

# Guyana suspends gold, diamond mining permits

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A gold prospector is seen showing grains of gold obtained along a river in South America. Guyana said on Friday it had suspended the granting of new permits to mine for gold and diamonds in rivers because of concerns over widespread pollution.

The South American country of Guyana said it had suspended the granting of new permits to mine for gold and diamonds in rivers because of concerns over widespread pollution.

The move comes as prices for the yellow metal have soared on global markets.

The ministry for natural resources and the environment on Friday said the country's geology and mines commission has been instructed to stop issuing fresh permits until further notice.

Authorities say they will first consult with [indigenous communities](#), who depend on the rivers for drinking water and fishing, and other people living near rivers before deciding the next step.

Mining has damaged river banks, altered the flow of the [waterways](#), caused erosion and polluted sources of [drinking water](#), officials say. The heavy [sediment](#) in the water has been also affecting plant and fish life.

Numerous Canadian and Brazilian miners continue to flock Guyana seeking gold, which closed at \$1,587 an ounce on the London Bullion Market on Friday.

More than 363,083 ounces of gold were officially declared last year, but authorities believe a similar amount is smuggled into neighboring countries where the taxes are lower.

Officials are targeting an official gold production of 336,000 ounces in 2012.

Guyana, a country of 750,000 that gained independence in 1966, is wedged between Venezuela, Brazil and Suriname.

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