

“The production of gold from the property by the artisanal miners has not been based on a feasibility study”

Canada-based junior Guyana Goldstrike (CN:GYA) has moved to clarify last week’s news of artisanal mining on its recently-acquired Marudi gold project in Guyana generating more than US\$1 million.

Staff reporter | 19 Jun 2017 | 7:44 | News



Equipment at the Marudi gold project in Guyana

Guyana said artisanal miners, who have been given company-controlled access to work alluvial areas of the property, had mined 910 ounces of gold worth more than US\$1 million in the five months to March 31.

Under an agreement, Guyana receives a 10% royalty on gold mined from the property and received 90.9oz in royalties for the period, which the company sold for net proceeds of US\$106,490, after smelting costs and a further 5% royalty to the government.

However, at the request of the Investment Industry Regulatory Organization of Canada (IIROC), Guyana made a further announcement on Friday stating the historical resource referred to in its earlier release was not NI 43-101 compliant and that it had incurred about US\$12,500 in associated costs.

“The production of gold from the property by the artisanal miners has not been based on a feasibility study nor are there any current mineral resources or reserves identified in the area which is subject to the artisanal mining,” Guyana reiterated.

It had described the mining deal as “a win-win”, saying the artisanal miners had the opportunity to create income in an environment that adhered to acceptable mining practices.

“Further to this, it allows us to immediately generate sales from alluvial areas that generally fall outside our potential mining model or area of interest,” president and CEO Peter Berdusco said.

The company, previously known as Swift Resources, changed its name to Guyana Goldstrike in March on the successful acquisition of Marudi owner Romanex Guyana Exploration.