

Mining market in Guyana

Situated on the mineral-rich Guiana Shield, Guyana's mining sector focuses on gold, bauxite and diamonds; gold represented 8.8% of Guyana's economic output in 2021. Diamond declarations grew by an estimated 82.2% in 2020. Sand extraction and stone production grew by approximately 132.8% and 15.9%, respectively, partially supported by the heavy emphasis on construction activity in the government's Public Sector Investment Program as well as rapid expansion in private-sector construction activity. Guyana is an under-explored region where there is minimal risk of community and environmental issues. It operates as a free-market model for development and is open to economic liberalization and foreign investments, encouraged by mining sector incentives.

Key opportunities for Canadian mining suppliers

Mineral processing and improved efficiency

The Guyanese government is interested in securing large-scale investors in the mining industry, especially in gold and bauxite, for exploration purposes and to improve the efficiency and productivity of operations. At a strategic level, the government has called for more focus on deriving efficiency from the mineral recovery phase of the small and medium-scale mines to help promote sustainability. Guyana is also in the process of converting to mercury-free mining by 2025. It plans to do this by involving businesses in the supply chain that will produce and market responsibly mined mercury-free gold.

Opportunities exist for Canadian mining suppliers offering a variety of solutions and services, such as:

- data management (mining concessions)
- capacity building government institutions
- geological studies and surveys
- training of mining operators and mining services
- corporate social responsibility advisors
- engineering
- supply of mining equipment
- specialized drilling services
- processing labs and drilling companies
- mercury-free technology
- land reclamation and re-vegetation
- technology devices such as drones
- geographic information systems
- geo-referencing tracking devices and remote sensing devices for labour and equipment monitoring
- training on environmentally friendly practices

Industry highlights	
Open on highly restricted basis Export Development Canada's position	0.3% Global exploration share
55.5 World Bank Ease of Doing Business score	Gold, bauxite and diamond lead Guyana's mining sector
Can\$25.7 million Guyana ranks 57th overall in Canadian mining assets abroad	10 Canadian companies operating in Guyana

Health and safety

The Ministry of Labour has partnered with mining associations to establish a tripartite committee to address occupational, health and safety (OHS) concerns within Guyana's mining industry. There is great interest for OHS training, adherence to safety and environmental standards as well as providing safety equipment.

Mine site construction

- Zijin Mining operates the underground Aurora Gold Mine in Guyana's Cuyuni-Mazaruni region. The government of Guyana has shown great interest in underground mines and seeks companies experienced in underground exploration.
- The lack of infrastructure in the hinterland requires solutions to address these challenges through innovative technologies for power generation, connectivity and water management.
- Opportunities also exist for Canadian mining suppliers offering solutions in surface water management for mining operations and water management.

Notable challenges for Canadian mining suppliers in Guyana

- Mining is conducted in the country's interior, which can be difficult to access and lacks infrastructure and labour.
- Bauxite deposits in Guyana are of the best quality but sand is a challenge to exploration.
- Workers are migrating to opportunities offered by oil and gas companies and labour costs are increasing as the oil and gas industry expands.
- Land conflict with artisanal and small-scale mining industry
- Value added is constrained by energy and power supply limitations.

Guyana business landscape

- All land in Guyana is owned by the state and all mineral rights are vested in the state. The state, however, allows for temporary ownership of claims in designated mining areas. The state plays a limited role outside of regulating mining activities through licences and permits.
- Foreign companies cannot hold mining licences on their own but may incorporate a local company to apply for mining claims. An alternative method of entry is to form a joint venture agreement with local miners.
- The licensing regime established for this sector embraces a royalties and fiscal system, which provides investors with attractive terms for exploration and production projects.
- Canadian companies may also appreciate other advantages in doing business in Guyana, such as:
 - the common use of English as the business language
 - Canada's brand is well established
 - the Canada-Canadian Commercial Corporation memorandum of understanding to facilitate trade
 - the Canada-Guyana Double Taxation Agreement
 - the Commonwealth Caribbean Countries Tariff Rules of Origin Regulations
 - the Canada-Guyana Air Transport Agreement

Request a meeting

To learn more about the mining industry in Guyana, please request an in-person meeting with a Trade Commissioner on the Business-to-Trade Commissioner scheduling platform ahead of PDAC 2022. <https://go.b2b-2go.com/en/canadapdac-2022/>