



GUYANA GEOLOGY AND MINES COMMISSION

PUBLIC NOTICE

Framework for Allocation of Mineral Properties by Lottery or Auction

ALLOCATION OF MINERAL PROPERTIES BY LOTTERY OR AUCTION

The Guyana Geology and Mines Commission (GGMC) hereby publishes the following framework to explain when mineral properties may be offered through lottery or auction and the requirements that continue to apply after allocation.

1. Purpose of a lottery or auction

Lottery and auction mechanisms may be used to provide a transparent and competitive method of allocating mineral properties.

Based on the Commission's established practice, a lottery may be used principally for the allocation of small and medium-scale properties where a number of properties have been identified and made available for allocation to eligible applicants, including areas returned to the Commission following cancellation of a permit. The lottery provides a transparent and impartial method of allocating comparable properties among eligible participants based on a pre-determined and publicly available criteria.

The Commission may also use bidding or auction, particularly where a competitive financial offer is considered appropriate or where an area has been specifically selected for competitive disposal based on geological or other factors.

A lottery is intended to provide an impartial method of allocation among eligible participants where the Commission has identified comparable properties for lottery allocation. An auction is intended to permit competitive financial bidding where the Commission determines that an auction is an appropriate allocation mechanism.

2. Circumstances in which a lottery may be used

- Where a number of medium-scale properties/blocks have been identified and designated for lottery allocation;
- Where an area returned to the Commission following cancellation is held in reserve for disposal by bidding or lottery;
- Where the Commission considers random allocation among eligible applicants to be appropriate given the prevailing needs in the sector through various methods of consultation¹; and
- Where the specific public notice identifies the property as a lottery property.

The fact that an area is cancelled does not by itself mean that a lottery will be held. The Commission will identify the properties and allocation method in a public notice having carefully considered factors such as access to the location, mineral potential indicators, and previous workings, among others.

¹ Weekly open day interactions, outreaches within the mining districts, consultations with mining associations, individual correspondences with requests for mining lands, among others form the methods through which the policy makers assess current needs and conduct lotteries accordingly.

3. Circumstances in which an auction may be used

- Where a property has been specifically designated for competitive bidding;
- Where the commission considers competitive price discovery appropriate;
- Where a cancelled/reverted property is designated for auction rather than lottery; or
- Where another lawful administrative or statutory basis supports competitive disposal.

4. Distinction by scale

Lottery exercises published by the GGMC have principally concerned medium-scale properties. Large-scale prospecting and mining are subject to separate statutory licensing requirements and are not treated with as lottery allocations. Small-scale claims are dealt with under the applicable statutory allocation regime.

5. Eligibility and qualification

Participation in a lottery or auction does not remove the requirement to satisfy the applicable Mining Act, regulations, environmental requirements, Amerindian Act requirements and the terms of the specific notice.

For medium-scale properties, the applicable eligibility requirements will be stated in the particular notice. Current GGMC public guidance provides that medium-scale prospecting permits are generally restricted to Guyanese citizens and institutions whose beneficial owners are Guyanese, subject to the Mining Act.

For large-scale rights, the Commission applies the statutory qualification requirements, including the financial and technical requirements applicable to the relevant licence.

6. Financial and technical assessment

Regardless of whether a property is allocated through a lottery a standard application or through a competitive allocation exercise, the applicant must satisfy the applicable statutory and regulatory requirements before the relevant mining right can be issued.

For large-scale prospecting licences, section 30 of the Mining Act requires the Commission to be satisfied that the applicant has:

- Adequate financial resources;
- Technical competence and experience to conduct effective prospecting;
- An adequate programme of prospecting operations; and
- Satisfactory proposals for the employment and training of Guyanese citizens, unless special circumstances justify otherwise and the minister approves the grant.

For **large-scale mining licences**, the application process requires substantially more detailed information, including the results of investigations and studies, proposals for the construction and operation of mining facilities and services, and other prescribed information. The GGMC currently describes the process as including a feasibility study/mine or operations plan, evidence of financial and technical capability, and environmental authorization before final issuance.

For **medium- and small-scale operations**, the level of documentation is proportionate to the scale of the operation. The GGMC's published qualification guidelines identify financial capacity, technical

competence and experience, equipment and staffing, the proposed mining programme/plan, environmental compliance, and the applicant's compliance standing as relevant considerations. See here

<https://www.ggmc.gov.gy/other-document/guidelines-on-financial-and-technical-qualification-criteria-for-mining-licenses-in-guyana-large-medium-small-scale/>

A lottery or auction does not dispense with the underlying qualification requirements. A successful lottery participant or auction bidder must still satisfy the applicable legal and regulatory requirements before the mining right is formally issued.

Evaluation Criteria for Applications for Mineral Tenure

Assessment component	Treatment
Legal eligibility	Mandatory threshold requirement as set out in the Mining Act and its regulations
Financial capacity	Assessed for adequacy relative to proposed operation
Technical competence and experience	Assessed relative to scale and nature of proposed operation
Work programme/ Mine Plan	Assessed for adequacy and feasibility
Equipment and personnel	Assessed for operational capacity
Environmental requirements	Required approvals/authorisations must be satisfied
Compliance history	Existing defaults and regulatory compliance considered
Fees, rentals and bonds	Required payments/security must be satisfied
Competitive bid/lottery	Applied where the property is specifically designated for auction/ bidding or lottery

7. What happens after winning a lottery or auction?

1. The successful participant must submit the required application for the allocated property within the stated deadline.
2. All prescribed application fees, rentals, bonds and other payments must be made within the applicable deadlines.
3. The applicant must satisfy all technical, environmental, legal and regulatory requirements applicable to the relevant permit or licence.
4. The GGMC will issue the relevant mineral right only after the applicable statutory and administrative requirements have been satisfied.
5. Failure to complete the required post-allocation steps within the prescribed period may result in the allocation lapsing.

8. Amerindian lands and FPIC/consent

Where proposed mining activities are on Amerindian Village lands the Amerindian Act 2006 applies. The miner must provide information, attend consultations, negotiate in good faith, address tribute as required by law, and obtain the statutory Village consent before mining activities proceed.

Section 48 of the Amerindian Act requires consent of at least two-thirds of persons present and entitled to vote at a Village General Meeting for the mining activities covered by that section. The Village Council subsequently enters into the written agreement with the miner as contemplated by the Act. Where a Village has undertaken additional consultation processes, including but not limited to

processes described as Free, Prior and Informed Consent (FPIC), the outcome may be submitted to the GGMC as supporting information.

The GGMC may facilitate consultations but does not participate in negotiations. Subject to the approval to proceed by way of a written agreement as required by the Amerindian Act, the GGMC proceeds to facilitate the issuance of the licence in keeping with statutory requirement.

9. Information to be published for each exercise

Before a lottery or auction is conducted, the GGMC will publish in print and digital media, as applicable:

- The properties/blocks to be allocated and their maps;
- The allocation method;
- Eligibility and participation requirements;
- Participation fees and payment arrangements;
- Limits on the number of applications or properties that may be obtained;
- Registration and application deadlines;
- Auction starting bid and bid increments, where applicable;
- Post-allocation application and payment requirements;
- Environmental, Amerindian/community and other legal requirements known to apply; and
- The manner in which lottery results or successful bids will be published.

10. Important notice to participants

Participants are responsible for conducting their own due diligence regarding the property, including its status, access, existing workings or claims where applicable, mineral potential and all legal and environmental requirements. Winning a lottery or auction does not constitute a guarantee of mineral recovery or an automatic grant of a mineral right.

11. Enquiries

Land Management Division

Guyana Geology and Mines Commission

High and Princes Streets, Werk-en-Rust, Georgetown, Guyana

Telephone: 225-2862 / 225-3047 ext. 1256, 1255, 1250

Email: commissioner@ggmc.gov.gy

Website: www.ggmc.gov.gy

LEGAL BASIS AND REFERENCES

This notice should be read with the Mining Act 1989, applicable regulations, the Amerindian Act 2006 and the specific terms of each lottery or auction notice issued by the Commission.

This framework describes the Commission's published practice and administrative approach. It does not amend or override any statutory requirement.