
Georgetown Chamber of Commerce
157 Waterloo St.
Georgetown, Guyana
Telephone: (592) 2-55846; Fax: (592) 2-63519
Guyana Geology and Mines Commission
P.O. Box 1028
68 Upper Brickdam
Georgetown, Guyana
Telephone: (592) 2-52865; Fax: (592) 2-53047
Guyana Gold and Diamond Miners Association
350 A New Market St.
North Cummingsburg
Georgetown, Guyana
Telephone: (592) 2-52217; Fax: (592) 2-51828
Guyana Gold Board
c/o Guyana Geology and Mines Commission Compound
68 Upper Brickdam
Georgetown, Guyana
Telephone: (592) 2-53173
Guyana Natural Resources Agency
41 Brickdam and Boyle Place - Stabroek
Georgetown, Guyana
Telephone: (592) 2-66549; Fax: (592) 2-71211

Major Publications

International Bauxite Association: IBA Quarterly Review, quarterly.
### TABLE 1
GUYANA: PRODUCTION OF MINERAL COMMODITIES 1/ 2/

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<thead>
<tr>
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<tbody>
<tr>
<td>Aluminum, bauxite, dry equivalent, gross weight thousand metric tons</td>
<td>2,475</td>
<td>2,467</td>
<td>2,267</td>
<td>2,359</td>
<td>2,404</td>
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<td>Diamond</td>
<td></td>
<td></td>
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<tr>
<td>carats</td>
<td>49,000</td>
<td>35,612</td>
<td>50,000</td>
<td>50,000</td>
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<td>Gold, refined</td>
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<tr>
<td>kilometers</td>
<td>12,000</td>
<td>15,033</td>
<td>12,960</td>
<td>13,063</td>
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<td>Stone, crushed</td>
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<td>metric tons</td>
<td>136,000</td>
<td>136,000</td>
<td>136,000</td>
<td>136,000</td>
<td>136,000</td>
</tr>
</tbody>
</table>

* e/ Estimated.  r/ Revised.


2/ Estimated data are rounded to no more than three significant digits.

3/ In addition to the commodities listed, a variety of crude construction materials (clays and sand) and semiprecious stones was also produced. Available information was inadequate to make an estimate of production.


Source: Bureau of Statistics & State Planning Secretariat.

### TABLE 2
GUYANA: STRUCTURE OF THE MINERAL INDUSTRY IN 2000

(Thousand metric tons unless otherwise specified)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Major operating companies and major equity owners</th>
<th>Location of main facilities</th>
<th>Annual capacity</th>
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<tbody>
<tr>
<td>Bauxite and alumina:</td>
<td></td>
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</tbody>
</table>
| Bauxite         | Bauxite Industry Development Co. Ltd. (BIDCO)  
(Government, 100%) | Kara, Northeast Doraberce, and East Montgomery Mines, MacKenzie, Linden, West Demerara District | 3,500           |
| Do.             | do.                                              | Block 2 Manaka, North, South mines. Kwakwani, East Berbice District | 1,500           |
| Do.             | do.                                              | Processing plant at Linden  | 900             |
| Do.             | do.                                              | Processing plant at Everton, East Berbice District | 700             |
| Do.             | C.A. Dayco (private, Venezuela, 100%) (BIDCO contract) | Kwakani area | 500             |
| Do.             | Green Mining Inc. (Green Construction Co., United States, 100%) (Guymine contract) | Dacouria Mine, Linden | NA              |
| Do.             | Aroaima Bauxite Co. (Government, 50%; Reynolds Metals Co., United States, 50%) | Aroaima, East Berbice District | 1,500           |
| Alumina         | BIDCO                                            | Alumina refinery at Linden (presently closed) | 300             |
| Gold kilometers | Omai Gold Mines Ltd. (Cambior Inc., Canada, 65%; Golden Star Resources Ltd., United States, 30%; Government of Guyana, 5%) | Omai Mine, Mazaruni-Potaro District | 300             |
| Gravel          | Baracara Quarries (private)                      | Quarry near Bartica, Mazaruni-Potaro District | 100             |
| Silica sand     | Minerals and Technology Ltd. (Minerals and Chemicals of Texas, United States) | Sand Hills, Demerara River, West Demerara District | 300             |

NA Not available.