

TORONTO, May 1, 2017 /CNW/ - [Guyana Goldfields Inc.](#) (TSX: GUY) (the "Company") reports its 2017 first quarter operational and financial results. All amounts are expressed in U.S. dollars unless otherwise stated. A conference call will be held tomorrow, Tuesday, May 2 at 10:00 am ET to discuss first quarter results. The Company previously announced its first quarter gold production from mining operations results on April 11, 2017.

Q1 2017 Highlights

- The Company continues to maintain an excellent health and safety record and, as the date of this release, has accumulated more than 3 million man hours worked without a lost time injury.
- Strong cash flow generation with \$22.4 million of operating cash flow before changes in working capital.
- The Aurora Gold Mine had a strong start to 2017 producing 40,900 ounces of gold in the first quarter, in-line with 2017 production guidance of 160,000 – 180,000 ounces.
- Both cost of sales (including royalty and depreciation) of \$827 per ounce and cash costs (before royalty)¹ of \$516 per ounce were within their respective guidance ranges set at the beginning of the year. All-in sustaining costs¹ ("AISC") of \$861 per ounce was above the guidance range of \$775 - \$825 per ounce, as expected, due to the timing of significant capital investments at the start of the year.
- Net earnings of \$9.9 million or \$0.06 cents per diluted share.
- The Company's balance sheet remains strong with its cash balance of \$75.4 million exceeding its debt balance of \$73.6 million.
- The fair market value of the Company's investment in SolGold at quarter end was \$55.8 million.

Scott Caldwell, President & CEO stated, "The mill continues to perform strongly with throughput levels in the first quarter averaging 6,700 tonnes per day ("tpd"), materially above the budgeted throughput rate of 5,600 tpd and included a new monthly record of 7,100 tpd in March. Exploration work has kicked off and we are awaiting assay results from drilling completed at northwest Aleck Hill while the advancement of greenfield targets is ongoing through the course of the year."

¹ This is a non-IFRS measure. Refer to Non-IFRS Performance Measures section in the Mar 31, 2017 MD&A.

Aurora Gold Mine Operational Statistics

	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Ore mined (tonnes)	498,800	688,000	642,200	623,400	553,600
Waste mined (tonnes)	2,389,700	1,899,800	1,315,100	1,076,700	1,409,300
Total Mined (tonnes)	2,888,400	2,587,800	1,957,300	1,700,100	1,962,900
Strip ratio (waste:ore)	4.8	2.8	2.0	1.7	2.5
Tonnes mined per day	32,100	28,100	21,300	18,700	21,600
Ore processed (tonnes)	602,800	507,500	491,200	427,700	462,600
Tonnes processed per day	6,700	5,500	5,300	4,700	5,100
Head grade (g/t Au)	2.44	2.94	2.42	2.61	3.07
Recovery (%)	89.7	90.6	88.7	91.1	89.2
Mill utilization (%)	92.4	87.3	89.9	90.2	89.0
Gold Produced (ounces)	40,900	43,800	34,400	32,000	41,300
Gold Sold (ounces)	40,700	45,500	33,300	36,600	40,500
Average Realized Gold Price (\$/ounce)	1,227	1,204	1,334	1,269	1,196
Cash costs per ounce – before royalty ¹ (\$/ounce)	516	446	499	524	525
All-in sustaining costs ¹ (\$/ounce)	861	678	796	729	767
Cost of sales (includes production, royalty and depreciation) (\$/ounce)	827	750	811	842	767

Q1 2017 Operational Results Summary

- Gold production of 40,900 ounces based on mill throughput of 602,800 tonnes at an average head grade of 2.44 grams per tonne (g/t) gold and average recoveries of 89.7%.
- Overall, the mill processed at record rates in the quarter due to a focus on operational efficiencies and mill debottlenecking through the course of 2016. The head grade for the quarter was down attributable to lower grade stockpiled ore being fed to the mill in March due to delays caused by heavy rains in accessing higher grade ore at the bottom of Rory's Knoll pit. Recoveries were down slightly and attributable to the higher throughput and the lower grades experienced in the quarter.
- Mining activities were focused on hard rock mining at Rory's Knoll (70%) as well as Aleck Hill (30%), where all material was saprolite. Pre-development and stripping activities of the saprolite for the second phase of Rory's Knoll and at Aleck Hill was ongoing during the quarter.
- Cost of sales and cash costs¹ were in line with guidance with the exception of AISC¹ which was projected to be higher due to capital spent on expanding the mining fleet including the purchase of new trucks and excavators. AISC¹ costs are expected to trend down throughout the year with less reliance on rental equipment as well as with the delivery of the bulk emulsion explosives.
- As at March 31, 2017, there were approximately 3,800 contained ounces of gold in circuit with an additional 2,730 ounces in doré inventory ready to be refined.

¹ This is a non-IFRS measure. Refer to Non-IFRS Performance Measures section in the Mar 31, 2017 MD&A.

Q1 2017 Selected Financial Information

(in thousands of dollars, except ounces, per ounce and per share figures) Q1 2017 Q4 2016 Q3 2016 Q2 2016 Q1 2016

Revenues	\$49,957	\$54,809	\$44,403	\$46,411	\$48,530
Earnings from mine operations	\$16,317	\$20,673	\$14,777	\$15,619	\$17,400
Earnings (loss) before tax	\$10,391	\$9,379	\$11,942	\$11,647	\$11,495
Net earnings (loss)	\$9,938	\$3,405	\$8,921	\$7,642	\$7,017
Net earnings (loss) per diluted share	\$0.06	\$0.02	\$0.05	\$0.05	\$0.04
Cash flow from operations	\$16,918	\$23,267	\$13,802	\$15,565	\$26,121
Cash and cash equivalents	\$75,431	\$73,151	\$105,190	\$16,612	\$18,520
Restricted cash balances	\$1,197	\$1,184	\$23,317	\$23,281	\$23,146
Total debt (excluding deferred financing charges)	\$73,617	\$78,413	\$135,650	\$143,370	\$148,860

Q1 2017 Financial Performance Summary

- A total of 40,700 ounces of gold were sold with an average realized gold price of \$1,227 per ounce, resulting in revenues of \$50.0 million.
- Generated \$16.9 million in cash from operating activities in the quarter compared to \$26.1 million of operating cash flow in the first quarter of 2016. Excluding changes in non-cash working capital, operating cash flow was \$21.9 million for the quarter, in-line with the previous year. This was due to revenues and production costs being relatively flat year-on-year.
- Net earnings for the quarter amounted to \$9.9 million (\$0.06 cents per diluted share), up over the comparative quarter by \$2.9 million, primarily due to the recognition of the deferred tax asset during the current quarter of \$3.0 million.
- Finished the year with cash and cash equivalents of \$75.4 million. This strong cash position provides the Company with ample capacity to meet its most significant near-term liquidity requirements which consist of capital purchase requirements of \$13.1 million, scheduled principal debt repayments of \$5.0 million each quarter, and expected capital expenditure requirements of \$21.4 million in 2017 and the first quarter of 2018 for the phase one expansion of the mill.

Exploration Activities

- Exploration efforts in the quarter were focused on trenching and drilling the northwest extension of Aleck Hill as well as advancing multiple greenfield targets through soil sampling and trenching. The Company is still awaiting assay results from the work at northwest Aleck Hill which will determine the direction of work on the brownfield targets moving forward while the advancement of greenfield targets will be ongoing through the course of the year.
- Exploration work at greenfield targets included an infill soil sampling program at Gold Creek, located approximately 10 km to the south east of the Aurora mine. Subsequent to the quarter end, the Company also completed a trenching program at Sulphur Rose, located 23km to the north east of Aurora, to test a large chargeability anomaly identified by the ground IP and magnetics survey completed during the fourth quarter. A regional soil sampling program to the north and west of Sulphur Rose has been planned and is expected to commence in the second quarter. A soil sampling program at Wynamu, located approximately 30 km to the north of Sulphur Rose, commenced during the first quarter and will be ongoing through the second quarter as well.

2017 Outlook and Opportunities

The Company is maintaining its production and cost guidance for 2017 as outlined below. Due to mine sequencing, gold production is expected to be slightly higher in the second half of the year relative to the first half. Similarly, due to the timing of sustaining capital expenditures, AISC¹ are expected to be higher in the first half of the year relative to the second half. The royalty cost is based on an assumed gold price of \$1,200 per ounce.

2017 Guidance

Gold production (000's ounces)	160-180
Cost of sales (production costs, royalty & depreciation) (\$ per ounce)	\$800-\$850
Cash cost ¹ , excluding royalty (\$ per ounce)	\$500-\$550
AISC ¹ (\$ per ounce)	\$775-\$825

The mill continues to perform very strongly with throughput levels in the first quarter averaging 6,700 tpd, materially above the budgeted throughput rate of 5,600 tpd. With the completion of the first phase of mining at Rory's Knoll largely complete and with the second phase of mining at Rory's Knoll entering the transition zone between the saprolite and hard rock, the Company expects that mill throughput should revert closer to budgeted levels for the next couple of quarters.

¹ This is a non-IFRS measure. Refer to Non-IFRS Performance Measures section in the Mar 31, 2017 MD&A.

Mill Expansion Progress

The first phase of the mill expansion commenced towards the end of the first quarter of 2017 and is expected to be completed by the end of the first quarter of 2018 at a capital cost of approximately \$21.4 million. The Company has engaged JDS Energy and Mining Inc. ("JDS") to complete the Phase 1 of the expansion on an EPCM basis.

Progress to date on the first phase of the expansion includes site establishment including the mobilization of the JDS team, commencement of detailed engineering including finalizing the process flow diagrams and process design criteria, foundation preparation for the leach tanks and thickener, and the ordering of long lead time items.

The second phase of the expansion will allow the processing of 8,000 tpd hard rock and is expected to commence in mid-2018 and be completed by mid-2019 when the majority of saprolitic ore has been exhausted.

This release should be read in conjunction with the Company's first quarter 2017 financial statements and MD&A report on the Company's website, www.guygold.com, in the "Financial Reports" section under "Investors", or on the SEDAR website at www.sedar.com.

Conference Call

Participants may join the call by dialing North America toll free 1-888-231-8191 or 647-427-7450 for calls outside Canada and the U.S., and entering the participant passcode 3153144.

A live and archived webcast of the conference call will also be available at www.guygold.com for 90 days under the Investors and Events & Presentations section or by clicking here <http://event.on24.com/r.htm?e=1401925&s=1&k=4990BF104FBE35D60B9A79A9B052B93Bhttps://urldefense.proofpoint.com/v2/url>

A recorded playback of the first quarter 2017 results call will be available until May 9, 2017 by dialing: 1-855-859-2056 or 416-849-0833 and entering the call back passcode 3153144.

Non-IFRS ("International Financial Reporting Standards Performance") Measures

The Company has included certain non-IFRS performance measures in this document including total cash costs per ounce, all-in sustaining cost per ounce, total cash cost per ounce before royalty, and free cash flow. These measures are not defined under IFRS and should not be considered in isolation. The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. The inclusion of these measures is meant to provide additional information and should not be used as a substitute

for performance measures prepared in accordance with IFRS. These measures are not necessarily standard and therefore may not be comparable to similar measures presented by other issuers.

The Company has applied the World Gold Council's June 2013 published guidance in reporting cash costs and all-in sustaining costs to its mining operations. Adoption of cash costs and all-in sustaining cost metrics is voluntary and not necessarily standard, and therefore, these measures presented by the Company may not be comparable to similar measures presented by other issuers. The Company believes that the cash costs and all-in sustaining cost measures complement existing IFRS measures reported by the Company.

Total cash costs per ounce

Total cash costs is a common financial performance measure in the gold mining industry but with no standard meaning under IFRS. The Company reports total cash costs on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating cost performance.

Total cash costs include production and royalty costs. Production costs include mining, processing, refining and transportation, and site administration, and in total are then divided by gold ounces sold to arrive at total cash costs per gold ounce sold. This measure also includes other mine related costs incurred such as mine standby costs and any current inventory write downs. Production costs are exclusive of depreciation. Royalty costs are excluded from the above total cash costs figure to arrive at total cash costs per ounce – before royalty. Other companies may calculate these measures differently.

All-in sustaining cost per ounce

"All-in sustaining cost per ounce" is also a non-IFRS performance measure. The Company believes this measure more fully defines the total costs associated with producing gold; however, this performance measure has no standardized meaning. Accordingly, there may be some variation in the method of computation of "all-in sustaining cost per ounce" as determined by the Company compared with other mining companies. In this context, the Company calculates AISC as the sum of total cash costs (as described above), share-based compensation, corporate general and administrative expense, exploration and evaluation expenditures that are sustaining in nature, reclamation cost accretion, sustaining capital including deferred stripping, and realized gains and losses on diesel derivative contracts, all divided by the gold ounces sold to arrive at a per ounce figure.

Sustaining capital expenditures are expenditures that do not increase annual gold ounce production at a mine site and excludes expenditures at the Company's development projects as well as expenditures that are deemed expansionary in nature.

Additional IFRS financial performance measures

The Company has included the additional IFRS measure "Earnings from mine operations" in the financial statements. Management believes that that "Earnings from mine operations" provides useful information to investors as an indication of the Company's principal business activities before consideration of how those activities are financed, and before sustaining capital expenditures, corporate general and administrative expenses, exploration and evaluation expenses, stock based compensation, non-mine related depreciation, net finance expenses, and taxation.

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 6.25 million ounces in the measured and indicated categories (59.73 million tonnes at 3.25 g/t Au) as well as an additional 1.79 million ounces in the inferred category (16.58 million tonnes at 3.79 g/t Au). For further details, please refer to the report entitled "Independent Technical Report Updated Feasibility Study, Aurora Gold Mine Project, Republic of Guyana" dated February 2, 2017 available on SEDAR at www.sedar.com.

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, future included principal debt repayments, the expectation that certain current liabilities will be funded from operating cash flows, and the expectation of reduced future mining costs. 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, the expectation of reduced future mining costs, fulfilling all conditions and payments pursuant to the debt 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 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.

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