

COOPERATIVE REPUBLIC OF GUYANA

**NATIONAL ASSEMBLY OF THE FIRST SESSION OF
THE ELEVENTH PARLIAMENT (2015-2018)**

SIXTH PERIODIC REPORT

OF THE

PARLIAMENTARY SECTORAL COMMITTEE

ON

NATURAL RESOURCES

PERIOD:

MARCH 22ND, 2017 – APRIL 12TH, 2018

**PRESENTED TO THE NATIONAL ASSEMBLY
BY THE CHAIRPERSON OF THE COMMITTEE**

ON 6TH DECEMBER, 2018

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1.0 ACKNOWLEDGEMENT

The Chairperson and Members of the PSCNR wish to thank the Clerk and Staff of the Committees Division and the Parliament staff in general for the continued support received over the period under review. The Chairperson also wishes to place on record his appreciation of the support received from Members of the Committee.

1.1 DECLARATION

This is the Sixth Periodic Report to the National Assembly on the status of the work of the Parliamentary Sectoral Committee on Natural Resources, pursuant to the requirements of paragraph 4 (ix) of Resolution 19 passed by the National Assembly on 15th May, 2003.

BACKGROUND

1.2 The Parliamentary Sectoral Committee on Natural Resources (PSCNR)

The Parliamentary Sectoral Committee on Natural Resources (PSCNR) is one of four (4) Sectoral Committees of the National Assembly that was established in 2003 in accordance with the provisions of Resolution No. 19 dated 15th May, 2003 of the National Assembly of the Eighth Parliament of Guyana.

The Resolution gives effect to the provisions of Article 119B of the Constitution of Guyana which states:

There shall be Parliamentary Sectoral Committees established by the National Assembly with responsibility for scrutiny of all areas of Government policy and administration including-

1. Natural Resources
2. Economic Services
3. Social Services
4. Foreign Relations

The Chairperson and Deputy Chairperson of each Parliamentary Sectoral Committee shall be elected from the opposite sides of the National Assembly.

Standing Order 86(1) specifically provides for the establishment of the Parliamentary Sectoral Committee on Natural Resources.

1.3 **Membership of the Committee for the period under review**

A Partnership for National Unity (APNU)/Alliance For Change (AFC) (4)

Hon. Ronald A. Bulkan, M.P.,
Minister of Communities
Chairperson

Hon. Lt. Col. (Ret'd) Joseph F. Harmon, M.S.M., M.P.,
Minister of State

Hon. Winston D. Jordan, M.P.,
Minister of Finance

Mr. Audwin Rutherford, M.P.

Mr. Jermaine Figuera, M.P. (Alternate)

The People's Progressive Party (PPP) (3)

Mr. Odinga Lumumba, M.P.
Vice Chairperson

Ms. Pauline Campbell-Sukhai, M.P.

Mr. Neendkumar, J.P., M.P.

Mrs. Yvonne Pearson- Fredericks, M.P. (Alternate)

1.4 **ELECTION OF CHAIRPERSON AND DEPUTY CHAIRPERSON**

On March 22, 2017, Hon. Ronald A. Bulkan, M.P. and Minister of Communities, was elected Chairperson of the Committee on a nomination moved by Hon Mr. Audwin Rutherford, M.P., and seconded by Hon Mr. Neendkumar, J.P., M.P.

Hon. Mr. Odinga Lumumba, M.P. was elected Vice-Chairperson of the Committee on a nomination moved by Hon. Mr. Neendkumar, J.P., M.P., and seconded by Hon Mr. Audwin Rutherford, M.P.

2.0 FUNCTIONS OF THE COMMITTEE

The work of the Parliamentary Sectoral Committee on Natural Resources during the reporting period was in keeping with its mandate and the list of functions stipulated in Resolution No. 19 dated 15th May, 2003.

The Work Programme that was formulated by the Committee defined the areas of focus for the period under review.

2.1 MANDATE

The mandate of the Parliamentary Sectoral Committee on Natural Resources was derived from Paragraph 3 of Resolution No. 19 of 2003 which states:

“The Committee shall, in the discharge of their scrutinizing role, examine all policies and administration, for each sector, to determine whether the execution of government policy is in consonance with the principles of good governance and in the best interest of the people of Guyana”.

In order to discharge that mandate, the Committee was empowered to scrutinize all areas of government activity within specific sectors, as well as, to summon Ministers of Government and all other public officials to provide information, to answer questions and give evidence.

The Parliamentary Sectoral Committee on Natural Resources, during the period under review, utilised a consensus approach to optimise its scrutiny of government policy and administration within the framework provided by its mandate.

In furtherance of its oversight function, during the period under review, the PSCNR at its 13th Meeting agreed on the areas of focus, and identified priority sub sectors for attention. Also, included in the Committee’s areas of focus were mining issues and Indigenous Peoples’ land matters, which were a continuation of the Committee’s work under the tenure of the previous Chairperson.

3.0 MEETINGS OF THE COMMITTEE

During the period under review the Committee convened six meetings and had two field visits:

Meetings	Date of Meetings
12 th	March 22, 2017
13 th	April 5, 2017
14 th Presentation by the Minister of Natural Resource	April 19, 2017
15 th	July 26, 2017
16 th	February 15, 2018
17 th	April 12, 2018
Field Visits	Dates
Isseneru Mining Area	April 28, 2017
Aurora Gold Mine	May 12, 2017

4.0 PRESENTATION AND VISITS

During the period under, the Committee made two (2) field visits and had one presentation by Hon. Raphael G.C. Trotman M.P., Minister of Natural Resource.

4.1 Presentation by the Hon. Minister of Natural Resources and Team

The Hon. Raphael G.C. Trotman M.P., Minister of Natural Resource and his team appeared before the Committee at its 14th Meeting, on 15th February, 2017.

The team comprised:

- | | | |
|--------------------------|---|--|
| 1. Hon. Simona Broomes | - | Minister within the Ministry of Natural Resource |
| 2. Mr. Joslyn McKenzie | - | Permanent Secretary (MNRE) |
| 3. Mr. Newell Dennison | - | Commissioner (ag), (GGMC) |
| 4. Ms. Nadena Bipcharran | - | Project Officer |
| 5. Mr. Micheal Small | - | Project Officer |
| 6. Mr. Damian Mc Donald | - | Manager (ag) Mines (GGMC) |
| 7. Ms. Teresa Gaime | - | Ministerial Advisor |
| 8. Mr. James Singh | - | Commissioner of GFC |
| 9. Mr. Derrick Lawrence | - | Director Compliance |

4.2 The Minister highlighted the following during the presentation:

- The establishment of a Petroleum Management Division, a Natural Resources Management Division and a Compliance Division.
- The revision of existing legislation for the Natural Resource Sector and the introduction to new ones.
- The establishment of a Petroleum Directorate and the Sovereign Wealth Fund, by associated legislation, with the assistance of multilateral partners.
- A record gold declaration in 2016 as two large mines began production, while a large number of mining blocks were issued to small miners.
- Efforts being made to upgrade the Mining School with assistance from Chile and Russia.

- Emphasis were being placed to have six geological surveys done throughout Guyana in 2017.
- Bai Shan Lin's forest concessions have expired and were not renewed, however, those concessions were held in abeyance pending developments with China Development Bank in the search for a new investor.
- Barama Company Ltd had given up its forest concession and was focusing on sawmilling only. Parts of those concessions were earmarked for small loggers.
- Manganese mining would recommence in mid-2018, while prospecting for Lithium in Guyana was given the green light.
- Additional discovery of oil in commercial quantiles at Liza Deep and Snook.
- The government was keen on establishing an onshore base for the Petroleum industry, with Crab Island in Region No. 6 identified as a possible location.
- The evidence of a sizeable amount of natural gas amongst the oil finds that could be used for domestic purposes, even after some was utilised for oil extraction.
- The national plan to deal with the possibility of an oil spill which would involve the Civil Defence Commission and lead agencies with interest in the sector, as well as, the Caribbean Disaster Management Agency.
- A number of Syndicates have been formed and are functional in a number of mining districts.
- It was expected that the formation of syndicates would assist in addressing the issues of compliance, Trafficking In Persons, the provision of employment for women and the availability of mining blocks.

See Verbatim of 14th Meeting 19/4/2017, Pages 4-14 (Appendix I)

The Committee raised the following concerns and got clarification from the visiting delegation.

- (i) *How a Guyanese could become a member of a syndicate and whether any income analysis was done on the prerequisites for membership?*
- The Minister informed the Committee that there was no criteria for Guyanese who was desirous of coming together in a group to work in the extractive industry.
- (ii) *What incentives or support were in place for women miners and whether there was any financial support, specifically for small miners?*
- The Minister informed the Committee that women miners were assisted with training and land were made available within their locality to work. The Committee was further informed that a number of interior roads were slated to be rehabilitated in 2017 to aid access by small miners to lands, and this further complements the concessions given in December 2016.
- (iii) *Would there be consideration to waive taxes for members of syndicates?*
- The Minister informed the Committee that the Minister of Finance had been encouraging small miners to form groups or syndicates and the Ministry would be willing to grant tax concession on equipment and machines for all aspects of their work.
- (iv) *Are Syndicates only interested in mining or could they get into logging?*
- The Minister informed the Committee that syndicates were looking at the extractive industry as a whole, hence, forestry was included.
- (v) *What would be the structure of the petroleum directorate?*
- The Minister informed the Committee that public advertisements were printed in the media in an effort to fill all vacancies in the petroleum directorate.
- (vi) *What was being done to replenish mined out areas?*
- The Minister informed the Committee that the Guyana Geology and Mines Commission (GGMC) was grappling with this issue, however, funds were provided for in the 2017 budget to address same. The Minister further informed the Committee that the GGMC had recently

completed a land reclamation project successfully.

(vii) *Was the government using independent advice on the use of gas /water in the production of petroleum?*

- The Minister informed the Committee that the Ministry of Natural Resources had retained an independent consultancy to review Exxon Mobil's Production license and this includes the issue of gas and water use in production.

(viii) *Was there adequate amounts of natural gas available for domestic use, given that Exxon Mobil has not commented on this claim?*

- The Minister informed the Committee that there was adequate volume of natural gas available for Guyana to produce renewable energy.

(ix) *What was being done for loggers in Upper Demerara who depended on Bai Shan Lin Forest Development Inc for their livelihood?*

- The Committee was informed that the financial misfortunes of Bai Shan Lin Forestry Development Inc. along with some of its practices in the sector, warranted government's action.

(x) *What can be done to ensure the price of greenheart is affordable?*

- The Minister informed the Committee that the government was considering a response to the complaints about the effects of the sale of pine wood locally, on small loggers. The Committee was also informed that the National Log Export Policy was being revised.

(xi) *What percentage of the concessions which was given up by Barama Company would be made available to small loggers?*

- The Minister informed the Committee that 300,000 hectares of the 1.6m hectares was reserved for small loggers.

(xii) *Has the Government had independent verification of the data on the amount of petroleum discovered in Guyana?*

- The Minister in reply informed the Committee that the Government had been using several independent sources to verify petroleum data supplied by Exxon Mobil.

See Verbatim of 14th Meeting, 19/4/2017, Pages 15-28 (Appendix II)

5.0 VISITS BY THE COMMITTEE

5.1 ISSENERU MINING AREA

The Parliamentary Sectoral Committee on Natural Resources in keeping with its work programme, visited the Isseneru Mining Area –Upper Mazaruni on the April 28, 2017.

The purpose of the visit was:

- To observe whether miners were complying with the laws and regulation;
- To tour mining sites and discuss occupational health and safety conditions with the management of the mining camps; and
- To conduct a meeting with residents of the Isseneru Community.

Issues raised by the Committee on its visit to Mc Kenzie Mining Camp

- Whether Mr. McKenzie was paying income tax and NIS for his workers and whether he was operating with permission from the Village Council?

Mr. Mc Kenzie informed the Committee that he had permission to work the land from the GGMC and the Village Council but was not paying taxes nor NIS for his workers.

The Committee was further informed by Isseneru Toshao Mr. Larsolen that the community has an outstanding litigation with Mr. Lalta Narine and Ms. Joan Chang. He also reported that the GGMC was continuing to issue mining permits for mining in the area without consulting the Village Council.

Committee's Recommendation:

- Mr. McKenzie should ensure that his workers take responsibility to have their taxes and NIS paid, under their contract of employment.
- The Toshao should write the Committee on all matters relating to mining that were affecting the Community

MEETING AT ISSENERU BENAB

The Committee's Observation

- The state of the Mazaruni river
- The need for resolution to outstanding litigations
- The need for consultation between the Village Council and GGMC in an effort to resolve the issue of illegal mining.

Issues raised by residents of Isseneru

- The Residents enquired about the status of Land Titles for Tassarene village;
- The pollution of the creek in Tassarene village by miners is affecting villagers who use the water for domestic purposes;
- Residents of Tassarene village were concerned that the syndicates in the area were only medium size miners;
- Residents of Tassarene village needed assistance in combating the social ills associated with mining;
- The Residents enquired about the status of Land Titles for Kangaruma village;
- A bridge in Mazaruni near Kangaruma was collapsing and needed urgent attention;
- The Isseneru Community was in need of a refrigerator and electrical installation upgrade in the health center, to have drugs stored properly;
- The Isseneru Community was in need of a doctor's quarters and doctors;
- The Isseneru Community was in need of more trained teachers and a radio set;
- The residents of Isseneru have requested that the Amerindian Act be reviewed;
- The residents of Isseneru have requested that GGMC desist from issuing mining permits for titled lands;
- The residents of Isseneru have requested the assistance of the Government in resolving resolution the outstanding litigations; and
- The residents have requested that the Minister of Indigenous Peoples' Affairs visit the Community.

6.0 COMMITTEE

- The Committee gave a commitment to bring the issues affecting Isseneru and surrounding Communities to the attention of the National Assembly.

(See report on the visit to Isseneru, adopted by the Committee at its 16th Meeting, 15th Feb, 2018) (Appendix III)

6.1 Committee's deliberations on the visits

The Committee at its 16th meeting deliberated on the issues emanating from the visits to Isseneru and AGM. During deliberations on the draft reports on the visits Members expressed the following concerns on the issues affecting residents of Isseneru village:

- The state of the Mazaruni River
- Land titling,
- Mining permits issuance
- Governance
- Litigations in the courts
- Social Ills

Pursuant to those discussions, the Chairperson and a Member of the Committee, provided clarity/updates on the following issues:

- Pollution of the Mazaruni river,
- Establishment of Core Wardens unit,
- Availability of doctors and teachers,
- Building of a doctor's quarters,
- Issuance of GGMC permits
- Radio set and Solar system

Thereafter, the Committee agreed that there was need for greater collaboration among the relevant Ministries and agencies to address some of the issues highlighted.

See Minutes of 16th Meeting. (Appendix IV)

7.0 AURORA GOLD MINE

The Parliamentary Sectoral Committee on Natural Resources in keeping with its work programme, visited the Aurora Gold Mine –Upper Mazaruni on the 12th May, 2017.

7.1 The purpose of the visit was:

- To have a practical view of best practices in relation to occupation health and safety at the Goldfields Incorporated, AGM location.

The Committee sought and received clarity on the following issues during its visit to AGM:

- The visits by the Environmental Protection Agency;
- Monitoring of animal life in the immediate area;
- Land reclamation done thus far;
- The number of foreigners working at AGM and the number of Guyanese in management positions;
- Whether university students are allowed to visit AGM;
- The relationship with technical institutions in Guyana;
- Whether lumber of commercial value was within the concession;
- The schedule for commencement of underground mining;
- The recovery rate of gold per ton of ore;
- The production forecasts taking into consideration world market prices;
- The size of the tailings pond;
- The distance between the river and the tailings pond;
- The strength of the cyanide in the tailing discharge; and
- Challenges in managing the project.

(See report on the visit to AGM adopted by the Committee at its 16th Meeting, 15th Feb, 2018) (*Appendix V*)

8 ADOPTION

The Parliamentary Sectoral Committee on Natural Resources of the Eleventh Parliament, now, therefore, submits the Sixth Periodic Report and Motion for consideration and adoption by the National Assembly.



*Mr. Odinga Lumumba, M.P.,
Chairperson
Parliamentary Sectoral Committee on
Natural Resources*

APPENDIX I

**Excerpt from
Verbatim Records of
the 14th Meeting held
on
2017-04-19
Pages 4-14**

It is a presentation that the Ministry has been giving to communities and to stakeholders both upon requests and also as part of our sensitisation and outreach. So, this presentation is for the Committee, to remind the Chairman and Members of the Committee that the mandate of the Ministry, as set by His Excellency the President, is to develop, implement and oversee policies for the responsible exploration development and utilisation of natural resources whilst ensuring the protection and conservation of the environment and advancement of the green economy. I pause to say that we have deliberately left out or thrown out the word "exploitation" because we believe that we need to manage our resources in a responsible manner.

This slide shows areas of responsibilities of the Ministry – the largest, of course, being Policy Development and Administration – this is the Ministry proper. As we know, the Ministry has two Ministers and therefore two secretariats. We have recently established an annex which Minister Charles-Broomes oversees in Duke Street, Kingston, and the Ministry where I am with the PS and other staff that remains at Brickdam. The intention is for, later this year, all Ministry staff and both Ministers to be in Duke Street, Kingston at our new location.

With Parliament's blessings, this year, we have created a Petroleum Management Division and we have the Natural Resources Management Division which encompasses mining and forestry. Up until September of last year, we were also responsible for environmental management but His Excellency, as you would recall, has removed environmental management from the Ministry of Natural Resources and it now comes directly under the Ministry of the Presidency, and it is under the purview of the Department of Environment.

This depicts the four agencies – three and the fourth to come on stream hopefully soon – that comes within the Ministry of Natural Resources: the Guyana Geology and Mines Commission, represented by Mr. Dennison and Ms. McDonald; the Guyana Forestry Commission, represented by Mr. Singh; the Guyana Gold Board, not represented today and, as you would know, is making the press pretty often these days; and, below in a shaded bracket, the Guyana Petroleum Commission which we hope to have in 2017.

The policy work: We are revising our Acts and regulations within the sector. That is an ongoing process and, at the appropriate stage, we will make these available to the public before they come to Parliament. No attempt would be made to bring them to Parliament without public consultation. We are pursuing membership of the Extractive Industries Transparency Initiative and expect to present that application, by mid-year of this year, to the secretariat in Norway.

The Petroleum Directorate is being established and we received permission from the Ministry of Finance to begin hiring competent staff for that process.

The Sovereign Wealth Fund: I should add that the Ministry's role in this regard was to assist the Ministry of Finance in crafting the legislation. With the help of the Commonwealth Secretariat, the legislation has been developed and has been with the Ministry of Finance since the first week of January, 2017, and I know that that Ministry is going through it in different parts.

We do have several projects with bilateral agencies, such as the United Nations Development Programme (UNDP), that we are administering.

This year, we are also vigorously pursuing the Corporate Social Responsibility Programme, working with companies to ensure that they just not take, but also give back to communities. The

four areas of focus are: youth mentorship scheme; land reclamation for mined out areas, green spaces, and hopefully these would lead to more harmonised communities where we hope to work particularly with the Ministry of Communities to establish green spaces in various communities.

3.24 p.m.

The last is that we will be establishing a youth innovation fund to aid in the green economy. Ideas that promote, propagate and help to enhance the green economy would be financed with a small fund of \$3 million per person.

The United Nations Development Programme is assisting the Ministry of Natural Resources in the updating of its Strategic Plan to 2020. We have a new division known as the Compliance Division. Mr. Derrick Lawrence, to my right, heads that Division. This is of particular importance to the President, who has asked for this Division to be established. The Division would comprise a core of wardens who are now coming on stream - not fast enough - to police the entire sector - mining, forestry, wildlife, water and the environment. If need be, we may expand on this some more.

We are looking at fees and fines which are paid. We know there is some angst and disquiet in various centres of the extractive industry about fees and taxes. We are nonetheless reviewing and may, if we deem it necessary, revise some fees.

Just to give you an update since we were last here, last year, we recorded our highest gold declaration in the history of our nation. We cleared 705,000 ounces, according to one record, but I believe that has been adjusted to 713,000 ounces of gold. The previous highest was 465,000 ounces in 2013. Small miners have contributed 70% of that. The two larger companies, Troy Resources Ltd. and Aurora Gold Mines Ltd. gave us the other 30%. We focused, last year, on support for small miners. We gave out 235 mining blocks to small miners. I should add that, this year, the Ministry of Finance has set us a target of 694,000 ounces. Within the Ministry, we adjusted the target to 700,000 ounces. It was reported, recently, that we have already declared, as of the first quarter of this year, 163,000 ounces. This tells us that we are on target to meet the 700,000 ounces that we have set ourselves. For syndicates, Minister Broomes will speak to that.

We are reviewing our mining regulations across the board and, particularly, in the area of environmental transgressions and violations. The plan is being updated. We are stressing mining safety. There are too many mining accidents leading to death. We have had, unfortunately, a few. In one case, we have had trees falling on the heads of persons and, recently, a miner working illegally lost his life. We commiserate with the families. This is an area that Mr. Lawrence's Compliance Division will be spending more time and attention on.

The Mining School: We are upgrading the Mining School to not only address mining, but also oil and gas. We are working with the Government of Chile and the Mining School or the Agency of Chile to upgrade. I recently saw a document which shows that Chile will be sending a team to Guyana and we would be reciprocating later this year. I should add, as well, that we have a memorandum of understanding (MoU) with the Ministry of Natural Resources of the Russian Federation to improve mining techniques and, hopefully, support the Mining School as well.

We are strengthening our procurement policies. We recently appointed a Procurement Committee within the Guyana Geology and Mines Commission and are monitoring those.

In the area of mining, we are working and will continue to work at recovering more gold from our operations so that we do not displace the environment as much as we are doing now and so that miners get better value for their investment. Much emphasis is being placed, this year, on geological surveys. I am happy to report that, within the last few weeks, the GGMC has mobilised and would be doing six surveys throughout different parts of Guyana this year. Some overseas assistance will be provided.

In the area of forestry, which is of interest and includes the Bai Shan Lin International Forest Development Inc., last year, we earned \$38 million, which is a decline of 15% relative to 2015. This is due, in part, to a slowdown in the Asian economies but also the withdrawal of Barama Company Ltd. and the removal of Bai Shan Lin International Forest Development Inc. from the forest. The question has been asked and I believe I can answer precisely now. Bai Shan Lin International Forest Development Inc. had two concessions, both of which have expired. We chose not to renew them. Together, those amounted to approximately 180,000 hectares. Bai Shan Lin International Forest Development Inc. had also entered into joint ventures with five other companies. We have since repossessed the lands because those joint ventures had not been approved according to law. At present, there is no activity involving Bai Shan Lin International Forest Development Inc. or any of its associates in the forest. At the same time, we have held the forest in abeyance. We have not disbursed or given out those concessions because the China Development Bank, which had underwritten Bai Shan Lin International Forest Development Inc., has asked us to be given an opportunity to find new financiers to help to recapitalise the loans given to Bai Shan Lin International Forest Development Inc. Those concessions remain intact and are not being worked at this point in time.

We are actively pursuing the giving of forest concessions to small logging associations. In December, we gave 69 such concessions to active groups in Regions 1, 7, 8 and 10. We are very proud about this and are hoping that those small loggers will be given a break and will be allowed to produce timber and other products for Government's housing drive and will also be able to compete against pine wood, which was recently referenced.

The European Union Forest Law Enforcement, Governance and Trade (EU FLEGT) Action Plan, which is a voluntary partnership agreement, is to ensure that we can trace every plank of wood from stump to market. We are in the fourth round of negotiations and a team will travel to Brussels, Belgium, later this year, to, hopefully, complete those negotiations so that Guyana can qualify as a member of the EU Flex in this part of the world. Once we do so, our loggers will be allowed to have markets throughout Europe.

We are in the process of reviewing our forest policy. Dr. Rory Fraser, an expert in the field, is doing so for the Guyana Forestry Commission and the Ministry. The regulations are being looked at simultaneously.

We have resuscitated the Forest Carbon Partnership Facility (FCPF) and that is ongoing with the assistance of the Inter-American Development Bank (IDB). We are continuing our monitoring and verification systems and the Norwegians continue to express satisfaction and, in fact, have given us high praise for the work done in this sector. We are reviewing our National Log Export Policy. There is a point of view or a school of thought that says that we should not be exporting logs at all, but should be doing value-added only. We are, in fact, weighing the two because we do believe that we have some species that do qualify for export. Greenheart, for example, goes

far and wide for wharves and other specific applications. We are examining this policy and, by mid-year, would be completed with that process.

I mentioned Barama Company Ltd. earlier. It signalled to Government in October, last year, that it was giving up its 1.6 million hectares of land which it has held for 25 years and will focus now only on sawmilling. We have since invited expressions of interest for the concessions. I should say that we would not be giving out the 1.6 million hectares en bloc any longer. We have cut it into four: one will be held in reserve for conservation; one will be held for small loggers; and two have been advertised for international companies. We have received 17 expressions of interest and hope to complete the review at the end of this month.

This slide gives an idea of total production. We have seen a diminished production, indeed. As I explained, there is a drawing down because of a slowdown in the Asian markets and the impact of Barama Company Ltd. not being as active and Bai Shan Lin International Forest Development Inc. not being active. We expect that, once we give out the Barama Company Limited's concession again and with the 69 concessions given at the end of 2016, this figure will rise by the end of the year.

Just to say something on bauxite, as we know, last year, Guyana celebrated 100 years of bauxite mining. We are very proud of this. We recall that, during World War II, Guyana supplied half of the world's demand for the building of aircrafts and ships, *et cetera*. So Government has decided to review the industry and we have appointed a review team, working in conjunction with the GGMC. We expect that, by the end of May, the team would report on the future of the industry. I here say that we are meeting and fulfilling one our Manifesto promises that we will review the feasibility of an alumina plant being resuscitated in Guyana. The team is going to report on that.

We are doing diamond and other minerals. We are doing exceptionally well with diamonds. We saw, last year and part of 2015, a rise in the number of diamonds being declared. Last year, 110,000 metric carats were declared, giving us \$73 million in royalties. The process continues. Recently, Cabinet gave its approval for a review of the Kimberly Diamond Process to ensure that we are in compliance. That Process is to ensure that that diamonds mined and declared are from Guyana and not from some country with conflicts or illegalities.

Last year, we gave permission for a company to do prospecting for lithium. That company recently reported that it had found good traces of lithium in Guyana. Lithium, as we know, is one of the main minerals used in modern technology, particularly cell phones. We are happy that we are hopefully going to get into lithium production in the years to come.

Before going to oil and gas, I should add manganese. As we know, last year, as well, I worked with GGMC and gave permission for Bosai Minerals Group (Guyana) Inc. to take over the mining operations in Port Kaituma. Mining for manganese will resume in mid-2018. We are working assiduously to have this in place. The roads would be done and wharves fixed. I will provide more information on manganese production for which preparations are ongoing on a daily basis.

For oil and gas, just to remind you, based on what we saw in the documentary a few minutes ago, in May, 2015, we were told that a discovery was made which was described as significant. We have since gone on to put definition to that word "significant" and we have declared a minimum

of 800 million barrels to a maximum of 1.4 billion barrels in the Liza well. I should add that, following that discovery, a feature was seen a few 100 metres below in an area known as Liza Deep. The company, ExxonMobil, and its partner, sought permission to explore that feature below the Liza well. Permission was given and we made another successful discovery, though at a smaller scale. Liza itself has two features - Liza and Liza Deep. Thereafter, wells were drilled at another well called Skip Jack, which proved to be futile, empty or barren. Then the drilling process moved on to Payara, the name of another well, which proved successful.

3.39 p.m.

We are still in the process of estimating the size of that and then another well was also put down at another location called Snook, and most recently that announcement was made which was proved successful. Again, we are still determining the quantity, but it is not expected that these, in anyway, will match or rival the size of the Liza-1 discovery.

Ever since we have been strengthening our legislative agenda, working primarily with several donor agencies and countries, but, in particular, the Commonwealth Secretariat, its Natural Resources and Oceans Division based in London, England. It has been revising our legislation where the legislation existed and crafting new legislation. I did bring to the National Assembly, last week Thursday, the Petroleum Commission Bill which will be a new regulatory agency to look at petroleum only. Hopefully we will have the Bill read for the first time, in a few weeks, at our next sitting. The intention is to send the Bill to the Special Select Committee rather than have it debated. It would be further distilled and refined and then brought to the House for a debate.

We have been holding seminars and training for capacity building. This year we are working on our regulatory framework, building capacity, as I mentioned. We are establishing the Petroleum Directorate and Petroleum Commission. We have, as I said, completed the structure framework of the Sovereign Wealth Fund Bill. I could speak to some of the features, which I note, it will have, budget support or what is known as budget stabilisation to ensure that the Minister of Finance or the Ministry of Finance has the ability to carry out its programmes.

Infrastructure development will feature largely - roads, bridges, terminals, airports. These will feature as the usage of the funds.

Future generation: We want to make sure that we savings so that 50, 75 or 100 years after we have started producing, Guyanese children and adults can benefit from findings because oil, such as other resources, is a finite resource and so it will not be around forever. Our savings will ensure that we can benefit well into the 22nd Century.

The social programmes, such as schooling, education, would be ensuring that Guyanese from every region and every place get the best First World education and health care. It is something that this Government wishes to ensure and is working on.

Environmental Protection, especially in light of what we have seen recently, there is Environmental Trust Fund which exists already under Environmental Protection Act. The idea is that we will set aside a percentage from the oil revenue to be placed in the trust fund to ensure that the green economy state of Guyana is maintained despite the fact that we are producing oil. I say "despite the fact" because the Kingdom of Norway stands out as a country which has both oil

and a very strong environmental record. We hope, expect and intend for the Norway lead to ensure that we have both production and strong environment.

Lastly, we want to ensure that citizens and regions of Guyana benefit from the revenue. The idea is that regions will receive a percentage, perhaps following the fiscal transfers systems used currently. Then the citizens of the country will receive and, as I said elsewhere, it is for the Minister of Finance to make the final determination as to how. There are several variances. On one end there is the variance which was found in Alaska where every citizen gets a cheque at the end of the year to do as he or she pleases. In another place you may find, as in Peru or Columbia, persons get, through the regions, benefits from health and education. Ultimately it would be a decision that we have to make, as a Parliament, as how the citizens would benefit.

Government has been working on the establishment on an onshore supply base for the industry. We believe it is an imperative if we are to ensure there are jobs for Guyanese and to ensure that there is money that stays in Guyana that we do not export these services abroad. The idea is to establish an onshore base in Berbice and Crab Island. There is available space to draft at the river. It is better than that in Essequibo and in Demerara. It is currently maintained for Russian Aluminium (RUSAL)'s export on bauxite.

Indicating to the slides.

This is a cartoon type depiction of what an onshore base may look like. Ships come along side and take supplies, including water, fuels, pipe and personnel, out to the rigs. There would be helicopter ports. There is going to be need for catering accommodation and machine shop. A whole variety of things are going to be needed. I should say that once this is established the country would benefit as a whole, but particularly the economy in Regions 5 and 6. Region 10 would benefit, because by extension the Berbice River reaches in to Region 10.

I should mention something about natural gas. I believe it is important. Along with the find at the Liza well we have discovered, as a nation, that there is available natural gas and we have been working with ExxonMobil to determine the volume of gas. Some of the gas will be re-injected into the well to keep the pressure up, because we are talking about 12,000 to 13,000 feet below the seabed, so the pressure has to be maintained. Gas and liquids are injected to keep to pressure up. There is going to be excess gas. We are told that we may be able to access about 50 million cubic feet per day, which, by calculation, may give the country 200 megawatt natural gas energy generating plant and it could become the answer to all our generation problems. At the same time, we have committed ourselves to a green pathway and to 100% renewable energy. This is something, again, in which both Government and the Parliament will have to make a determination on in the future. What is certain is that we will not be squandering the gas or flaring the gas. The gas will not be used. It is either some will be sold to neighbouring countries or some will be utilised in Guyana. The idea of the alumina plant can now become quite feasible and real again because a plant of that nature and size requires high energy and the natural gas plant could produce that energy.

This is, again, a depiction of what we saw earlier of what is known as the FPSO. The Liza well, for those who have been able to visit, lies approximately 125 miles offshore and a vessel known as the FPSO, floating, production, storing and offloading vessel will be parked. It will have risers and cords going down to both bring up the oil and send down gas and fluid. Every seven to ten

days, or intervals such as that, super tanks will come alongside and take the petroleum for refining, either here in Guyana or nearby or further afield. This is a decision that has not yet been made.

Coming to the end, I know, as all Guyanese, we are concerned about possibility of an oil spill; just to say that there is a national action plan that is taking shape. At the centre of that plan will be the Civil Defence Commission (CDC) which is charged with the response to any emergency to this magnitude and nature. Supporting that work of the CDC will be Guyana Geology and Mines Commission (GGMC), the Guyana Coastguard which is already receiving some training, the Environmental Protection Agency, the Department of Environment and Maritime Administration Department (MARAD) which comes under Ministry of Public Infrastructure. These agencies will coordinate with the Civil Defence Commission to make sure that we have a state of the art readiness.

Additionally we have seen one private operator GAICO Construction and General Service. It has purchased both vessel and equipment to assist in this regard. As a contractor we applaud the initiative. There is the regional system Caribbean Disaster Emergency Management Agency (CDEMA) which we expect will kick in.

Just a quick update. I mentioned the Extractive Industries Transparency Initiative (EITI) which we are working on. The European Union Forest, Law Enforcement, Governance and Trade (EU FLEGT), there is an open governance partnership which Government is examining to see whether we are fit for its membership. As I said, in the beginning, we see this Committee as an important cog in the governance wheel, and so it is a pleasure. It is very important to us to appear before this Committee. This is our third appearance.

Just to give you an idea of the agencies and countries that are providing support at present: the United Nations Development Programme (UNDP), the World Bank, Inter-American Development Bank (IDB), Conservation International, the Government of United States of America, the Kingdom of Norway, the Government of Trinidad and Tobago which has shown an interest and requested that we enter into an memorandum of understanding (MOU) with it to give technical and other support, the World Wildlife Fund, environmental issues, European Union, Government of Canada, the Commonwealth Secretariat, the Russian Federation, Government of Chile and the Government of Mexico. We recently signed a memorandum of understanding with the Mexican Petroleum Institute. It too will be doing training and working with us to establish a petroleum institute in Guyana which hopefully will be housed at the University of Guyana.

Looking ahead, we will continue to build capacities. We are working on local content which is to ensure that Guyanese are engaged in the sector. We are working with ExxonMobil to bring the Liza field into production by 2020 and we will collaborate with other agencies and Ministries to achieve the green economy.

This is the end of the presentation and I will like to thank you for making it. With your leave, I will ask Minister Charles-Broomes to do her presentation. Thank you very much.

Mr. Chairman: Thank you Minister.

Minister within the Ministry of Natural Resources [Ms. Charles-Broomes]: Thanks Minister. It is a pleasure this afternoon to come before the Committee and Members of Parliament to discuss and to tell you about the Government initiative through syndicate.

Syndicate, we refer to it as a lot of success in a green economy. The environment is very important. Why are we forming syndicates? Why do we talk about syndicates? What is a syndicate? The syndicate is a group of people coming together to overcome their different challenges that they face in the mining sector. It is nothing new. All Guyanese are aware of the challenges that small miners face in the sector. As a Government, we believe, and I must make it clear, that syndicate is not the only way where small miners can access mining property. Minister Trotman mentioned the lottery system that was there last year, and it will continue. It is just to ensure that we provide as much opportunities as possible. We have to look at different initiative of how we can cluster the small miners to come together to pull resources and such of the like.

Mining is one of the industries that reflects social cohesion, persons coming together from different background. That is the whole idea behind the syndicates, why we form them, and to deal with the development of miners stepping them up on the ladder.

I did mention, again, why did we. You would notice there that there are parked operations. When the Government took office - it is not a talk, it is a reality - many small miners are faced with challenges. Their operations are parked; they are losing their houses to the bank; they have parked equipment; they have placed millions of dollars in equipment and because of landlordism and the different situation they have found themselves in difficult position. With syndicate, right there you will see discharge from the spark dredge to land and training, moving them up into gold production and then the whole outcome of that is to ensure that they enjoy the "good life" that the Government will deliver to Guyanese people.

The formation is all about a part of the "good life" that we are talking about. The "good life" is in every sector and the Government is serious about saying for all Guyanese. That is one of the biggest idea behind the syndicate to ensure that there is equal opportunity and there is that level playing field for miners at all levels in the sector.

The benefit, Minister Trotman spoke about safe mining practices. The industry is one of such where the Government is looking seriously at how we curve these fatalities. Not only with the pit caving in, because when a pit caves in it is not only when a person dies, but how many escapes the death at that time. Also there are different types of accidents in the sector.

3.54 p.m.

Recently you heard about persons who died from falling trees. A lot of things are being ignored. A tree is supposed to be certain feet and distance away from the camp. We have to resuscitate and look at safety widely on the sector and through syndicate. It is a good area to focus on, since there have been clusters and large numbers. The training of the syndicates themselves would help them and they work with us as the Ministry, and the GGMC as whole, to try to address the issue of safety. Safety is not something that can be addressed by the Ministry or GGMC alone. Through the syndicate initiative, these are some of things that we hope to address.

Job creation and the community development: When gold is making in every community where mining is close, be it Bartica, Issano or Kurupung, there is a different spin off. Mahdia, within

the whole community, apart from jobs, the money, businesses, the service providers, benefits from gold, it is unbelievable.

We talk about increase compliance. Right now, within the sector, it is a serious problem, the Government. There was Minister Trotman, again, who mentioned about the compliance division. It is how syndicate could assist in compliance. It is syndicates, themselves, which will have to ensure that dredges are well registered. The environment is first and foremost. They will help a great deal with the commission and the compliance and the mine officers to address the situation. It is not a nice situation out there. For us, as a Government, we have to start to cluster the miners to deal with serious compliance problems. Compliance, in terms of raiding, and different things, is happening as we speak in the sector.

The Investment Development Agreement (IDA), it is the first time in the history of mining that small miners could now benefit from this agreement. Previously this agreement was only signed with the larger scale miners. In 2015, I think, the Guyana Gold and Diamond Miners Association (GGDMA) did sign. The Minister of Finance indicated that syndicates also will benefit from this agreement. I must say that they would be given a year upfront compliance to get their houses in order. Coming together as a syndicate, the miners could benefit not only from an impeller, but housing, a four-wheel vehicle and their transportation. I think this is a plus right there and the syndicates, if it is expressed publicly, it is how they really welcome that. At the small level they are getting incentive in order to be compliant. I think that it is something that should be noted in the House.

The economy, as a whole, will grow. Minister Trotman's slide earlier showed 70% of the gold, which was declared, was from smaller miners. We believe that if we open up these areas and allow... When miners bore a gold, the complaint is that they could be able to work and to benefit from their hard earnings. Miners do cut road, sign agreement, go into areas, spend millions of dollars and being thrown off properties. You know of all the complaints that are out there and this definitely will bring about some growth in our economy, meaning that all Guyanese again will benefit. The "good life" is very far-reaching.

Benefit for women: I am the evidence of that, being female in this extractive industry, first time in history again. There is a lot of first, to have women within the Ministry as a Minister coming from the sector. Women are not forgotten. We have given women some special attention, looking at it how we could bring about that gender equality and that balance to allow women to invest in that safe area without being exploited, abuse, getting involved in human trafficking in the male dominating sector. The view and the consideration of women are being looked at. I must say that to address women from the level of Government before in the extractive industry, it was something that was really lacking. The Government of Guyana definitely did not waste time. Coming from the syndicates, they have male and female presidents. It is not only at the level of secretary or treasurer, but women are functioning highly. Women do have their operation. I see about three powerful women in the room, very simple but very power women, who have their own businesses. Women are in the extractive industry. It is a whole new outlook, a whole outcome, coming out from that with the exploitation of women.

Trafficking in people is something that will be addressed through the syndicates, themselves, because the space in which they would be given to operate labour trafficking and trafficking in persons and exploitation. All of that are rules that they have to sign on to with the Ministry. They

have to be fully compliance with the laws of Guyana. That is something which has to be addressed. Equal opportunity for women in the sector is something definitely that a lot of consideration has been given to. I want to really say kudos and salute the women in the extractive industry for something that is long been overdue, to recognise women.

Women are not just chef and cooks. There were the label and the stigma that Guyanese women were faced with decades, if they are in the interior, they are a prostitute. I fought that several years ago and that has removed. Now coming from the Government standpoint, women are now very proud and they would be more proud. We are going to look at the syndicates, the areas and the amount of equipment. For example, one might say that a syndicate... It is how many persons a syndicate comprises. A syndicate could comprise many persons that it can cater for. There are syndicates already, even if it is with 68 members, which have the value of billions of Guyanese dollars. There is one syndicate that has over 24 excavators, three bulldozers, sixty-something six-inch dredges and eight-inch dredges. Look at the kind of investment and resources that persons invested in the sector and it was not a safe investment because it would have invested all this money to buy the equipment, it works on somebody's land, it is being thrown off it and it would have lost everything. There is no pull back for the syndicate. The Government will be addressing that. Women having the equal opportunity is something that is high up with the syndicate initiative.

The environmental benefits: As I mentioned before, the syndicates are going through the process in prospecting, and we are encouraging that. From the GGMC, the syndicates will be given support from the Geological Service Department. Minister Trotman talked about the mapping out of the country and the various types of minerals, so that with the syndicate, when it has a property, could know the different types of minerals that are there. The state of the water: Is the water fit for drinking and all of that? How do you take care of your environment? Through prospecting, the syndicate will not just go and open barren areas and just deforest a whole set of wasted areas. It will mine more specific, which means that we would be taking care of our environment, working hand in hand with GGMC and the support coming from it to ensure that the environment is first and foremost.

The environmental agency also will play a major in working with the syndicate to ensure that how we treat with our environment. I think the miners, themselves, helping to police themselves, it is a great initiative. It will ease a lot of burdens and reduce a lot of conflicts and a lot of matters in the courts. We will have happier family. A family happier means a happy Guyana and that again, is speaking about the "good life". The environment, as a whole, will be looked at. Minister Trotman and I are in discussion still, not only stopping there but, coming out of one of the meeting, the Government also is looking to see what other support we could give to smaller miners. As you know, in agriculture, there is so much different support. The Hon. Member Mr. Odinga Lumumba knew, that at one time, with special Land Use Committee, when one speaks about equipment pool and all of that... The Government will not only stop at just seeing that the lands are available, but to see how it could afford to put any further assistance to deal with the land recovery, the shaking tables and the different equipment that would be out. Maybe, it is how we encourage the miners to move up with the technology and not to fall through the crack and just leave by the wayside when it comes to the support from the Government.

Another area to looked at is that some of the areas that the syndicates have come forward. I must make it clear that coming out from the different syndicates - we will be looking at 20 as the cut

off for now – there are temporary and national bodies to deal with all the syndicates. The syndicates of themselves have agreed that if a miner is from Issano and wants to work in Potaro's syndicate, they will have that relationship within themselves. That is social cohesion because who know mining would know that miners do not stay one place all the time. Once there is an area in another mining district, in which we are ensuring that all the mining districts throughout the country have established syndicates, it is to make that provision. If a miner is in Port Kaituma and there is nothing there for that miner, that miner is faced with a situation, land regulation, and all of that, that miner could come there.

I want to mention to the Committee, very quickly, that the initiative of syndicate, bringing together with cluster of persons, through that we can, I think, even if at the end of the day, end up with one small company coming together, pool its equipment, put its resources and look at the road. The syndicates, with the development, there is the empowerment of the lives of the people. The smallest operation in mining, which is four-inch, could create jobs for at least eight or ten persons. It is just as to look to see if there are ten of those, how many families and also the persons will provide services to the syndicates.

Mr. Chairman, I am happy to report that the initiative is one, bearing in mind, of how we respond to plead of the small miners. It is a long plea. It is long overdue and I am happy to report that the Government is dealing with it from all fronts.

Thank you Mr. Chairman.

Mr. Chairman: Are you continuing with the presentation Minister or is that it?

Mr. Trotman: We are through. Thank you very much.

Mr. Chairman: Hon. Members, well there you have it. The presentation by the two Ministers and I think what we have had is a fairly comprehensive overview of the structure of the Ministry, the way it is organised as well as a strategic plan for all of the respective areas under the control of the Ministry. I know that Hon. Members do have many questions, given the interest that has been shown in the various areas under the preview of the Ministry and as evidence by the fact that the issues, which have been presented here, have been identified by Members of the Committee.

If I may be permitted, and before I invite Hon. Members to post their questions, it is just to make a few observations before so doing. At first, on your behalf, I would like to thank the two Ministers for the presentation and for the presents of the members of their team.

The few issues I would like to just make a brief comment on and it would be to say that I was particularly heartened to learn of the effects that the Ministry is making in relation to compliance in the various areas, to ensure that the regulations, which are set by the Ministry, are adhered to and that there is effective monitoring of the activities. We all are aware that exploitation of these natural resources poses environmental degradation. These, of course, have to be minimised and things such as safety practices which are very important. Left alone, I do not think we could depend on the operators to manage their own activities.

4.09 p.m.

APPENDIX II

**Excerpt from
Verbatim Records of
the 14th Meeting held
on
2017-04-19
Pages 15-28**

It is clear that the Ministry recognises that strengthening of its enforcement arms is necessary, not only in the interest of safety, but to ensure that the revenues and the royalties that are due, that we minimise the amount of leakages that are taking place there.

I was particularly heartened to learn of the number, the quite large number of 69, from the Small Loggers Association that have benefited in the last quarter of 2016 from logging concessions that would have been repossessed. I believe that evidence has shown that there is an exponential growth, in terms of employment. If there are a larger number of small operators, even though there is not quite as much on the economies of scale, that the employment quotient, if you will, is greater. I was particularly heartened to hear of this.

It would have been exceedingly pleasing to learn of the resuscitation of manganese mining in the Port Kaituma area and of the enormous benefits that will bring to the area, in terms of employment and job creation. The timetable for production and exports of that particular mineral cannot come too soon. The rehabilitation and resuscitation are particularly welcome. Again, I believe that the Ministry has demonstrated that the compliance mechanisms, which are in place, would offer sufficient safeguards to ensure that benefits which are due to the state as a result of the exploitation of this natural patrimony, that Guyana receives its due share.

It would be, again, pleasing to note that the natural gas, which is also present as part of this hidden treasure, can and will be used to produce electricity. We have heard the figures from the Minister, 200-megawatt power plant which will be able to offer electricity at much lower rates and tariffs. Again, this cannot come a moment too soon for the Guyanese people.

I was also pleased to learn of the mining school and the efforts and the training that will be provided at the level of the state to bring about greater level of efficiency within the sector.

The Sovereign Wealth Fund is something that Guyanese, of course, are extremely interested in and concerned about these wasting of our non-renewable resources, that when they have been exhausted the wealth, which would have been created, it is not consumed only by this generation, but that it is put aside for future generations.

Colleagues, I have a few questions but I do not want to take advantage of my position here. I would now open the floor to Members to take advantage of the presence of the two Ministers and their team to answer whatever questions you do have.

Mr. Lumumba: First of all, I would like to commend the two Ministers on their presentation. I am glad that they are here. I must commend that they always respond readily to our requests, and we are grateful for that.

I would like to start with the syndicate and this is something that on conception I support. When I and Minister Charles-Broomes sat on the committee, together under the previous Government, we spoke at length about small miners and the abusive relationship they had with the landlords. This is a major step to correct that. I would like to ask a few questions, if I may. How does one join the syndicate? How does a Guyanese citizen become a member of the syndicate?

Ms. Charles-Broomes: A syndicate will be established in every mining district. The Ministry is out there sensitising miners and it is on their free will. We put forward the opportunity for them to form themselves into group and get registered. Most of the syndicates are registered with their

business registration. They have to hold election, elect their executive bodies and they have their membership.

Mr. Lumumba: You are saying that any person or group of persons can form a group and apply to become a syndicate.

Ms. Charles-Broomes: Yes. It is one syndicate per mining district though.

Mr. Lumumba: Is there an income analysis? In essence, if I worked for one billion dollars, can I become a member of the syndicate?

Ms. Charles-Broomes: Well, if you are a member of the syndicate, whatever money you work from that is the ...

Mr. Lumumba: I talking about before joining. Even as a billionaire, can I become a member of the syndicate?

Ms. Charles-Broomes: Well, if you are a billionaire, do you not have properties? You are a Guyanese. It is your constitutional right to be a member or to work in the extractive industry.

Mr. Lumumba: Does it not kill the purpose of a syndicate? My understanding, from what I have read, is that the syndicate is to support small miners and small people. If you are a billionaire you should be able to go on the open market, bid for land, purchase land as anybody else - I do not need to call any names - as some of the renowned gold and diamond producers. I believe that the syndicate will only make sense if it is limited to small miners. There must be a definition that is engraved in economic capacity or eventually you are going to find that these syndicates will be dominated by the same large people who you are trying to protect the small miners from.

Ms. Charles-Broomes: If you allow me, there is a difference with property or money. In the syndicates, one can only be a member if they have below ten blocks. A man could not have anything and he can just come. I cannot know how much money someone has in his pocket, or should one be discriminated against? To prevent the point that you are raising, for them to be outrun or overruled by the larger miners, there are provisions in there for that, and the syndicates are well aware. I must tell you that none of the syndicates, which were formed, there are 15 up to now, has these miners. The persons who comprise these syndicates are the regular, ordinary miners with their pump, four-inch dredge and all of that. They have to produce a list of the names of the members, the equipment that they have, be it a bicycle or a truck, all of that, with the formation of the syndicate.

Mr. Lumumba: I am supporting that position, but I am saying that you will protect yourself in the future and protect your small miners, if engraved in your rules and regulations, must be something that states clearly that if you are above a certain income level, you cannot be part of the syndicate. It does not make sense taking a person in to the syndicate who has the capacity to buy ten dredges and six hymacs. He is going to dominate the syndicate at some point in time and there goes the small miner out the door.

Ms. Charles-Broomes: I agree but if someone comes and says that they do not have any money and the person has...

Mr. Lumumba: I understand that. All I am saying is that there has to be some mechanism to ensure that the syndicate is about small miners and about small people. That is why I raised earlier that I remember in the old days, there was plant and maintenance. There has to be a system whereby you can pool your resources and these huyacs and these bulldozers can be part owned by the syndicate as a coop, so that the equipment, the hard-core equipment, can be owned by the group and not by one or two individuals. Once you allow one or two individuals to own the heavy equipment, they will become dominant and they are going to dominate.

Ms. Charles-Broomes: Mr. Lumumba, you would be one of the first persons to understand that we are responding to a plight. Persons already have their dredges parked; persons already have their excavators parked. I do not know of any funding that Government could go and buy ten excavators or five excavators right now or make provisions. What I can assure the Committee is that provisions are in place to ensure that the syndicates are not outrun or used as any machine or vehicle to get some persons up. That is why we started the presentation with the ladder, starting from a park operation. They are, let me assure you, Hon. Member Mr. Lumumba, provisions. We have taken all those things into consideration and that is why we had the lengthy consultations throughout the country, going into these mining districts and hearing from miners of themselves. Rest assured, as we go along, and I did mention to you before, that I will invite you to discuss with me ideas you have, and if you have any suggestions. It was out there also in the public. I know you have a lot of interest in the area of small miners. I did mention to you before, and I am going to mention to you again this afternoon, to come in with all your advices and ideas. That is why we are dealing with it in a very open way, in the general public.

Mr. Lumumba: I will accept your invitation.

Mr. Chairman: Those concerns can also be related via this Committee. It can either be on a one and one, as the Minister is offering, or those questions can be posed via the Committee. I would like to recognise Minister Harmon who would like to make his intervention to facilitate an early departure.

Minister of State [Lt. Col. (Ret'd) Harmon]: Thank you Mr. Chairman. I do not want to prevent my friend Mr. Neendkumar from asking the very many questions which he has. I would just want to congratulate the Ministers and their team for a very well put together presentation. From where I sit, I can recognise that each of those areas, which we have presented, can be the subject of a special Committee meeting. It is basically quite a lot of information for us to digest in one session. What I would recommend is that maybe at a future time - this Ministry is so important to the development of Guyana - that we take them in sections so that we can have other opportunity to interrogate some of the numbers that you have given.

I just wanted to echo the sentiments raised by Mr. Lumumba about the syndicates. I believe that it is an excellent response to the cry of small miners for them to have access to not just land and equipment but to the benefits of mining. I think that this is an excellent initiative that has been put together by the Ministry, and I want to congratulate the Minister for this. My only question would be that when 20 syndicates would have been established, what percentage of the small miners would you have captured in that formulation? That would be the question.

Ms. Charles-Broomes: We will be able to capture a large number because in the syndicates, while it is 20 syndicates,... In fact, it was to be less because of having five mining districts.

When we looked at the response coming in, we looked at the geography in each mining district we decided that we will put in each area and not label it to a district one to six. How will we be able to look at it to ensure that we are capturing the people? In the syndicate there is no limitation to how many persons can be in it. For example, Mineral Blast at Puruni has right now, before even getting the land, 124 persons and they are still signing on to the syndicate. This means from that entire area in the Puruni region, persons are free to sign on. Another thing I must mention is that the amount of land, we looked at that per person and per district because in Puruni there is more mining that will be taking place there as against in Potaro and different areas. We have been trying our utmost best to ensure that we get the balance and coming forward from the Committee and the Hon. Members here, that we can also have their inputs and feedback.

At the end of every year we will be evaluating what is happening in the syndicate, the area that has been given, if it has been working, how many operations are working there and the production that is coming out from the area. Each syndicate, we can safely design a map to say that there are 144, this is the equipment, it is registered. We will check with the commission and things such as that. That of itself will bring some sort of order to the sector.

Mr. Chairman: Minister Charles-Broomes, I think the question had also to do with what percentage of the small miners or actually how many small miners would have benefited at the end of this exercise. Has that answer been provided?

4.24 p.m.

Lt. Col. (Ret'd) Harmon: Yes. I think what the Minister is saying is that it is a fluid situation that, while 20 miners might be there, in every district there may be X amount of miners. In fact, in one district there may be over 200 or 300 miners and in another district there may only be 10 miners. The sense I get from her is that it is something which will be evaluated at the end of one year. Based on that evaluation, the Ministry can actually determine whether there is need for 10, 15 or 20 or even more. I believe that is the figure that they are working with and that is the sense I got.

Mr. Neendkumar: I want to congratulate the two Ministers for their presentations. I know that the Ministry has very competent staff and they have done well. Minister Trotman, I must say that I am really busy but I stayed because I would like you to provide answers to these questions, if you can give them.

With respect to the petroleum directorate, I would like to know what the structure will be and whether Guyanese would be employed with the petroleum directorate.

Minister, you also spoke about mining techniques and one of the things that I am concerned about is the mined-out areas. What is being done to rehabilitate the mined-out areas to get things going? Will we continue to leave these big ponds and so on?

With respect the National Log Export Policy, I would like to know about that. I have been complaining bitterly about what I have been seeing since the exit of the Bai Shan Lin Forestry Development Inc. There are thousands of logs on the roadside along the Berbice River, in the Kwakwani area and so on. That is not good for us.

The redistribution of the Barama Company Limited's concession needs to be looked at because the Barama Company Limited received this concession almost three decades ago and it never made use of it. The Government has not taken it back it has given some area about it.

I am also concerned about the Bai Shan Lin Forestry Development Inc. and the issue about it leaving a vacuum for small loggers, particularly in the Kwakwani, Ituni and Berbice River areas.

I am also not clear about the natural gas issue. I remember when ExxonMobil had presented to this Committee it had a negative position in relation to natural gas.

Mr. Trotman: I will address the questions in regressive order, starting with the question on natural gas.

Indeed, the Ministry pushed ExxonMobil Corporation tell us about the gas. I believe that, as a better assessment of the industry and of the find evolved, the Ministry got a better sense. So, within the last month the Ministry was able to receive confirmation that there is some available gas. While we knew last year that there was gas, we did not know how much would be available for energy purposes. We now know that there is some that can be used for energy. The challenge now would be how do we bring the gas onshore from 125 miles offshore? A pipeline is a very expensive venture and the other option is to containerise it and barge it or ship it in little modules or pots, both of which are expensive and have advantages and disadvantages.

Yes, I accept your comment about last years' statements, but, as I said, with consistent and persistent pushing from the Ministry, we have been able to, so far, and I believe that it will improve, identify that we can get between 30 and 50 million cubic meters per day. More information would be provided as it becomes available.

In terms of the Bai Shan Lin Forestry Development Inc., I think Government was left with little choice, both in terms of the national outcry about some its practices and, also, the Bia Shan Lin Forestry Development Inc. ran into heavy financial indebtedness. The Guyana Forestry Commission (GFC) and the Commissioner is here, every effort was made to recoup moneys owed and that was not forthcoming. We really could not allow a company to remain active in our forest and not pay its royalties and fees for the concessions. So, yes, like you, we are very concerned about the logs that were left.

I recently spoke to the Commissioner about this. The idea is to do a national assessment of what is there on the ground. One suggestion is that the Guyana Forestry Commission holds an auction to try to sell them as lots, maybe in the different logging districts. Another is that we may invite persons or companies to bid or express their desired interest in purchasing rather than us having one big sale. Certainly we do share your concern and thank you for telling us.

We were recently in the Berbice River, about 10 days ago, and we saw first-hand that this was so. There are two Members of the Committee who do represent these views to me on an almost daily basis, representing their constituencies.

The National Log Export Policy, which is tied in with what you just said, is being revised. The intention is that by mid-year there will be a final position on what can be exported and if we do export, how can the country gain a premium. We cannot just allow our logs to be cut and exported and not be converted to added value.

The issue with the Barama Company Limited, bear in mind that the Barama Company Limited, after due consideration of its 25 years in Guyana, and some say its underutilisation of its concession, it was 1.6 million hectares, which is considered one of the largest concessions in any other part of the world. It took a decision, based on the market forces and its Head Office's advice not to continue in the logging business but to maintain its sawmills at Buckhall and Land of Canaan and to have local or small logging associations feed or supply it. I know for sure that, in Region 10, there is some supplying and there in some other regions which are supplying the Barama Company Limited with the logs. So its operations are continuing in a sense, it is just not going itself with its haulers and bringing the logs out.

The matter of mined-out areas, I can say that, indeed, it is something that the Guyana Geology and Mines Commission (GGMC) is grappling with. Minister Charles-Broomes has spoken about the benefits of the syndicates coming together and having better stewardship and management of their mining concessions. Fifty million dollars have been set aside in the Ministry's budget this year for land reclamation, which I spoke about during the budget debates. There is an on-going project and I recently visited Olive Creek where the Correia Mining Company has successfully reclaimed some lands. That was a successful project which the GGMC has completed within the last few months. The idea is that we can find some more. It has been suggested that we could actually open a new industry of GGMC, Government and the miners, employing some mining companies. Rather than have the mining companies dig, they can use the very equipment that is in the *backdam* to help the Ministry with the land reclamations process. This is an industry that is likely to come on stream. As I said, the GGMC has been quite active in addressing this.

The petroleum directorate - advertisements were run in the all four daily newspapers, extensively, for three weeks and on the Ministry's website for different categories of persons. Applications were received from persons from both within and outside of Guyana to fill these positions.

So, Hon. Member that would be my response to the several questions that you posed.

Ms. Campbell-Sukahii: I want to go back a little to the syndicate, an area which Minister Charles-Broomes presented on. Could the Minister provide information to this Committee about what specific incentives or support mechanisms are in place for women miners? I understand that it is an initiative which is long overdue and I believe so and agree with her.

Secondly, we have heard from the presentation by Minister Trotman that small miners brought in 70% of the production. I am curious as to what, in financial terms, if there is any at all, is going to small miners as it relates to the syndicate and the operators, as being described as part operations. Is there any financial support? Part operation does not necessarily mean that the equipment and other materials are available, but part also includes those individuals or small miners who are a part, almost definitely. They just cannot move off because of funding. I am curious about those areas.

Ms. Charles-Broomes: I thank you Hon. Member. What support there is for women in the syndicates? I must say clearly to you that this initiative is a new one, but there are several supports in terms of training. For start-up, there will be training in every area to have women become more independent and knowledgeable of where they are, their locations, Global Position Systems (GPS), identifying and so on. With the coming together, transportation... because they

are pooling their resources, for example, there was a woman who had her 4-inch dredge and another member who had a pickup and that individual went to get the dredge and serviced it. To say that there is funding or cash, no, there is none as yet. For Government, it is a new initiative. I did mention that we are looking at other areas for support.

However, it is alarming the amount of dredges and persons who have been parked. It is unbelievable to start to think about what are some of the best support needed. Those are areas that will be worked out at the end of the process. As we speak, the biggest challenge that the miners are faced with is to make land available. The Ministry has responded, not by only making land available, but by doing so in areas where they fall in the close area which could be examined and does not infringe on the rights of other persons and the indigenous communities.

Never before did they have such an opportunity and again, they are encouraged to do prospecting. So, it is not the Ministry saying to take this land and then one goes and comes back and says that the area has no gold because it is a mountain or a swamp. There is the opportunity and the first process is to go out there and do prospecting. They are teaming up and it is coming together very fine. The Government will be happy to give more support and all of the support, but as we speak, all of the possible support they are getting right now is from the Ministry. Hon. Member, definitely we will be looking at other areas for support for the small miners.

Mr. Trotman: I am very grateful to Minister Charles-Broomes for her extensive knowledge. If I may just add some indirect benefits which Government has started to give - the repairing of roads where there was an advertisement in this weekend's newspapers. We are spending, within the next two months, approximately \$300 million on roads for mining from Itaballi Landing to Section A Puruni and then from Puruni Landing to Pappy Show Landing. Combined, they will cost about \$300 million. For the year, a total of \$2 billion would be spent on mining roads. Those are the roads for the small and medium scale miners because, again, the two are big companies - Troy's Resources and Aurora Gold Mines already have access and they maintain those roads.

A third indirect concession is one that was signed in December by the Minister of Finance for fuel, spares and parts where there are duty free concessions given for mining and to small and medium scale miners in particular.

4.39 p.m.

So there are some direct concessions and some not so direct or indirect concessions which, when we pool them together, roads and aerodromes - because Eteringbang Airstrip is being repaired along with the Kurupung Airstrip and a number of interior airstrips are under construction or renovations, even as I speak, and all of these add value to the mining prospects.

Mr. Chairman: Thank you Minister. Any more questions Ms. Campbell-Sukhai?

Ms. Campbell-Sukhai: Not at this moment.

Mr. Chairman: Mr. Lumumba?

Mr. Lumumba: A few comments and then some direct questions. I would like to list the questions so that the Minister (s) can answer in sequence. Would the Minister consider the waiver of all taxes from members of the syndicate, taxes in terms of Value-Added Tax (VAT) or

any other tax which has to do with their equipment? I think we should look at that if we are serious about supporting the syndicate and the small miners. This could be a step in the right direction. It is the consideration. I notice the Minister smiling, so maybe the Minister had that in mind. It is something to think about.

Secondly, I do not want us to get too carried away with the issue of gas. It would take about 400 megawatts to drive an aluminium smelter, so it is going to be plenty gas. I rather that we just stay focus on the little amount that we may have to support a small power plant. But the issue that I want to raise with the analysis or the decision to use gas to help increase the productivity of the oil is whether the Government is using its own source or its own expert to determine whether we should use gas or water to increase the productivity of petroleum? As you know, we can use water or gas. It is very important that we do not rely on the ExxonMobil Corporation alone, but that we also rely on an independent analyst. I am looking at Mr. Dennison and he may want to agree with me, at least quietly, that we should look at that. We should not just accept what the ExxonMobil Corporation says, but whatever our independent analyst would determine to give us some guidance on as to what has to be done.

The other question I would like to ask is that, I had notice in the newspaper that the Minister had made a few comments on the use of the Sovereign Wealth Fund (SWF) and I agree to some degree. I know that in some Arab countries everybody is given a stipend. We may have other priorities, but I would hope that just as how you intend to take the Petroleum Bill to the Select Committee that we could take the Sovereign Wealth Fund Bill to a Select Committee. This is because these are important matters that we can have some joint agreements on because it is for the future of our country. We do not want a situation where, if the Government changes, somebody wants to rewrite the rules and rewrite the regulations. We should come together as one and try to sort these two matters out, so I am grateful of the fact that you are proposing that we go to Select Committee on these matters.

The last issue that I would like to raise is that, I notice that you made some comments on the use of pinewood. I have always been a supporter of the use of pinewood in Guyana and for many reasons, not only because the cost is inexpensive, but because it is light. One of the things I observed in America was the ability of single women and mothers to build houses and repair their homes because pinewood is so light and easy to handle.

I think what has occurred in this country is that, because greenheart wood and some of our better woods are so good, many of the producers have exploited us and they have made the price of greenheart wood ridiculous. So in some cases, it is good to have competition in the free market to keep the price of greenheart wood under control because many of our ordinary people cannot afford greenheart wood. This is because greenheart wood is now a product for the rich or to be exported and pinewood has given the greenheart wood some level of competition. So if we are going to step in to protect greenheart and purpleheart woods, then there ought to be consideration on their prices. How do we control the prices or how do we ensure that the prices that they sell greenheart wood for in the market is an affordable price so that it could accommodate a guy who wants to build a small house or home. But those are the key issues that I wanted to mention.

Mr. Trotman: Okay. I will deal with the last three questions and I will ask Minister Charles-Broomes to deal with the question on the syndicates. Just to say that I heard you about the pinewood. No decision has been taken, but Government is considering. For some time now,

within the last 18 months or so, we have received numerous complaints that small loggers and others with species, which have the same applications or applicability as pinewood, being shut out. And so, it has been suggested that we look at, not the banning of, but perhaps some restrictions on quantities, *et cetera*, so that we can allow small communities to benefit. Some Amerindian communities are involved in logging too and they should be allowed to benefit. So I hear you and nothing will be done without consultation with both the loggers and the importers.

Mr. Lumumba: Do bear in mind that if we put the clamps on clients, those people who purchase greenheart wood from America and other countries might decide that they may not accept our greenheart wood too. So we have to be careful as to what steps we take.

Mr. Trotman: Yes. Like I said, nothing will be done in a whimsical manner. We will have consultations and we will get the benefit of advice from persons who are familiar with it.

We did assist in the compilation and the drafting of the Sovereign Wealth Fund Bill and have passed it to the Ministry of Finance. So its introduction to the House and to the people of Guyana will come through the Ministry of Finance. But I daresay that Government's policy is to be inclusive and to have consultations, so I expect that this will go the same or similar way as will other legislation.

I heard you about the gas issue - Government is not only relying on what the ExxonMobil Corporation says. Mr. Dennison, were he to speak, would say that we have retained an independent consultancy firm to review ExxonMobil Corporation's application for its production licence, which includes the aspect of the reinjection of gas and or use of water, solely one or the other or as a mix.

So those are matters which the GGMC is currently addressing. So Minister Charles-Broomes will address the issue of the fiscal concessions.

Ms. Charles-Broomes: Again, Hon. Member, we are moving in the direction that you would want to see, but we have already gone there. At the meeting with the Ministry of Finance, the small miners did put forward their requests and the Minister of Finance did mention to the syndicates that, once they come as a group and in the syndicate, he will grant the concessions to them for excavators and All-Terrain Vehicles (ATV), motorbikes and things like that. So, again, we have sought that and that has already been received, so not to worry Hon. Member.

Mr. Lumumba: I would like it to be the law.

Ms. Charles-Broomes: Hon. Member, there are lots of things I am sure you would agree that we would have wanted to see become law, like initiatives like these and now it is a policy from Government. There is no fight over it. So do not worry, we are getting there.

Mr. Lumumba: You will get it into the law someday.

Ms. Charles-Broomes: Hon. Member, we will get there.

Mr. Lumumba: Okay. No, problem.

Mr. Figueira: Thank you Sir. Let me join in Minister Harmon's comments, with respect to the Minister's presentation. I believe that it was well put together and delivered. A lot of the

questions that persons had were indeed answered. However, I do have two questions, one is with respect to the proposed find of 800 – 1.4 billion barrels of oil, and I cannot remember the amount of natural gas that was made mentioned of, is this data a reflection of the ExxonMobil Corporation's data. If it is, has the Government taken steps to do its own independent investigation so as to ascertain if this is the actual find that is being proposed by the ExxonMobil Corporation?

Secondly, with respect to the syndicates that were established across Guyana and based on the presentation, I would have concluded that the syndicate's primary focus at this juncture is to the gold industry, to extract the gold from the ground. But wherever these blocks are allocated to these syndicates, a lot of trees are on those blocks. Are those syndicates also interested in those logs that will have to be cleared before they start to mine, and if they are not interested in the logs, can another syndicate that has that interest in those logs partner with the syndicates that are awarded those blocks to do the extraction on their behalf so that those logs would not be wasted? What is the thinking in that regard?

Ms. Charles-Broomes: Alright. Let me answer the question with syndicates first. Thank you Mr. Figueira. I was looking and I think that it will be some time on Monday in the new week, that we will have a meeting with all the syndicates. The syndicates are looking at the extractive industry and not only gold, but the forestry and all of that. They have had one meeting to find out from the GFC with regards to how they apply. I did mention in the presentation about them and the prospecting and looking at the trees from the areas. They were even looking at it and they had said, when we had that meeting, that they would want to apply for the rights, so that when we are doing bridges and all of that in the interior, they would have these cured lumbers to sell to the contractors. They are also looking at the trees and all of that - the forestry aspect of it. I did mention that, in terms of prospecting, that they are looking at all minerals and I spoke about the water and all of that. So they are looking widely.

Again, we are speaking of a sector and the Ministry deals with the extractive industry and not just mining. The syndicates coming forward and wanting to look at the extractive industry is nothing new, it is just falling within the remit of the Ministry of Natural Resources.

Mr. Figueira: Thank you.

Mr. Trotman: The second question which is a very pertinent question and I think that it is one that we have been considering. Government is using several different means of corroborating and cross-referencing the information. And yes, we may have been told one thing and it may be far more or even less. But we tend to think that persons would underestimate so that we manage expectations. So in the process that we are currently doing, that is approving or going through the application for the production licence, this is one of the things that will have to be verified. And as I said, we are using other independent sources and contractors to tell us what there is.

One indicator of course is the vessel that is being retrofitted, the floating production storage and offloading (FPSO) vessel. It is being done in Singapore. It is really a huge oil tanker that is being converted. So that alone will tell us the volume, production, size of the well, *et cetera*. It may appear, sometimes, as not to be an exact science and even the ExxonMobil Corporation has put it somewhere between 800–1.4 billion, giving us a band of certainty, but is something that Government is moving independently to verify. Rest assured and Mr. Dennison will support me

on this that, the level of excitement and the level of interest that this find has generated from all over the world tell us that it is no ordinary find and that, if at all, is on the larger size rather than the smaller.

4.54 p.m.

This is because it is being hailed in the industry as one of the best finds for the last two to three decades in any part of the world. It has certainly boosted both the industry as a whole and of course the ExxonMobil Corporation and its partner's prospects in particular. So, like I said, we are using several sources to corroborate this, but you are absolutely correct that for a sovereign State, we need to be doing this ourselves.

I should add that, at the time of production, one of the things that we will have to do is to put almost all the gages and pumps so that we could independently verify quantities. So, if it is that we are moving 100,000 barrels per day that is what it is, almost akin to what we do when we go to purchase gas at the gasoline station. There is going to be real time monitoring, both on shore and on the vessel by personnel on a 24-hour basis to ensure that the production is as it said it would be. Thank you.

Mr. Figueira: Thank you.

Mr. Chairman: Any further questions Members? Ms. Pearson-Fredericks?

Ms. Pearson-Fredericks: Thank you, Hon. Minister. My question has to do with the 1.6 million hectares of land that the Barama Company Limited has given up. I would like to know what percentage of this land will be made available to small loggers and would it be advertised and if so, how early? My second question has to do with the mining school. What requirements are there, how could someone be accepted at the school and where could we get more information on the mining school? Thank you.

Mr. Trotman: As I said earlier, the Barama Company Limited's concession has been placed into quadrants, approximately 300,000 to 400,000 each. The one that has been set aside for small loggers will be 300,000 and more hectares. I promise you, Hon. Member that, on or around June, we will put that publicly in the newspapers for small loggers to come forward. And as I have said, we have held that in reserve not for big companies, but for small loggers to come forward.

As far as the mining school is concerned, I do admit that we have to do some more advertising. The mining school does appear in the newspapers pretty often, but we will ensure that in the next supplement or if not very soon in the series of supplements that the GGMC releases in the newspapers, we would have one just for the mining school, the courses offered and how a person may approach them. I am happy that you have said this because the intention is for us to link with the technical institutes in Linden, Essequibo, New Amsterdam and here in Georgetown, to offer a wider array of services in training for oil and gas and mining. As Minister Ms. Charles-Broomes said, the use of a Global Positioning System (GPS) could be done to do one's locating, whether it be for logging or for mining, piloting a boat, the proper way of constructing a mining pit or even for cutting a tree, if one goes into logging, *et cetera*. So, we will be extending the range of training opportunities and I will ask GGMC to perhaps do a special feature on the school and, again, I will send everything to the Committee for Members to get personal information as well. Thank you.

Mr. Figueira: Thank you Mr. Chairman. Minister with respect to the different locations of the various syndicates, how is the Government facilitating access to those various blocks? Are we going to assist with the mapping? I do not believe that we would want persons to just go and cut a road anywhere. I think this is where the mapping out is important. So, how is Government assisting these syndicates with respect to having access to these blocks in a responsible way?

Ms. Charles-Broomes: I mentioned that the first step is to do one's prospecting and, of course, syndicates are identifying areas that are accessible. Some of the areas with roads that are in a deplorable state, we asked them to report those to us. Minister Trotman did mention that not only major roads, but internal roads also that would 'open-up' new areas because the whole idea is to 'open-up' the industry some more, so that is an area that has been taken into consideration.

I had also identified an area to GGMC, the Konawaruk Area, because the road, bridge and things like that are pretty bad. When we go on the outreaches and sensitisation, we look at whatever road and all of that to gain access to the area. So that is an area that has been given much consideration.

Mr. Figueira: Besides the roads Minister, remember we have a lot of waterways in the interior, especially where these mining blocks may be located, so that too could be used as a source of transportation for the loggers or the syndicates to reach those blocks. In some instances, there might be dredging issues to have access to the waterways, so that too should also be considered.

Ms. Charles-Broomes: Speaking about the rivers that needs dredging out - that is not so much liked, but, again, they have the option. We have already, from the Ministry's standpoint, there is an area in Potaro, for example that the Karau syndicate has identified and there is a waterway across in which the Ministry of Public Infrastructure had a pontoon there. We wrote to the Ministry in that collaboration and the syndicate has been given the assistance and assurance from the Ministry by ways of documents to allow them to use the pontoon and to take care of it, without paying the Ministry or the Government a fee.

So, the Government is doing everything possible. We are looking at all the areas Hon. Member, to see how much we can support. The syndicates and the President of the Interim National Mining Syndicate, who is here, have recognised and are pleased with the kind of support and negotiation. It is something that the Government, Minister Trotman and myself, have been working on. We have been meeting with the syndicates, hearing what their concerns are and what we could do. So, it is a work in progress and the Government is taking everything that surrounds their livelihoods and, like I said, getting them to that 'good life'.

Mr. Figueira: Thank you.

Mr. Trotman: Before we close...

Mr. Chairman: Before you do, I just have some questions of my own.

Mr. Trotman: Yes, please go ahead.

Mr. Chairman: I just have three questions Ministers. One has been sort of alluded to by Mr. Lumumba and I do have a short comment to make. In the first presentation, which was the pictorial one, it was stated that after 'first oil' which is expected to be by mid-2020, that

production would take place over a period of two decades. Am I right in assuming that that was prior to the Payara and Snoek Wells and if so, does that duration of two decades still remains or is that figure already dated?

My second question has to do with the natural gas. Minister, in your presentation, you had referred to rather, that in addition to a proposed 200 megawatts plant and even power for an aluminium plant, and you did use the word "excess" that could be sold. Perhaps, if you could clarify that, if indeed, the quantity of 50 million, I think you said cubic feet subsequently between 30 and 50, if it would indeed be sufficient for those two purposes and still have excess that could be exported?

Thirdly, just a clarification again, I think I heard Minister Charles-Broomes say that the only way for small miners to be able to acquire mining properties would be if they were now part of a syndicate and if indeed I misheard you, if that is so?

The observation that I would make is in reference to when you referred to the dropping of the use of the word "exploitation" in your literature. I do not necessarily see it as pejorative because these natural resources have to be exploited to be able to bring benefits. I believe the issue is really one of responsible exploitation and moreover sustainable exploitation to be able to bring the benefits. It is probably neither here nor there, but I do not think that we need, as a nation, to be defensive about the use of the word "exploitation". I note that we do have probably a euphemism here on the cover where you referred to "develop", but I believe that that development refers to exploitation. Those would be my questions Ministers.

Mr. Trotman: Thank you, Mr. Chairman. Indeed the timeline of 20 years refers to the Liza Field as we know it. Even now, this is being discussed in another or in a second phase, whether there could be what is known as a *tie in*. The Payara Well, for example, is 10 miles away from the Liza Well, but it may be cheaper to have a 10-mile underwater apparatus or infrastructure than bringing a second independent infrastructure just for that second well.

So, the economies of scale might be better if we have the infrastructure linking to the existing infrastructure at the Liza Well. In fact, it is going to be far less, rather than have to set up the whole independent apparatus for a second well.

Again, the Snoek Well is within that 10 to 12 miles radius, so the discussion ongoing now is whether these other two could be *tied* into the apparatus that is going to be in existence for the Liza Well. But you are right, the 20-year or two decades cycle envisaged or pre-existed came before these two subsequent discoveries.

The reference to the volume of gas available, I could say with certainty Mr. Chairman that Guyana shall be going into the direction of renewable energy. Even if we are to use natural gas for power generation that is not expected or is not intended to displace the development of hydro and solar power, and, perhaps, even wind. So there is going to be excessive power generation in Guyana and I do envisage one day Guyana becoming a net exporter of power. As you know, there is a proposal known as the a nautical proposal to have a 4,000 megawatts plant in Guyana - a dam that will supply energy to Northern Brazil, Suriname, French Guiana and Guyana. So, with the gas and with our drive towards renewables, which we have committed to and are going to achieve, we are going to have excessive power. I did hear the Hon. Member, Mr. Lumumba

speaking about the volume required for an aluminium plant, but everything is, of course, relative to scale and so the energy output would depend on the size of the plant that one is seeking to have. We will have gas and we will have, I can assure you, hydro and solar power and hopefully some wind power.

At no time should we become complacent or even accepting of a belief that we will put aside our commitment towards renewable energy. I think, always, that we will have some excess.

The question about the small miners, I will leave to Minister Charles-Broomes, as she is in the best placed to answer. I take an advisement, your comment about the word "exploitation" not being a pejorative reference. We just thought that it would be best in the Ministry not to use the word because it can, depending on who is speaking or saying it, be misinterpreted to say that this country of Guyana is a greedy country that wants to tear down, tear up and dig up its resources and exploit them. We thought that we would, perhaps, as best as possible - we cannot avoid the word altogether or not use it, but, at least, we were trying to diminish its use.

The question was if only for small miners were to get property, whether the source indicates.

Ms. Charles-Broomes: No, that is not the only way. I did mention that there are other ways. I spoke about the lottery and the auction that Minister Trotman spoke about. So, it is not the only way, but like I said it is a response to the need and we are looking to see how that would work too.

5.09 p.m.

Mr. Chairman: As a follow-up, Hon. Minister, if Payara and Snook were to be incorporated as a single production entity, what would the range of volume be like, instead of 800 to 1.4 billion?

Mr. Trotman: It is difficult for us to put an estimate. We are still assessing. We are of the belief that the volume is not as large. At the risk of being misquoted in the press tomorrow morning, I would only say that we have made discoveries and we believe that they are in commercial quantities. Within a few months, I could give you and the Committee a more definitive answer in terms of the volume. We would not wish to go out there and give an estimate or a guesstimate and be embarrassed that it is either far less or even far more.

As I said, we feel satisfied that the amounts are not in the quantities of the Liza well. These are two smaller features. They were not expected to be but, at the same time, we do believe that there is some commercial value to what has been found.

Mr. Chairman, I wish to thank you and it is always a pleasure coming here. I am a firm believer in parliamentary democracy. In fact, I love it. I am happy that we could be here to answer questions and not see these as being too difficult, even humiliating or embarrassing. I am always ecstatic to have Minister Charles-Broomes alongside me and the Ministry and to hear her speak so passionately about the syndicates and their developments. I believe that, indeed, it is a watershed moment for Guyana and small miners. The Ministry and the Government, by extension, give their full support.

I wish, by way of some housekeeping, to say that the Guyana Geology and Mines Commission received a request for some support to be given to the Committee. I believe that a trip is planned

APPENDIX

III

**Report on the visit by the Parliamentary Sectoral Committee on Natural
Resource to Isseneru Mining Area on 28th April 2017**

The Parliamentary Sectoral Committee on Natural Resource visited the Isseneru Mining Area in the Upper Mazaruni on 28th April, 2017.

Members of the Natural Resource Committee on the visit:

Mr. Odinga Lumumba, M.P. (P.P.P/C)	- Vice Chairperson
Mr. Audwin Rutherford, M.P. (A.P.N.U/A.F.C.)	- Member
Mr. Jermaine Figueira, M.P., (A.P.N.U/A.F.C.)	- Member (Alternate)
Mr. Neendkumar, M.P., (P.P.P/C)	- Member
Mrs. Yvonne Pearson-Fredericks, M.P., (A.F.C.)	- Member (Alternate)

Members of Staff on the visit:

Ms. Claudia Daniels	- Clerk of the Committee
Mr. Eton Moses	- Documentation & Preparation Assistant
Ms. Abiola Bazil	- Research and Analytical Assistant
Mr. Rickey Hardeen	- Assistant Clerk of Committee
Ms. Nadeila Allen	- Assistant Public Relations Officer
Ms. Anndika Persaud	- Word Processor Operator

Other Members of the delegation on the Visit:

Mr. Roderick Edinboro	Regional Executive Officer for Region No. 7
Mr. Nigel Hughes	Lawyer for Isseneru & Surrounding Communities
Mr. Quincy Monroe	Geology and Mines Commission Extension Officer based at Olive Creek District.

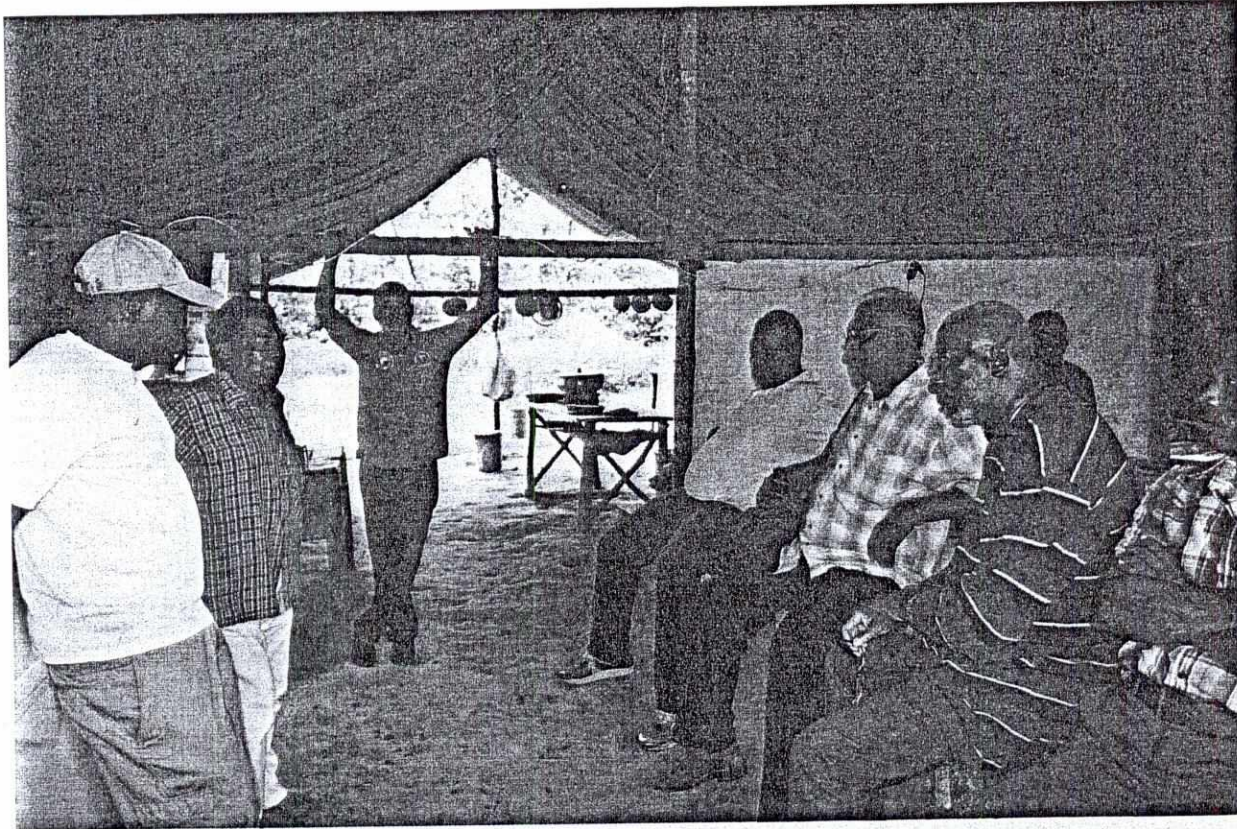
The purpose of the visit was:

- To observe whether miners are complying with the laws and regulations, tour mining sites and discuss Occupational Health and Safety conditions with the management of the mining camp; and
- To have a meeting with members of the Isseneru Community

Arrival at Isseneru

The delegation arrived at 9.45a.m. at Olive Creek and was greeted by the Toshao of Isseneru, Mr. Dhanis Larsolen and the GGMC's Mines Officer for the district, Mr. Quincy Monroe.

Visit to McKenzie Mining Camp



The delegation arrived by boat at McKenzie's Camp and was received by Mr. Mark McKenzie and his employees. The delegation was told that Mr. McKenzie was in the business for 17 years and his operation has 13 workers and two dredges.

The Committee enquired of any challenges Mr. McKenzie would have been facing and he identified the transportation of fuel and the reduction of benefits which miners once received. He was also asked whether he paid taxes for his workers and whether operations in the area had the permission of the Village Council.

Mr. McKenzie, in response told the delegation that he pays taxes only for himself and he was operating in the area with the permission of the Isseneru Village Council and the GGMC. These contentions were supported by both the Toshao and the GGMC Mines Officer.

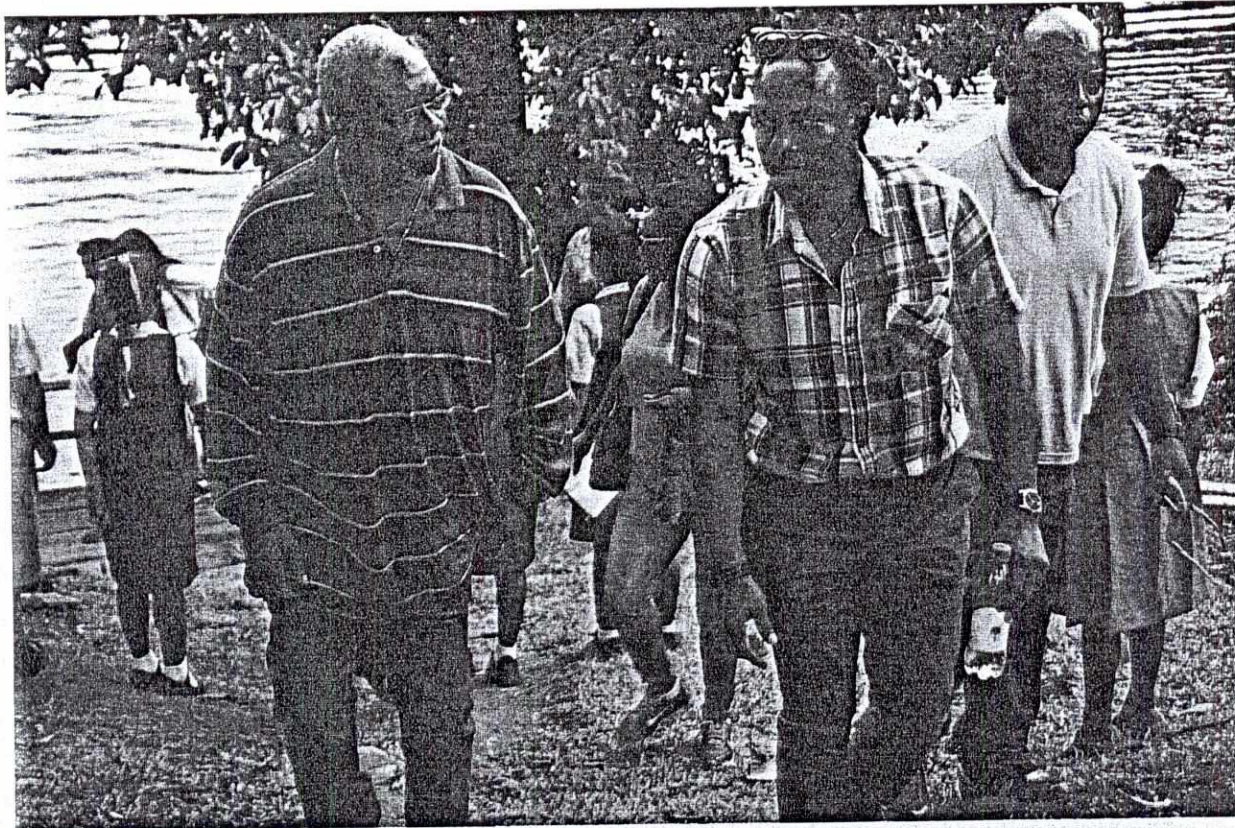
The delegation was then briefed by the Toshao, Mr. Larsolen, who said that the challenges faced by Isseneru were all land related. These include long standing litigation with Joan Chang and Lalta Narine, which are before the court. He pointed that the GGMC continues to issue mining permits without consulting the Village Council, even as the GGMC has challenges in removing illegal miners from the area. The latter point was supported by the Mines Officer and Mr. Hughes, with both articulating that it was an expensive undertaking. However, Mr. Hughes told the delegation that over 75% of the titled lands at Isseneru were given out by the GGMC before the Amerindian Act of 2006.

Committee's Recommendations:

- Mr. McKenzie should ensure that his workers take responsibility to have their NIS and taxes paid, under their contract of employment; and
- The Toshao should write the Parliamentary Sectoral Committee on Natural Resources on all the matters relating to mining that were affecting his Community.

Thereafter, the delegation left McKenzie's Camp at 11.05 a.m. by boat for a meeting with Isseneru villagers.

Visit to Isseneru Village Benab for Community Meeting



The delegation arrived at the Village boat landing at 11.45 a.m., and was greeted by school children and villagers. The delegation was escorted to the Benab by village elders who performed welcome rituals in their native language. This was followed by the assembling of the villagers in and around the Benab for the meeting with the delegation.

The meeting was chaired by Village Tashao Mr. Dwight Larsolen, who was joined at the head table by the Members of Parliamentary Sectoral Committee on Natural Resources, and the R.E.O., Region No. 7. The Chairman formally welcomed the delegation and introduced the Vice- Chairperson, Mr. Lumumba, of the Committee on Natural Resources to the meeting. He then asked Mr. Lumumba to introduce the other Members of the head table. Mr. Lumumba accepted the commendations and

briefly explained to the meeting the objectives of the delegation's visit, thereafter, he asked the other Members of the Committee at the head table to introduce themselves.

Toshao Larsolen welcomed the delegation to Isseneru and implored them to listen to the concerns of villagers of Isseneru, Tassarere and Kangaruma. He adumbrated that the three communities, of middle Mazaruni, had land right issues as their priority. He pointed out that the Indigenous Peoples felt deprived and insulted, which was perpetuated by the "save and except" clause on the land titles, which allows the GGMC to continue to issue mining permits within titled lands. The Village Toshao Mr. Larsolen was sincere in his plea to have the courts settle unfinished litigations, as he referred to a Judge granting an injunction ten years ago against the village but has not written the judgment to date. This situation has forced the village to seek redress at the International Human Rights Commission but those efforts are stalled, since successive governments have failed to give submission to that body, thus undermining the village's efforts for redress. It is against this backdrop that Toshao Larsolen concluded his presentation by calling on the government to intervene so that the Indigenous Peoples could receive justice, as he emphasized the need to have a review of the Amerindian Act.

The Members of the Parliamentary Sectoral Committee on Natural Resources shared their observations with the meeting after Toshao Larsolen's presentation.



Mr. Lumumba, Vice Chairperson of the Parliamentary Sectoral Committee on Natural Resources told the meeting that there seems to be a breach of the human rights of the Isseneru village as it relates to their ancestral lands. He posited that the courts should protect the rights of people and the Mazaruni River from further destruction as is evident from his travel along the river.

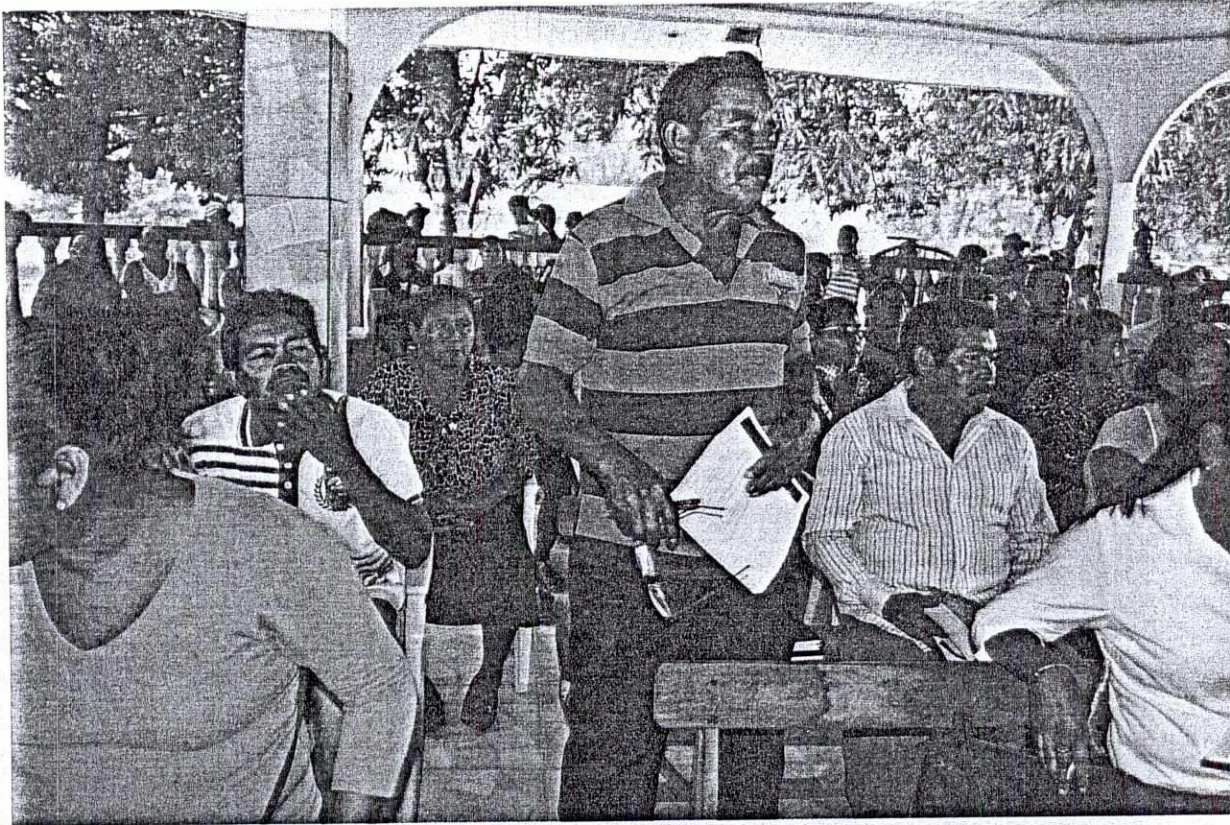
Mr. Rutherford supported the sentiments of the Vice Chairperson on the need to have the issue of ancestral rights resolved but added that he would like to hear from the villagers.

Mr. Figueira posited the view that the claim of a human right breach needs urgent attention. He acknowledged that he was there to listen to what the community had to say. Mr. Figueira observed that government's intervention was needed to address the calls for the GGMC to halt the granting of mining permits to operate in Isseneru, as well as the need for swift action by the judiciary in bringing closure to pending cases.

Mr. Neendkumar told the meeting that he was perturbed at the state of the Mazaruni River and the issue of illegal mining in the area and pledged to have the issue discussed in the Committee.

Mrs. Pearson- Fredericks noted that the issues raised by the Toshao Larsolen were not new and that the Committee was committed to supporting Isseneru and surrounding communities to resolve these issues, by bringing them to the attention of the National Assembly. She posited that mining was responsible for the state of the village, and pointed to the continued erosion of the river banks.

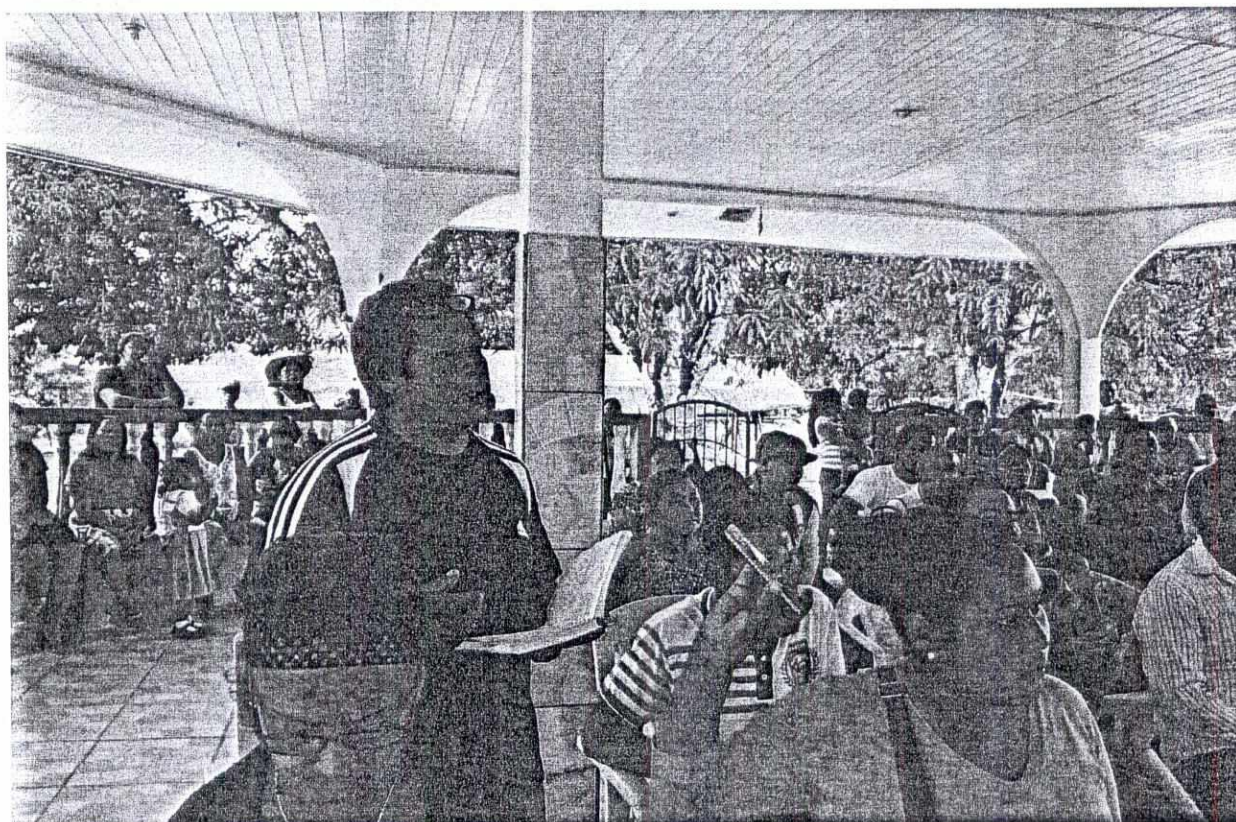
Interaction with Villagers



The village representative for **Tassarene village, Mr. Alvin Joseph**, raised the following questions with the delegation:

- What was the future for land title for Tassarene village since in 2012 a purported title was issued by the President to the village, but was retrieved on the same day?
- What should Tassarene villagers do when the only creek used for domestic activities was being polluted by miners, and the GGMC continues to issue mining permits in the same area, although they were reports on the pollution of the creek?

- How could Tassarene get help in dealing with one of the increasing issues, that is, teenage pregnancy in the village as a consequence of increased mining activities?
- Tassarene was concerned that the syndicates in the Region were only medium scale miners and not small scale miners.

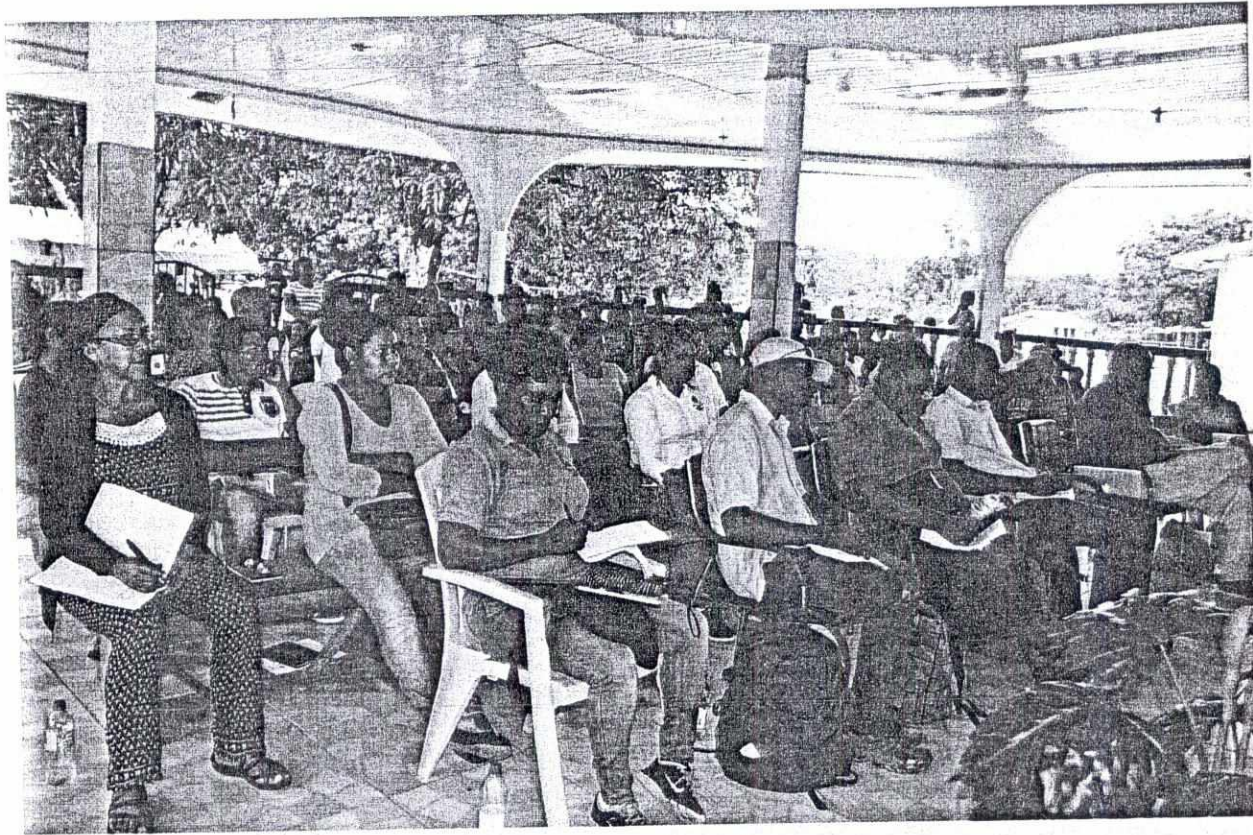


The **Vice Toshao from Kangaruma, Mr. Ronald Joseph**, informed the delegation that the challenges of his village were identical to that of Tassarene from land title issue of 2012 to social ills of teenage pregnancy. However, he pointed out that there was a bridge collapsing in Mazaruni near Kangaruma that is in urgent need of repairs.

Isseneru Villager, Mr. Simple enquired how Mr. Lalta Narine could own 14-17 prospecting permits for lands in Isseneru, and also be allowed to mine.

Isseneru Councilor and Health Worker, Mr. David Joseph raised the following issues with the delegation at the meeting:

- The need for a refrigerator and electrical installation upgrade in the health center in order to properly store drugs.
 - The need for a doctor's quarters since the Medex is presently utilizing a patient's bed in the health outpost.
 - The provision of two visiting doctors , as promised, to be located in Essano
 - More trained teachers in Isseneru since there was one (1) trained teacher and two (2) untrained teachers to serve ninety (90) students.
 - The need for a communication radio set to communicate with other communities.
 - Villagers of Isseneru continue to experience social ills related to mining such as gang rape and illicit drugs use.
-



Discussions

NB The community's Lawyer voiced his concern of being unable to locate any records of the 2012 purported land title in the Land Court Registry, while letters written to the subject ministries (Natural Resources & Indigenous Peoples) went without acknowledgement.

Mr. Lumumba enquired how communities like Tassarene could stop miners from operating on their lands. The Toshao in reply informed the meeting that these communities were powerless since the miner comes with the GGMC permit and the area has no title hence no royalties are collected.

Mr. Kumar enquired whether Tassarene was part of the syndicates but was told that it was not and that individual miners could choose to be members.

Mr. Figueira queried wherever there was proof that Mr. Narine did not have a mining permit. The GGMC Mining Officer, Mr. Monroe, confirmed that Mr. Narine was operating with GGMC's mining permits.

Mr. Hughes however, queried why there was the continued renewal of permits by the GGMC for claims held by miners that the villagers had been contesting in the court. He contended that the GGMC never consults with the village Councils before issuing permits and this is a breach of Section 111 of the Amerindian Act. The Counsel for the community told the meeting that this practice has allowed 75% titled lands in Isseneru to be issued out to miners and 100% of Maicobie to be issued to Mr. Rambaran. He posited the view that authorities should conduct a survey of all Amerindian Lands, and that the government should compensate miners who hold large plots of lands and return same to the native people.

Chairperson of the proceedings, Mr. Dwight Larsolen, summarised the salient points which were raised at the meeting. He echoed the views of other villagers by:

- Requesting that government intervenes to bring closure to the two court cases the community has with miners;
 - Proposed that the GGMC halt the issuing of mining permits to mine in titled Amerindian Lands;
 - Proposed that there be a revision of the Amerindian Act;
 - Proposed that the authorities address the health sector challenges at Isseneru (fridge, doctors, living quarters, electrical installation, and radio set);
 - Proposed that the residents of Isseneru benefit from the Amerindian Development Fund;
-

- Requesting that the Minister of Indigenous Peoples' Affairs visit the Community;
- Proposed that there should be a reduction of the taxes on flights and mining (equipment, accessories & fuel); and
- Requesting that the complement of trained teachers to Isseneru be increased.

Mr. Lumumba gave the meeting a commitment that the Committee would take up their concerns to the relevant authorities. He also promised to consult with his superiors about having those issues discussed in the National Assembly. Thereafter, the meeting concluded and the delegation departed at 2 pm for Olive Creek by boat.

APPENDIX

IV

**Minutes of the 16th Meeting held on
15th February, 2018**

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE 16th MEETING OF THE PARLIAMENTARY
SECTORAL COMMITTEE ON NATURAL RESOURCES HELD AT 1.00 P.M. ON
THURSDAY, FEBRUARY 15, 2018
IN COMMITTEE ROOM No.2,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)

CHAIRMAN (APNU/AFC) (1)

(Nominated by the Committee of Selection on 4th September, 2015)

(Elected by the Committee on 22nd March, 2017)

Hon. Ronald A. Bulkan, M.P.,
Minister of Communities

VICE – CHAIRMAN (PPP/C) (1)

(Nominated by the Committee of Selection on 4th September, 2015)

(Elected by the Committee on 22nd March, 2017)

Mr. Odinga Lumumba, M.P.

A Partnership for National Unity (APNU)/Alliance For Change (AFC) (4)

(Nominated by the Committee of Selection on 4th September, 2015)

Hon. Lt. Col. (Ret'd) Joseph F. Harmon, M.S.M., M.P.,
Minister of State

Hon. Winston D. Jordan, M.P., (Excused)
Minister of Finance

Mr. Audwin Rutherford, M.P. (Excused)

Mr. Jermaine Figueira, M.P. (Alternate)

The People's Progressive Party/ Civic (PPP/C) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P.

Mr. Neendkumar, J.P., M.P.

Mrs. Yvonne Pearson- Fredericks, M.P. (Alternate)

Officers in Attendance

Ms. Dellon Adams	-	Clerk of Committees
Mr. Nickalai Pryce	-	Clerk of Committees
Ms. Sereeta Bethune	-	Assistant Clerk of Committees
Mr. Safraz Mohamed	-	Assistant Clerk of Committees
Mr. Rickey Hardeen	-	Research and Analytical Assistant
Mr. Eton Moses	-	Documentation and Research Officer

ITEM 1: CALL TO ORDER

- 1.1 The Chairman called the meeting to order at 1.06 p.m. and welcomed Members and Parliamentary staff.

ITEM 2: ANNOUNCEMENT

2.1 Excuses

- 2.1.1 The Committee was informed that, Hon. Winston Jordan, M.P. and Mr. Audwin Rutherford, M.P. had asked to be excused from the meeting.
- 2.1.2 The Chairman then informed the Committee that Mr. Nickalai Pryce, Clerk of the Committee had resigned from the Parliament Office and would be replaced by Ms. Dellon Adams, who would be assisted by Ms. Sereeta Bethune and Mr. Safraz Mohamed, Assistant Clerks of Committees.

ITEM 3: CIRCULATION OF DOCUMENTS

- 3.1 The following documents had been circulated prior to the meeting:

- (i) Notice of 16th Meeting dated Thursday, 15th February, 2018;
- (ii) Minutes of the 15th Meeting held on Wednesday, 26th July, 2017;
- (iii) Draft Reports for consideration:
 - Barama Company Ltd;
 - Isseneru Mining Area; and
 - Guyana Goldfields Incorporated, AGM location;

3.2 The following documents were circulated at the meeting:

(i) Amended Draft Reports :

- Barama Company Ltd;
- Isseneru Mining Area; and
- Guyana Goldfields Incorporated, AGM location

(ii) A National Forest Policy and Plan

(iii) Update from the Ministry of Natural Resources and the Guyana Forestry Commission with regard to Barama Company Ltd.

(iv) Report from Guyana Goldfields Inc. with regard to gold production dated January 2018.

ITEM 4: CORRESPONDENCE

4.1 **Outgoing: Nil**

4.2 **Incoming: Nil**

ITEM 5: CORRECTION AND CONFIRMATION OF MINUTES OF THE 15TH MEETING HELD ON 26TH JULY, 2017.

5.1 **Corrections and Confirmation**

5.2 **Page 7, paragraph 9.6.3 – Deplorable state of roads in the Community**

5.2.1 Substitution of the word ‘inquiry’ with the words ‘enquire on’ in the last sentence of the paragraph.

5.3 **Page 12, paragraph 11.9.7 – Reword the paragraph to read-**

5.3.1 Substitution of the word ‘advance’ with the word ‘advanced’ in the second line of the paragraph.

5.3.2 There being no other correction, the Minutes were adopted on a motion moved and seconded by Mr Neendkumar, J.P., M.P., and Hon. Lt. Col. (Ret’d.) Joseph F. Harmon, M.S.M., M.P., respectively.

ITEM 6: MATTERS ARISING

6.1 Page 3 paragraph 4.2 – Incoming Correspondence - Email from Rory Fraser, PhD

6.1.1 A Member enquired whether the requested presentation by Mr. Rory Fraser, PhD, Lead Consultant, The Consultancy Group (TCG), on A National Forest Policy and Plan would be done.

6.1.2 The Chairman informed Members that the National Forest Policy and Plan were submitted but the team would not appear before the Committee. He was of the view that the group had departed the jurisdiction since the consultancy was short term.

6.1.3 Thereafter, the National Forest Policy and Plan were circulated at the meeting.

6.1.4 The Chairman advised Members to read the documents and submit queries and concerns.

6.2 Page 4, paragraph 6.1- Purchase of Barge

6.2.1 A Member enquired on the Status of this matter with respect to the money that was allocated and on the location of the Barge.

6.2.2 The Chairman informed the Member that this matter had been exhausted and it was explained that the money allocated was not for that purpose.

6.3 Page 4, paragraph 6.2 - Committee's visits

6.3.1 A Member noted that a visit to Mahdia has been agreed upon after the Parliamentary Recess and enquired on the date for the visit. The Committee agreed to conduct the visit between the second or third week of March, 2018.

6.4 Page 6, paragraph 8.2 – Sovereign Wealth Fund

6.4.1 The Members requested a status update on the final document that was under review. The Committee was informed that the review was still ongoing.

6.5 Page 7, Paragraph 9.6.1 - Rates and Taxes –

6.5.1 A Member insisted that there were some NDCs that did not pay rates and taxes. It was suggested and agreed that wherever there are such occurrences, it should be corrected.

ITEM 7: CONSIDERATION OF DRAFT REPORTS

7.1 DRAFT REPORT ON VISIT TO ISSENERU MINING AREA 28th APRIL, 2017

Corrections

- 7.1.1 **Page 1-** Correction to the name of the political party for Mrs. Yvonne Pearson – Fredericks, M.P.; it should read PPP/C instead of AFC.
- 7.1.2 **Page 4 -**Substitution of the name ‘Joe Chung’ with the name ‘Joan Chang’
- 7.1.3 There being no other corrections, the draft report was adopted on a motion moved by Mr. Odinga Lumumba, M.P., and seconded by Mr. Neendkumar, J.P., M.P.

7.2 DISCUSSION ON ISSUES IN THE REPORT OF ISSENERU-

7.2.1 Mining on Title Lands

- 7.2.2 A Member noted with concern, the various issues that were outlined in the Report and enquired on the way forward for the Committee in addressing these issues. The Member then highlighted the issues of Land Titling and Mining Rights and the Guyana Geology and Mines Commission infringing on these Rights.
- 7.2.3 The Chairman informed the Committee that he had been advised by Guyana Geology and Mines Commission (GGMC), that the entity does not issue mining permits to titled lands any longer.
- 7.2.4 The Member then questioned the position on permission that was already granted to titled lands. The Chairman stated that he was advised that a ruling by the CCJ in that regard was instructive on how the Guyana Geology and Mines Commission should proceed on those matters.
- 7.2.5 Members were informed that the matters with regard to titled lands and mining rights were still before the courts and that there had been a request for the Government to intervene to bring a closure to the matters.
- 7.2.6 This issue was ventilated and it was agreed that there was a governance issue in the Community. The lawyer representing the village was viewed as the Government and the Government as the Authority that was hurting the village; hence more

information was shared with the lawyer rather than the Ministry with responsibility for the village.

7.2.7 The Committee thereafter agreed that there would be collaboration between the Ministry of Communities, the Ministry of Presidency and the Ministry of Indigenous Peoples' Affairs. The collaboration would provide the Committee with an update on the status of the litigation before the Court, efforts being made by the Government with regard to these matters and advise on a possible review of the Amerindian Act.

7.2.8 Members thoroughly discussed the issues raised by the Isseneru Mining Area and other villages. The Chairman then informed the Committee that he had made contact with the Ministry of Indigenous Peoples' Affairs seeking an update on the Title for Tassereni as well as on other social issues such as teenage pregnancy. The Committee was informed that a response was pending.

7.3 State of the Mazaruni River

7.3.1 A Member noted with concern, the state the Mazaruni River: it was congested, totally polluted, encroachment by miners, hazardous to life and impassable for transportation via the river. The Member also informed the Committee that the villagers were very disturbed about being unable to access clean water. He stated that the matter should urgently be addressed.

7.3.2 Another Member informed the Committee that correcting the state of the Mazaruni River would be extremely costly. The Member stated that this issue should be addressed by the Department of Environment and that it required the enforcement of the Mining Laws. He thereafter informed the Committee that a new unit called The Core of Wardens, which had in its employ approximately forty six (46) persons, was established under the Ministry of Natural Resources to address those issues in the Mazaruni River.

7.3.3 The Member stated that a proper mapping of the river was being put together to identify the largest amount of tailings that flow into the river and to obtain an assessment. He also alluded to a project that would be organized to seek international funding and additional assistance would be sought from the UN Convention on Decertification.

7.3.4 The Member alluded to a project that was being undertaken in Region 10 with regard to the mined out areas in Comacka, where tailings flowed into the Demerara River causing major congestion and pollution. He informed the Committee that there has been some funding under the Norway Agreement which was being used to organize that project in order to obtain funding internationally to deal with the problems of reforesting the mined out areas.

7.3.5 He further informed the Committee that at the national level, the Government would be clearing that river and there has been an inter-agency committee established which includes the RDC, Ministry of Natural Resources, Ministry of Public Infrastructure and the Guyana Civil Defense Commission to work on issues within that Community. The Committee was informed that the Guyana Lands and Survey Commission and the Guyana Geology and Mines Commission were identified to organise the project. Work had already started under this project.

7.3.6 The Chairman thereafter proposed and the Committee agreed, that both the Department of Environment and the Ministry of Natural Resources should be written to, advising them of the concerns raised by the Committee and request a formal response on the actions being undertaken and the way forward in addressing the state of the Mazaruni River.

7.4 Issues raised by Mr. David Joseph –

7.4.1 The Chairman informed the Committee that the following issues that were raised by the Isseneru Councillor and Health Worker, Mr. David Joseph had been addressed:

- Two doctors have been located in the area;
- Bids were expected to be opened for the construction of doctor's living quarters in Region 7;
- Two trained teachers have been employed as well as two volunteer teachers; and
- Radio sets and a Solar System have been made available.

7.4.2 The Chairman also informed the Committee that he was unaware as to whether the issues with regard to the refrigerator and electrical installation have been addressed. Other Members enquired about the social ills related to mining such as gang rape and use of illicit drugs which were faced by the villages including Tamakay Landing.

7.4.3 In response, a Member stated that the new unit: 'The Core of Wardens' which has been established under the Ministry of Natural Resources would also address these issues.

7.4.4 The Chairman, thereafter, indicated to the Committee that the corrections and issues which arose from the report have been noted, the follow up actions have been identified and subsequent updates would be forwarded to the Committee.

7.5 DRAFT REPORT ON VISIT TO BARAMA COMPANY LIMITED –

Corrections and Discussion on issues on the visit to Barama Company Limited

7.5.1 The Chairman informed the Committee that corrections to the Report and discussion on issues in the Report would be dealt with simultaneously.

- 7.5.2 **Page 1 -** Substituting 'Chand' for 'Chan' in the surname of the General Manager, Barama Company Ltd. and wherever applicable throughout the Report.
- 7.5.3 **Page 2 -Purpose of the Visit**
Removal of the words, "at the Barama Location" from the first bullet, in the second line.
- 7.5.4 **Page 2 - Presentation**
In the penultimate line, substitution of the words "lumber operations" with the words, "plywood production".
- 7.5.5 **Page 3 -Benefits from Barama Company Ltd**
In the penultimate bullet, the Chairman requested that the quoted figure of one billion US dollars in the foreign exchange, be verified.
- 7.5.6 **Page 4 - Challenges the Company was experiencing in Guyana**
Deletion of the fourth bullet.
- 7.5.6.1 A discussion ensued on the sixth bullet which stated: "No duty free concession from Government". A Member suggested that the statement alluded to new and extended duty free concessions which were unsuccessful; since Barama Company Limited was in receipt of duty free concessions from the inception of their operations in Guyana.
- 7.6 **Page 7 -The type of Fuel used in the factory**
- 7.6.1 The Chairman suggested that the phrase in the second line of the third paragraph, "use cool generator to power the entire operation of dry wood", be reworded to read: "use steam powered plant utilizing wood waste". The Committee, after expressing doubts about the existence of a "cool generator", requested that verification be done.
- 7.7 **Page 7 - Tour of the compound at Barama Company Ltd - Buckhall -**
Substituting 'man days' for the words 'mann days' in the last line.
- 7.8 **Update on the Configuration of Buckhall Operations -**
- 7.8.1 The Chairman informed the Committee that he had sought an update from the Ministry of Natural Resources on the reconfiguration of Buckhall operations; which stated that despite the re-allocation of the concessions from Barama to other concessionaires, the total production in 2016 was 380,000 cubic meters and the total

production in 2017 was 377,000 cubic meters. There was a negligible decline of 3,000 cubic meters.

7.8.2 The Committee was also informed that the employees of the Buckhall Operations were absorbed by other mining operations as well as the Plywood Operation in Land of Canaan.

7.8.3 The Chairman further informed Members, that the roads which were constructed and maintained by Barama in their concessions, were currently maintained by Guyana Gold Fields Inc.

7.8.4 There being no other corrections, the draft report was then adopted on a motion moved by Mrs. Yvonne Pearson-Fredericks, M.P. and seconded by Mr. Jermaine Figueira, M.P.

7.9 DRAFT REPORT ON THE VISIT TO AURORA GOLD MINE (AGM) –

Corrections and Discussion

7.9.1 Correction to the name of the political party for Mrs. Yvonne Pearson-Fredericks, M.P.; it should read PPP/C instead of AFC.

7.9.2 Page 5- Environmental Presentation – Incinerator

Substitution of the word, “insinuator” with the word, “incinerator” in the third line of the last paragraph.

7.9.3 Page 9 - Mines Production Presentation

The Chairman drew Members’ attention to the target of 160-170 ounces of gold which was set by AGM for 2017 and informed the Committee that actual production, as advised by the Guyana Geology and Mines Commission, was 160,500 ounces. He noted that AGM was within the range but on the lower end.

7.9.4 Page 12 - Water System Presentation

The Committee agreed to seek clarification as it relates to the percentage of extracts of all gold produced at AGM.

7.10 Page 17-Tailings Pond

7.10.1 Correction to the name of the Chairman of the Committee in the last bullet.

7.10.2 The Committee agreed to seek further clarification on the depth of the tailings pond.

- 7.11 The draft report was then adopted on a motion moved by Mr. Odinga Lumumba, M.P., and seconded by Mr. Jermaine Figueira, M.P.
- 7.12 Members of the Committee stated how impressed they were with the operations of Aurora Gold Mine, more so with the fact that a large number of Guyanese were employed by the Company. The Committee agreed that the Company should be complimented for its contribution to Guyana's economy.
- 7.12.1 The Members, thereafter, agreed that the Committee would formally compliment the Company on its performance and contribution to Guyana's economy.

ITEM 8: ANY OTHER BUSINESS

8.1 Presentation by the Minister of Natural Resources

- 8.1.1 The Committee agreed to write the Minister of Natural Resources inviting him to give a presentation on the Forestry sector and Oil and Gas sector.

8.2 Committee's Interim Report

- 8.2.1 Mr. Lumumba enquired about the report on the Committee's work during his tenure.
- 8.2.2 The Researchers agreed to complete the report within two weeks, after which the Committee would convene to consider the report.

Adjournment:

At 4.38 p.m., the meeting was adjourned *sine die*.

Confirmed this.....day of April, 2018



.....
Hon. Ronald A. Bulkan, M.P.,
Minister of Communities
Chairman
Parliamentary Sectoral Committee on
Natural Resources

APPENDIX

V

**Report on the visit by the Parliamentary Sectoral Committee on Natural Resources to
Aurora Gold Mine (AGM) on the 12th May 2017**

The Parliamentary Sectoral Committee on Natural Resources visited the AGM in the Upper Mazaruni on the 12th May, 2017.

Members of the Natural Resource Committee on the visit:

Hon. Ronald Bulkan, M.P.(A.P.N.U./A.F.C.)	-	Chairman
Mr. Odinga Lumumba, M.P. (P.P.P./C.)	-	Vice Chairman
Mr. Audwin Rutherford, M.P. (A.P.N.U./A.F.C.)	-	Member
Mr. Jermaine Figueira, M.P., (A.P.N.U./A.F.C.)	-	Member (Alternate)
Ms. Pauline Sukhai Campbell, M.P., (P.P.P./C.)	-	Member
Mrs. Yvonne Pearson-Fredericks, M.P., (P.P.P./C.)	-	Member (Alternate)

Members of Staff on the visit:

Mr. Nickalai Pryce	-	Clerk of the Committee
Mr. Ricky Hardeen	-	Assistant Clerk of Committee
Ms. Dellon Adams	-	Assistant Clerk of Committee
Mr. Eton Moses	-	Documentation & Preparation Assistant
Ms. Abiola Bazil	-	Research and Analytical Assistant
Mr. Yannick December	-	Public Relations Officer (Ag)
Ms. Anndika Persaud	-	Word Processor Operator

Other Member of the delegation on the Visit:

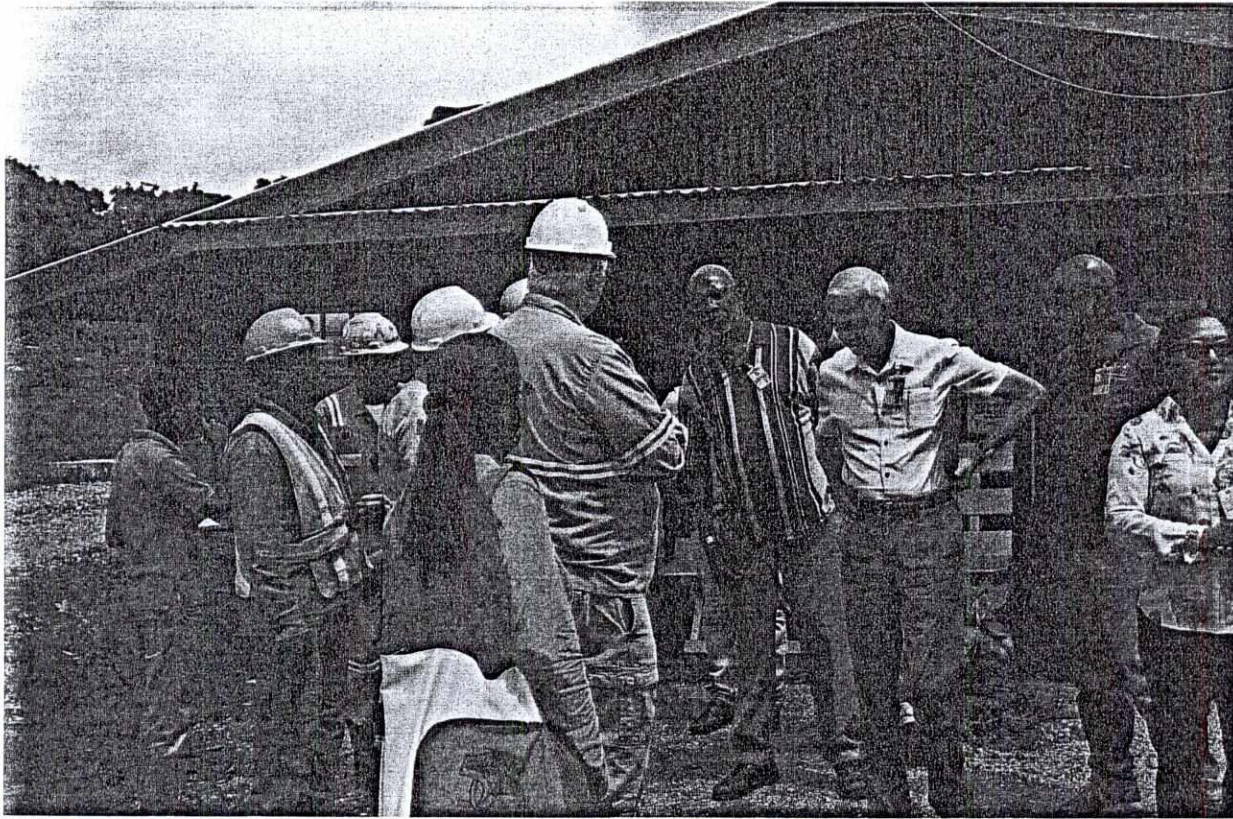
Mr. Vickram Manoo	-	Mines Officer, GGMC
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The purpose of the visit was:

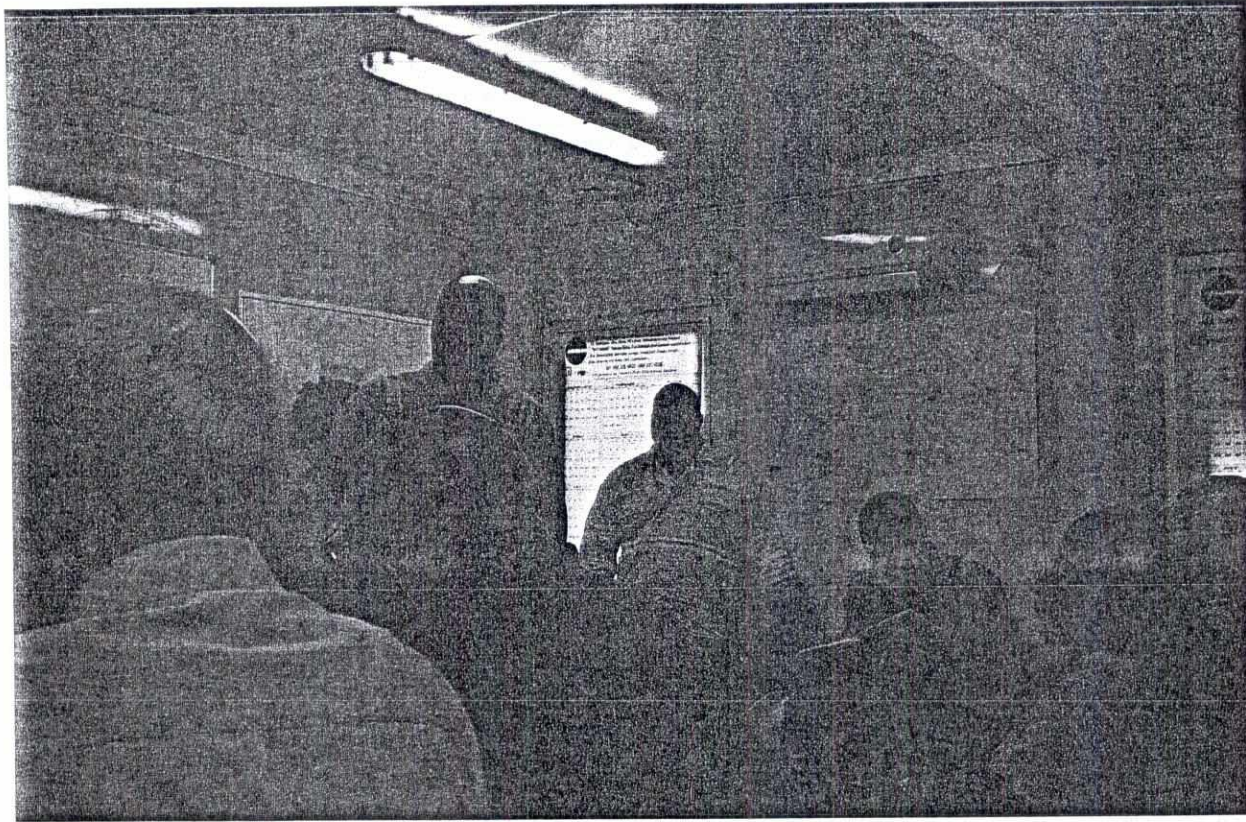
-To have a practical view of best practices in relation to occupational health at safety at Guyana Goldfields Incorporated, AGM location.

Arrival at Aurora





At 10.25 am the delegation arrived at the AGM's landing field and was received by Mr. Enoch Gaskin, the Security Manager and Mr. Victor Rozon, Assistant General Manager, who were accompanied by Mr. Michael Williams, Health & Safety Superintendent and Mr. Míche Papadakis, Project Manager.



Delegation in interactive session with AGM Management

The delegation was briefed by the Management of AGM. The briefing commenced with a video presentation which depicted all aspects of AGM's operations in a general way. This was followed by a targeted power point presentation on the operations of each department. The Department's Head or representative led the discussions on the respective presentation.

Committee's Question and Answer interaction with AGM's Management

Health & Safety presentation

Mr. Michael Williams, Health & Safety Superintendent, informed the delegation during his presentation, that AGM has three doctors, two vector control personnel and a Medex onsite. He posited that there was zero malaria or any water borne diseases reported on the location, as there were routine mandatory health checks for all staff. The delegation was informed that 95% of the workers are trained in first aid, fire safety, emergency care, mine safety and mill safety.

Environmental presentation

Mr. Jermaine Critchlow, Environmental Superintendent, told the delegation that AGM's operations were in keeping with the Regulations of the Environmental Protection Agency, Guyana Energy Agency, Guyana Geology and Mines Commission and International Financial Corporation (IFC), and other international agencies that certify the mines.

- Mr. Lumumba enquired about the frequency of visits by the EPA to AGM.

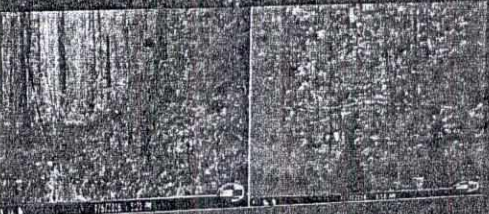
Mr. Critchlow in replying, informed the meeting that the EPA had visited in the last quarter of 2016 and were expected to visit by the end of the second quarter of 2017.

- Mr. Lumumba further enquired about storage and disposal of waste oil, and whether any monitoring was ongoing for animal life in the area.

Mr. Critchlow in response posited that the environment around AGM was intact since there was adherence to all EPA regulations. He explained that AGM has stored all its waste oil since its operations begun and was in the process of acquiring an incinerator from Denmark that would burn the oil without emitting harmful fumes. The meeting was also told that the incinerator would be located close to the disposal site.

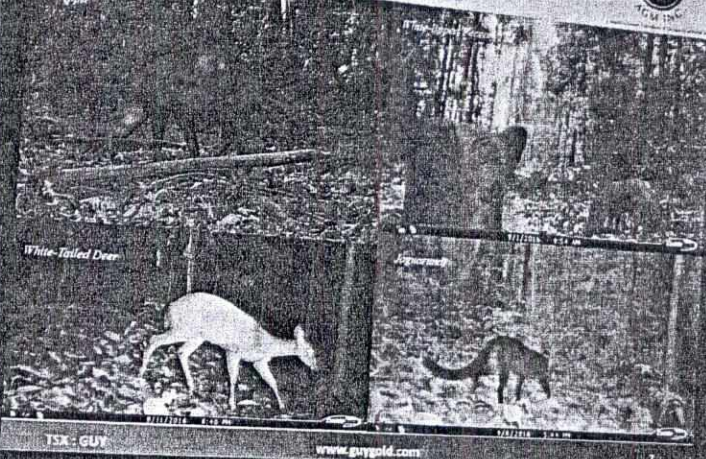
Biodiversity Monitoring & Evaluation Plan

- Assess and monitor how the project may be affecting wildlife during operations.
- 23 different species of terrestrial animals at both sites
- 107 bird species at Mine & Control Areas
- 17 protected globally threatened animal species
- No Endangered or Critically endangered species



TSX: GUY www.guygold.com

Biodiversity Monitoring & Evaluation Plan



White-tailed Deer

TSX: GUY www.guygold.com

Mr. Critchlow further pointed out through the use of photographs the AGM was monitoring the wild life and the environment around its operation, via 1,800 camera traps. The meeting was informed that cameras are placed seasonally for two months to capture evidence of and monitor wild life in the surrounding area. The data captured is retained and cross referenced to inform AGM's environmental policy. It was also explained that hunting in the environs was prohibited.

- Mr. Lumumba asked the Environmental Superintendent what was the size of the operations and how much land reclamation was done thus far.

The Environmental Superintendent responded that the AGM legally has control of 5,000 hectares of land in the area and that while land reclamation was ongoing, only 85 hectares was reclaimed thus far.

Mr. Micbe Papadakis, the Project Manager said that the reclamation plan for AGM could be found in its closure plan that was submitted to the relevant authorities as part of the requirement to get into operations.

Human Resource presentation

Mr. Peter Benny, Human Resource Manager, informed the delegation on his functions at AGM. He stated that they were 840 persons directly or indirectly associated with AGM. He further stated, using a power point presentation that on the average 529 persons would be at the location on any given day. Additionally, Mr. Benny told the delegation that the workers at AGM were not unionized

AGM Workforce

AGM MANPOWER REPORT AS AT MAY 11, 2017

DEPARTMENT	ACTUAL TOTAL	BUDGETED TOTAL
MINE	204	226
MILL	91	99
ADMINISTRATION	281	318
CONTRACTORS- AGM	65	
CONTRACTORS- OTHERS	199	
TOTAL	840	643
AVERAGE CAMP OCCUPANCY	529	

- Mr. Lumumba enquired about the number of foreigners on the location and whether any Guyanese were in the upper management of AGM.

Mr. Benny said that they were 26 foreigners in the work force at present and as Human Resources Manager, he was the highest ranked Guyanese and third in the management hierarchy. He also related that Ms. Violet Baptise, the Country Manager located in Georgetown, is a Vice President and a Board Member. Nevertheless, he pointed out that every department had middle level Guyanese Managers.

- Ms. Sukhai- Campbell enquired whether students from the University of Guyana were allowed to do study tours at the location.

Mr. Benny in response told the delegation that AGM hosted environmental study groups from University of Guyana before the mills were built, however, the wildlife (animals) kept away, thus the tours were affected. Monitoring has revealed encouraging evidence of wildlife returning to the area as was shown in the slides.

- Mr. Lumumba enquired about the salary scale for the lowest and middle level earners as well as their conditions of work.

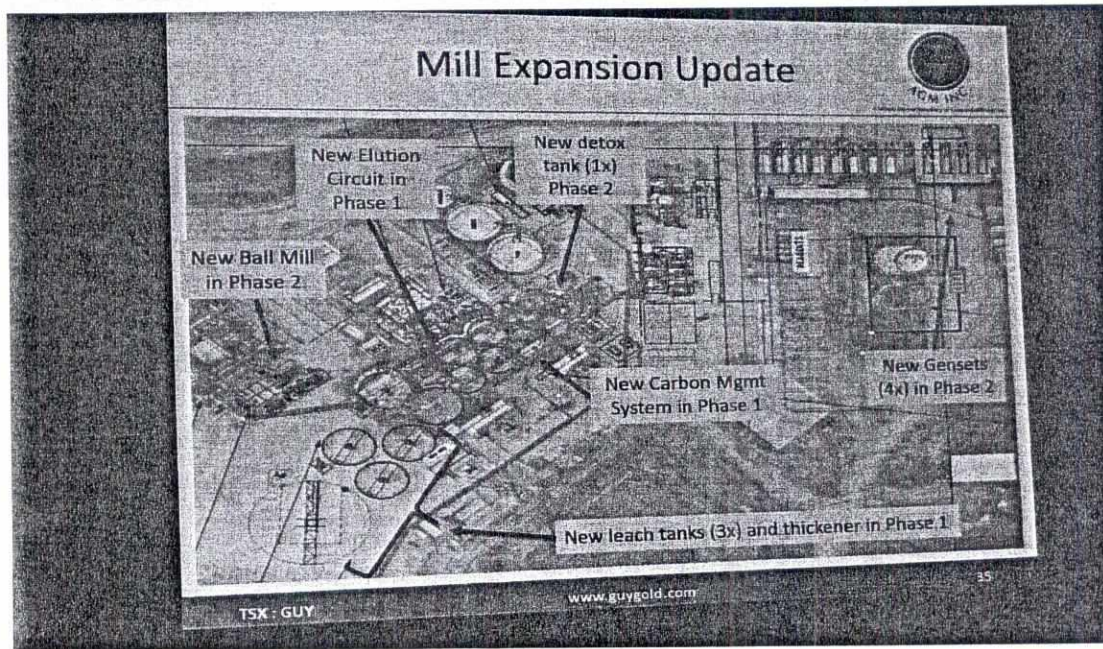
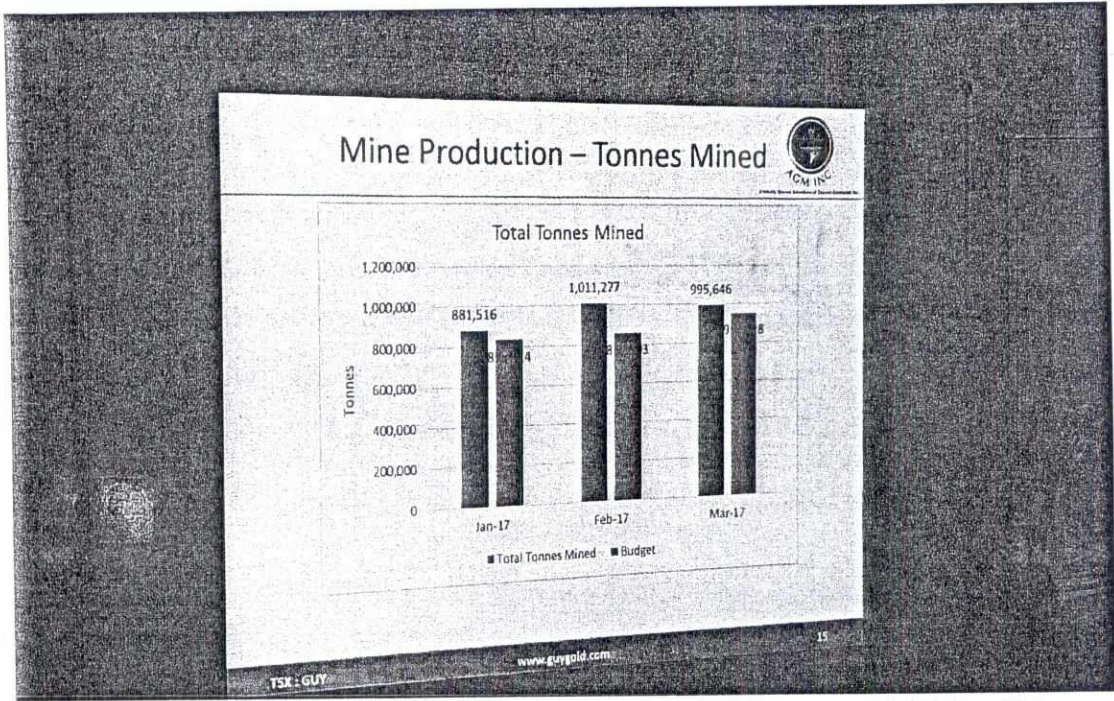
Mr. Benny, reacting to the question, told the meeting that AGM workers were well paid, and related that the lower end earners usually take home \$260,000 to \$300,000 per month with two weeks off site without pay on rotation. This arrangement affects 50% of AGM's work force. It should be noted that AGM operates a 12 hour shift system. He further related that middle end earners, e.g. (engineers) would earn \$500,000 and more per month but their offsite rotation (two weeks) would be with pay.

- Mr. Lumumba enquired of Mr. Benny, what was AGM's relationship with the technical institutes in Guyana.

Mr. Benny posited that a good relation exists between AGM and all of the technical institutions in Guyana, since a large number of workers were trained by these institutions sometime in the past. He also explained that the technical institute in Linden was given selected pieces of equipment to train students so that they could be familiar with the types of machines AGM uses, given that 65% of the present workforce was from Linden.

Mines production presentation

Mr. Victor Rozon, Assistant General Manager, informed the delegation that gold production for 2016 was 151,000 ounces and the forecast for 2017 was 160-170,000 ounces. He further related that the life of the mine was 17 to 25 years. The delegation was also apprised of AGM's plans for expansion, which has seen additional investment in new equipment aimed at building in house capacity and thus promoting greater efficiency. This he posited would see AGM less dependent on contractors for hauling and drilling. He told the meeting that the airstrip would be relocated as part of the expansion project since it was prone to flooding when the river rises. The delegation was also informed that a new regime of (packaged) explosives would be used in the mines as part of the cost cutting measures.



- Mr. Lumumba enquired whether the production forecast took into consideration world markets prices

The Assistant General Manager in response to Mr. Lumumba's query told the meeting that the production forecast was based on a combination of variables which included market prices and mill operations.

- Mr. Lumumba solicited a view on AGM's gold recovery per ton of ore and the availability of other minerals in commercial quantities in the area.

The Assistant General Manager informed the meeting that AGM's gold recovery is 2.8 grams per ton of ore and that yields in the second phase (underground) of mining appear promising. He also related that there were not many other minerals found, except a small amount of copper.

- Mr. Lumumba further queried how soon AGM would commence underground mining and what percentage of ore was there to be mined.

Mr. Micbe Papadakis, the Project Manager, related that AGM might commence underground mining by 2024; however, AGM could not say what percentage of ore is to be found there.

- Mr. Lumumba queried whether there was lumber of commercial value within the AGM's concession.

The Assistant General Manager in response informed the delegation that AGM was barred by regulation from harvesting lumber except for its domestic use. He also explained that the most commonly found wood type in the area was Mora, however, it is not commercially attractive, but is utilized by AGM for domestic use.

Water System presentation

- Mr. Lumumba enquired of AGM about the efficiency of their present water system after listening to the presentation.

The Assistant General Manager, in response explained that as part of the expansion project an improved system was needed to support greater efficiency. It was against this backdrop that new pumps with larger capacity were being procured.

- Mr. Lumumba further enquired about the strength of cyanide present in the water that is discharged as tailings, and whether riverine communities were affected.

The Assistant General Manager assured the delegation and the meeting that the tailings were safe, since the mines would detox the tailings before it entered the holding pond. He pointed out that the regulations specify that a pps of 50 was standard, however after detoxing the cyanide present was 10pps.

It was pointed out by Mr. Benny that they were two riverine communities, one was up stream and could not be affected and the other which was downstream, was itinerant with about six permanent residents. This community is 17 kilometers away and appears at the mouth of a creek; and as such it does not source water from the river.

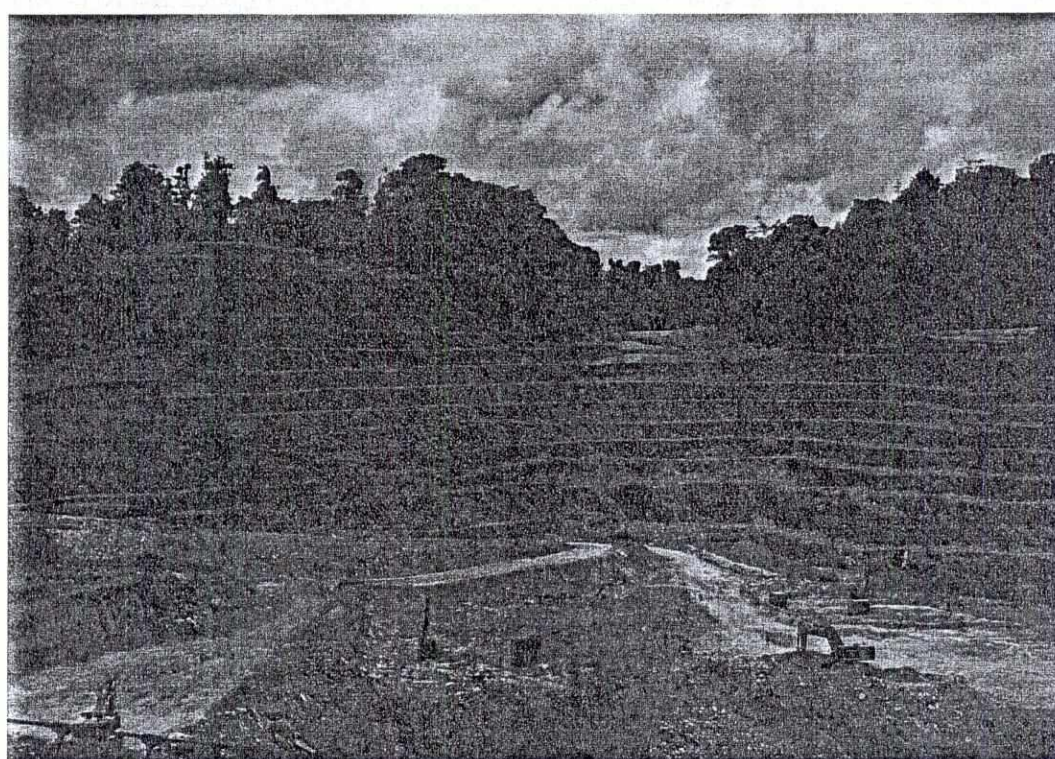
- Mr. Lumumba then enquired about the length of the tailings pond dam and posited that since the world was moving away from cyanide use what alternatives does AGM have.

The Project Manager in response to Mr. Lumumba's query told the meeting that he could not recall the length of the tailings pond dam, however, the delegation would have an opportunity to visit it during their tour. He also explained that the mills were designed to use cyanide which extracts 60% of all gold produced at AGM and that there was no alternative he could point to, given the present configuration of the mills.

- Mr. Lumumba posited the view that AGM should be looking at other means of generating power, taking into consideration that if world market price for fuel rises, cost would be affected.

The Project Manager in response to the observation made by Mr. Lumumba, told the delegation that studies were done to configure the best approach, but the results did not point to a specific alternative that was cost effective at this time. The Assistant General Manager also expounded on Mr. Lumumba's observation, pointing out that fuel and transportation costs represented a larger percentage of AGM's operating cost, which stand at between US \$6-8M per month. He pointed out that everything coming to the site had to travel long distances from Georgetown by river and road, with AGM having to maintain some of the latter. Hence it is imperative that AGM reduce some of its transport cost by increasing its transport fleet.

Visit to Rory's mining pit



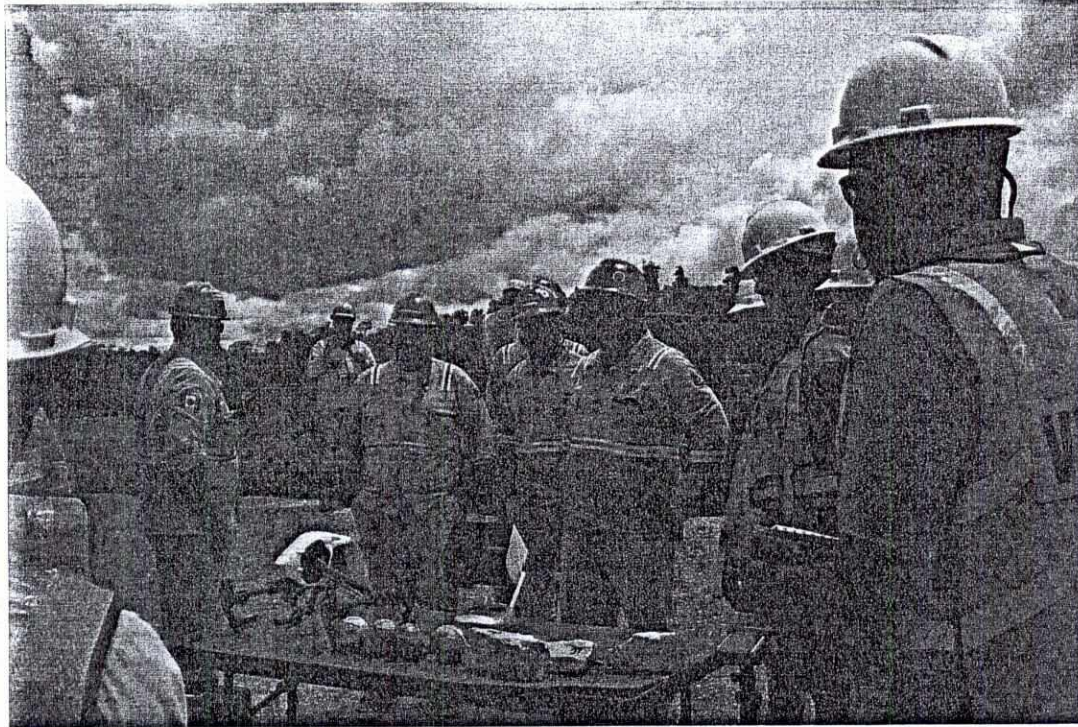
The delegation accompanied by the Management of AGM visited the periphery of the Rory's Knoll mining pit and witnessed 'open pit' mining in progress. The delegation was informed by the Project Manager that AGM was into phase two of Rory's pit based on how deep it would be mined.

- Mr. Rutherford enquired from the Project Manager, what were the challenges in managing his end of the operations.

The Project Manager in response related that having new employees fall into rotation seamlessly or having new equipment delivered on schedule would often be some of the challenges he has to overcome.

Visit to Grade Control exhibition



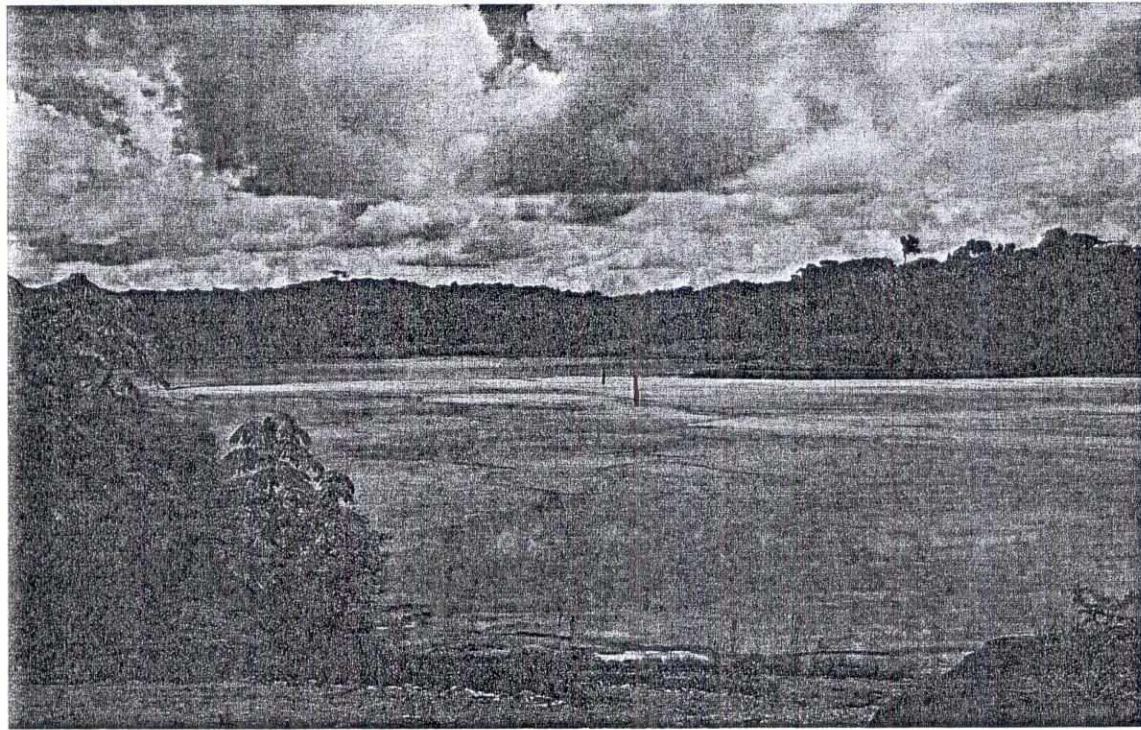
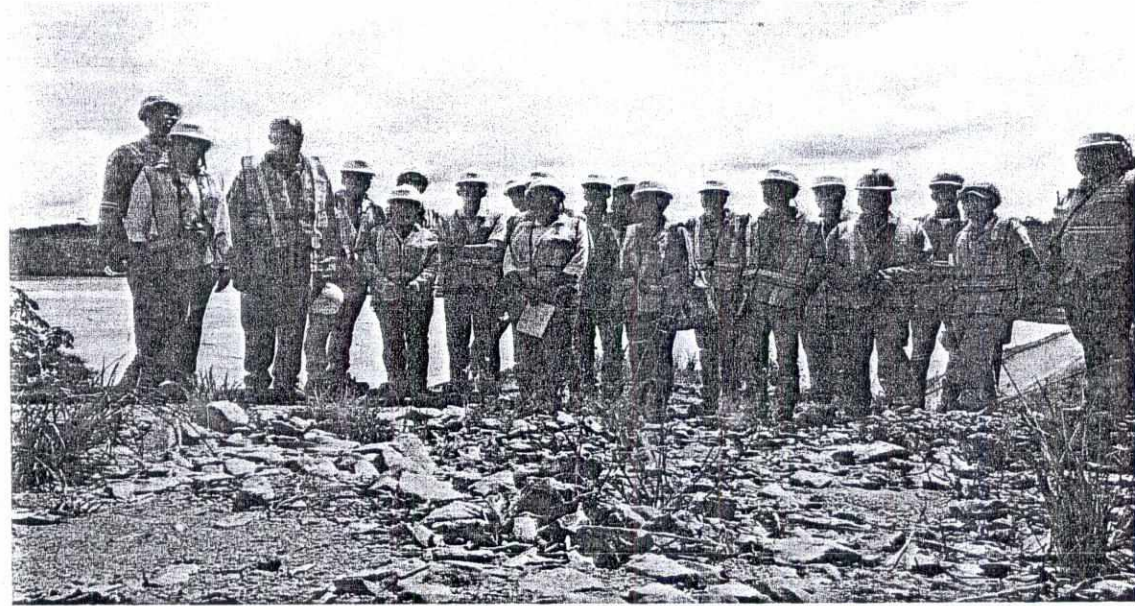


The delegation was briefed on the processes employed by AGM's Grade Control Department by Mr. Gordon Lashley, the Senior Grade Control supervisor. He identified and gave an explanation of the different types of rocks found in the ore. Additionally, he explained the techniques used to ensure secured blasting of the different types of rocks using specially made plastic balls as perimeter gages, inserted at selected points in the rocks before blasting. He further informed the delegation that imagery of the activities in the pit are recorded and monitored by drones, which aid planning and execution of responses flawlessly by providing real time data on a host of activities in the pit.

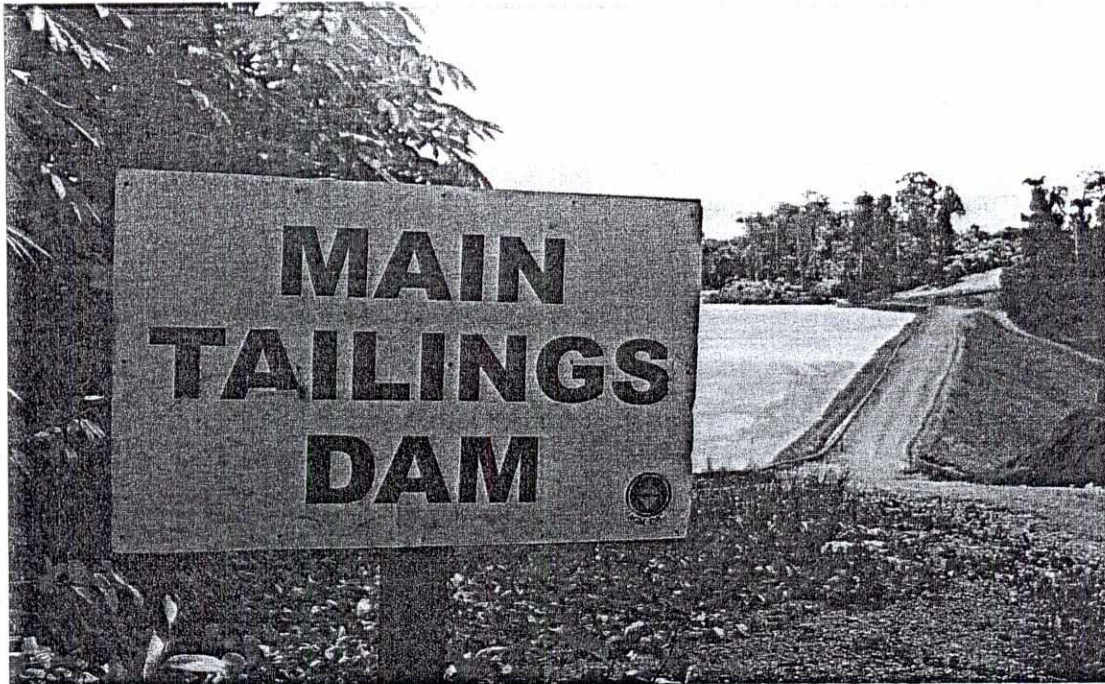
- Mr. Figueira enquired about Rory's pit when ore from its 'open pit' operations were exhausted.

The Senior Grade Control Supervisor informed the delegation that another pit could be opened if by that time AGM was not ready to mine underground.

Visit to the Tailings pond



Tailings pond



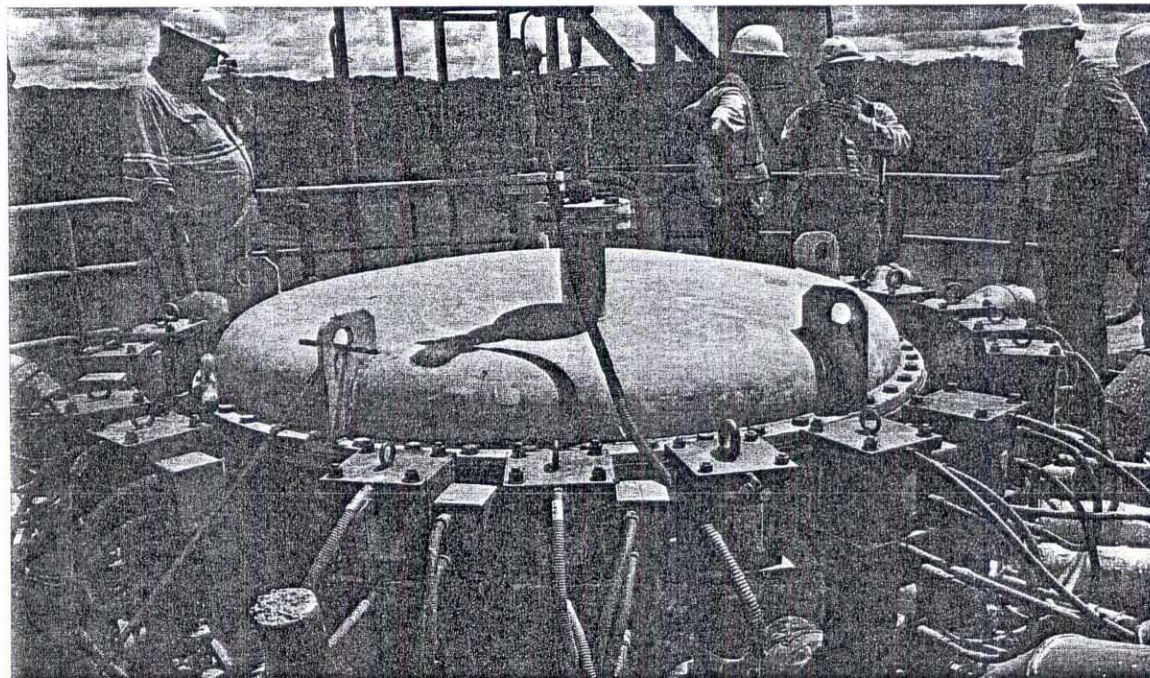
The delegation was briefed on their visit to the tailings pond by Mr. Jermaine Critchlow, Environmental Superintendent. He explained that the pond was not man made but was an existing pond that was utilised for this purpose. It was further explained that with expansion of the operation at AGM the dams of the pond would be raised.

- Mr. Figueira enquired from Mr. Critchlow about the distance the tailings pond was located from the river.

Mr. Critchlow in response told the delegation that the pond was located 6 km from the river; when the river level rises it does not inundate the pond.

- Minister Bulkan enquired of Mr. Critchlow what was the depth of the tailings pond. Mr Critchlow in response to the Minister, told the delegation that the depth of the tailings pond was 25 meters.

The delegation's tour concluded with a visit to the mills and a tour of the operation separation tanks, where briefing was provided by the Assistant General Manager and the Project Manager.



The delegation thereafter, retreated for lunch at the Benab with the AGM's Management. Complimentary remarks were exchanged by the Assistant General Manager and the Chairperson and Vice Chairperson of the Natural Resources Committee, after which the delegation departed at 3.00 pm for Georgetown.

