

TORONTO, Jan. 18, 2016 /CNW/ - [Guyana Goldfields Inc.](#) (TSX: GUY) (the "Company") is pleased to report the key findings from its feasibility study entitled "AGM Inc. Aurora Gold Project- Updated Feasibility Study" dated January 18, 2016 and effective September 30, 2015 (the "FS") for the 100% owned Aurora Gold Mine (the "Project"). The FS was authored by Metal Mining Consultants with contributions from SRK Consulting Inc. and others. The full FS is available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.guygold.com](http://www.guygold.com).

The updated FS reflects an extended open-pit/deferred underground mining scenario, as well as current cost parameters, and reserves based on a revised gold price of US\$1,000 per ounce.

The mine plan produces 2,865,726 ounces of gold at an average life of mine ("LOM") grade of 2.94 grams per tonne ("g/t") gold over an initial 16 year mine life at an all-in sustaining cost ("AISC") of US\$661 per ounce. Average annual gold production over the LOM is 188,000 ounces, and averages 200,000 ounces per year over the period from 2017 - 2028. Gold production peaks in year 2023 at 231,000 ounces. Gold production is staged with an initial open pit mill throughput rate of 5,000 tonnes per day ("tpd") from the Rory's Knoll deposit expanding to 8,000 tpd in early 2017 with the inclusion of other open pit feeds from the Aleck Hill and Mad Kiss deposits. Underground mining at Rory's Knoll commences in year 2022 and lasts for nine years.

Scott A. Caldwell, President & CEO states, "Operating results to date and this updated FS confirm the economic strength of the Aurora deposit. Good grade, great metallurgy, low operating and capital costs allow GGI to stand out amongst its industry peers".

#### Highlights of the Study

Gold Price (base case)		US \$1,000/oz
Mine Life (LOM)		16 years
Average Mill Throughput (initial)		5,000 tpd
Average Mill Throughput (extended)		6,040 tpd
Strip Ratio		6.8:1 (waste to ore)
Average Gold Grade (mill head)		2.94g/t
Gold Recovery (saprolite)		97%
Gold Recovery (fresh rock @ 5,000 tpd)		94.4%
Average Annual Production (LOM)		188,000 oz/yr
Average Annual Production (Years 2017-2028)		200,000 oz/yr
Total Gold Production (Recovered Gold)		2,865,726 oz
LOM Cash Costs (with royalty)		US \$564/oz
LOM AISC		US \$661/oz
All-IN cost (AISC + Corp G&A + Exploration+ Debt)		US \$778/oz
Expansion Capital Cost	Mill (Year 2016)	US \$5.6 M
	Open Pit (Year 2016 + 2017)	US \$18.8 M
Underground Development Cost		US \$227.4 M
Pre-Tax NPV (5% Discount Rate)		US \$672 M
After-Tax NPV (5% Discount Rate)		US \$568 M
Net Revenue		US \$2.7 B
Net Operating Income		US \$1.2 B

## Project Economics

The following table provides details of the Project's economics at variable gold price assumptions and assumes no sunk initial development capital costs of US\$249M (see press release dated December 9, 2013).

Financials (at 5% Discount Rate)	Units	Gold Price Per Ounce in US\$				
		\$800	\$900	\$1,000	\$1,100	\$1,200
				Base Case		
Average Operating Cash Cost (LOM)	US\$/oz	554	559	564	602	610
All-In Sustaining Cost (LOM)	US\$/oz	651	656	661	699	707
Pre-Tax NPV	US\$M	297	485	672	795	977
After-Tax NPV	US\$M	278	435	568	656	784
After-Tax Net Cash Flow <sup>1</sup>	US\$M	371	590	777	901	1,086

1. After-tax net cash flow defined as revenue less operating costs less capital expenditures.

## LOM Operating Costs

Cash operating costs (@ \$1,000 gold, includes royalty)	US\$564/oz
Mining cost per tonne (open pit)	US\$2.45/tonne
Mining cost per tonne to the Mill (open pit)	US\$19.23/tonne
Mining cost per tonne to the Mill (underground)	US\$29.85/tonne
Processing cost per tonne	US\$12.86/tonne
G&A cost per tonne milled	US\$8.29/tonne

## Mining and Production

All mining to date has been focused in the Rory's Knoll pit and will continue through the end of 2016. Gold production is staged with an initial open pit mill throughput rate of 5,000 tpd from the Rory's Knoll deposit expanding to 8,000 tpd in early 2017 with the inclusion of other open pit feeds from the Aleck Hill and Mad Kiss deposits. During the initial years when saprolite and fresh rock ore are combined, mill throughput rate ranges from 5,000 - 8,000 tpd. After eight years of operation, open pit mining will be completed.

The capital cost for the mill expansion from 5,000 tpd to 8,000 tpd is approximately US\$5.6 million ("M") and is funded from free cash flow and is contingent upon economic conditions. Major components of the plant were built for a 10,000 tpd throughput rate allowing for lower expansion capital.

Following a two year pre-production period, underground mining at Rory's Knoll commences in year 2022 as open pit mining operations are completed and sustains a mill throughput rate of 5,200 tpd for nine years. Pre-production and production mining will be completed by an underground contractor. Rory's Knoll underground will be mined utilizing the open benching and sublevel retreat mining methods via a decline access with truck haulage from a depth of -170 metres below sea level ("mbsl") down to -770 mbsl. The favorable orebody context and the results from a detailed coupled hydrogeological and geotechnical model support the open benching and sublevel retreat mining method approach. The study results show underground mining creates minimal surface subsidence and indicate water inflows are manageable. The underground mine plan, mining method, production rate, and cost estimates were validated by two independent Front End Engineering Development proposals completed in 2015.

## 2016 Production and Cost Guidance

The Company believes it will achieve its production guidance for 2016 of approximately 130,000 to 150,000 ounces of gold.

Cash costs for 2016 are expected to be in the range of \$487 to \$537 per ounce of gold (assuming \$1,000/oz gold price), or between \$587 to \$637 per ounce on an all-in sustaining cost basis.

#### Aurora Gold Project Mineral Reserves at US\$1,000/oz Gold

The Company has updated its Mineral Reserves for its Aurora Gold Mine and utilized a gold price of US\$1,000 per ounce (see press release dated January 14, 2016). There has been no change to the Mineral Resource model of the Project as previously disclosed on June 24, 2012 (the "2012 Resource Estimate"). The Company produced 35,901 ounces of gold for the year ended December 31, 2015 and achieved commercial production January 1, 2016. Total proven and probable Mineral Reserves are 3,042,000 ounces, net of depletion.

January 2016			
Reserve Category	Quantity (kt)	Grade (g/t)	Contained Gold (koz)
Proven			
Open pit saprolite	18	3.10	2
Open pit fresh ore	4,939	3.12	495
Stockpile	120	1.73	7
Total Proven	5,077	3.09	504
Probable			
Open pit saprolite	3,265	1.98	208
O/P fresh ore	8,963	2.88	829
Underground	14,904	3.13	1,502
Total Probable	27,132	2.91	2,539
Total (P&P)	32,208	2.94	3,042

(1) CIM definitions were followed for Mineral Reserves.

(2) Mineral Reserves are estimated using a gold price of US\$1,000/oz, 5% royalty and an average metallurgical recovery of 97.0% for saprolite and 94.4% for fresh rock material.

(3) Mineral Reserves are based on a cut-off grade of:

- Open Pit Vein saprolite cut-off grade of 0.43 g/t Au - Upper saprolite cut-off grade of 0.41 g/t Au
- Open Pit Fresh rock cut-off grade of 0.75 g/t Au - Fresh rock Rory's Knoll cut-off grade of 0.64 g/t Au
- Underground 1.62 g/t Au.

(4) Mineral Reserves include:

- Open pit: ore loss of 5% and dilution of 4% to 23% at 0.1 g/t Au.
- Underground: ore loss of 12% and dilution of 21% at 1.43 g/t Au.

(5) Totals may not add due to rounding.

#### Aurora Gold Project Mineral Resources at US\$1,300/oz Gold

June 2012			
Resource Category	Quantity (kt)	Grade (g/t)	Contained Gold (koz)
Measured & Indicated Resources (M&I)			
Open pit	32,500	2.64	2,750
Underground	30,060	3.91	3,780
Total M&I Resources	62,560	3.25	6,530
Inferred Resource			
Open Pit	5,080	1.54	250
Underground	11,810	4.12	1,560
Total Inferred Resource	16,890	3.33	1,810

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. The cut-off grades are based on a gold price of US\$1,300 per ounce and metallurgical recoveries of ninety-five percent for saprolite and fresh material. Open pit resources are reported within conceptual optimized open pit shells, whereas underground resources are external to these. Open pit resources are reported at a cut-off grade of 0.30 g/t Au and 0.40 g/t Au for Saprolite and Fresh rock respectively, whereas underground resources are reported at a cut-off of 1.8 g/t Au.

### Resource Upside Potential and Opportunities

The updated Mineral Reserves documented above do not take into account material from the following underground Mineral Resources as defined in the 2012 Resource Estimate:

- 1.69 million ounces of gold @ 3.67g/t in the indicated category at Rory's Knoll
- 1.22 million ounces of gold @ 4.27g/t in the inferred category at Rory's Knoll
- 787,000 ounces of gold @ 3.90g/t in the indicated category in the satellite deposits
- 341,000 ounces of gold @ 3.64g/t in the inferred category in the satellite deposits

### Metallurgy, Processing, and Infrastructure

The current Aurora process facility will treat 1.75 million tonnes of fresh ore per year. Management envisions expanding the plant in early 2017 to process up to 2.92 million tonnes of ore per year. The process plant is initially treating open pit saprolite and fresh ore from the Rory's Knoll zone. Gold recovery is by extraction in a carbon in leach ("CIL") circuit. Mined ore is crushed and ground prior to processing through CIL, carbon desorption, and electrowinning. Gold doré is produced on-site and stored in a secure vault prior to being air transported off-site. The resulting tailings are treated using an air/SO<sub>2</sub> cyanide detoxification system prior to tailings disposal. Tailings are pumped into the tailings management area.

### Financial Resources

At September 30, 2015, the Company on a consolidated basis had unrestricted cash of approximately US\$18.5M. In addition, the Company has US\$27M of restricted cash, of which, US\$23M has been allocated towards funding the debt reserve and debt reclamation accounts by the end of 2016. The remaining US\$4M will be returned to unrestricted cash.

Management estimates that by the end of 2016 after fulfilling all principal debt and interest payments, corporate G&A, corporate taxes, royalty, exploration and expansion capital, the Company will end the year with approximately US\$34M in unrestricted cash assuming a gold price of US\$1,000 per ounce.

During 2016, management expects to pay down approximately US\$35M (or 22%) of the total US\$160M debt facility and to have funded the debt reserve and reclamation accounts to a combined total of approximately US\$30M. Furthermore, management estimates that debt and principal payments can be retired as early as 2019 utilizing a gold price of US\$1,000 per ounce.

### Opportunities

Several occurrences of near surface saprolite exist near the current processing facility. Management will continue to assess the viability of additional production from the nearby Sulphur Rose deposit which could be a source of open pit production once open pit mining ceases at Aurora.

Management estimates from internal modelling that with a higher gold price of approximately US\$1,250 per ounce, an additional 1.5 million economic ounces of gold can be returned back into the mine plan.

## Qualified Persons

Scientific and technical information in this press release has been reviewed and approved by Scott E. Wilson, CPG, of Metal Mining Consultants, a "qualified person" within the meaning of NI 43-101. Mr. Wilson is independent of GGI and has verified the data disclosed in this news release including sampling, analytical and test data underlying the information contained in this release, to be in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and in accordance with National Instrument 43-101.

## Detailed Report

The entire FS is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.guygold.com](http://www.guygold.com).

## Conference Call

The Company will hold a conference call today at 10:00am EST where senior management will discuss the key findings of the FS and respond to any questions.

A webcast will be available on the Company's website following the call or through the following link at: <http://event.on24.com/r.htm?e=1121389&s=1&k=397627693B97AAA626FB6E3162804822>

To join the call:

### Conference Call Details:

Date of Call: Monday, January 18, 2016

Time of Call: 10:00am EST

Conference ID: 30897733

### Dial-In Numbers:

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

International: (647) 427-7450

## 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 an emerging gold producer with the onset of its 100% owned Aurora Gold Mine which achieved first production in mid-2015. The Aurora Gold Mine 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 report entitled "AGM Inc. Aurora Gold Project- Updated Feasibility Study" dated January 18, 2016 available on SEDAR at [www.sedar.com](http://www.sedar.com).

## About Our NI 43-101 Technical Report, Updated Feasibility Study Contributors:

### About Metal & Mining Consultants

Metal & Mining Consultants is a leading provider of consulting, engineering, program management, and technical services. Metal & Mining Consultants offers services in Geological Modeling and Mining Engineering to mining and exploration companies.

### About SRK Consulting

SRK is an independent, international consulting practice that provides focused advice and solutions to clients, mainly from earth

and water resource industries. The SRK Group comprises over 1,400 professionals in 45 offices worldwide, offering expertise in a wide range of resource engineering disciplines. The SRK Group's independence is ensured by the fact that it holds no equity in any project and that its ownership rests solely with its staff. This permits SRK to provide its clients with conflict-free and objective recommendations on crucial judgment issues. SRK has a demonstrated track record in undertaking independent assessments of Mineral Resources and Mineral Reserves, project evaluations and audits, technical reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies and financial institutions worldwide.

## Information Concerning Estimates of Mineral Reserves and Resources

The Mineral Reserve and Resource estimates reported in this press release were prepared in accordance with National Instrument 43-101 ("NI 43-101"), as required by Canadian securities regulatory authorities. For United States reporting purposes, the United States Securities and Exchange Commission ("SEC") applies different standards in order to classify mineralization as a reserve. In particular, while the terms "measured," "indicated" and "inferred" Mineral Resources are required pursuant to NI 43-101, the SEC does not recognize such terms. Canadian standards differ significantly from the requirements of the SEC. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories constitute or will ever be converted into reserves. In addition, "inferred" Mineral Resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian securities laws, issuers must not make any disclosure of results of an economic analysis that includes inferred Mineral Resources, except in rare cases.

## Forwarding-Looking Information

This news release contains "forward-looking information" which may include, but is not limited to, statements with respect to (i) the estimation of Mineral Reserves and Mineral Resources including, without limitation, statements with respect to the potential increase in production from the existing model, and the possible integration of additional ounces into the existing mine plan; (ii) exploration and development activities; (iii) available cash and anticipated debt reduction; and (iv) the FS including, without limitation, statements about projected future production, mining methods, mine plans, cost estimates and potential production increases as a result of increased commodity pricing. 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 regarding, among other things, the estimation of Mineral Resources and Mineral Reserves (and potential establishment and increases in respect thereof), the realization of Mineral Resource and Reserve estimates, currency fluctuations, gold metal prices, the timing and amount of future exploration and development expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing, the rate of debt repayment, and materials to continue to explore and develop the Project and surrounding areas in the short and long-term, the progress of exploration and development activities, the receipt of necessary regulatory approvals, and assumptions with respect to environmental risks, title disputes or claims, and other similar matters.

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 final findings set forth in the FS, risks relating to variations in Mineral Resources and Mineral Reserves, grade or recovery rates resulting from current exploration and development activities (including risks that new Mineral Resources may not be established, or the anticipated expansion potential of existing Mineral Resources/Reserves may not be realized), risks relating to changes in gold prices and the worldwide demand for and supply of gold, risks related to increased competition in the mining industry generally, risks related to current global financial conditions, access and supply risks, reliance on key personnel, operational risks inherent in the conduct of mining activities, increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the development process, capitalization and liquidity risks, risks related to disputes concerning property titles and interest, environmental risks, general business, economic, competitive, political and social uncertainties; the actual results of exploration and development activities; available cash and the actual rate of debt repayment; 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. Accordingly, readers should not place undue reliance on forward looking statements.

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