

# Aurora Gold Project Fully Funded; Guyana Goldfields Secures Credit Approvals for US\$185 Million Debt Financing; Private Placement Financing of US\$33 Million

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TORONTO, June 9, 2014 /CNW/ - [Guyana Goldfields Inc.](#) (TSX: GUY) and its wholly owned subsidiary, AGM Inc., (together, the "Company") are pleased to announce that the Mandated Lead Arrangers (the "Lenders") for the debt financing syndicate have received credit approvals to provide a US\$185 million ("M") senior secured project finance facility (the "Project Loan Facility" or the "Facility") to fund the development and construction of the Aurora Gold Project (the "Project"). The Lenders are comprised of International Finance Corporation, Export Development Canada, ING Capital LLC, Caterpillar Financial Services Corporation, and The Bank of Nova Scotia. The Project Loan Facility will consist of two tranches; a Tranche 1 facility of US\$160M and a Tranche 2 cost overrun facility of US\$25M, subject to negotiation and settlement of definitive documentation, which will include customary project finance terms, fees, conditions, ongoing due diligence, and conditions precedent. The maximum term of the Facility is eight years and the interest rate is based upon the 3-month LIBOR rate, which based on current parameters would be 6.3% for the Tranche 1 facility and 6.8% for the Tranche 2 facility (if drawn). There will be no gold hedging requirements or other similar provisions associated with the Facility.

Under the Facility, the Company is obligated to fund an additional US\$33M as a condition of first disbursement. Transaction and facility arrangement costs are estimated to be approximately US\$11M. The Company's Project budget including contingency is US\$249M. The cost to complete the Project, including interest during construction, working capital, and transaction costs is expected to be US\$277M. Development costs of US\$47M have been incurred to date. Total funding sources amount to US\$335M and are composed of cash on hand, the proposed Facility, and the additional US\$33M in funding; exceeding the cost to complete by US\$58M.

The Company proposes to fund the additional US\$33M (approximately C\$37M) with the proceeds obtained from a non-brokered private placement offering (the "Placement"). Under the Placement, the Company expects to issue approximately 20,000,000 common shares at a price of C\$1.85 per common share for aggregate gross proceeds of approximately C\$37,000,000. The net proceeds of the Placement will be used to meet the Lenders' condition of first disbursement. In connection with the Placement, the Company will pay eligible arm's length person(s) a cash fee of 5% of gross proceeds raised. The Placement is subject to conditions including, without limitation, receipt of all regulatory approvals, including the approval of the Toronto Stock Exchange, and completion of definitive documentation. The common shares issued upon the closing of the Placement will be subject to a 4-month hold period. Management, directors and insiders of the Company are expected to purchase up to C\$10M of the Placement.

Scott A. Caldwell, President and Chief Executive Officer states, "The approval of this Facility from all Lenders demonstrates the strong support and confidence in the Project. We look forward to working together with this reputable group of lenders. Our 6+ years of partnership with the IFC has helped us to establish an environmental, health, safety, and social management system that meets international best practices. The Project remains on schedule to achieve commercial production in mid-2015. We expect the mine to produce well in excess of 3M ounces of gold based on current reserves with average life of mine operating cash costs below US\$600 per ounce."

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

The Company is being advised on the debt financing by Endeavour Financial Limited (Cayman).

## Conference Call

Guyana Goldfields will hold a conference call today at 10:00am EST where senior management will discuss the contents of this press release and respond to any questions. A webcast will also be available at [www.guygold.com](http://www.guygold.com) for 90 days following the call.

**Conference Call Details:**

Date: June 9, 2014

Time: 10:00am EST

Conference ID: 58376116

**Dial-In Numbers:**

North America Toll-Free: (888) 231-8191

International: (647) 427-7450

Webcast link: <http://www.newswire.ca/en/webcast/detail/1368907/1516111>

**About Guyana Goldfields Inc.**

[Guyana Goldfields Inc.](#) is a Canadian based Company, focused on the exploration and development of gold deposits in Guyana, South America. The Company is focused on the construction and development of the Aurora Gold Project scheduled for commercial production in mid-2015. The Aurora Gold Project has a total gold resource of 6.54 million ounces in the measured and indicated categories (62.83 million tonnes at 3.24 g/t Au) as well as an additional 1.82 million ounces in the inferred category (16.93 million tonnes at 3.34 g/t Au). For further details, please refer to the press release dated December 9, 2013 and the report entitled "NI 43-101 Technical Report, Updated Feasibility Study – Aurora Gold Project" dated January 29, 2013 available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company also holds a significant portfolio of attractive exploration properties and holds cash balances of US\$77M as of April 30, 2014.

**About Endeavour Financial**

Endeavour Financial is a private independent merchant banking company focused on providing expert and unbiased financial advisory services to the global natural resources sector. The business has a history of achieving success for clients based on resource industry focus, innovative transaction skills and the diverse professional backgrounds of an award-winning team. Offering advice in project, corporate and debt capital markets; equity-linked financings; mergers and acquisitions; and strategic business development over more than two decades, Endeavour Financial has established itself as a leading financial advisor in the natural resources sector. Specific to the mining sector, in the last ten years the firm has closed in excess of US\$ 4 billion of development financings for single-asset emerging producers.

**Forwarding-Looking Information**

*This news release contains "forward-looking information" which may include, but is not limited to, statements with respect to the estimation of mineral resources. Often, but not always, forward-looking statements can be identified by the use of words and phrases such as "plans," "expects," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates," or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on various assumptions.*

*Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the receipt of applicable regulatory approvals, closing of the Project Loan Facility and the Private Placement Offering, general business, economic, competitive, political and social uncertainties; the actual results of exploration activities; changes in project parameters as plans continue to be refined; accidents, labour disputes and other risks of the mining industry; political instability; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" in the Company's annual information form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information,*

*future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.*

## Contact

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