

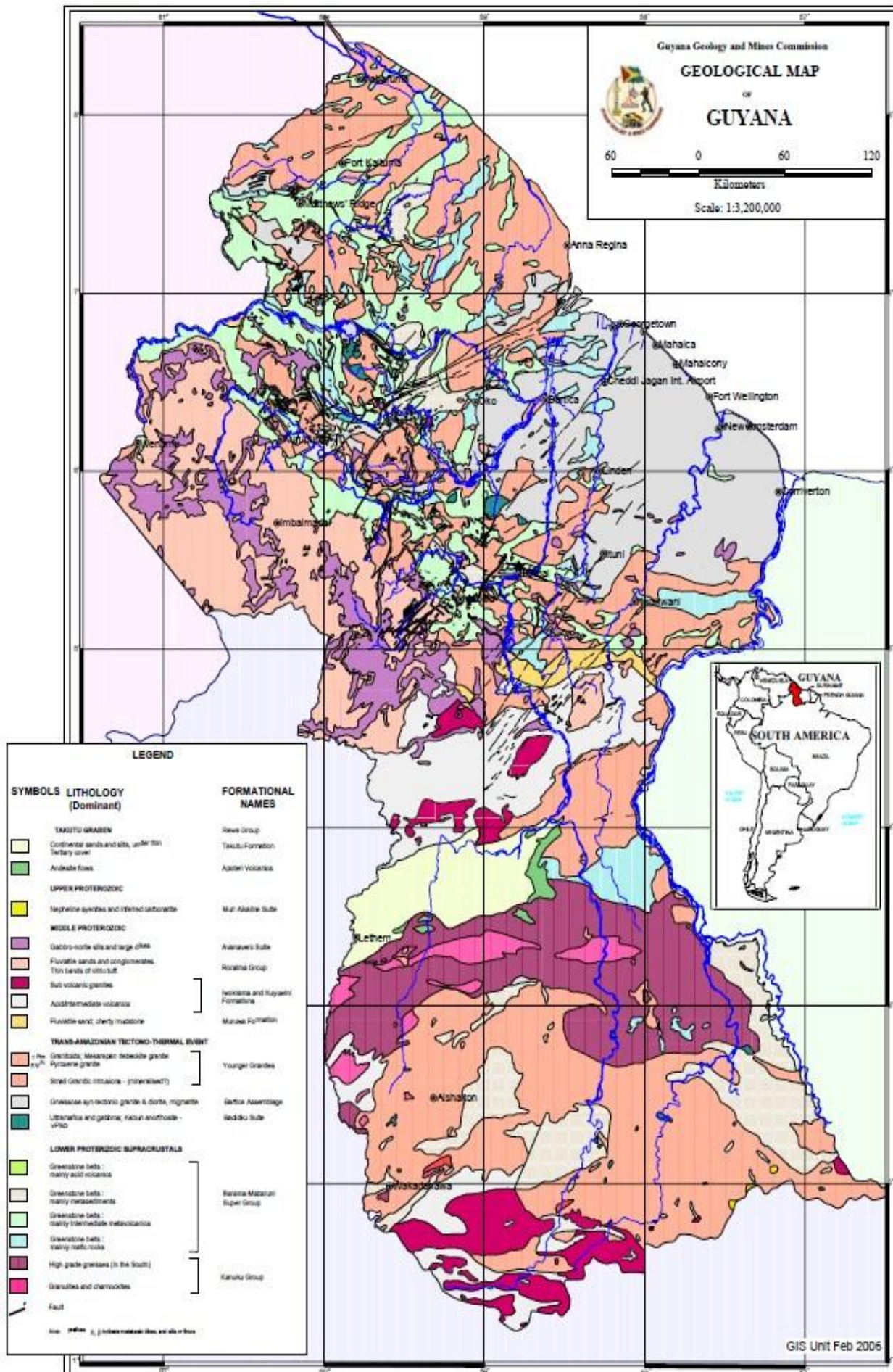


# GUYANA GOLD BOARD

*Annual Report 2021*

**MINISTRY OF NATURAL RESOURCES**





# MINISTRY OF NATURAL RESOURCES

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## **LETTER OF THE TRANSMITTAL**

**Honourable Vickram Bharrat M.P**

Minister of Natural Resources

Ministry of Natural Resources and the Environment

Upper Brickdam,

Georgetown

Guyana

Honourable Minister Bharrat,

In accordance with Section 17 of the Guyana Gold Board Act 1981 (Chapter 66:01) the Board of Directors is submitting to you the Annual Report of the Guyana Gold Board along with the Audited Financial Statement for the year ended December 31, 2021.

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

**Eondrene Thompson**

**General Manager**

## **CORPORATE INFORMATION**

### **AUDITORS**

#### **Audit Office of Guyana**

63 High Street, Kingston  
Georgetown, Guyana.

#### **Maurice Solomon and Co**

92 Oronoque Street, Queenstown  
Georgetown Guyana

#### **Attorney General Chambers**

39 Carmichael Street,  
North Cummingsburg,  
Georgetown, Guyana.

### **LEGAL ADVISORS**

#### **Main Office**

133 Crown Street, Queenstown  
P.O. Box 12204  
Tel. No.: 225-3173  
Fax No.: 225-4963  
E-mail: ggb@gol.net.gy

### **REGISTERED OFFICES**

#### **Sub Office**

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

Fitzburg, GBTI Building, Turn  
Basin Port Kaituma  
Region 1, Guyana  
Tel. No.:

#### **Bank of Guyana**

1 Avenue of the Republic,  
Georgetown. Guyana

### **BANKERS**

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

6 First Avenue, Bartica, Region 7,  
Guyana

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

38 Water Street, Robbstown,  
Georgetown, Guyana

#### **Guyana Bank For Trade & Industry**

High & Young Street,  
Kingston,

## **GUYANA GOLD BOARD**

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

The Guyana Gold Board is hereby established as a body corporate, and the provisions of the First Schedule shall apply regarding the Board's composition and related matters.

### **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.

## **MINISTER RESPONSIBLE AND THE BOARD OF DIRECTORS**

**The Honourable Vickram Bharrat, M.P.**

Minister of Natural Resources

### **Board of Directors:**

Mr. Gobind Ganga	-	Chairperson of the Board of Directors
Mr. Andron Alphonso	-	Director
Mr. Newell Dennison	-	Director
Mr. Stephen Belle	-	Director
Mr. Fazal Khan	-	Director
Ms. Sharon Roopchand – Edwards	-	Director
Mr. Visal Satram	-	Board Secretary
Ms. Eondrene Thompson	-	General Manager

## **GENERAL MANAGER'S REPORT**



### **Introduction**

The year 2021 presented unprecedented challenges and opportunities for the Guyana Gold Board (GGB) and the wider mining sector. Our team demonstrated remarkable resilience and adaptability, embracing new working requirements in response to the COVID-19 pandemic. Through commitment and hard work, we continued to serve our stakeholders and drive growth in a rapidly evolving environment.

### **Market & Performance Review**

The mining sector witnessed a significant boost in activity, stimulated by targeted tax measures, including the removal of value-added tax (VAT) on machinery as outlined in the 2021 national budget. This, coupled with an aggressive vaccination campaign, contributed to the relaxation of lockdown protocols and revised working hours, allowing miners to capitalize on favourable market conditions. Despite a challenging global context, GGB remained focused on maintaining strong performance under all market conditions.

Throughout 2021, gold prices remained favourable, providing miners with substantial opportunities for growth. While prices weakened toward the end of the year, overall market trends enabled the sector to make strong returns, with gold trading consistently at competitive levels.

Total gold declarations decreased by approximately 15% when compared to gold declarations for 2020 (499,000 in 2021 and 586,000 in 2020).

In 2021, the Guyana Gold Board reported a 14.75% decline in the amount of gold declared, totaling 86,378.96 ounces, less than in 2020. Despite this decrease, GGB's revenue in 2021 surpassed that of 2020 by about US\$35.277 million. Foreign sales in 2021 were 18,679 ounces higher than in 2020.



During the year 2021, five of the seven licensed gold dealers exported their gold overseas; therefore, GGB did not suffer from the usual offloading when the gold price plummeted. Dealers' exports decreased by 74,573 ounces or 18.13% in 2021 over 2020. Aurora Gold Mines Inc. also recorded a decrease in its exports in 2021 over 2020 by 21,771 ounces, and Troy Resources experienced a shortfall in 2021 by 9,842 ounces compared with 2020. Guyana Gold Board exported 7,048 ounces or 8% more in 2021 than in 2020.

In 2021, gold prices ranged from a low of USD 1,684 per ounce to a high of USD 1,957 per ounce. In comparison, prices in 2020 ranged from a low of USD 1,472 to a high of USD 2,067.

### **Highs and lows of the gold sector in 2021**

The highs of 2021 included robust sector growth driven by effective government policies and strong market demand. Miners took advantage of elevated gold prices, and sector-wide collaboration enabled swift adaptation to pandemic-related requirements. Conversely, the sector faced challenges such as volatile price movements in the latter part of the year and the need to reinforce internal controls to combat potentially fraudulent activities. Continued staff development and the strengthening of compliance measures remained priorities throughout these fluctuations.

### **2022 Outlook**

Looking ahead, much remains to be achieved in 2022. GGB's immediate priority is to complete legislative reforms and strengthen its role as a regulatory and supervisory body. We anticipate even stronger advances in gold prices, with projections suggesting values may soar above USD2,000 per ounce. The organisation is committed to robust compliance, ongoing staff training, and open stakeholder communication, positioning the sector to deliver a projected gold declaration of 600,000 ounces of gold and drive sustainable growth. Together, we are prepared to meet the challenges and opportunities that lie ahead.

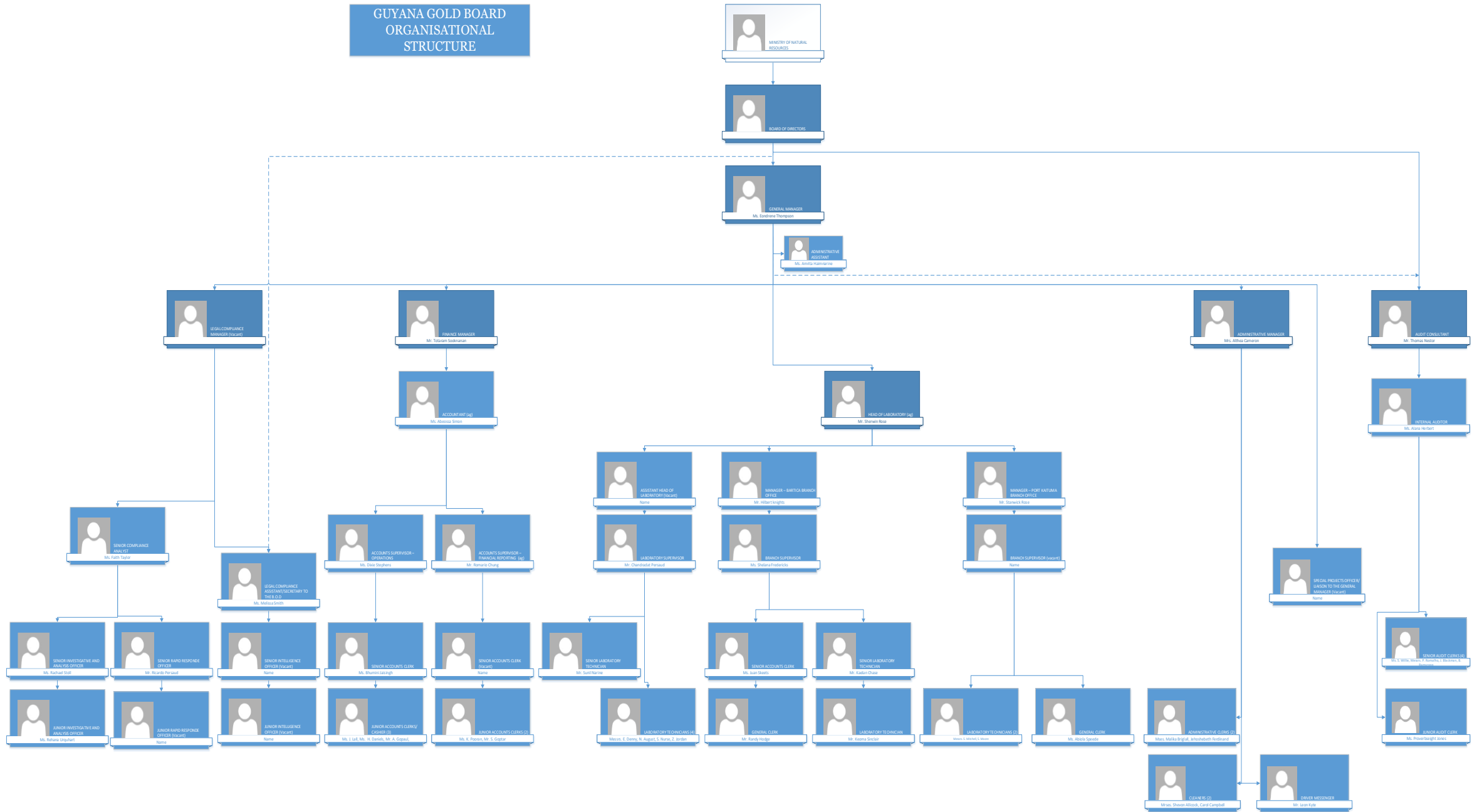
### **Conclusion**

In summary, 2021 was a transformative year for the Guyana Gold Board and the mining sector as a whole. By responding proactively to the challenges posed by the pandemic and capitalizing on favorable market conditions, GGB demonstrated its resilience and commitment to excellence. The

successes achieved and lessons learned have set a strong foundation for the future. As we move into 2022, our focus on legislative reform, regulatory strength, and sustainable growth will ensure that we continue to advance the sector and uphold our dedication to all stakeholders. With a clear vision and steadfast determination, GGB is well-positioned to navigate upcoming challenges and seize new opportunities for ongoing success.

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GUYANA GOLD BOARD  
ORGANISATIONAL  
STRUCTURE



# FINANCIAL AND OPERATING HIGHLIGHTS 2021

GUYANA GOLD BOARD

STATEMENT OF FINANCIAL INCOME FOR THE PERIOD ENDING DECEMBER 31, 2021

GYD (000)

	2021	2020	Inc/ (Dec)	% Change
<b><u>Items</u></b>				
Sales	35,226,141,869	27,832,165,097	7,393,976,772	26.56%
Cost of Goods Sold	(35,475,986,808)	(26,609,986,936)	8,865,999,872	33.32%
Gross Profit / (Loss)	(249,844,939)	1,222,178,161	(1,472,023,100)	120%
Other Income	230,422,008	231,927,172	(1,505,164)	(0.65%)
Operating Profit (Loss)	(19,422,931)	1,454,105,333	(1,473,528,264)	(101.34%)
Administrative Expenses	(443,115,511)	(435,354,758)	7,760,753	1.78%
<b>Net Profit (Loss)</b>	<b>(462,538,442)</b>	<b>1,018,750,575</b>	<b>(1,481,289,017)</b>	<b>145.40%</b>



GUYANA GOLD BOARD

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

GYD (000)

	2021	2020	Inc/(Dec)	% Change
<b><u>Items</u></b>				
Non-Current Assets	86,224,171	106,023,138	(19,798,967)	18.67%
Current Assets	8,936,486,898	11,606,502,995	(2,670,016,097)	23.00%
Total Assets	9,022,711,069	11,712,526,133	(2,689,815,063)	22.97%
Total Equities	(9,819,911,105)	(9,357,372,663)	462,538,442	4.94%
Non-Current Liabilities	8,731,630,794	8,731,630,794		0%
Current Liabilities	10,110,991,380	12,338,268,002	(2,227,276,622)	18.05%
<b>Total Equity and Liability</b>	<b>9,022,711,069</b>	<b>11,712,526,133</b>	<b>(2,689,815,064)</b>	<b>22.97%</b>

GUYANA GOLD BOARD

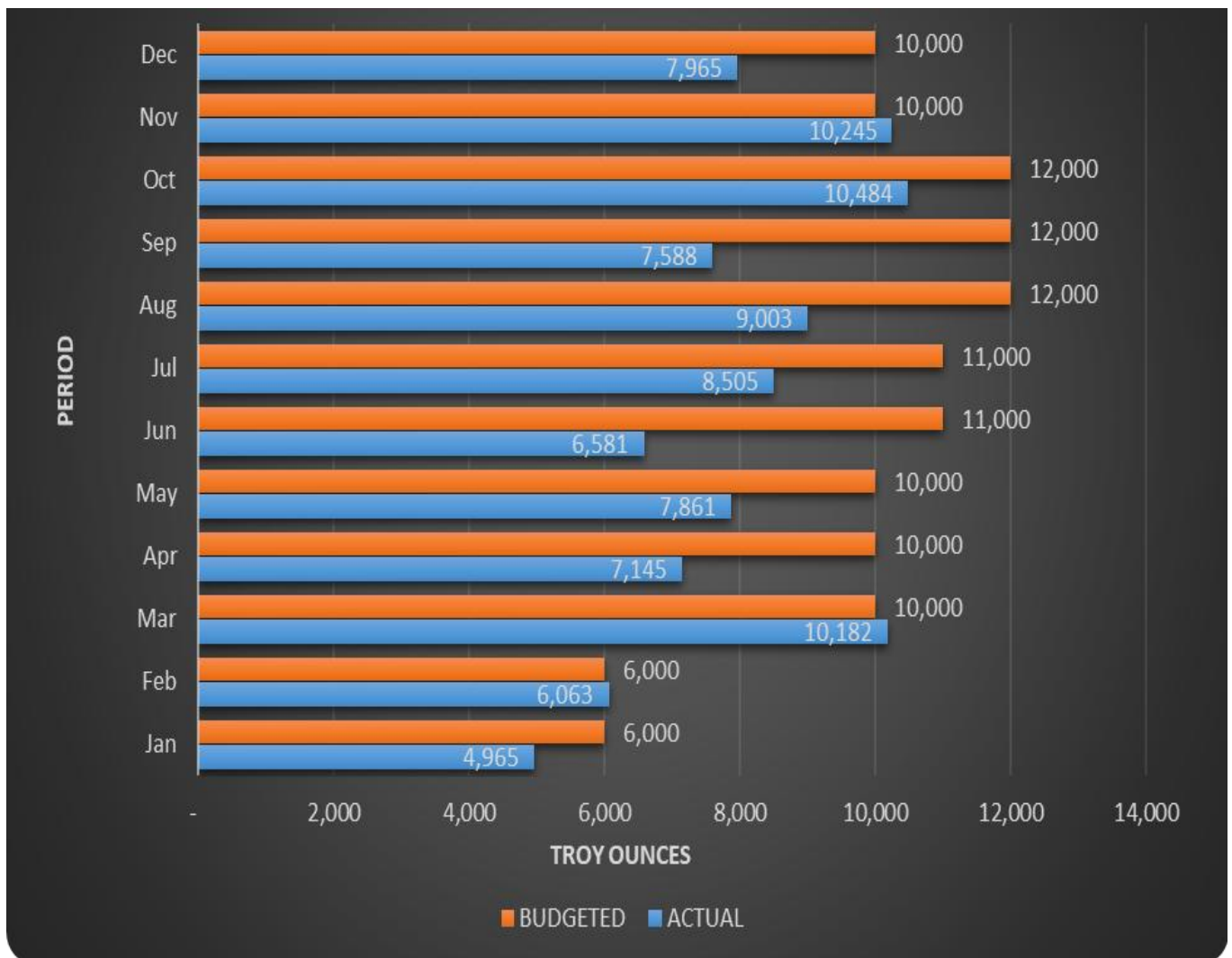
**PURCHASES FOR 2021 TROY OUNCES**

<b>Period</b>	<b>Total Purchases</b>	<b>Budgeted Purchases</b>
January	4,965.14	6,000.00
February	6,062.60	6,000.00
March	10,182.37	10,000.00
April	7,145.41	10,000.00
May	7,861.15	10,000.00
June	6,580.94	11,000.00
July	8,505.19	11,000.00
August	9,003.33	12,000.00
September	7,587.87	12,000.00
October	10,484.33	12,000.00
November	10,245.41	10,000.00
December	7,965.32	10,000.00
<b>TOTAL</b>	<b>96,589.05</b>	<b>120,000.00</b>

**DECLARATIONS AS AT DECEMBER 31, 2021, IN TROY OUNCES**

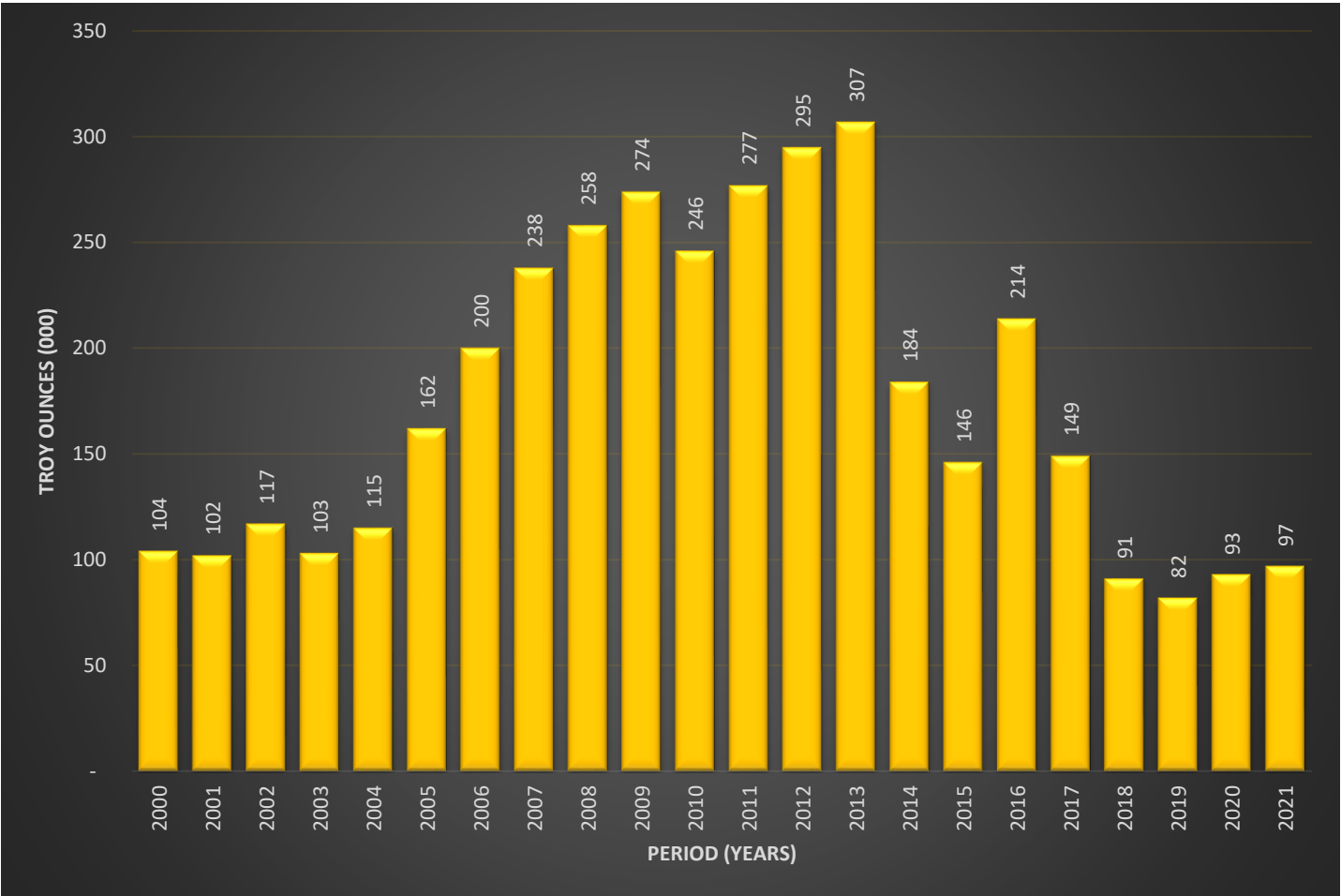
<b>Dealers</b>								
<b>Period</b>	<b>Opening Bal.</b>	<b>Closing Bal.</b>	<b>Exports</b>	<b>Guyana Gold Fields</b>	<b>Troy Resources</b>	<b>GGB</b>	<b>Declarations</b>	<b>YTD</b>
Jan	16,358.44	6,090.87	27,995.04	3,036.70	2,110.57	4,965.14	27,799.88	27,799.88
Feb	6,090.87	5,474.98	20,398.13	4,244.25	2,990.79	6,062.60	33,079.89	60,879.76
Mar	5,474.98	6,352.27	32,069.78	2,367.93	3,260.73	10,182.37	48,758.10	109,637.86
Apr	6,352.27	1,572.41	37,427.38	2,018.01	2,683.75	7,145.41	44,494.69	154,132.55
May	1,572.41	11,761.69	24,087.20	3,566.96	3,261.95	7,861.15	48,966.54	203,099.08
June	11,761.69	3,529.31	30,101.81	7,393.43	1,375.34	6,580.94	37,219.14	240,318.22
July	3,529.31	2,668.23	27,713.82	1,313.36	1,201.60	8,505.19	37,872.89	278,191.11
August	2,668.23	4,070.89	26,202.95	3,009.92		9,003.33	39,618.86	317,809.98
September	4,070.89	2,033.75	24,926.71	3,925.03		7,587.87	34,402.47	352,212.44
October	2,033.75	7,384.72	24,867.23	5,807.78		10,484.33	46,510.31	398,722.75
November	7,384.72	5,276.53	33,659.02	7,449.04		10,245.41	49,245.28	447,968.03
December	5,276.53	13,726.71	27,409.68	7,251.15		7,965.32	51,086.33	499,054.36
<b>TOTAL</b>			<b>336,818.75</b>	<b>51,383.56</b>	<b>16,884.73</b>	<b>96,589.05</b>	<b>499,054.36</b>	

## QUANTITY OF GOLD PURCHASED VS BUDGETED 2021

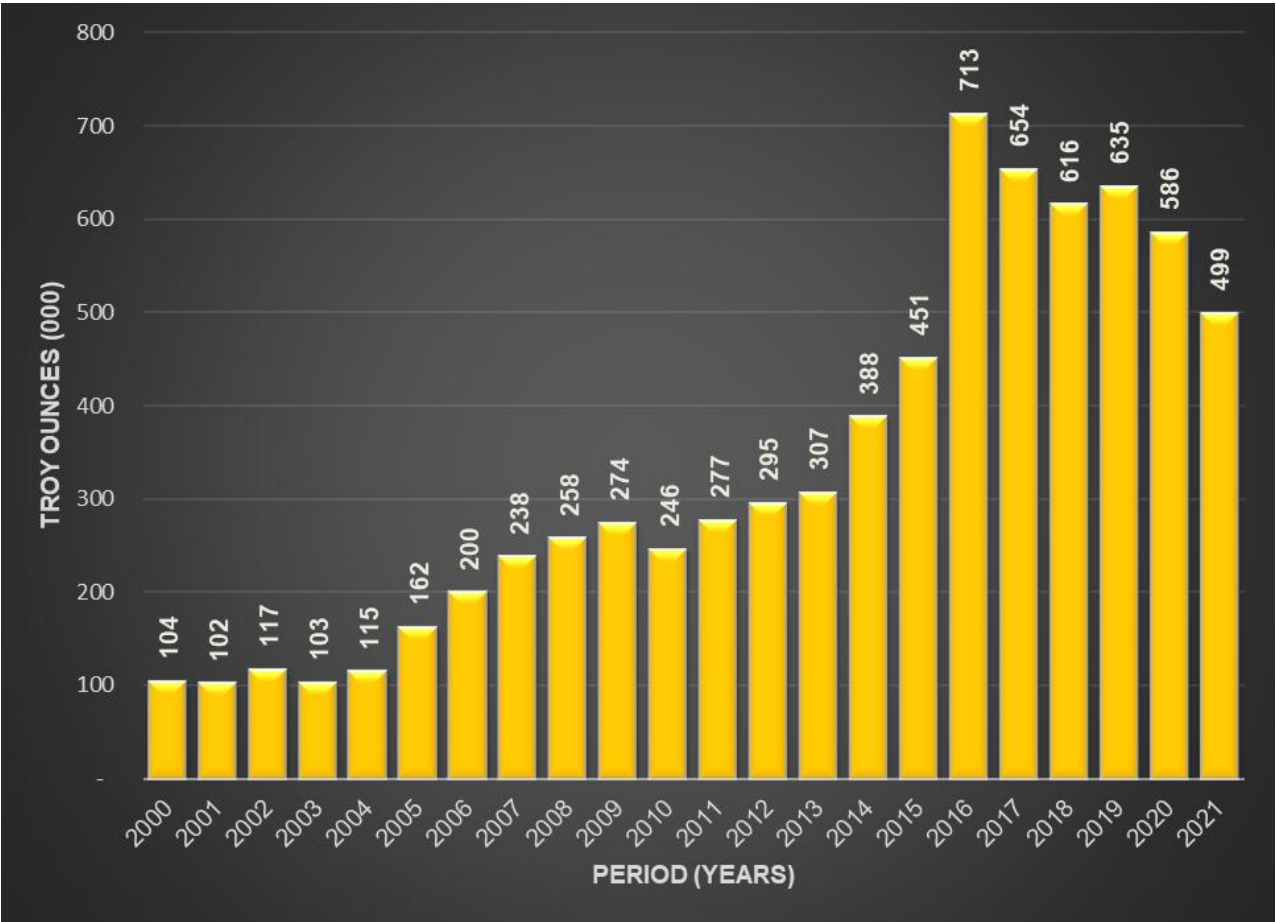




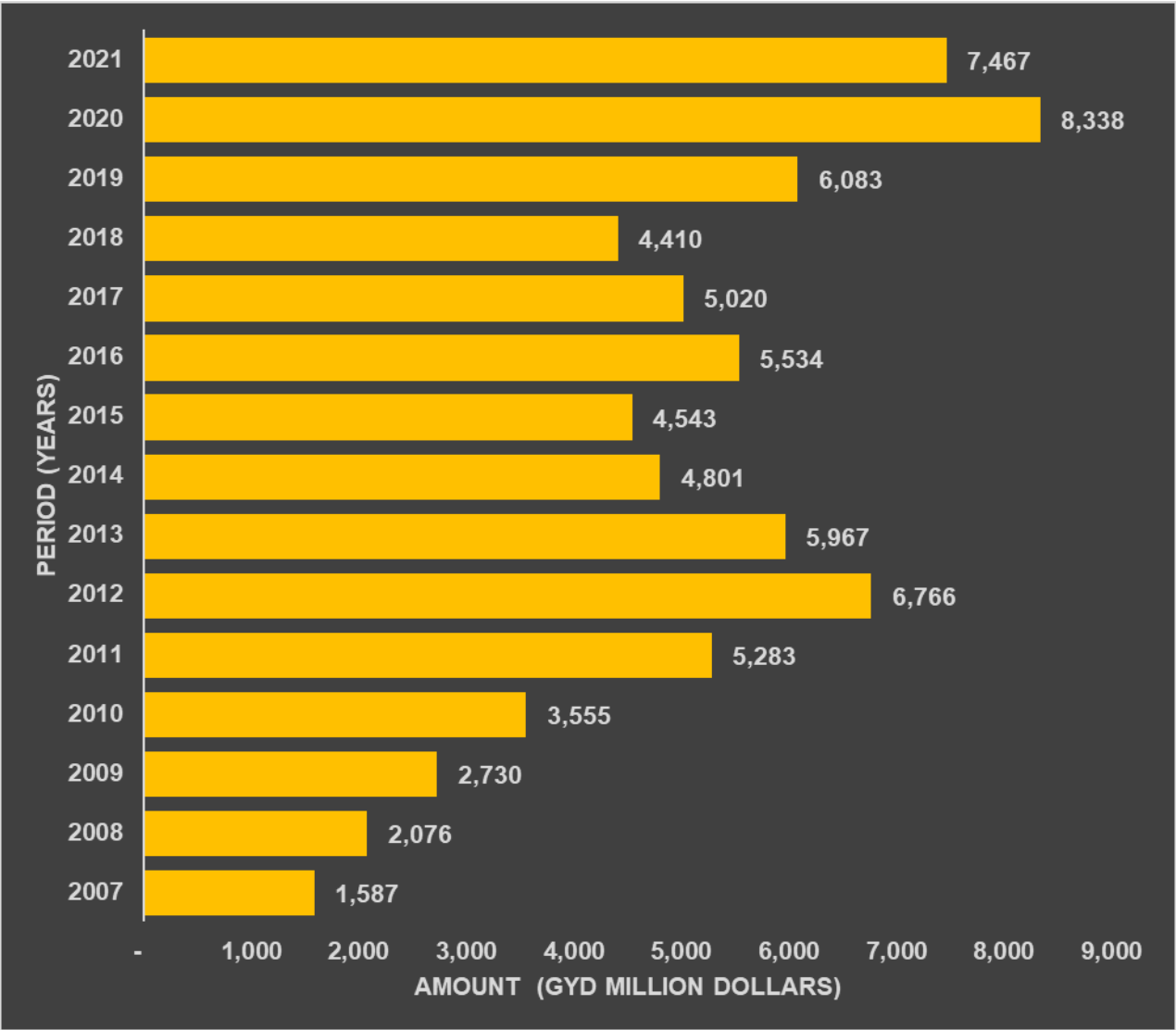
GGB's GOLD PURCHASED (2000-2021)



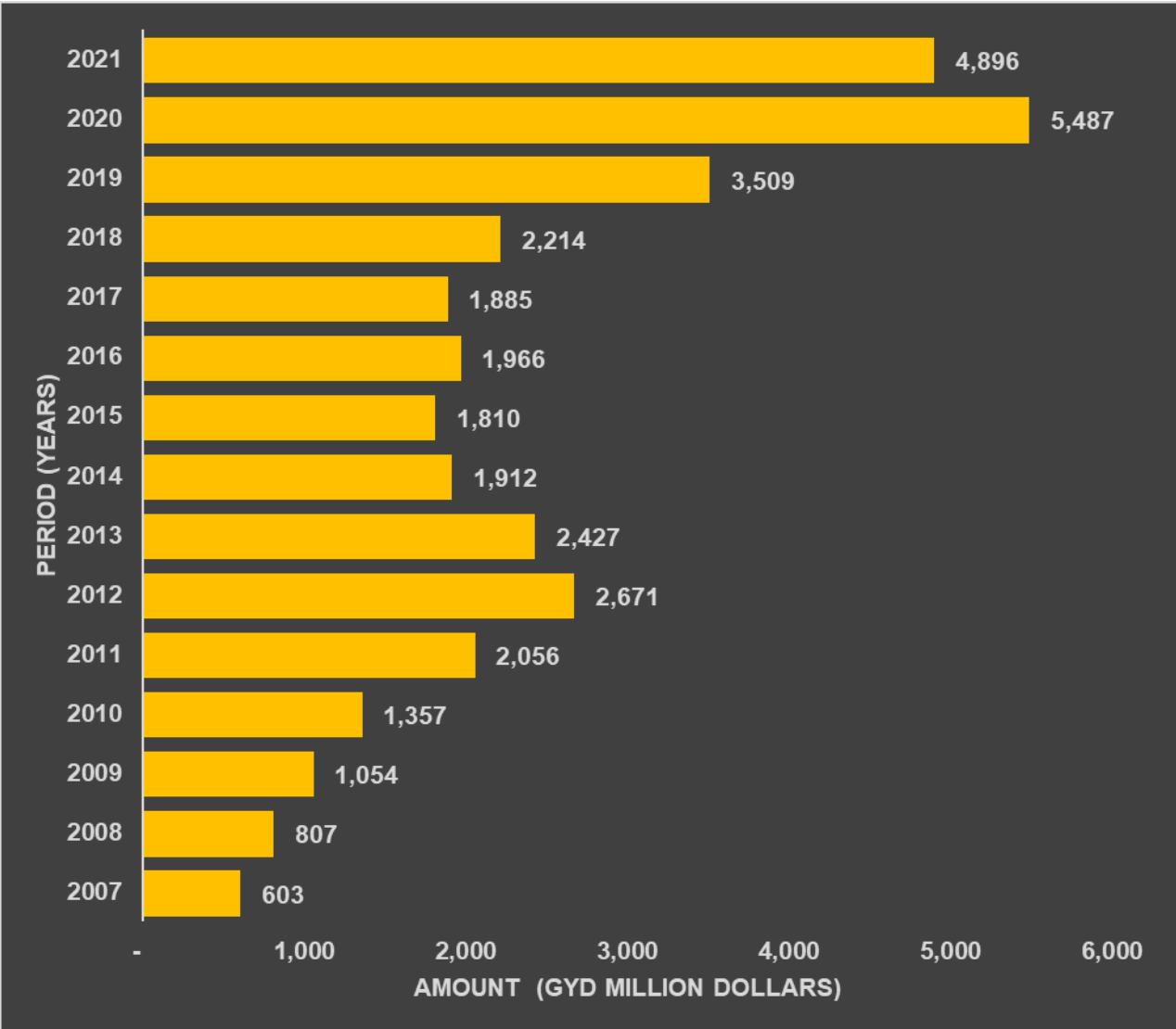
**GOLD DECLARATION (2000-2021)**



ROYALTIES (2007-2021)

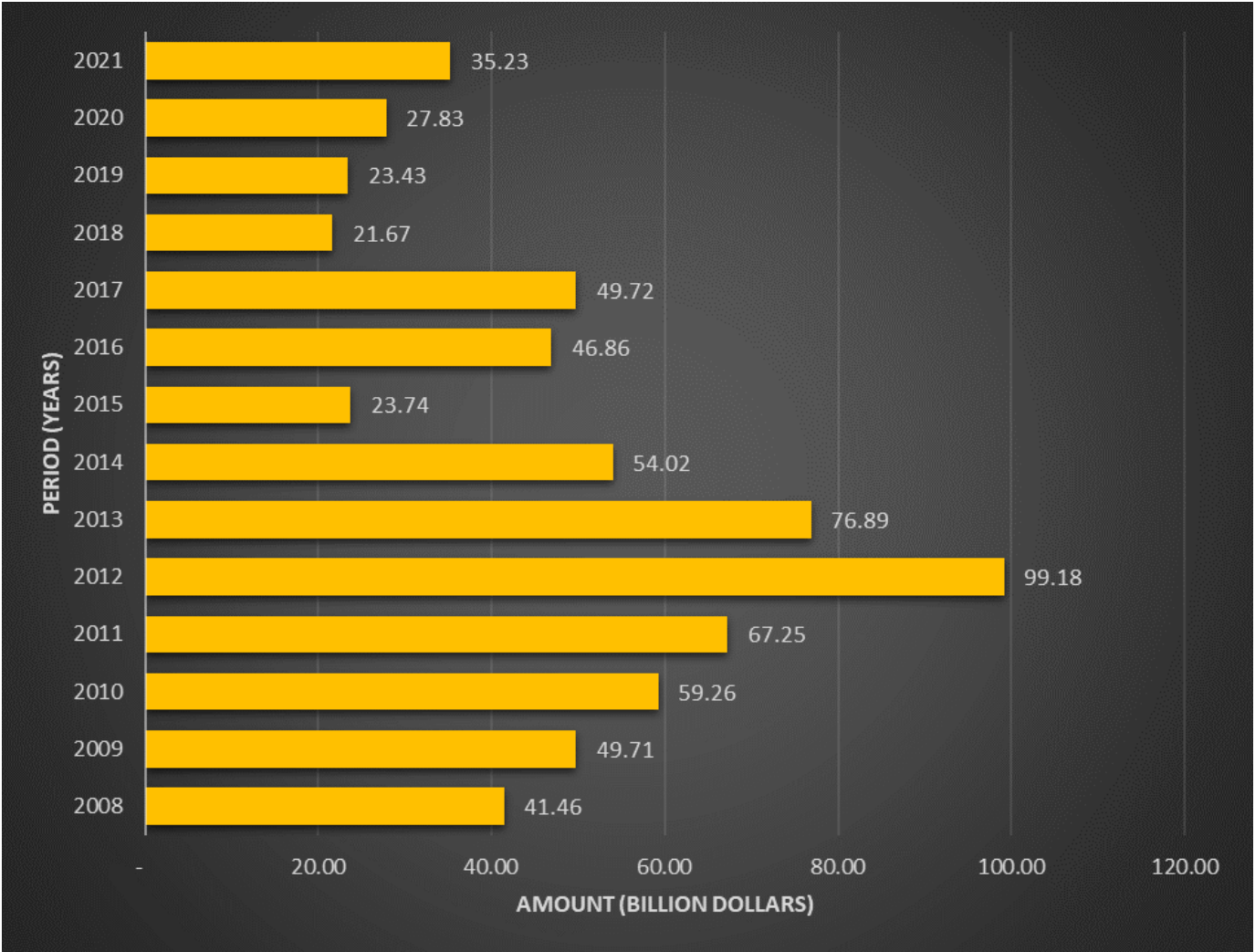


TAXES (2007-2021)





**TURNOVER (2008-2021)**



## **FINAL REMARKS**

On behalf of the Board of Directors of 2021, let me say how honored we were to serve in Guyana's most economically important sector, working along with the Ministry of Natural Resources to shape policy for the industry. The gold industry continued to be a natural blessing to the Guyanese economy in 2021, in defiance of conventional belief of the role of natural resources in developing countries.

Output and declarations buoyed in 2021, however confirmed that the sector continued to attract investment and reinvestment, responding to the constructive policies and business environment governing the sector. Medium level gold prices assisted the upward thrust.

The Guyana Gold Board in 2021 benefited from a very constructive and engaging Board of Directors, appointed by the new government. The Board of Directors evinced strong commitment to stronger and more robust regulation of the sector, by studying and re-examining many old, established conventions regarding pricing and buying practices by the Gold Board, and the regulatory framework. Indeed, the Board upheld the strong studied position that the Gold Board is an essential part of the industry in Guyana, to ensure that Guyanese benefit from the God- given endowment of their country with El Dorado.

It is hoped that going forward, the central importance of the Gold Board to small and medium miners, and to the entire economy of Guyana, continues to remain evident and that sustained support is given to its mandate by these stakeholders.

On behalf of the Board of Directors of 2021, we express thanks again for the privilege of serving in this sector.