

Guyana Goldfields Inc. Files Letter to Shareholders and Management Information Circular

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TORONTO, April 22, 2019 - [Guyana Goldfields Inc.](#) (TSX:GUY) (the "Company" or "Guyana Goldfields") today announced that it has filed a Letter to Shareholders together with its Management Information Circular and a GOLD form of proxy (collectively, the "Proxy Materials") in respect of the upcoming Annual and Special Meeting of the Company's shareholders (the "Meeting").

The Proxy Materials, which can be found on SEDAR (www.sedar.com) and the Company's website (www.guygold.com), are being mailed to the Company's shareholders. The Company has also posted to its website a short video explaining the key proxy fight issues. The video is available at this link: <https://www.guygold.com/annual-and-special-meeting-of-shareholders/default.aspx>

As previously announced, the Company called the Meeting to address its ordinary annual meeting business as well as to address a requisition received from a group of dissident shareholders led by Patrick Sheridan, who was terminated as the Company's Executive Chairman in July 2018 (the "Sheridan Dissidents").

In the Proxy Materials, the Company presents compelling reasons for its shareholders to vote using the GOLD form of proxy and/or voting instruction form to support the election of Guyana Goldfields' seven nominees to our Board of Directors at the Meeting. The Company also explains why shareholders should not support the Sheridan Dissidents.

The Meeting is being held at 10:00 a.m. (Toronto time) on Wednesday, May 22, 2019 at Vantage Venues (formerly St. Andrew's Conference Centre) 150 King Street West, 27th Floor, St. Andrew's Hall S1, Toronto, ON M5H 1J9.

The proxy voting deadline is 10:00 a.m. (Toronto time) on May 17, 2019 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays or statutory holidays in the Province of Ontario) prior to the time and date to which the Meeting is adjourned or postponed.

Shareholders with questions about how to vote their common shares of Guyana Goldfields at the Meeting should contact the Company's proxy solicitation agent, Laurel Hill Advisory Group, at 1-877-452-7184 (North American Toll Free); or 416-304-0211 (Collect Outside North America); or by email at assistance@laurelhill.com.

Guyana Goldfields urges shareholders to read the Proxy Materials carefully and recommends that shareholders vote the GOLD form of proxy and/or voting instruction form for Guyana Goldfields' nominees.

Guyana Goldfields' Letter to Shareholders is provided verbatim below.

Dear Guyana Goldfields Shareholder,

You have an important decision to make. It is one that will affect the value of your investment in Guyana Goldfields now and for years to come.

A group led by Patrick Sheridan, whom we terminated last year as Executive Chair, wants to replace your experienced Board with an underqualified group of his friends.

Most of them have little or no experience as directors of producing miners. They have no coherent business strategy for the Company and no actionable business plan.

The Board has a strong plan to move forwards. Don't let Mr. Sheridan take us backwards.

We Have Turned the Page

Over the past year, we have met and dealt with a number of serious challenges and developed a new strategy to create sustainable value for our shareholders:

- We improved mining and milling rates at the Aurora Gold Mine
- We eliminated an inefficient and costly dual reporting structure
- We strengthened our management team and refreshed the Board
- We enhanced our governance practices
- We restructured our local office in Guyana
- We developed a new resource model and life-of-mine ("LOM") plan to deal with our biggest challenge: the over-estimation of contained ounces in the Aurora Gold Mine's 2012 resource model
- Throughout all of this, we have continued to lead safe operations at the Aurora Gold Mine

We recognize that these challenges – particularly the revised resource model – have taken a toll on our share price. But had we not faced them, the toll would have been much worse.

With the revised resource model now complete and with a strengthened management team, we are hard at work on a strategic plan to rebuild value for shareholders. We discuss this plan below.

Throughout this challenging period, we have been transparent and forthright with shareholders. Mr. Sheridan criticized our transparency as "irresponsible." He would have kept shareholders in the dark.

A Better Team

When shareholders take time to compare our experienced, well-qualified nominees and Mr. Sheridan's inexperienced, underqualified nominees (the "Sheridan Nominees"), the contrast is stark, as can be seen below.

The Resource Model Update

Our just-completed independent technical report, carried out by Roscoe Postle Associates Inc. ("RPA"), concluded that contained gold reserves were 38% lower (after mining depletion) compared with December 31, 2017.

Notably, the prior reserves were based on a resource model developed in 2012 under Mr. Sheridan's watch as CEO and interim COO of the Company. Now we know that the 2012 model overestimated the contained ounces at the Aurora Gold Mine.

The unavoidable consequence is that the net present value of our reserves is lower than it was. But there are opportunities ahead.

A Better Plan

We are already hard at work on a recovery plan to rebuild value for shareholders. Our plan includes, but is not limited to:

- Prudently managing our balance sheet and liquidity

- Executing on the new LOM plan
- Pursuing cost efficiencies and optimization opportunities
- Replacing and growing our reserves
- Engaging with our stakeholders
- Evaluating potential value creation opportunities

The accompanying Guyana Goldfields Management Information Circular contains further details on our strategic plan and details on a workshop we will host in early May regarding the strategic plan.

If you vote for the Sheridan Nominees you don't know what you will get. And given their inexperience, they likely don't know either.

Mr. Sheridan Had to Go, and He Should Stay Away

Mr. Sheridan's role as the spokesperson of the dissident shareholder group makes it very clear who is behind their proposals. Mr. Sheridan's history with the Company and the reasons for his termination as Executive Chair are highly relevant to your evaluation of his proposals.

The Company terminated Mr. Sheridan due to poor managerial performance, conflicts of interest and ethical lapses. His termination was the first step in the Board's renewal effort. The Company must look forwards, not backwards.

Shareholders are asked to support the new vision for the Company proposed by the Board, instead of retreating to the old, unproductive management practices propagated under Mr. Sheridan's ineffective leadership.

The Sheridan Nominees are Underqualified & Inexperienced

The Sheridan Nominees are underqualified to lead the Company and inexperienced. Consider these facts about the Sheridan Nominees:

- Limited board experience with producing miners: Collectively, they have just 6.8 board-years of such experience. Indeed, more than half of the Sheridan Nominees have never been on the board of a company involved in mineral production. Contrast that with our nominees, who have 65.6 board-years of experience, nearly 10 times that of the Sheridan Nominees.
- No experience on boards of large producing miners: In total, the Sheridan Nominees have board experience with only four producing miners, of which three are smaller than Guyana Goldfields. The average market capitalization of all four is just C\$100 million, significantly less than the value of Guyana Goldfields. Contrast that with the C\$3.1 billion average market capitalization of our nominees' producing miners. That is more than 30 times the value of the Sheridan Nominees' producing miners.
- Value destruction: During the Sheridan Nominees' limited tenure as directors, value was destroyed at three of the four producing miners on which they served, an average of -27.3% value destruction. Contrast that with the 50.1% average value creation for our nominees with producing miners.

Clearly, our nominees have a deep understanding of the mining industry. Don't take a chance on the Sheridan Nominees, four of whom have never served on the board of a producing miner. Now is not the time for them to learn on the job.

Our Liquidity and Fiscal Responsibility

Our balance sheet remains strong. We reported an unaudited cash balance of approximately US\$73 million at March 31, 2019 and our total debt has been reduced to US\$35 million.

We are also actively pursuing cost efficiencies at our operations, including:

- Optimizing the LOM plan to spread working capital over more years
- Pursuing prudent near-term cost control initiatives, with targeted cost savings of US\$10 million or more on an annual LOM basis and US\$15 million or more in the first year
- Improving working capital management by accelerating value added tax (VAT) refunds
- Reducing and optimizing stores inventory (capital spare parts and operating supplies)
- Rationalizing and disposing of certain non-essential capital assets
- Selling our Twin Otter and tender charter aircraft services

Under our strategic plan, we will maintain approximately US\$35 million to US\$40 million in available cash at all times during the transition to underground mining at Aurora (based on gold prices of US\$1,200 per ounce).

The Board has demonstrated fiscal responsibility. Four of the Sheridan Nominees have never served on the board of a producing miner. They are untested.

Open to Strategic Alternatives

Contrary to the dissidents' false claims, our nominees are not entrenched. They take their fiduciary obligations seriously and are open to all value maximizing opportunities, including a potential sale of the Company.

In fact, earlier this year the Board formed a committee of independent directors to, among other things, review, assess and examine available strategic alternatives, while the Company continues to execute on its standalone business plan.

As part of this review, the Company has entered into more than 15 confidentiality agreements with credible mining companies who are in various stages of conducting due diligence regarding the Company. There is no certainty of a transaction, but the Board is open to the right one if it makes sense for stakeholders.

Many of our nominees have been involved in value maximizing opportunities on the boards of other companies. They have experience that the Company needs. And we have the better team and better plan if no suitable transaction surfaces.

Support our Nominees

On behalf of the Board of Directors, I urge you to support our nominees. Since terminating Mr. Sheridan we have already delivered:

- A new mine plan based on a new and more reliable resource model
- Improved cost controls and efficiencies
- A brownfield exploration focus (surface and underground) to add reserves adjacent to the mine
- An improved and more effective reporting structure (single instead of dual)
- A strengthened management team
- A refreshed and more diverse Board with improved governance

Our nominees are highly qualified and are able to effectively oversee the execution of the Company's long-term strategic objectives.

There is no easy path to overcome the reduction in reserves, but our nominees and management team have the experience and strategic plan that Guyana Goldfields needs at this crucial time. They are positioning the Company for future success.

The issues we face date back to Mr. Sheridan's watch. He does not have the best interests of the Company and its stakeholders at heart. If his nominees are elected, they will keep you unaware while they disrupt the progress our Board has made.

We encourage you to read the enclosed Guyana Goldfields Management Information Circular and visit our website at www.guygold.com for further details on the matters raised in this letter. It is very important for you to ACT TODAY to protect your investment.

Vote FOR our nominees. Vote your GOLD proxy today.

Thank you for your ongoing confidence.

Yours truly

"René Marion"

René Marion
Non-Executive Chair
Guyana Goldfields Inc.

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.
For Investor Questions: Jacqueline Wagenaar, Vice President, Investor Relations & Corporate Communications, Tel: 416-333-5485, E-mail: jwagenaar@guygold.com, Website: www.guygold.com; Questions and requests for voting assistance may be directed to Guyana's proxy solicitation agent: Laurel Hill Advisory Group, North American Toll-Free: 1-877-452-7184, Outside North America: 416-304-0211 (Collect), Email: assistance@laurelhill.com; Media: Longview Communications & Public Affairs, Peter Block (416) 649-8008, Alan Bayless (604) 694-6035.
This news release contains "forward-looking information" which may include, but is not limited to, statements with respect to the Board continuing to strengthen the management team; the Company's plan going forward; and that the Company's nominees are positioning the Company for future success. Often, but not always, statements containing forward-looking information can be identified by the use of words and phrases such as "will" or variations of such word, or state that certain actions, events or results "will" be taken, occur or be achieved. Forward-looking statements are based on the opinions 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, 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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