

# **Concerned Shareholders of Guyana Goldfields Engage Third-Party to Provide Independent Review of Aurora Mine Resource Model**

20.03.2019 | [CNW](#)

TORONTO, March 20, 2019 - [Guyana Goldfields Inc.](#) (TSX: GUY) ("Guyana Goldfields" or the "Company") shareholders ("Concerned Shareholders"), together owning not less than 5% of the issued and outstanding shares of the Company, have engaged an independent, international consulting practice specializing in the resource sector to provide a third-party reanalysis of the resource model at Guyana Goldfields' Aurora Gold Mine ("Aurora").

The Concerned Shareholders are aware that the Company has contracted RPA Ltd. to review the resource model and the Company's board of directors (the "Board") intends to announce its revised mining plan later this month. However, given concerns over the Company's seemingly misleading disclosures and general market skepticism, the Concerned Shareholders want to ensure that an independent review is conducted. The Concerned Shareholders believe that their third-party review will provide a check and balance against the Company's resource model, especially if the Company tries to use its resource model to justify management's poor performance.

"We want to ensure that the current Board and management aren't manipulating data to justify their poor results. Over the past year alone, the Company's missed production and cost guidance have left shareholders with market losses exceeding \$100 million," said Patrick Sheridan, one of the largest shareholders and former Executive Chairman and former director of the Company. "We believe that the root cause of the Company's problems is poor execution, poor planning, and poor mining - not the resource model. It's important that shareholders, the market, the Government of Guyana, and the public have credible and reliable information as we head towards the Company's annual general meeting in May."

#### Growing List of Excuses for Poor Performance

During 2018, the current management of Guyana Goldfields twice lowered production guidance by a cumulative 25% and increased their projections of their all-in-sustaining costs by 20%.

Public disclosure by the Company's management provided shareholders with several different reasons for these repeated

| When they said it:  | What they said (underlining added for emphasis):   |
|---|--|
| Q1, 2018 MD&A<br>April 30, 2018                                     | "The mill head grade was lower at 2.18 g/t Au&#8230; which is a function of mine sequencing."  |
| Q2, 2018 MD&A<br><br>July 30, 2018                                  | "Gold production was below planned levels primarily due to slower than anticipated ramp-up in mining rates, which limited access to higher-grade ore during the quarter."  |
| Q3, 2018 MD&A (amended version)<br><br>October 30, 2018             | "2018 gold production guidance is revised downward to 150,000 to 155,000 ounces as grades have not rebounded as quickly as anticipated&#8230;"   |
| Analyst & Investors Site Tour Presentation<br><br>November 13, 2018 | <p>While admitting that the mine grade reconciled very well in 2016 and 2017, the negative grade variance in 2018 is explained as follows:</p> <p>"2018 LOM (life of mine) plan assumed ore mined &gt; ore processed of 0.2 Mt in 2018, i.e., only medium &amp; high grade processed and low grade sent to stockpile"</p> <p>"Slower mining rates YTD has resulted in ore mined &lt; ore processed of 0.3 Mt, resulting in processing of low grade ore &amp; low grade stockpiles - delayed access to high grade ore originally expected in 4Q 2018"</p> |

In addition, a Scotiabank analyst present on the November 13, 2018 tour, made the following comment:

"While we wonder if previous operational disappointments may not have had a grade reconciliation component, the [C]ompany reiterated that poor performance of year-to-date production was due to execution issues, most notably the slow mobilization of the new contractor. "

#### A New Plan, Vision for Guyana Goldfields

Recognizing that geological models are refined over time, which will influence the distribution of gold within the deposit, the Concerned Shareholders firmly believe there are no substantial issues with the resource model at Aurora. Instead, they believe the missed guidance and increasing costs plaguing the Company are the result of poor management (including the engaging of an unqualified contractor) and lack of oversight by the Board.

In the coming weeks, the Concerned Shareholders will present a new life of mine plan ("LOM Plan") for Aurora that, if executed with the proper oversight, should allow the Company to realize the full potential of Aurora and build value for shareholders. The new LOM Plan will focus on ensuring the long-term viability of the mine and thus ensure the continued support of shareholders, the Guyanese government, and employees of the Company.

Learn More about the Concerned Shareholders and their Plan to Fix Guyana Goldfields

Shareholders are encouraged to visit [FixGuyGold.com](http://FixGuyGold.com) to learn more about the Concerned Shareholders and about their plan to stop the massive value destruction at Guyana Goldfields.

Patrick Sheridan, on behalf of the Concerned Shareholders, welcomes the opportunity to engage with fellow shareholders. Mr. Sheridan can be reached at 416-628-5904 or [jpsminefinder@gmail.com](mailto:jpsminefinder@gmail.com).

#### Advisors

Kingsdale Advisors is acting as strategic shareholder, communications and proxy advisor and Norton Rose Fulbright Canada LLP and Lenczner Slaght Royce Smith Griffin LLP are acting as legal advisors to the Concerned Shareholders of [Guyana Goldfields Inc.](http://GuyanaGoldfieldsInc.com)

#### 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, shareholders are not being asked at this time to execute a proxy in favour of the Concerned Shareholders' nominees (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 & 8211; 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 by the Concerned Shareholders in its press release dated January 10, 2019, (the "Nominee Announcement") under the section entitled "Information Concerning the Nominees". The Nominee Announcement has been filed by the Concerned Shareholders and is available for review on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Since the Nominee Announcement, Nominee James White has advised the Concerned Shareholders that he now beneficially owns, controls or directs (directly or indirectly) 61,700 common shares of Guyana Goldfields.

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 3L5. A copy of this press release may be obtained on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

SOURCE Concerned Shareholders of [Guyana Goldfields Inc.](#)

## Contact

Media Contact: Kingsdale Advisors, Ian Robertson, Executive Vice President Communication Strategy, Office: 416-867-2333, Cell: 647-621-2646, [irobertson@kingsdaleadvisors.com](mailto:irobertson@kingsdaleadvisors.com); Investor Contact: Patrick Sheridan, Office: 416-628-5904, [jpsminefinder@gmail.com](mailto:jpsminefinder@gmail.com)

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