

# Guyana Goldfields: Market Passes Negative Judgment on Current Leadership and New Life of Mine Plan as Stock Price Continues to Tumble

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- Guyana Goldfields' share price falls below \$1 mark; hits new 5-year low as shareholders sell off shares
- Analyst downgrades company, notes "Inadequate Financing in Place and Execution Hurdles Too High"
- Shareholders are right to wonder how much worse will things get?

TORONTO, April 4, 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, and fellow shareholders to the damning market reaction to the Company's release of its new life of mine plan and technical

Both the new life of mine plan and technical report (which provides disclosure on the Company's updated mineral resource and mineral reserve estimates) have been met with market cynicism, and have triggered longtime shareholders to abandon the Company and caused a massive drop in share price.

From March 26 – the day the Company announced its Q4, 2018 and 2018 full-year results and its new life of mine plan – to March 28, share price dropped 14.4%. On March 29, upon the Company's release of its technical report, share price dropped another 10.2%. In other words, another \$60 million in shareholder value was destroyed in just a few days.

On April 3, 2019, the Company's shares closed at below the \$1.00 mark for the first time in five years.

Based on public filings, significant institutional shareholders of the Company have recently sold over 20 million shares (representing approximately 12% of the outstanding shares).

"The market has clearly lost confidence in the board and management of Guyana Goldfields and shareholders are voting with their feet. The Company is in a tailspin and no one there has shown an inclination or ability to pull back on the throttle and get the Company back on track," said Patrick Sheridan, one of the largest shareholders and founder, former Executive Chairman and former director of the Company. "None of the actions the board has taken in the past year – including adding new directors and management, adding or commencing new development – has halted the value destruction. How bad does this get? Immediate change is needed."

A review of the recent actions of the current board and management to 'fix' the problems they have created, clearly demonstrates that their 'corrective' actions are only serving to compound the problem and destroy more shareholder value.

GUYANA GOLDFIELDS' PATH TO VALUE DESTRUCTION		
Date:	Announcement:	Market Reaction:
July 16, 2018	Guyana Goldfields Releases Second Quarter Production Results	-22%
October 30, 2018	<a href="#">Guyana Goldfields Inc.</a> Reports Third Quarter 2018 Operational and Financial Results	-47%
March 26, 2019	<a href="#">Guyana Goldfields Inc.</a> Updates Resource Model & Life of Mine Plan	-14.4%
March 29, 2019	<a href="#">Guyana Goldfields Inc.</a> Files Technical Report	-10.2%

On Tuesday, a Scotiabank analyst downgraded the stock suggesting that the Company's debt repayment schedule of \$8 million repayable at a rate of \$5 million per quarter is too much for the Company to handle given that the new mine plan accelerates the schedule for the underground development which shortens the cash flow generation from the open pits and loss of reserves.

"We are downgrading Guyana Goldfields given we feel the company has insufficient capital to execute its own mine plan by extending its current debt repayment schedule," notes the report. "CEO Scott Caldwell said twice on the March 20 conference call that at today's spot prices the company can generate enough cash through the life of mine plan, the transition to the underground, all the activities they have including corporate G&A, servicing the debt and exploration...We do not see this is possible without a departure from the new technical report that would see underground development deferred and open pit mine life extended."

The Concerned Shareholders, in a March 20, 2019 news release, indicated that they were concerned that the Company might manipulate data to justify poor results. For that reason, the Concerned Shareholders engaged a respected independent international consulting practice specializing in the resource sector to provide a third-party review and analysis of the Company's resource model and new life of mine plan. The third-party review is expected to be completed in advance of the upcoming AGM and special meeting of shareholders.

Change is Needed.

The Concerned Shareholders have a plan to halt the value destruction at Guyana Goldfields by rebuilding trust with stakeholders, optimizing operations, and pursuing a value maximizing transaction.

Shareholders are encouraged to visit [FixGuyGold.com](http://FixGuyGold.com) to learn more about the Concerned Shareholders and their nominees.

Patrick Sheridan, on behalf of the Concerned Shareholders, welcomes the opportunity to engage with fellow shareholders. 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 and Lenczner Slaght Royce Smith Griffin LLP are acting as legal advisors to the Concerned Shareholders of [Guyana Goldfields Inc.](http://GuyanaGoldfields.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 person set forth in the requisition. In connection with the meeting, the Concerned Shareholders may file a dissident information statement in due course in compliance with applicable securities laws.

Notwithstanding the foregoing, the Concerned Shareholders are voluntarily providing the disclosure required under section 51-102 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 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, Nominees James Whelan and Carmen Diges have each advised the Concerned Shareholders that each now beneficially owns, controls or directs (directly or indirectly) 72,500 and 80,000 common shares of Guyana Goldfields, respectively.

The information contained herein and any solicitation made by the Concerned Shareholders in advance of the meeting

be, as applicable, made by the Concerned Shareholders and not by or on behalf of the management of Guyana Goldfields. The 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 advisor, shareholder, communications and proxy advisor. Kingsdale's responsibilities will principally include soliciting proxies from the Concerned Shareholders, 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 public broadcast, including through press releases, speeches or publications and by any other manner permitted under applicable corporate and securities laws. Any such proxies may be revoked by instrument in writing executed by a shareholder or her attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized in any other manner permitted by law.

The registered address of Guyana Goldfields is located at 141 Adelaide Street West, Suite 1608, Toronto, Ontario, M5H 1P1. 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.](http://www.guyana-goldfields.com)

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