

Guyana Goldfields Inc. Updates Mineral Reserves at US\$1,000/oz Gold Price

TORONTO, Jan. 14, 2016 /CNW/ - **Guyana Goldfields Inc. (TSX: GUY) ("GGI" or "the Company")** is pleased to update its Mineral Reserves utilizing a gold price of US\$1,000 per ounce at its Aurora Gold Mine (the "Project") in Guyana, South America. The previous Mineral Reserve estimate was issued on January 11, 2013 utilizing a gold price of US\$1,300 per ounce. There has been no change to the Mineral Resource model of the Project as previously disclosed on June 24, 2012 (the "2012 Resource Estimate"). The updated Mineral Reserves were prepared by Metal Mining Consultants of Denver, Colorado and SRK Consulting (Canada), Inc. ("SRK") of Vancouver, Canada in accordance with National Instrument 43-101 ("NI 43-101").

The Company produced 35,901 ounces of gold for the year ended December 31, 2015 and achieved commercial production January 1, 2016. Total proven and probable Mineral Reserves are 3,042,000 ounces, net of depletion.

Aurora Gold Project Mineral Reserves at US\$1,000/oz Gold

January 2016			
Reserve Category	Quantity (kt)	Grade (g/t)	Contained Gold (koz)
Proven			
Open pit saprolite	18	3.10	2
Open pit fresh ore	4,939	3.12	495
Stockpile	120	1.73	7
Total Proven	5,077	3.09	504
Probable			
Open pit saprolite	3,265	1.98	208
O/P fresh ore	8,963	2.88	829
Underground	14,904	3.13	1,502
Total Probable	27,132	2.91	2,539
Total (P&P)	32,208	2.94	3,042

(1) CIM definitions were followed for Mineral Reserves.

(2) Mineral Reserves are estimated using a gold price of US\$1,000/oz, 5% royalty and an average metallurgical recovery of 97.0% for saprolite and 94.4% for fresh rock material.

(3) Mineral Reserves are based on a cut-off grade of:

- Open Pit Vein saprolite cut-off grade of 0.43 g/t Au - Upper saprolite cut-off grade of 0.41 g/t Au
- Open Pit Fresh rock cut-off grade of 0.75 g/t Au - Fresh rock Rory's Knoll cut-off grade of 0.64 g/t Au
- Underground 1.62 g/t Au.

(4) Mineral Reserves include:

- Open pit: ore loss of 5% and dilution of 4% to 23% at 0.1 g/t Au.
- Underground: ore loss of 12% and dilution of 21% at 1.43 g/t Au.

(5) Totals may not add due to rounding.

Aurora Gold Project Mineral Resources at US\$1,300/oz Gold

June 2012			
Resource Category	Quantity (kt)	Grade (g/t)	Contained Gold (koz)
Measured & Indicated Resources (M&I)			
Open pit	32,500	2.64	2,750
Underground	30,060	3.91	3,780
Total M&I Resources	62,560	3.25	6,530
Inferred Resource			
Open Pit	5,080	1.54	250
Underground	11,810	4.12	1,560
Total Inferred Resource	16,890	3.33	1,810

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. The cut-off grades are based on a gold price of US\$1,300 per ounce and metallurgical recoveries of ninety-five percent for saprolite and fresh material. Open pit resources are reported within conceptual optimized open pit shells, whereas underground resources are external to these. Open pit resources are reported at a cut-off grade of 0.30 and 0.40 g/t gold for Saprolite and Fresh rock respectively, whereas underground resources are reported at a cut-off of 1.8 g/t gold.

Reconciliation

As of December 31, 2015, 27% more ounces of gold were contained in the ore mined than were predicted by the ore reserve model for the Project.

Scott A. Caldwell, President & CEO, stated "Results to date demonstrate a conservative ore reserve model and the high grade, profitable nature of the Aurora Gold Mine."

Resource Upside Potential and Opportunities

The updated Mineral Reserves documented herewith does not consider material from the following underground Mineral Resources as defined in the 2012 Resource Estimate:

- 1.69 million ounces of gold @ 3.67g/t in the indicated category at Rory's Knoll
- 1.22 million ounces of gold @ 4.27g/t in the inferred category at Rory's Knoll
- 787,000 ounces of gold @ 3.90g/t in the indicated category in the satellite deposits
- 341,000 ounces of gold @ 3.64g/t in the inferred category in the satellite deposits

The Company will continue to evaluate the integration of some of these additional ounces into the ongoing mine plan. The majority of

these ounces are found below the pit shell at Aleck Hill, Mad Kiss and at Rory's Knoll below a depth of -770 meters below sea level. The mine plan includes excess mill and equipment capacity later in the mine life that is expected to provide throughput flexibility for the mining and processing of the additional resources.

Management estimates from internal modelling that with a higher gold price of approximately US\$1,250 per ounce, an additional 1.5 million economic ounces of gold can be returned back into the mine plan.

2016 Exploration

The 2016 exploration program is focused on exploration targets within a close proximity radius of the Aurora Gold Mine as potential sources of new open pit feed. There are several drill ready targets proximal to the Aurora Gold Mine of which the Iroma prospect is the most highly significant. The Iroma Prospect is located approximately 10 km northeast of the Aurora Gold Mine with a total land area of approximately 120 square km. Baseline exploration work including deep saprolite drilling has delineated a coherent 8.5 km by 0.5 km gold anomaly in soils. Drilling of this area is the prime target for the year. An exploration budget of US\$3M has been allocated for 2016.

Updated Technical Report

GGI plans to issue the key findings summary of an updated feasibility study for the Project (the "**Updated Feasibility Study**") on Monday, January 18, 2016 which will reflect an extended open pit mining scenario while deferring the underground production until later in the mine life based on a gold price of US\$1,000 per ounce. In addition, the complete Updated Feasibility Study will be filed the same day on SEDAR at www.sedar.com as well as on the Company website at www.guygold.com.

Qualified Person

Scientific and technical information in this press release has been reviewed and approved by Scott E. Wilson, CPG, of Metal Mining Consultants, a "qualified person" within the meaning of NI 43-101. Mr. Wilson is independent of GGI and has verified the data within this release.

About Guyana Goldfields Inc.:

Guyana Goldfields Inc. is a Canadian based company, focused on the exploration and development of gold deposits in Guyana, South America. GGI is an emerging gold producer with the onset of its 100% owned Aurora Gold Mine which achieved first production in mid-2015. The Aurora Gold Mine has a total gold resource of 6.53 million ounces in the measured and indicated categories (62.56 million tonnes at 3.25 g/t Au) as well as an additional 1.81 million ounces in the inferred category (16.89 million tonnes at 3.33 g/t Au). For further details, please refer to the Technical Report entitled "NI 43-101 Technical Report, Updated Feasibility Study – Aurora Gold Project" dated January 29, 2013" available on SEDAR at www.sedar.com.

About Metal & Mining Consultants

Metal & Mining Consultants is a leading provider of consulting, engineering, program management, and technical services. Metal & Mining Consultants offers services in Geological Modeling and Mining Engineering to mining and exploration companies.

About SRK Consulting

SRK is an independent, international consulting practice that provides focused advice and solutions to clients, mainly from earth and water resource industries. The SRK Group comprises over 1,400 professionals in 45 offices worldwide, offering expertise in a wide range of resource engineering disciplines. The SRK Group's independence is ensured by the fact that it holds no equity in any project and that its ownership rests solely with its staff. This permits SRK to provide its clients with conflict-free and objective recommendations on crucial judgment issues. SRK has a demonstrated track record in undertaking independent assessments of Mineral Resources and Mineral Reserves, project evaluations and audits, technical reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies and financial institutions worldwide.

Mineral Resources and Mineral Reserve estimates have been prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's ("CIM") "CIM Definition Standards – For Mineral Resources and Mineral Reserves" adopted by the CIM Council on May 10, 2014. Proven and probable Mineral Reserves are the economically minable portions of the measured and indicated Mineral Resources after the application of appropriate modifying factors. Such factors include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

Information Concerning Estimates of Mineral Reserves and Resources

The Mineral Reserve and Resource estimates reported in this press release were prepared in accordance with NI 43-101, as required by Canadian securities regulatory authorities. For United States reporting purposes, the United States Securities and Exchange Commission ("SEC") applies different standards in order to classify mineralization as a reserve. In particular, while the terms "measured," "indicated" and "inferred" Mineral Resources are required pursuant to NI 43-101, the SEC does not recognize such terms. Canadian standards differ significantly from the requirements of the SEC. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories constitute or will ever be converted into reserves. In addition, "inferred" Mineral Resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian securities laws, issuers must not make any disclosure of results of an economic analysis that includes inferred Mineral Resources, except in rare cases.

Forwarding-Looking Information

This news release contains "forward-looking information" which may include, but is not limited to, statements with respect to (i) the estimation of Mineral Reserves and Mineral Resources including, without limitation, statements with respect to the potential increase in production from the existing model, and the possible integration of additional ounces into the existing mine plan; (ii) exploration and development activities; and (iii) the Technical Report including, without limitation, statements about projected future production, and potential production increases as a result of increased commodity pricing. 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 regarding, among other things, the estimation of Mineral Resources and Mineral Reserves (and potential establishment and increases in respect thereof), the realization of Mineral Resource and Reserve estimates, currency fluctuations, gold metal prices, the timing and amount of future exploration and development expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing and materials to continue to explore and develop the Project and surrounding areas in the short and long-term, the progress of exploration and development activities, the receipt of necessary regulatory approvals, and assumptions with respect to environmental risks, title disputes or claims, and other similar matters.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of GGI 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 final findings set forth in the Technical Report and Updated Feasibility Study, risks relating to variations in Mineral Resources and Mineral Reserves, grade or recovery rates resulting from current exploration and development activities (including risks that new Mineral Resources may not be established, or the anticipated expansion potential of existing Mineral Resources/Reserves may not be realized), risks relating to changes in gold prices and the worldwide demand for and supply of gold, risks related to increased competition in the mining industry generally, risks related to current global financial conditions, access and supply risks, reliance on key personnel, operational risks inherent in the conduct of mining activities, increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the development process, capitalization and liquidity risks, risks related to disputes concerning property titles and interest, environmental risks, general business, economic, competitive, political and social uncertainties; the actual results of exploration and development activities; changes in project parameters as plans continue to be refined; accidents, labour disputes and other risks of the mining industry; political instability; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" in GGI's annual information form. Although GGI 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 GGI 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. Accordingly, readers should not place undue reliance on forward looking statements.

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