

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES

[Guyana Goldfields Inc.](#) (TSX:GUY) ("GGI" or the "Company") has announced today that it has entered into an agreement with a syndicate of underwriters led by BMO Capital Markets, Scotiabank and RBC Capital Markets, as joint bookrunners, under which the underwriters have agreed to buy on a bought deal basis by way of a short form prospectus, 10,705,000 common shares ("Common Shares") from the Company and 1,000,000 Common Shares from Patrick Sheridan, the founder and Executive Chairman of the Company (the "Founding Shareholder"), at a price of C\$9.40 per Common Share for gross proceeds of approximately C\$110 million (the "Offering"). The Company has granted the Underwriters an option, exercisable at the offering price for a period of 30 days following the closing of the Offering, to purchase up to an additional 15% of the Offering from treasury to cover over-allotments, if any. The Offering is expected to close on or about July 19, 2016 and is subject to the Company receiving all necessary regulatory approvals.

The net proceeds of the Offering are expected to be used to fund an expansion of the Aurora Gold Mine ("Aurora Mine") expected to increase capacity from 5,000 tonnes per day to 8,000 tonnes per day, with such expansion to be completed in 2017, for expanded exploration activities, potential debt repayment, and for general corporate purposes. The net proceeds from the secondary portion will be paid to the Founding Shareholder. The Company will not receive any proceeds from the secondary offering.

The exploration activities will focus on infill drilling at the Aurora Mine targeting near-surface inferred resources and increasing drill density at Aleck Hill, and in addition will include drill-ready targets within a 30 km radius of the Aurora Mine and on the Aranka concession.

The Company estimates that gold production through June 30, 2016 will total approximately 75,000 ounces at its Aurora Mine. As such, the Company is increasing its 2016 production guidance to 140,000 to 160,000 ounces (from prior guidance of 130,000 to 150,000 ounces). The primary contributors to the revised guidance are increased throughput levels and higher grade than originally predicted in the mine plan.

Cash cost (before royalty) guidance remains unchanged at US\$487 to US\$537 per ounce of gold while all-in sustaining cost (AISC) guidance for 2016 has been increased from US\$637 to US\$687 per ounce to US\$670 to US\$720 per ounce. The increase is mainly attributable to the unbudgeted purchase of a used Twin Otter airplane for more efficient and flexible local transportation and supplies, and capital expenditures for various plant facility optimization and infrastructure improvement projects.

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.

About Guyana Goldfields Inc.

[Guyana Goldfields Inc.](#) is a Canadian based mid-tier gold producer primarily focused on the exploration, development and operation of gold deposits in Guyana, South America. The 100%-owned Aurora Gold Mine achieved commercial production January 1, 2016 and 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.

Forward-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, anticipated uses of proceeds of the Offering, the increased capacity anticipated to be realized from the proposed mill expansion at the Aurora project, the receipt of regulatory approvals and the completion of the Offering. 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, the receipt of applicable regulatory approvals, among others, future included principal debt repayments, the expectation that certain current liabilities will be funded from operating cash flows and subsequently eliminating the expectation that certain restricted cost overrun equity funds will be

deposited in 2017 into debt service and mine closure restricted bank accounts at project completion, the expectation of reduced future mining costs and streamlining personnel as the Company transitions to a steady state mine operation, fulfilling all conditions and payments 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.

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