

# Guyana Goldfields Inc. Announces First Quarter 2019 Operating Results and Comments on Potential Mine Plan Optimization

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## First Quarter 2019 Summary

- Gold production of 36,600 ounces, on track to achieve the previously stated 2019 guidance range of 145,000 to 150,000 ounces.
- Mining rate averaged 61,542 tonnes per day. The decrease in the mining rate compared to the fourth quarter of 2018 is attributed to the completion of the Phase 3 pit at Rory's Knoll.
- Record quarterly mill performance of 7,213 tonnes per day.
- Strong balance sheet with an unaudited cash balance of approximately US\$73 million at March 31, 2019 and total assets of US\$100 million and a balance of US\$35 million.
- Issued updated Mineral Resource and Mineral Reserve estimates, and life of mine plan "LOM plan" on the Aurora mine.
- Continued its corporate restructuring in Guyana and at Head Office and significantly strengthened its Board and Senior Management.

TORONTO, April 15, 2019 - [Guyana Goldfields Inc.](#) (TSX:GUY) (the "Company") announces its operating results for the first quarter 2019. Full first quarter 2019 operational and financial results will be released after-market on Tuesday, April 30, 2019, at a conference call held on Wednesday, May 1, 2019 at 10:00 am ET to discuss the results.

Scott A. Caldwell, President & CEO stated, "Management is developing an optimized production schedule that will, among other things, reduce the stockpile build up that is currently part of the new LOM plan. Moreover, management has identified several additional cost savings opportunities not captured within the new LOM plan that will improve operating and financial flexibility."

"Looking ahead, we expect to set a new and higher standard in our operating performance and provide consistent results under our new resource model. We have continued to strengthen our Board and senior management and have brought on board external expertise to assist with our operating plan."

Key Production Statistics		Q1 2019	Q1 2018	Change
Gold Sold	ounces ('000s)	38.2	38.0	0.5%
Gold Produced	ounces ('000s)	36.6	38.5	-4.9%
Average Realized Gold Price	US\$/ounce	1,301	1,333	-2.4%
Gross Revenue (Unaudited)	US\$ mlns	49.7	50.7	-2.0%
Ore Mined	t ('000s)	502	517	-2.9%
Waste Mined	t ('000s)	5,037	2,767	82.0%
Total Mined	t ('000s)	5,539	3,284	68.7%
Strip Ratio	waste:ore	10.0	5.4	85.2%
Tonnes Mined per Day	tpd	61,542	36,489	68.7%
Ore Processed	t ('000s)	649	605	7.3%
Tonnes Processed per Day	tpd	7,213	6,720	7.3%
Head Grade	g/t Au	1.94	2.18	-11%
Recovery	%	90.5	91.7	-1.3%

\* Numbers may not add due to rounding

In the first quarter of 2019, the Company significantly improved mining and milling volumes compared with the prior year. This improvement allowed the Company to partially offset the negative impact of a higher strip ratio and a lower head grade compared to the first quarter of 2018.

Gold recovery averaged 90.5% for the quarter, compared with 91.7% a year earlier. The Company completed the mill expansion which is anticipated to enhance capacity and redundancy of the primary crushing circuit and expected to further lower per unit costs.

On January 14, 2019, the Company stated that first quarter gold production would be similar to its fourth quarter 2018 production of 42,750 ounces, based on the now obsolete 2012 resource model. A full reconciliation analysis of the model, mine and mill grades will be presented with the quarter end results.

#### Balance Sheet

The Company's balance sheet remains strong with an unaudited cash balance of approximately US\$73 million at March 31 and total debt reduced to US\$35 million. Under the current terms of the loan agreement, the Company is scheduled to make seven additional quarterly payments of US\$5 million to retire the debt at the end of 2020. The Company is reviewing options to restructure debt in order to boost its financial flexibility.

#### Optimization Initiatives

Roscoe Postle Associates Inc. ("RPA"), the author of the updated LOM plan which was completed in March,

recognized and pointed out that the production plan was not optimized due to time constraints. In addition, Management has identified a number of additional opportunities to enhance its corporate business plan that fell outside the scope of the RPA study. The Company expects to complete and announce its optimized plan in conjunction with its first quarter financial and operating results after-market on April 30, 2019.

Some of the elements that will be incorporated into the optimized plan include:

- Smooth out the open pit mine plan to lower the stripping requirement in 2020 and extend the pit life.
- Optimize the underground development plan focused on extending the ramp up period over a 3-year timeframe to align with the open pit schedule and reduce the volume of stockpiled ore suggested in the LOM plan schedule. This will reduce front end capital, lower operating costs and enhance cash flow generation during the transition period to full scale underground mining.
- Tangible opportunities identified to further reduce operating costs by approximately 10% through renegotiation of supplier and procurement contracts.
- Establish a strategic mining alliance into a single operating unit, improving operating efficiency, management focus and reducing overhead costs.
- Incorporate results of restructuring site employees and Guyana office replacing 14 expatriate positions (30% of total expatriate staff) with locally skilled workforce.
- Potential to supplement the production profile by development and test mining at Mad Kiss and East Walcott during the exploration phase of the underground.
- Identify, upgrade and incorporate satellite open pit resources into the mine plan from Aleck Hill, Aleck Hill North, Vauxhall Kiss and Walcott Hill.
- Reduce working capital requirements for the operations.

#### Workshop Presentation

The Company will host a teach-in technical workshop for analysts and institutional investors on Wednesday, May 1, 2019 at 1:00 pm ET to discuss the results of the optimization initiatives. The accompanying presentation will be made available on the Company's website under the Investors tab and within the Events & Presentation section at [www.guygold.com](http://www.guygold.com).

For further details on this event, contact Jacqueline Wagenaar, VP Investor Relations, at 416-933-5485.

#### Underground Exploration Decline Update

Work on the underground decline will resume in the second quarter. The contractor will complete and reinforce the collar at Mad Kiss and extend the exploration decline 200 metres to fulfil the scope of the early works phase. The Company expects this work will take approximately three months to complete once the contractor is fully mobilized. A budget of US\$2.0 million has been approved for the early works phase.

The Company's permit allows for test mining of up to 350,000 tonnes that could potentially provide supplemental mill feed during the development period and further unlock value at the Aurora Gold Mine. In addition, the underground exploration ramp will allow the Company access to perform infill drilling at depth to delineate exploration targets and potentially add mineral resources, as well as convert mineral resources to mineral reserves and further unlock value by potentially prolonging the mine life at the Aurora Gold Mine.

Management's intention is to develop an Underground Technology Centre, with a purpose of educating and transferring skills and technology required in all areas of underground technology.

The Company is finalizing the review of bids received for the underground development contract with the target of final award in the second quarter of 2019.

#### Exploration

The Company is continuing its near mine exploration efforts and has a planned drill campaign utilizing two surface drill rigs to test down plunge extensions of the high-grade mineralization reported in 2018. The Company allocated \$6.8 million in 2019 for additional surface brownfield drilling, initial underground

exploration drilling and the resumption of greenfield exploration for a combined total of approximately 30,000 metres.

#### Government & Media Mine tour

On April 4, 2019, a group consisting of senior Guyana Government officials and media visited the Aurora Gold Mine. The tour successfully met its key objectives, highlighting the safety and well-managed operations while familiarizing key stakeholders with the opportunities that lie ahead if and when the Company obtains a permit for underground mining.

The Company has submitted an application for an underground mining permit to the Guyana Geology and Mines Commission. If approved, the Company proposes to commence commercial underground mining in 2022. Underground operations would be expected to add 300 people to the current work force of approximately 720.

Pictures of the tour have been posted to the Investors section of the Company's website under Past Events and found at the following link: <https://www.guygold.com/Investors/events/default.aspx>

#### Conference Call

A conference call will be held on Wednesday, May 1, 2019 at 10:00 am ET to discuss first quarter 2019 operational and financial results.

A webcast will be available on the Company's website for 90 days following the call or through the following link: <https://event.on24.com/wcc/r/1974063/3DCA8782FBCF7CC956CED8B857FBFF53>

#### Conference Call Details:

Date: Wednesday, May 1, 2019

Time: 10:00 am ET

Conference ID: 41739789

Dial-In Numbers:

North America Toll-Free: 888-390-0605

International: 416-764-8609

A recorded playback of the call will be available until Wednesday, May 8, 2019 by dialing: 1-888-390-0541 or 416-764-8677 and entering the call back passcode 739789.

Unless stated otherwise herein, all scientific and technical data contained in this press release has been reviewed, approved and verified by Mr. Ron Stewart (P. Geo) who is a qualified person for the purposes of NI 43-101 and is a member of the Association of Professional Geoscientists of Ontario. Mr. Stewart serves as Senior Vice President of Technical Services and Corporate Development for the Company.

#### 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.

#### Forwarding-Looking Information

This news release contains "forward-looking information" which may include, but is not limited to, statements with respect to unaudited financial results, optimization work, and underground exploration decline timeline.

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, among others, the receipt of applicable regulatory approvals, 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; 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.

SOURCE [Guyana Goldfields Inc.](#)

#### Contact

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