Concerned Shareholders Requisition Special Meeting to Restore Value at Guyana Goldfields Inc.

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- New board will revitalize Guyana Goldfields by optimizing operations, leading share price recovery and seeking a value-maximizing transaction
- Fully independent nominees bring superior mining, operational, public company, financial and legal expertise, and wealth for long-suffering shareholders who have lost over CDN$1 billion in value by initiating a strategic review
- After a period of prolonged value destruction, current directors René Marion, David Beatty, Scott Caldwell, Jean-P Chauvin, Alan Ferry, Wendy Kei and Michael Richings (three of whom are not independent) have shown an inabi reverse continued poor performance, address underlying operational issues and improprieties, nor stop Guyana G share price freefall

TORONTO, Jan. 2, 2019 /CNW/ - A group of Guyana Goldfields Inc. (TSX : GUY) ("Guyana Goldfields" or the "Compar shareholders (the "Concerned Shareholders"), including Northfield Capital Corporation, Robert Cudney, Donald Ross, G Ross and Patrick Sheridan, together owning not less than 5% of the issued and outstanding shares of the Company, ar they have requisitioned a special meeting of shareholders for the purpose of replacing the board of directors (the "Boar Company with a new board capable of fixing performance issues, leading a share price recovery, and executing a valu maximizing transaction.

The Concerned Shareholders are requesting that the current Board of seven that has been responsible for the loss of c billion in shareholder value since 2016 be replaced with six independent, highly-qualified and accountable directors wh significant mining, operational, public company, financial and legal experience. The Concerned Shareholders are also mandate from shareholders for the new board to establish an ethics committee to guide and ensure the ethical conduct Company's business, strike a special committee to undertake a strategic review of the Company, and engage a leading bank as financial advisor to assist with such strategic review. Given the current Board's inability to stop the freefall of G Goldfields' share price — and a series of continued irresponsible statements and decisions that have instead acc the share price decline — the Concerned Shareholders request that the special meeting be held promptly, by no March 12, 2019.

"The current Board has made a series of seemingly irresponsible and misleading statements and generally questionabl that have put Guyana Goldfields' share price into a freefall. Their track record shows every decision they make further the value destruction. While shareholders have lost over CDN$1 billion in value the Board has continued to reward itse handsomely and has made no changes to the operational management of the Aurora Mine," said Mr. Sheridan, one of Goldfields largest shareholders and Founder, former Executive Chairman and former director of the Company. "Withou immediate change in direction and a new board elected with a mandate to aggressively pursue a strategy to maximize shareholders, we have serious doubt Guyana Goldfields will remain a going concern. The path for shareholders to reco value of their investment is clear: optimize operational performance, repair the relationship with the Government of Guy the share price around and execute a value-maximizing transaction."

The Concerned Shareholders are not alone in their views. As Scotiabank indicated on November 19, 2018: "...we feel in management is likely beyond repair and we do not see any catalysts that are likely to persuade investors to initiate o position." It is clear the only way to restore confidence is with a new board.

Fully Independent, Highly-Qualified and Accountable Nominees

The Concerned Shareholders' nominees (the "Nominees") are committed to fixing the operational issues that have plag Guyana Goldfields. Each of the Nominees has held senior leadership positions at leading Canadian and international c including Alio Gold Inc., Falco Resources Ltd., Ivanhoe Mines Ltd., Minnova Gold Corp., Atacama Pacific Gold Corp. ar Metals Inc. and have significant mining, operational, public company, financial, and legal experience. While the Nomine as independent fiduciaries, they have all indicated support for the Concerned Shareholders' plan to optimize Guyana G assets and pursue a transaction to maximize value for all shareholders.

The Nominees include:

- Ms. Carmen Diges
  - Corporate and international transactions lawyer since 1995, currently serves as a principal at REVlaw and p served as the Chair of the mining practice groups at Miller Thomson LLP and McMillan LLP
  - Holds senior legal positions at Echelon Wealth Partners and McEwen Mining Inc.
  - CFA charter holder and holds a Master of Laws (Tax) from Osgoode Hall Law School, a Bachelor of Laws fr Dalhousie Law School and a Bachelor of Arts from the University of Toronto
- Mr. Declan Franzmann
  - Professional mining engineer with more than 27 years' experience in corporate, operational and senior engi
  - Extensive experience with several ASX and TSX listed companies in underground and open-pit gold mining
  - Holds a Bachelor of Engineering (Mining) from the University of Ballarat, Victoria, Australia, as well as a Firs Manager's Certificate for various regions in Australia
- Mr. Doug Kirwin
  - Geologist with more than 45 years of international exploration experience
  - Currently serves as a director of Avidian Gold Corp., Chakana Copper Corp., Kenadyr Mining (Holdings) Co Consolidated Mining Company and Manila Mining Corporation and previously held senior executive position Ivanhoe Mines Ltd., Anglo American plc and AMAX Inc.
  - Holds a Master of Science degree in mineral exploration from James Cook University, Australia, where he is adjunct professor of geology
- Mr. Luc Lessard
  - More than 30 years' experience in the mining industry holding senior operational roles with Canadian Malar Partnership (owned jointly by Agnico Eagle Mines Ltd. and Yamana Gold Inc.), Osisko Mining Corp., Falco Ltd., and presently serves as a director of Falco Resources Ltd., Highland Copper Company Inc., Nighthaw and Osisko Metals Inc. (formerly, Bowmore Exploration Ltd.)
  - Holds a bachelor degree in Mining Engineering, from Université Laval and is a member of the Ordre des ing Québec
- Mr. Thomas Pladsen
  - 30 years' experience as a senior manager or director with public companies including presently serving as a of Northfield Capital Corporation and Neo Lithium Corp.
  - Previously served as Chief Financial Officer of several public companies including Atacama Pacific Gold Co Mining Ltd., Andina Minerals Inc. and Merc International Minerals, Inc.
  - Holds a Bachelor of Business Administration from Wilfrid Laurier University and received his Chartered Acc designation with KPMG LLP
- Mr. James White
  - Varied experience in the fields of exploration, development and financing of the mining industry
  - Currently serves as the Managing Partner of Baynes & White Inc., a Toronto, Ontario based benefits and pe actuarial consulting firm and a director of Minnova Gold Corp. as well as a director several private organizat
  - Previously served as a director of Patricia Mining Corp., West Timmins Mining Inc., Matamec Explorations I Inc., Umami Sustainable Seafood Inc., Less Mess Storage Inc. and Currency Exchange International, Corp.

Need for Immediate Change: The Board's Track Record of Value Destruction

Guyana Goldfields has lost over CDN$1 billion in value since 2016 because of the Board. They have made, and continue to make, questionable business decisions. Until now, much of what they have been doing has been hidden from shareholders. The Concerned Shareholders believe their fellow shareholders should have the benefit of full information regarding the Board's actions, whether they want to provide it or not.

Pattern of Misrepresentation and Selective Disclosure: The Concerned Shareholders believe that, for the past few months, the Board has been misrepresenting or incompletely disclosing the reasons for the Company's poor results, using such excuses as the rainy season, slow equipment mobilization and, most recently, problems with the resource model. On February 20, 2018, the Company provided full 2018 production guidance at 190,000 - 210,000 ounces with an all-in sustaining cost of USD$830 - USD$880 per ounce. On July 16, 2018 this was lowered to 175,000 - 185,000 ounces at an all-in sustaining cost of USD$945 - USD$995 per ounce. These figures were re-confirmed by the Company on October 9, 2018. However, on October 30, 2018, just 21 days later, full year guidance was lowered to 150,000 - 155,000 ounces with an increased all-in sustaining cost of USD$1,025 - USD$1,050 per ounce.

On a conference call on October 30, 2018, management this time largely blamed the further revised guidance on problems with the resource model, thereby throwing into question the gold resource itself. While some variance in the resource model is common and is to be expected, and certainly nothing new for the Aurora Mine, management's statement threw into question the viability of the mine itself. In the

Concerned Shareholders' view, this was an incorrect, misleading and irresponsible statement and it caused the market capitalization of the Company to fall by almost CDN$250 million, or about half, in one day.

The Concerned Shareholders believe the reality is that these statements and excuses were made to cover up poor mining practices, including in particular the shortfall in stripping the deposit which remains many months behind schedule. The Concerned Shareholders believe this is largely due to the initial stripping contract being awarded to an underqualified and inexperienced local contractor. There was no RFP process and no attempt to seek competitive bids.

Again, the Concerned Shareholders are not alone in their views. As Scotiabank again stated on November 19, 2018, "While we wonder if previous operational disappointments may not have a grade reconciliation component, the Company reiterated that poor performance of year-to-date production was due to execution issues most notably the slow mobilization of the new contractor."

The resource model has been reviewed by four leading engineering companies including SRK and RPA (who reviewed the model for the lending syndicate). Previous drilling and assay results have not been contradicted or revised. Although some refinement on the model is likely, it is very unlikely to be of the order reflected in the share price freefall, which the Concerned Shareholders believe is the result of lack of effective oversight by the current Board, questionable decisions and irresponsible comments by the current management.

Deterioration in Key Relationship with the Government of Guyana: On November 9, 2018, the Company announced that it "commenced underground development with first portal blast"; however, on November 19, 2018 the Company announced it had suspended work on the portal at the request of the Environmental Protection Agency (EPA). The Concerned Shareholders understand that the EPA had specifically requested on October 24, 2018 that no underground work be commenced without prior approval, which the Company seemed to have deliberately ignored. Moreover, the Concerned Shareholders understand that the subsequent investigation by the EPA has outlined "about 50%" non-compliance with environmental regulations. Such actions by management have likely significantly and, possibly irreparably, soured relations with the Government of Guyana, after many years of mutual support and respect.

Additionally, on July 31, 2018, the Company fired over 80 exploration workers, an event carried widely in the national press, which not only diminished the Company in the eyes of many Guyanese but also could potentially cause the Guyanese government to revisit and review its exploration licenses. It will be a priority of the Nominees to make immediate efforts to repair the relationships with the Government of Guyana.

Questionable Decisions by Management: Under the oversight of the current Board, Guyana Goldfields' management team has been allowed to stray from proven best practices which have had a negative impact on the Company's operations. Specifically, the Concerned Shareholders understand that the management team has not followed best practices with respect to mill security, site security, procurement, internal controls, and the assay lab.

Shareholder Warning: The Board is Likely to Mount a Smear Campaign to Distract from Performance

The Concerned Shareholders fully expect the Board to spin the focus of the meeting requisition and campaign for change by mounting an aggressive smear campaign against one of the Concerned Shareholders, Mr. Sheridan. When Mr. Sheridan advised the Board he intended to raise a number of concerns he had become aware of, the Board's response was to terminate his service as Chairman in an apparent attempt to prevent these issues from being fully and transparently considered. While the Board will try to scapegoat Mr. Sheridan, the fact remains that Mr. Sheridan is a major shareholder, the only (former) director with any real skin in the game, and just one of many shareholders who are legitimately concerned about the Board's actions which have led to a substantial loss in value. The Concerned Shareholders believe that the Board is terminating individuals who do not fall in line with their agenda. To date, close to 100 employees have been fired since July 2018, including the former head of security. The Concerned Shareholders are worried that the Board will also try to silence those with a detailed understanding of possible improprieties.

The Concerned Shareholders urge the Board to remain focused on the fundamental question of what can be done to immediately turn the Company's share price around and create value for all shareholders. The

Concerned Shareholders also urge the Board not to take any steps to further entrench themselves and maintain the integrity of electronic corporate records, which belong to shareholders.

Patrick Sheridan, on behalf of the Concerned Shareholders and the Nominees, welcomes the opportunity to engage with fellow shareholders. Mr. Sheridan can be reached at 416-628-5904 or jpsminefinder@gmail.com.

Information Concerning the Nominees

As set out in the Concerned Shareholders' requisition of a special meeting of shareholders, the Nominees are Carmen Diges, Declan Franzmann, Doug Kirwin, Luc Lessard, Thomas Pladsen and James White. The table below sets out, in respect of each Nominee, his or her name, province or state and country of residence, his or her principal occupation, business or employment within the five preceding years, and the number of shares beneficially owned, or controlled or directed, directly or indirectly, by such Nominee.

Name and Province/State and Country of Residence	Present and Past 5 Years' Principal Occupation, Business or Employment	Number of Common Shares Benefici or Controlled (Directly or Indirectly)
Carmen Diges Ontario, Canada	Principal, REVlaw Partner, Miller Thomson LLP	NIL
Declan Franzmann West Perth, Australia	Principal and Director, Crosscut Consulting	NIL
Doug Kirwin Pathum Thani, Thailand	Independent Geological Consultant	NIL
Luc Lessard Québec, Canada	President and Chief Executive Officer, Falco Resources Ltd. Senior Vice-President, Technical Services, Osisko Gold Royalties Ltd.	NIL
Thomas Pladsen Ontario, Canada	Independent Businessman Chief Financial Officer, Atacama Pacific Gold Corp. Chief Financial Officer, Crystal Peak Minerals Inc.	NIL
James White Ontario, Canada	Managing Partner, Baynes & White Inc.	NIL

Advisors
Kingsdale Advisors is acting as strategic shareholder, communications and proxy advisor and Norton Rose Fulbright LLP and Lenczner Slaght Royce Smith Griffin LLP are acting as legal advisors to the Concerned Shareholders of Guyana Goldfields Inc.

Additional Information

Information in Support of Public Broadcast Solicitation

The information contained in this press release does not and is not meant to constitute a solicitation of a proxy within the meaning of applicable securities laws. Although the Concerned Shareholders have delivered the requisition, there is currently no record or meeting date set for the meeting and shareholders are not being asked at this time to execute a proxy in favour of the Nominees or any other resolution set forth in the requisition. In connection with the meeting, the Concerned Shareholders may file a dissident information circular in due course in compliance with applicable securities laws.

Notwithstanding the foregoing, the Concerned Shareholders are voluntarily providing the disclosure required under section 9.2(4) of National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102") and section 150(1.2) of the Canada Business Corporations Act in accordance with Canadian corporate and securities laws applicable to public broadcast solicitations. In connection therewith, certain information regarding, among other things, the Nominees has been provided in this press release under the sections entitled "Information Concerning the Nominees".

The information contained herein and any solicitation made by the Concerned Shareholders in advance of the meeting is, or will be, as applicable, made by the Concerned Shareholders and not by or on behalf of the management of Guyana Goldfields. All costs incurred for any solicitation will be borne by the Concerned Shareholders, provided that, subject to applicable law, the Concerned Shareholders may seek reimbursement from Guyana Goldfields of the Concerned Shareholders' out-of-pocket expenses, including proxy solicitation expenses and legal fees, incurred in connection with a successful reconstitution of Guyana Goldfields' board.

The Concerned Shareholders are not soliciting proxies in connection with the meeting at this time. The Concerned Shareholders may engage the services of one or more agents and authorize other persons to assist in soliciting proxies on behalf of the Concerned Shareholders. The Concerned Shareholders have retained Kingsdale Advisors ("Kingsdale") as its strategic shareholder, communications and proxy advisor. Kingsdale's responsibilities will principally include soliciting shareholders should the Concerned Shareholders commence a formal solicitation of proxies, providing strategic advice and advising the Concerned Shareholders with respect to the meeting and proxy protocol. Any proxies solicited by or on behalf of the Concerned Shareholders, including by Kingsdale or any other agent, may be solicited pursuant to a dissident information circular or by way of public broadcast, including through press releases, speeches or publications and by any other manner permitted under Canadian corporate and securities laws. Any such proxies may be revoked by instrument in writing executed by a shareholder or by his or her attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized or by any other manner permitted by law.

The registered address of Guyana Goldfields is located at 141 Adelaide Street West, Suite 1608, Toronto, Ontario, M5H 3L9. A copy of this press release may be obtained on the Company's SEDAR profile at www.sedar.com.

SOURCE Concerned Shareholders of Guyana Goldfields Inc.

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