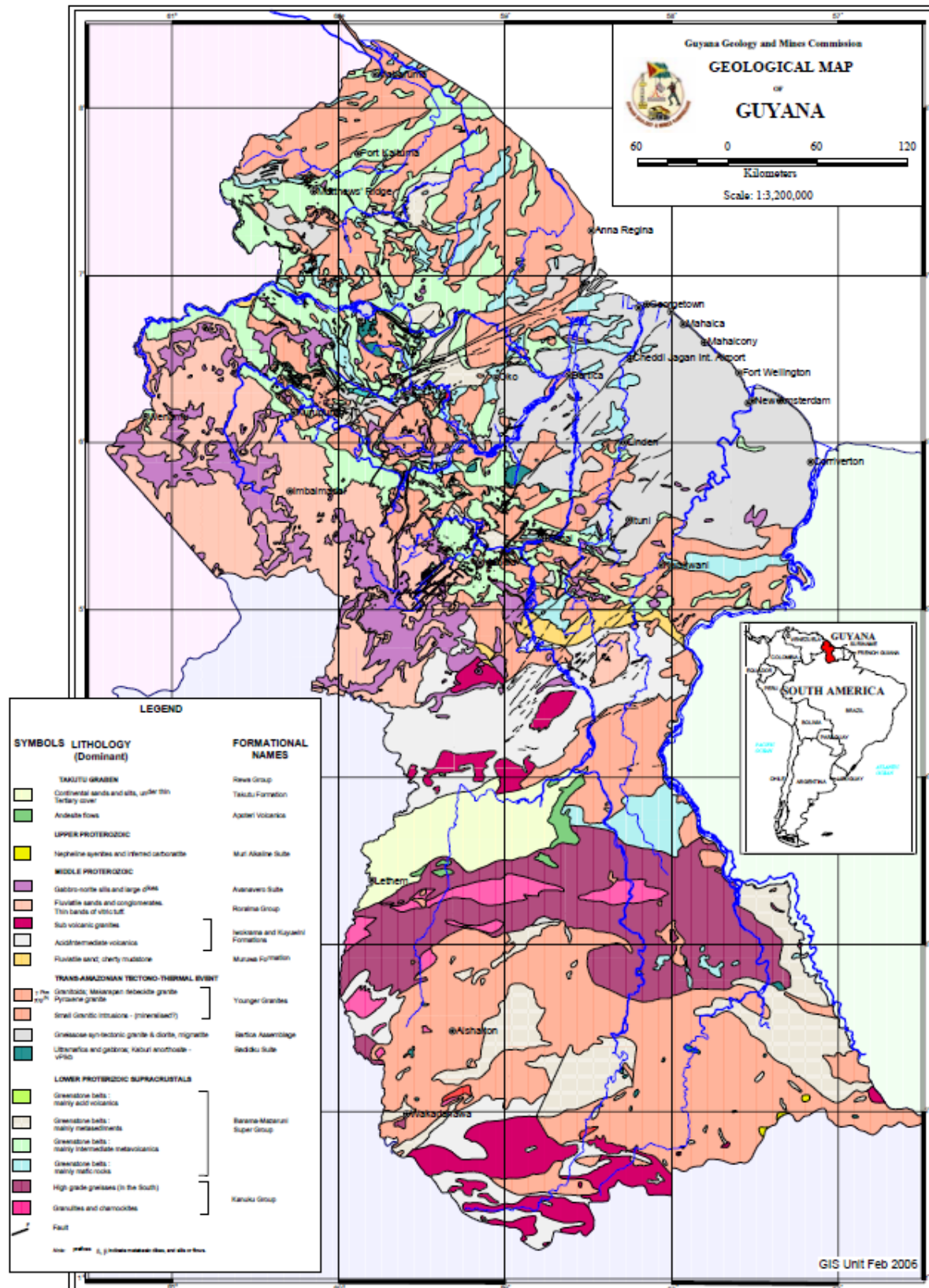


# GUYANA GOLD BOARD

*Annual Report*  
*2014*

**MINISTRY OF NATURAL RESOURCES AND THE ENVIRONMENT**



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# **LETTER OF THE TRANSMITTAL**

**February 17, 2015**

**Honourable Robert M. Persaud, MBA, MP**

Minister Natural Resources and the Environment  
Ministry of Natural Resources and the Environment  
Upper Brickdam,  
Georgetown. Guyana.

**Honourable Minister of natural Resources and the Environment**

In accordance with Section 17 of the Guyana Gold Board Act 1981 (Chapter 66:01) the Board of Directors has the honour to submit to you the Annual Report of the Guyana Gold Board along with the Audited Financial Statement for the year ended December 31, 2014.

Thank you for your cooperation.

With the Highest Regards on behalf of the Board of Directors,

**Gopnauth Bobby Gossai, Jr.**  
**Secretary – Board of Directors**

# **Corporate Information**

## **AUDITORS**

### **Audit Office of Guyana**

63 High Street, Kingston  
Georgetown, Guyana.

### **TSD Lall & Co.**

77 Brickdam,  
Georgetown, Guyana.

## **LEGAL ADVISORS**

### **Attorney General Chambers**

39 Charmichael Street, North Cummingsburg,  
Georgetown, Guyana.

## **REGISTERED OFFICE**

68 Upper Brickdam,  
Georgetown, Guyana.  
P.O Box 12204  
Tel. No.: 225-3173  
Fax No.: 225-4963  
E-mail: ggb@gol.net.gy

## **SUB OFFICE**

First Avenue, Bartica  
Region 7, Guyana.  
Tel. No. : 455-0072  
Fax No. : 455-0073

## **BANKERS**

### **Bank of Guyana**

1 Avenue of the Republic, Robbstown  
Georgetown, Guyana.

### **Citizen Bank (Guyana) Limited**

16 First Avenue, Bartica  
Region 7, Guyana.

### **Republic Bank (Guyana) Limited**

### **(Formerly) National Bank of Industry & Commerce**

38 Water Street, Robbstown,  
Georgetown, Guyana.

# **GUYANA GOLD BOARD**

*Establishment* (Extracted from Guyana Gold Board Act 1981 Chap. 66:01 Section 3)

There is hereby established the Guyana Gold Board which shall be a body corporate and the provisions of the First Schedule shall have effect as to the constitution of the Board and otherwise in relation thereto.

## *Commencement*

By Order No. 24 of 1982, the Guyana Gold Board commenced operations on May 15, 1982.

*Functions* (Extracted from Guyana Gold Board Act 1981 Chap. 66:01 Section 4)

It shall be the functions of the Board –

- a) to carry on the business of trading in gold;
- b) to secure at all times an adequate supply of gold and to ensure its equitable distribution in Guyana at fair prices;
- c) subject to this Act, to purchase all gold produced in Guyana;
- d) subject to this Act, to sell all gold in Guyana and to sell gold outside Guyana;
- e) to engage in other commercial or industrial activities.

The Guyana Gold Board has continued to deliver on its mandated functions in 2013

# **MINISTER RESPONSIBLE AND BOARD OF DIRECTORS**

## **Minister Responsible:**

**The Honourable Robert Persaud**  
Minister Natural Resources and the Environment

## **Board of Directors:**

<b>Dr. Gobind Ganga</b>	<b>Chairman, Board of Directors</b>
<b>Mr. Jeffrey Thomas</b>	<b>Director</b>
<b>Mr. Paul Geer</b>	<b>Director</b>
<b>Mr. Andron Alphonso</b>	<b>Director</b>
<b>Ms. Patricia Bacchus</b>	<b>Director</b>
<b>Ms. Pavita Ramkissoon</b>	<b>Director</b>
<b>Mr. Rickford Vieira</b>	<b>Ex-Officio Member</b>
<b>Mr. Anantram Balram</b>	<b>General Manager</b>
<b>Ms. Andrea Selochan</b>	<b>Assistant General Manager</b>
<b>Mr. Bobby Gossai, Jr.</b>	<b>Board Secretary</b>

# **Management Report**

## **Introduction**

The Gold Sector faced a challenging and tumultuous year with gold prices demonstrating extreme volatility. The year opened with gold price at USD1,219.75 and closed at USD1,199.25 a depreciation of 1.7 percent. However this mild depreciation in the opening and closing period prices masked the fact that gold for several trading periods traded at over USD 1,300 per ounce achieving a high of USD1,385 per ounce and subsequently saw up and down movement of prices with it falling to a low of USD1,142 per ounce. The high market volatility caused disruptions within the local gold mining industry especially among the small and medium scale miners, who responded to what was in general viewed as falling prices by significantly contracting their operations.

## **Gold Declaration**

While the Guyana Gold Board continued with its mandate of purchasing gold produced in the country, they faced competition from the licensed dealers who declared 52.5 percent of total declaration. This is as a result of their aggressive business strategy. The total declaration for the year was 387,508 with the Guyana Gold Board purchasing a total of 183,895.5 ounces of gold.

## **Foreign Exchange Generator**

In 2014, the value of gold exported was USD469.7 million compared with USD601.2 million in 2013 due to higher volumes and higher prices. Overall in 2014 the average price of gold was USD1,264.79, 10.3 percent lower from USD1,409.53 in 2013.



## **Corporate Governance and operational issues**

The Guyana Gold Board Act provides for subject Minister Robert Persaud to appoint a Board of Directors to examine and craft policies for the organization. The Board of Directors was appointed and Statutory Meetings were held as prescribed.

There were two sub committees of the Board of Directors:

- Audit and Finance Sub Committee that examines monthly financial performance and audit reports of the organization.
- Technical sub-committee that deals with technological and operational issues, and
- The Human Resources Subcommittee that guides human resource policies and deals with the human resource function within the organisation.

Through the Ministry of Natural Resources and the Environment, the Guyana Gold Board has been enhancing its policy objectives on the trading of gold to ensure that the maximum wealth of the yellow metal is channeled to the development of the economy.

Operationally it must be noted that the Board ended the period in a deficit recording a total net loss of \$400.3 billion. This loss was as a direct result of fluctuating gold price.

## **Outlook for 2015**

### **The Market**

For the upcoming period we expect to see continued pressure coming from a stronger US currency and deepening expectations that the United States Federal Reserve would raise interest rates. As is known there is a negative correlation between interest rates and gold – gold is a non-interest earning asset. Any interest rate hike would cause the investors to switch out of gold reducing demand for the metal and moving into interest bearing assets.

Opening the year of 2014, it was clear that overall demand was lower than that of previous period by 7 percent while supply showed modest growth at 3 percent. For the upcoming period it is believed that this trend will continue with demand further declining. Supply is expected to be positive with higher mine production.

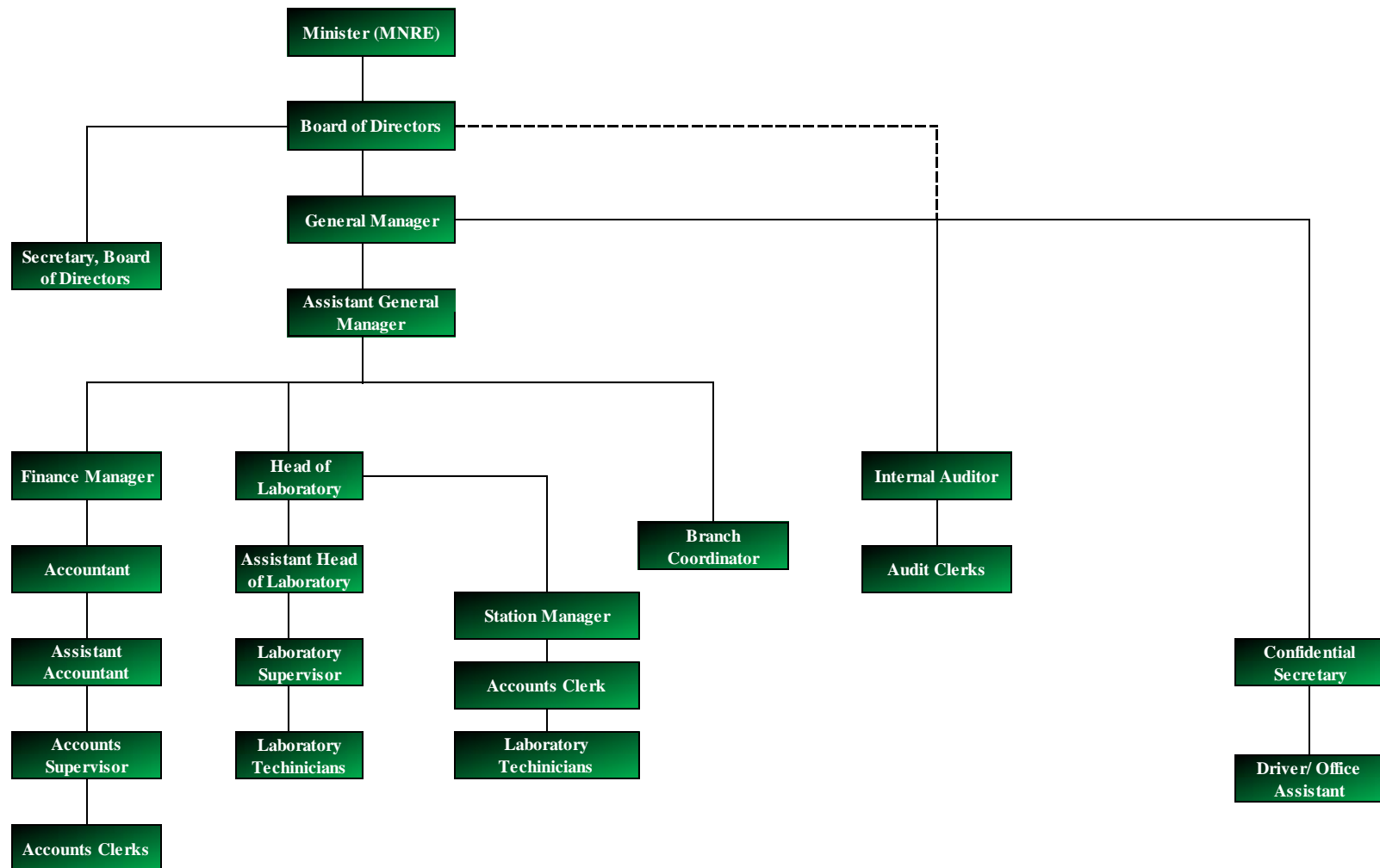
Demand from China is expected to continue with the purchases from Bank of China continuing to grow. This is expected to allow for periodic spikes in prices. Overall prices are expected to average USD1,200 for 2015.

**Anantram Balram**

**General Manager**

# **Chairman's Report**

# GUYANA GOLD BOARD ORGANISATIONAL CHART



## FINANCIAL AND OPERATING HIGHLIGHTS 2014

### GUYANA GOLD BOARD

#### STATEMENT OF INCOME FOR THE PERIOD ENDING DECEMBER 31, 2014

GYD (000)				
	2014	2013	Inc/(Dec)	% Change
Items				
Sales	54,021,111	76,885,762	(22,864,651)	-30%
Cost of Goods Sold	(54,206,388)	(86,544,106)	(32,337,718)	-37%
Gross Profit (Loss)	(185,277)	(9,658,344)	(9,473,067)	-98%
Other Income	117,129	20,860	(96,269)	462%
Operating Profit (Loss)	(68,148)	(9,637,484)	(9,569,336)	-99%
Administrative Expenses	(332,199)	(301,103)	31,096	10%
<b>Net Profit (Loss)</b>	<b>(400,347)</b>	<b>(9,938,587)</b>	<b>(9,538,240)</b>	<b>-96%</b>

### GUYANA GOLD BOARD

#### STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2014

GYD (000)				
	2014	2013	Inc/(Dec)	% Change
Items				
Non Current Assets	113,243	77,719	35,524	46%
Current Assets	3,948,039	13,043,366	(9,095,327)	-70%
Total Assets	4,061,282	13,121,085	(9,059,803)	-69%
Total Equities	(9,327,651)	(8,927,305)	(400,346)	4
Non Current Liabilities	8,731,631	8,731,631	-	-
Current Liabilities	4,657,303	13,316,759	(8,659,456)	-65%
<b>Total Equities and Liability</b>	<b>4,061,282</b>	<b>13,121,085</b>	<b>9,059,803</b>	<b>69%</b>

## GUYANA GOLD BOARD

### PURCHASES OF GOLD BY THE GUYANA GOLD BOARD AS AT DECEMBER 31, 2014

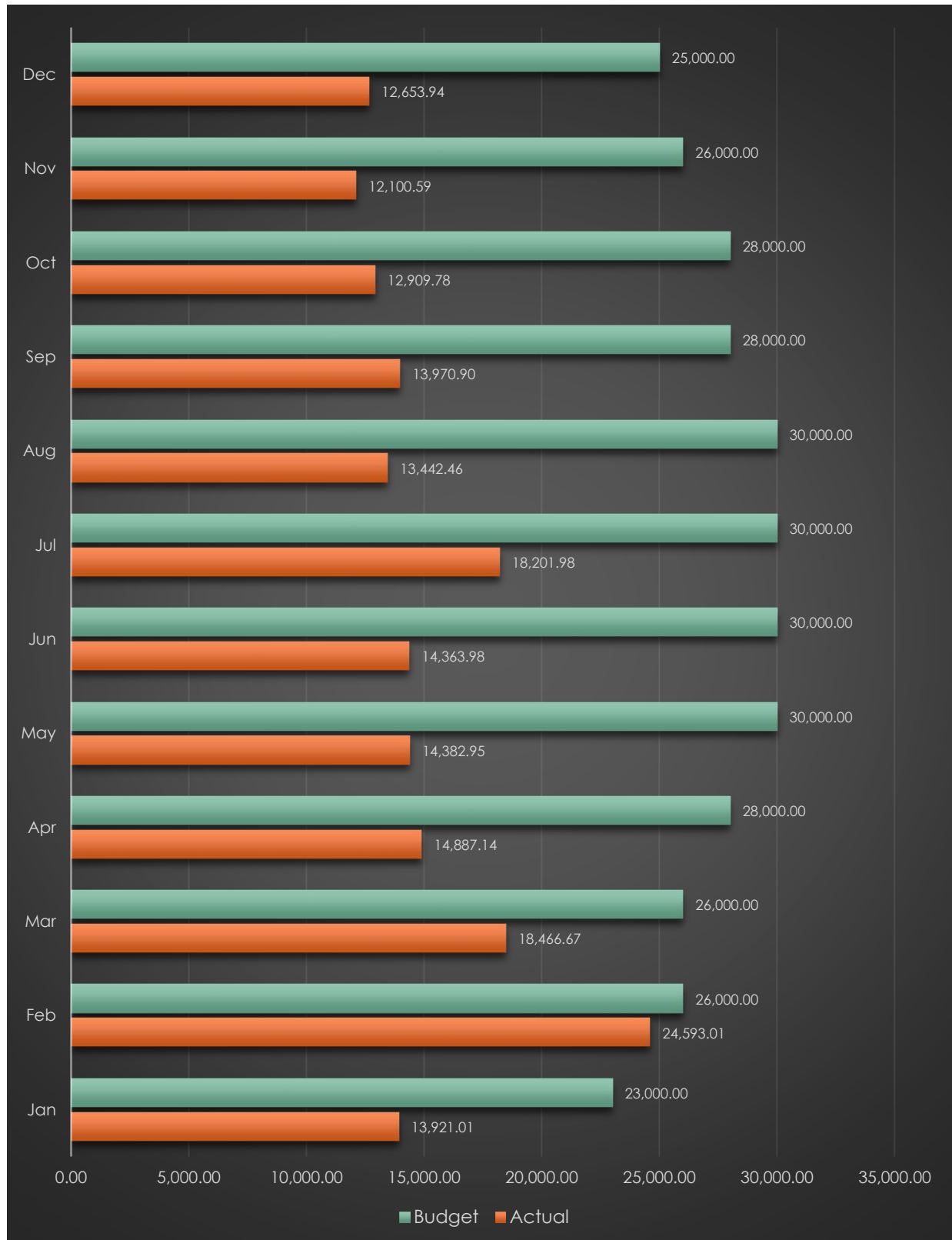
Period	Bartica	Charity	Georgetown	Total Purchases	Budgeted Purchases
January	3,132	515	10,274	13,921	23,000
February	3,875	1,568	19,151	24,593	26,000
March	4,416	666	13,386	18,467	26,000
April	643	323	13,921	14,887	28,000
May		275	14,108	14,383	30,000
June		133	14,231	14,364	30,000
July			18,202	18,202	30,000
August			13,442	13,442	30,000
September			13,971	13,971	28,000
October			12,910	12,910	28,000
November			12,101	12,101	26,000
December			12,654	12,654	25,000
<b>Total</b>	<b>12,065</b>	<b>3,478</b>	<b>168,351</b>	<b>183,894</b>	<b>330,000</b>

## GUYANA GOLD BOARD

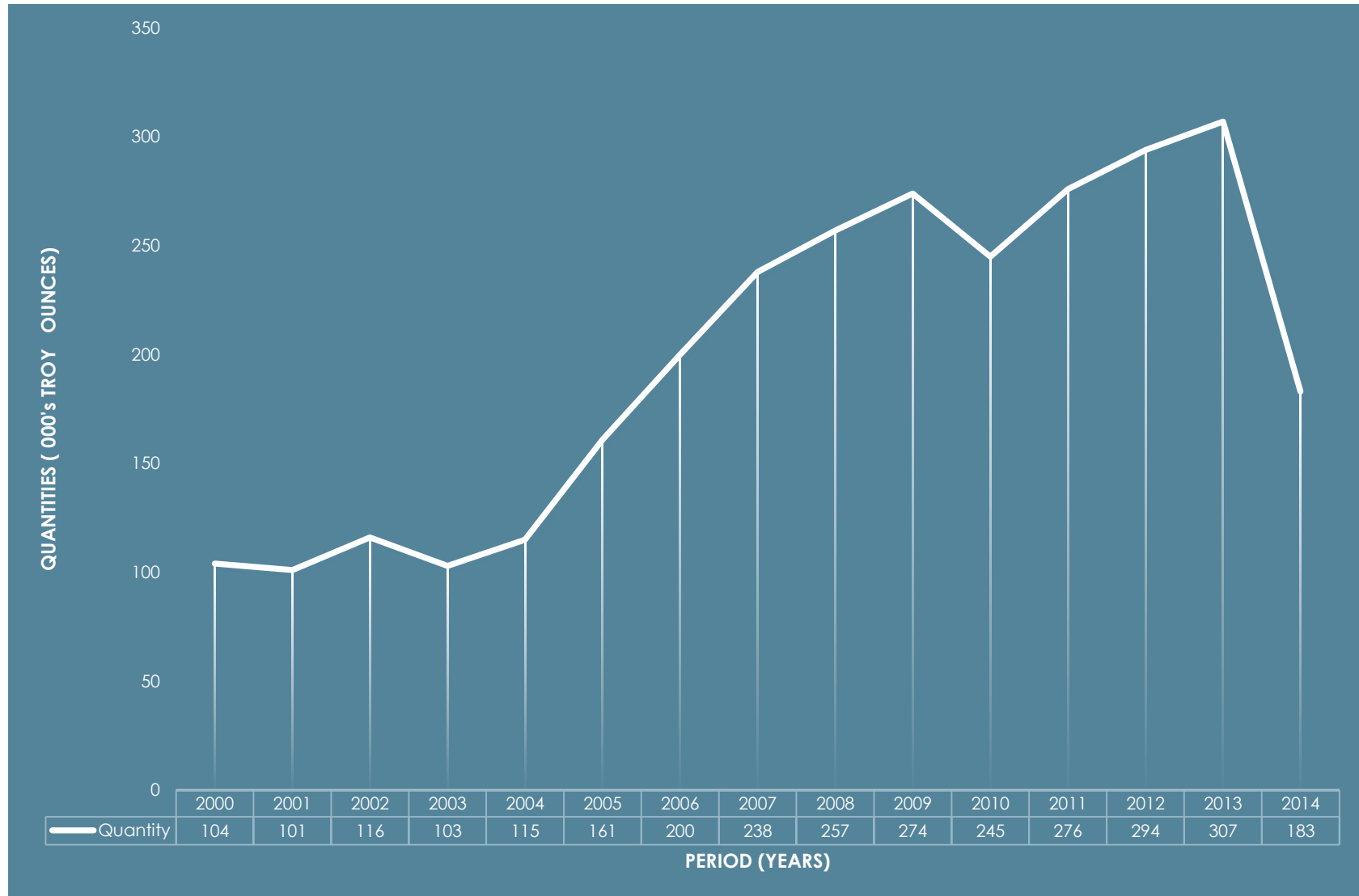
### DECLARATIONS OF GOLD AS AT DECEMBER 31, 2014 IN TROY OUNCES

Period	DEALERS			GGB	Declarations	YTD
	Opening Bal.	Closing Bal	Exports			
January	10,279	7,093	14,059	13,921	24,794	24,794
February	7,093	12,201	13,431	24,593	43,133	67,927
March	12,201	9,826	17,475	18,467	33,567	101,494
April	9,826	12,050	17,640	14,887	34,751	136,244
May	12,050	7,762	19,328	14,383	29,423	165,667
June	7,762	6,349	19,429	14,364	32,380	198,047
July	6,349	11,473	19,336	18,202	42,662	240,709
August	11,473	13,183	9,692	13,442	24,844	265,553
September	13,183	11,814	15,606	13,971	28,208	293,761
October	11,814	9,692	15,584	12,910	26,372	320,133
November	9,692	11,367	15,578	12,101	29,354	349,486
December	11,367	10,554	26,180	12,654	38,021	387,507
			<b>203,338</b>	<b>183,894</b>	<b>387,507</b>	

## QUANTITY OF GOLD PURCHASED VS BUDGET 2014

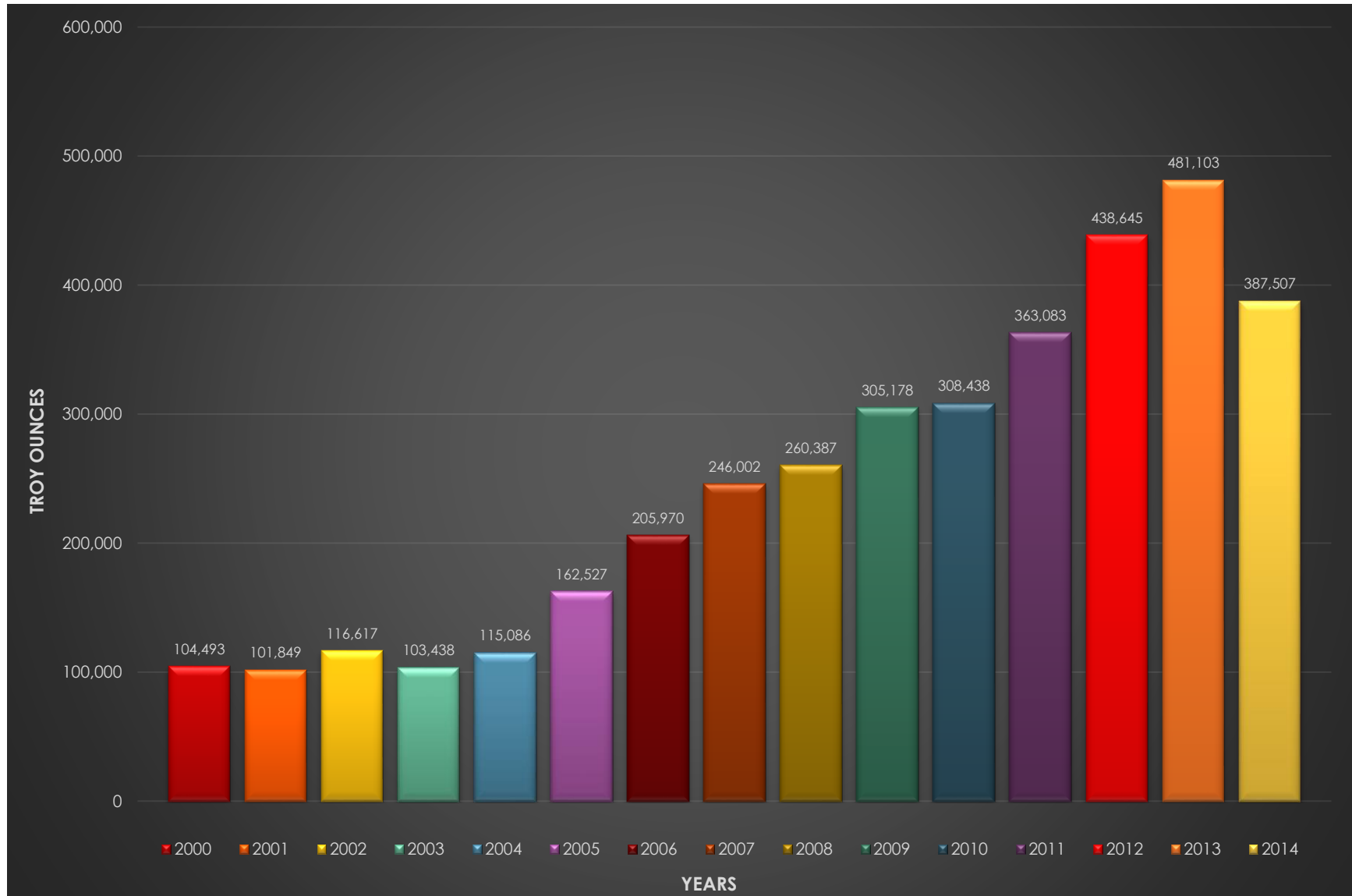


## GOLD PURCHASED (2000 – 2014)

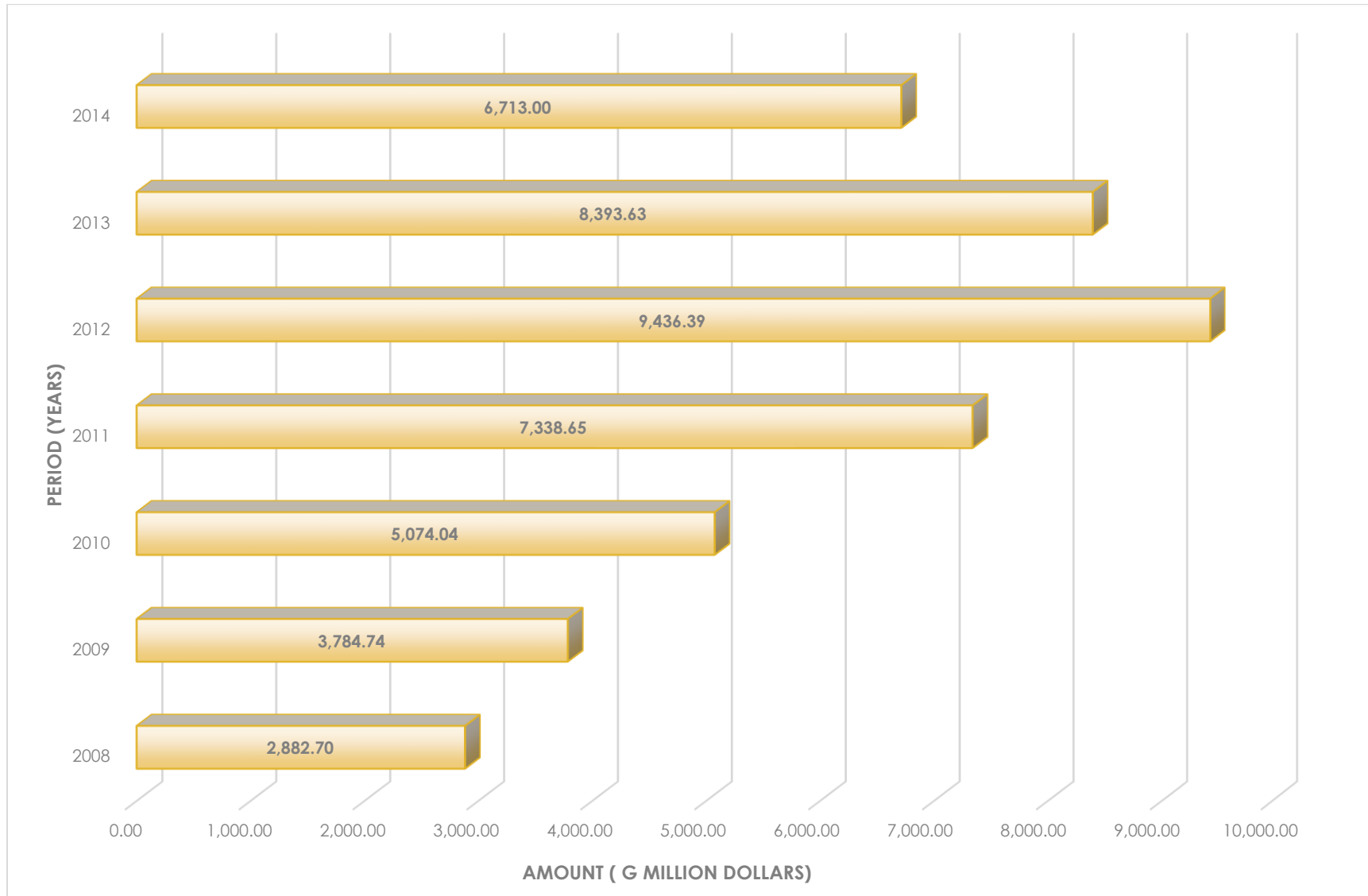




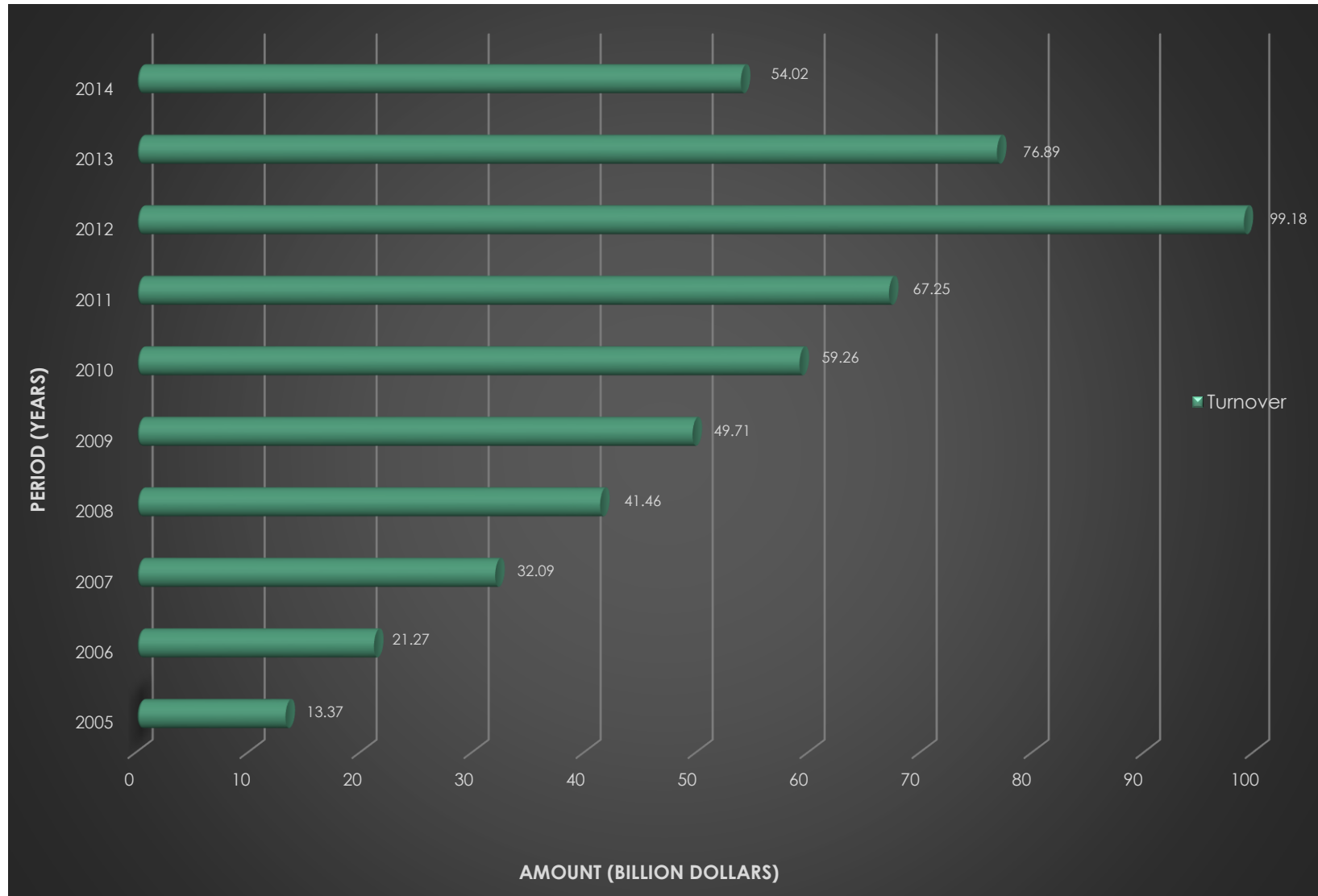
## GOLD DECLARATION (2003 – 2014)



## ROYALTIES AND TAXES (2008 – 2014)



## TURNOVER (2008 – 2014)



## OPERATING SURPLUS (2008 – 2014)

