TORONTO, May 27, 2015 /CNW/ - Guyana Goldfields Inc. (TSX:GUY) (the "Company" or "GGI") is pleased to announce that the mill commissioning process has commenced and the Aurora Gold Project ("Aurora" or "the Project") remains on track for projected initial gold production in mid-2015.

Overall, Project construction is approximately 85% complete with the Company focusing on operational readiness training and commissioning. GGI has commenced the commissioning of the following areas:

- SAG Mill
- Power Plant Generators
- Water and Air Support Systems

The Company will continue the commissioning phase during the second quarter of this year and is in the process of completing the remaining piping, electrical and surface conveyor construction. GGI is on track to start-up the gravity gold and saprolite production circuits for mid-2015 which would allow for earlier gold production (pre-commercial production) through the processing plant. The commissioning and startup of the hard rock crushing circuit is projected to be completed in the third calendar quarter of 2015.

The mining fleet is fully operational and all materials required for construction are on site. All surface and on-site construction and bulk earthworks are completed except for the river dike and runway expansion. The Company is currently operating at peak construction and manpower levels with over 1,000 personnel at site. The operational readiness team has been hired and undergoing initial training.

Initial open pit mining at Rory's Knoll has defined the pit outline with excavation below river level with no in-flow of water, as expected.

The Company expects to produce between 30,000 ounces to 50,000 ounces of gold in 2015 and approximately 120,000 ounces to 140,000 ounces of gold in 2016.

GGI has approximately US$44 million (as at March 31, 2015) of capital expenditures remaining to projected initial production. The total initial development costs for all facilities as well as mining equipment, owner's costs, indirect costs, etc., remains forecasted to be US$249 million. The Project is tracking on budget with US$52 million available as an overrun facility, if needed.

Scott A. Caldwell, President & CEO, commented, "The commissioning of the mill circuit is a major milestone which we've been able to deliver on schedule and brings us one step closer to initial production. I am proud of what our team has accomplished in just a little over a year. The energy at site is vibrant and I would like to thank all our employees and contractors for their dedication and excellent work. At this stage in the game, we are so close to production that it has eliminated a large portion of capital over-spending risk. Our next focus is producing ounces at or above our target for 2015 gold production and join the ranks of producers."

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. GGI is focused on the construction and development of the Aurora Gold Project scheduled for first 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. GGI also holds a significant portfolio of attractive exploration properties and holds cash and cash equivalents of US$16 million as of March 31, 2015.

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, the timing of the advance of the funds pursuant to the project loan facility to fund the development and construction of the Aurora Gold Project (the "Facility"), fulfilling all conditions precedent to the advance of funds pursuant to the Facility, 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 GGI'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.

SOURCE Guyana Goldfields Inc.

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