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GUYANA GOLDFIELDS INC.

**ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

March 18, 2016

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GENERAL

Reference is made in this annual information form (the “Annual Information Form” or “AIF”) to the audited consolidated financial statements (the “Financial Statements”) and management’s discussion and analysis (the “MD&A”) for Guyana Goldfields Inc. (the “Company”) for the fiscal year ended December 31, 2015 together with the auditor’s report thereon. The Financial Statements and MD&A are available for review on the SEDAR website located at www.sedar.com. On August 12, 2014, the Company announced that effective in 2014, its financial year end has changed from October 31 to December 31. Unless otherwise stated, all references to the fiscal year ended December 31, 2014 are to the fourteen month period ended December 31, 2014.

All financial information in this Annual Information Form for the fiscal years ended December 31, 2015, December 31, 2014 and October 31, 2013 has been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Unless otherwise noted herein, information in this Annual Information Form is presented as at December 31, 2015.

STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information contained in this AIF constitutes “forward-looking information” under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company’s properties; ability to continue to satisfy all conditions and covenants under the Project Loan Facility and make scheduled repayments thereunder; the future price of gold; expected operating cash flows and capital costs for the Aurora Gold Mine (as defined herein), timelines and production projections in respect of commercial production for the Aurora Gold Mine, including forward looking statements contained in the January 2016 Report (as defined herein); success of exploration and development activities; cost and timing of future exploration and development; the estimation of Mineral Resources and Mineral Reserves and any anticipated upside potential thereof; conclusions of economic evaluations; successful and profitable operations of the Aurora Gold Mine; requirements for additional capital, expected improvements in mining, future processing and general and administrative costs, issuances, renewals and/or extensions of required permits and licenses in respect of the Company’s properties, current mine plans with respect to the Aurora Gold Mine, currency rates, commodity prices, political stability and border disputes with Venezuela, swap transactions for future diesel fuel purchases, and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “likely”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to:

- the Company’s ability to continue to successfully satisfy all covenants under the Project Loan Facility (as defined herein), and its ability to repay the Project Loan Facility as currently proposed or at all;

- the Company's failure to adhere to representations, warranties, affirmative and negative covenants under the Project Loan Facility, which could give rise to an event of default thereunder;
- the Company's ability fund its working capital deficiency at December 31, 2015 from the operations of the Aurora Gold Mine;
- the Company's ability to achieve its production guidance for 2016 and its anticipated consolidated cash flow forecast for 2016;
- risks of increases in the anticipated total capital and operating costs relating to commercial production for the Aurora Gold Mine and Guyana Goldfields' (as defined herein) ability to meet such costs, including amounts of capital expenditures under the EPC Contract (as defined herein) and owner's costs expenditures;
- going concern status of the GSJV (as defined herein) and its partners;
- the timing of achieving sustained level of gold production for the Aurora Gold Mine to develop the Mine (as defined herein) into a profitable producing mine;
- the timing and amounts of expected cash outflows relating to contractual commitments to the GSJV for the EPC Contract for the processing and power plant;
- the timing and amounts of expected cash outflows, and expected sales of gold, relating to profitable operations at the Aurora Gold Mine;
- unusual or unexpected geological formations encountered during development and/or mining operations;
- expectations that the 2015 year-to-date 27% positive reconciliation between actual tonnes mined versus the Mineral Reserve model at the Mine as of December 31, 2015 will continue;
- adherence to the terms and condition of the Mineral Agreement (as defined herein) and Mining Licence (as defined herein);
- unionization of its work force in Guyana or other labour disputes;
- fluctuation in the price for gold and currency fluctuations may adversely affect the Company's ability to obtain additional financing, influence the course of action taken in developing the Aurora Gold Mine, and affect the Company's ability to meet the Project Loan Facility's financial and non-financial covenants;
- the Company's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic gold deposits;
- the success of swap transactions to establish a ceiling for a portion of the Company's future diesel fuel purchases;
- ability to source new, additional or replacement financing through other share or debt issuances in support of the Aurora Gold Mine, corporate general and administrative expenses, and exploration activities;
- access and supply risks;
- reliance on key personnel;
- risks related to disputes concerning property titles and interests;
- risks relating to changes in project parameters as plans continue to be redefined, including the possibility that mining and development operations at the Aurora Gold Mine and other exploration activities may not progress as currently proposed;
- risks relating to variations and uncertainties in the estimation of Mineral Resources and Mineral Reserves, grade or recovery rates resulting from current exploration and development activities

(including risks that new Mineral Resources/Reserves may not be established, or 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;
- uncertain political and economic environments;
- environmental hazards and industrial accidents;
- risks related to exploration and conducting mining operations, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability, including the adverse impact on the Company's cash flows and ability to repay amounts due under the Project Loan Facility;
- future plans for the Aurora Gold Mine and other property interests held by the Company or which may be acquired on a going forward basis, if at all;
- management's expectations that expired exploration licenses will be renewed, and other requisite licenses and permits will be available upon terms acceptable to Guyana Goldfields;
- management's outlook regarding future trends, outlook and activities;
- the Company's ability to meet its working capital needs with respect to the Aurora Gold Mine and other exploration and corporate activities; and
- governmental regulation, political stability in the regions in which Guyana Goldfields operates and environmental liability.

In addition, all disclosure contained herein concerning future plans for the Aurora Gold Mine as set forth under the heading "Material Properties" is subject to the assumptions and qualifications set forth in the January 2016 Report (as defined herein) which is incorporated herein by reference.

Forward-looking information contained in this AIF is also subject to the risks further detailed below under the heading "Risk Factors". Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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 information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking information.

CURRENCY AND EXCHANGE RATES

Unless otherwise specified, all dollar references are to United States ("US") dollars. On March 18, 2016, one Canadian dollar was worth approximately \$0.77 in US currency, based on the noon exchange rate of the Bank of Canada.

CORPORATE STRUCTURE

Name, Address and Incorporation

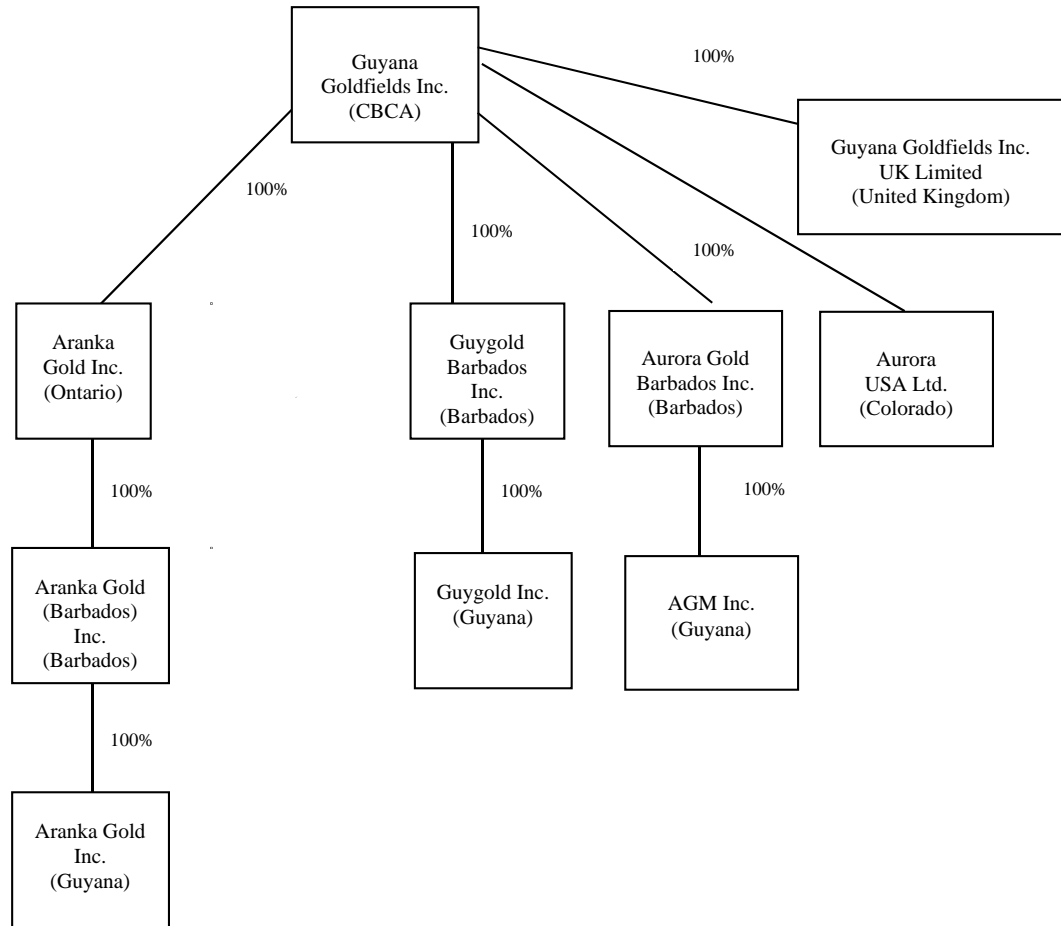
The Company was incorporated under the name “6357458 Canada Inc.” pursuant to the *Canada Business Corporations Act* (the “CBCA”) on March 2, 2005. Effective April 7, 2005, the Company completed a three-cornered amalgamation pursuant to which (i) a predecessor company named “Guyana Goldfields Inc.” (“Old Guyana”) amalgamated with a wholly-owned subsidiary of the Company to form “9154-4650 Quebec Inc.” (“Amalco”); and (ii) shareholders of Old Guyana received common shares of the Company (each, a “Common Share”) in exchange for their shares of Old Guyana. By Articles of Amendment dated April 25, 2005, the Company changed its name to “Guyana Goldfields Inc.” By articles of amendment dated May 1, 2013, the Company amended its articles to provide for a minimum of one and a maximum of 11 directors. By articles of amalgamation dated April 1, 2014, (i) Coppercorp Inc. (a former indirect subsidiary of the Company) completed a short form vertical amalgamation with its parent company 8738947 Canada Inc. (a former direct subsidiary of the Company); and (ii) the resulting company subsequently completed a short form vertical amalgamation with the Company.

The head and registered office of the Company is located at 141 Adelaide Street West, Suite 1608, Toronto, Ontario M5H 3L5.

The Company is a reporting issuer under applicable securities legislation in the each of the provinces of Canada and its outstanding shares are listed on the Toronto Stock Exchange (the “TSX”) under the symbol “GUY”.

Intercorporate Relationships

Set forth below is a corporate organizational chart reflecting each of the direct and indirect subsidiaries of the Company, their respective jurisdictions of incorporation and the percentage of shares held by the Company.



References to the “Guyana Goldfields” in this AIF refer to the Company and its subsidiaries taken as a whole.

GENERAL DEVELOPMENT OF THE BUSINESS

General

The Company is a Canadian-based mineral exploration and development company primarily focused on the acquisition, exploration and development of gold deposits in Guyana, South America. Effective January 1, 2016, the Aurora Gold Mine (as defined below) declared commercial production status as an operating gold mine. All references herein to the Aurora Gold Mine or the Mine (as defined below) include references to the Aurora property prior to the declaration of commercial production, as applicable.

Aurora Gold Mine

The Company has one material project, the Aurora Gold Mine located in Guyana, South America (the “Aurora Gold Mine” or the “Mine”). On November 18, 2011, the Company signed the MA (as defined below) with the Government of Guyana and received the Mining Licence (as defined below) for the Mine. The MA and Mining Licence detail all fiscal, property, import-export procedures, taxation provisions and other related conditions for the continued exploration, mine development and operation of the Mine. The Company owns a 100% interest in the Aurora Gold Mine, subject to a net smelter return royalty (“NSR”) of 5% or 8%, depending on the price of gold, payable to the Guyana Geology and Mines Commission (the “GGMC”). The Mining Licence is the Company’s permit to build and operate mining facilities at the

Aurora Gold Mine and is valid for an initial 20-year term with provisions for extension on application by the Company. The Company has held its interest in the Aurora Gold Mine since 1998 and is required to pay an annual fee to the vendor of \$100,000 for as long as Guyana Goldfields maintains an interest in the Aurora Gold Mine, up to a maximum of \$1,500,000. A total of \$1,200,000 has been paid in this regard.

The Company announced first pre-commercial gold production at the Mine on August 4, 2015, and announced that its saprolite circuit was fully operational and its hard rock circuit was mechanically complete as of September 21, 2015. The Company's first sale of refined product from the Mine was announced on October 29, 2015, and it declared commercial production effective January 1, 2016. See also "Description of Business", "Material Properties" and "Risk Factors – Licensing Matters" below.

With respect to mine development, the permitting process required that the following material documents be obtained or submitted for assessment of the suitability of the Aurora Gold Mine, each of which has been obtained or submitted, as applicable, by the Company:

- Environmental Permit dated September 27, 2010 as issued by the Environmental Protection Agency of Guyana;
- Aurora Mineral Agreement between the Government of Guyana and AGM Inc., an indirect wholly-owned subsidiary of the Company, dated November 18, 2011 (the "MA");
- Aurora Mining Licence issued by the GGMC dated November 18, 2011 (the "Mining License");
- Renewal of registration of an Industrial Establishment Reg. No. 2014/139, issued by the Ministry of Labour, Human Services & Social Security dated May 10, 2014;
- Consumer Installation License, License No.: CI/0348 of 2014, issued by the Guyana Energy Agency dated August 9, 2014 – Energy License;
- Import License No. 2/2014A issued by the Ministry of Trade of Guyana dated April 7, 2014;
- Permission from the Bank of Guyana pursuant to Section 20(1) of the Bank of Guyana Act, 1995 to express, record and settle transactions and obligations under the Guyana Debenture and the other Transaction Documents in foreign currencies to the extent required by Section 20(1) of such Act;
- Permission from the Ministry of Finance of Guyana pursuant to Section 3(1) of the Foreign Exchange (Miscellaneous Provisions) Act, No. 8 of 1996, to borrow foreign currency and pursuant to Section 3(2) of the Foreign Exchange (Miscellaneous Provisions) Act, No. 8 of 1996 to do any act which involves, is in association with, or is preparatory to borrowing foreign currency;
- Aerodrome License (Domestic Use), No. 59/2011 issued by the Guyana Civil Aviation Authority;
- Fixed Land and Mobile Radio License issued by National Frequency Management Unit of Guyana;
- Electricity Generation Permit issued by the Office of the Prime Minister of Guyana;
- Permit for use of Cyanide issued by the Registrar of the Pesticides and Toxic Chemicals Board of Guyana;
- Gold export licence issued by the Ministry of Business of Guyana on October 15, 2015; and
- Earth Station License issued by National Frequency Management Unit of Guyana.

In addition to these documents, the Company also obtained certain additional, non-material permits prior to commencing commercial production at the Aurora Gold Mine.

January 2016 Mineral Reserve Update

On January 14, 2016, the Company announced an update to its Mineral Reserves at the Mine utilizing a gold price of \$1,000 per ounce. The previous Mineral Reserve estimate had been issued on January 11, 2013 utilizing a gold price of \$1,300 per ounce. There was no change to the Mineral Resource model of the Mine as previously disclosed on June 24, 2012 (the "2012 Resource Estimate"). The updated Mineral Reserves were prepared by Metal Mining Consultants Inc. ("MMC") and SRK Consulting (Canada), Inc. ("SRK") in accordance with National Instrument 43-101 ("NI 43-101"). The Company produced 35,901 ounces of gold at the Mine for the year ended December 31, 2015. Total proven and probable Mineral Reserves are 3,042,000 ounces, net of depletion.

Aurora Gold Mine Mineral Reserves at \$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 \$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 Mine Mineral Resources at \$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 \$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 g/t Au and 0.40 g/t Au for Saprolite and Fresh rock respectively, whereas underground resources are reported at a cut-off of 1.8 g/t Au.

The updated Mineral Reserves noted above 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. The scientific and technical information concerning the 2012 Resource Estimate was prepared under the supervision of Dorota El-Rassi, P.Eng and Glen Cole, P.Geo, each a "qualified person" within the meaning of NI 43-101. The scientific and technical information above concerning the updated Mineral Reserve estimate as of January, 2016 was prepared under the supervision of Scott E. Wilson, a "qualified person" within the meaning of NI 43-101.

Development Cost Update

The Company's pre-commercial production operations effectively commenced September 2015 with the mechanical completion of the processing facility and hand over from the GSJV (as defined herein), and ended on December 31, 2015, with commercial production of the Mine being effective January 1, 2016. As a result, the Company has separately tracked its activities in these two areas (see chart below). Ramp up of gold production lagged behind plan due to longer than planned commissioning and start up efforts.

With the conclusion of construction activities, the total development costs relating to the construction of the Mine incurred on an accrual basis at December 31, 2015 were \$282 million, or \$5 million (2%) above budget, computed since inception of the Aurora Gold Mine. Details of the actual capital spend for the Aurora Gold Mine as of December 31, 2015 are as follows:

Aurora Mine Capital Expenditures (in Millions of \$)	Incurred: January 11, 2013 to December 31, 2014 F13 & F14	Incurred: January 1, 2015 to March 31, 2015 Q1 F15	Incurred: April 1, 2015 to June 30, 2015 Q2 F15	Incurred: July 1, 2015 to September 30, 2015 Q3 F15	Incurred: October 1, 2015 to December 31, 2015 Q4 F15	TOTAL ACTUAL CAPITAL COSTS INCURRED at December 31, 2015 (Note 1)	December 2013 Budget - Capital Costs to Commercial Production (Note 2)	Notes
GSJV:								
Fixed Price Process and Power Plant EPC Contract	\$102	\$18	\$14	\$8	\$7	\$149	\$134	(3)
Owner's Cost – Balance of Scope								
Plant Infrastructure Buildings	-	1	-	-	-	1	2	
Plant Earthworks and Roads	4	-	1	-	-	5	6	
Mine Infrastructure Buildings	-	-	-	-	-	-	1	
Tailings Dam	3	1	-	-	-	4	6	(4)
Water Dams and Dykes	-	1	-	-	-	1	4	(4)
Site Services Water & Power	-	1	1	-	-	2	9	(4)
Logistics	2	(2)	-	-	-	-	8	(5)
<i>sub-total</i>	9	2	2	-	-	13	36	
Owner's Cost Infrastructure & Other	29	3	2	1	-	35	46	(6)
Owner's G&A	32	10	7	4	2	55	25	(7)
Owner's Costs - Operational Readiness	-	-	4	2	(6)	-	8	(8)
Total Owner's Cost	70	15	15	7	(4)	103	115	
Total Initial Development Capital	\$172	\$33	\$29	\$15	\$3	252	\$249	
Financing costs, pre-operating costs and working capital	16	2	5	8	(1)	30	28	(9)
TOTAL DEVELOPMENT COSTS (A)	\$188	\$35	\$34	\$23	\$2	\$282	\$277	
PRE-COMMERCIAL PRODUCTION OPERATIONS								
Operating (profit) loss ¹				\$6	\$(14)	\$(8)		(10)
Interest & finance costs				3	2	5		(11)
Inventory change				-	12	12		(12)
Sustaining capital				-	2	2		(13)
TOTAL PRE-COMMERCIAL PRODUCTION IMPACT (B)				\$9	\$2	\$11		
Total Development Costs and Pre-Commercial Production Impact (A) + (B)						\$293		

¹ This is a non-GAAP measure.

All costs incurred above are computed on an accrual basis. Mine development costs above include both development costs, additions to fixed assets and deferred financing costs.

Note (1): Total development costs and pre-commercial production operating impact of \$293 above is reconciled to the consolidated financial statements as of December 31, 2015 as follows:

Total development costs including fixed asset addition – before accumulated depreciation:	\$309
Remove pre-development, exploration and corporate fixed asset additions:	(11)
Remove non-cash items capitalized: amortization, ARO asset, stock-based compensation and accretion expense:	(14)
Add deferred financing costs separately capitalized, considered development in above chart	<u>9</u>
Grand Total	
Aurora Mine Development & Pre- Commercial Production Impact	
– December 31, 2015:	<u>\$293</u>

Note (2): These costs compiled in December 2013, represent the initial development costs of \$205 as reflected in the January 2013 Report, plus the projected \$44 increase in initial capital investment as described in the Company's MD&A for first quarter ended January 31, 2014. The \$44 estimated increase in development costs was due to costs associated with transitioning to an engineering, procurement and construction ("EPC") development approach which assumes a lower project execution risk for the Company, additional funds for operational readiness, increased estimates and schedule delay.

Note (3): During the fourth quarter of fiscal 2015, the Company re-assigned amounts included in Owner's costs operational readiness to the EPC Contract, and included adjustments for the negotiated settlement with the G&JV on all extension of time claims and contingent bonuses. Included in the balance of \$149, is \$3 in Owner supplied resources to support the process and power plant development.

Note (4): Total capital costs for the tailings dam, water dam and dykes, and site service water and power are lower than initially estimated, resulting from the change in execution strategy relating to the balance of scope work, which was self-performed.

Note (5): Logistics costs have been included in Owner's G&A due to the change in execution strategy for the balance of scope work.

Note (6): Owner's costs infrastructure and other costs are lower than expected due to the reduction in scope on non-critical infrastructure.

Note (7): Included in Owner's G&A quarterly spend are equipment maintenance, logistics and operational readiness costs attributable to Balance of Scope projects. Owner's G&A is \$30 above budget due to the shift in scope from external contractors to self-performance by the Owner's team. Increased scope responsibility led to an expansion of the work force and indirect supporting costs such as camp services, transportation costs and equipment maintenance beyond initial expectations.

Note (8): Owner's costs - operational readiness have been re-assigned to the EPC Contract and Owner's cost G&A.

Note (9): Finance pre-operating and working capital costs are higher than budget due to longer than anticipated production ramp up activities, resulting in additional costs being incurred.

Note (10): Operating (profit)¹ loss is defined as revenues from the sale of gold less operating costs and royalties.

Note (11): Interest and finance costs represent the September 30, 2015 and December 31, 2015 interest and commitment fees paid on the Facility.

Note (12): Inventory change represents the fourth quarter fiscal 2015 change in inventory balances, made up substantially of gold inventory.

Note (13): Represent capital expenditures on an accrual basis.

Revenues and costs incurred during the four month pre-commercial production period were also capitalized to development costs, a component of mineral properties, plant and equipment at December 31, 2015. For this four month period, pre-commercial production operating profit was approximately \$8 million representing the excess of proceeds from the sale of gold over mine operating costs. In addition, interest costs of \$5 million were incurred along with a \$12 million build up in inventory levels during this four month period ended December 31, 2015.

January 2016 Report

On January 18, 2016, the Company filed on SEDAR its updated feasibility study dated January 18, 2016 with an effective date of September 30, 2015, entitled "NI 43-101 Technical Report, 2015 Updated Feasibility Study for the Aurora Gold Project, Guyana" (the "January 2016 Report"), as prepared by Messrs. Scott Wilson, Carl Brechtel, Glen Cole, Martin Telford, William Pennstrom and Robert McCarthy. The January 2016 Report reflects an extended open-pit/deferred underground mining scenario, as well as current cost parameters, and Mineral Reserves based on a revised gold price of \$1,000 per ounce, details as follows:

Highlights of the January 18, 2016 New Feasibility Study – Aurora Mine at \$1,000 Gold Price		
Gold Price (base case)	\$1,000/oz	
Mine Life (LOM)	16 years	
Average Mill Throughput (initial)	5,000 tpd	
Average Mill Throughput (extended)	6,040 tpd	
Strip Ratio	6.8:1 (waste to ore)	
Average Gold Grade (mill head)	2.94g/t	
Gold Recovery (sapolite)	97%	
Gold Recovery (fresh rock @ 5,000 tpd)	94.4%	
Average Annual Production (LOM)	188,000 oz/yr	
Average Annual Production (Years 2017-2028)	200,000 oz/yr	
Total Gold Production (Recovered Gold)	2,865,726 oz	
LOM Cash Costs (with royalty)	\$564/oz	
LOM All-in sustaining capital (“AISC”)	\$661/oz	
All-In cost (AISC + Corp G&A + Exploration+ Debt)	\$778/oz	
Expansion Capital Cost	Mill (Year 2016)	\$5.6 M
	Open Pit (Year 2016 + 2017)	\$18.8 M
Underground Development Cost	\$227.4 M	
Pre-Tax NPV (5% Discount Rate)	\$672 M	
After-Tax NPV (5% Discount Rate)	\$568 M	
Net Revenue	\$2.7 B	
Net Operating Income	\$1.2 B	

Mine Economics

The following table provides details of the Mine’s economics at variable gold price assumptions and assumes no sunk initial development capital costs of \$249 million.

Financials (at 5% Discount Rate)	Units	Gold Price Per Ounce in \$				
		\$800	\$900	\$1,000	\$1,100	\$1,200
Average Operating Cash Cost (LOM)	\$/oz	554	559	564	602	610
All-In Sustaining Cost (LOM)	\$/oz	651	656	661	699	707
Pre-Tax NPV	\$M	297	485	672	795	977
After-Tax NPV	\$M	278	435	568	656	784
After-Tax Net Cash Flow ⁽¹⁾	\$M	371	590	777	901	1,086

(1) After-tax net cash flow defined as revenue less operating costs less capital expenditures.

LOM Operating Costs

Cash operating costs (@ \$1,000 gold, includes royalty)	\$564/oz
Mining cost per tonne (open pit)	\$2.45/tonne
Mining cost per tonne to the Mill (open pit)	\$19.23/tonne
Mining cost per tonne to the Mill (underground)	\$29.85/tonne
Processing cost per tonne	\$12.86/tonne
G&A cost per tonne milled	\$8.29/tonne

Mining and Production

All mining to date has been focused in the Rory's Knoll pit and will continue through the end of 2016. Gold production is staged with an initial open pit mill throughput rate of 5,000 tpd from the Rory's Knoll deposit expanding to 8,000 tpd in early 2017 with the inclusion of other open pit feeds from the Aleck Hill and Mad Kiss deposits. During the initial years when saprolite and fresh rock ore are combined, mill throughput rate ranges from 5,000 to 8,000 tpd. After eight years of operation, open pit mining will be completed.

The capital cost for the mill expansion from 5,000 tpd to 8,000 tpd is approximately \$5.6 million and is funded from free cash flow and is contingent upon economic conditions. Major components of the plant were built for a 10,000 tpd throughput rate allowing for lower expansion capital.

Following a two year pre-production period, underground mining at Rory's Knoll commences in year 2022 as open pit mining operations are completed and sustains a mill throughput rate of 5,200 tpd for nine years. Pre-production and production mining will be completed by an underground contractor. Rory's Knoll underground will be mined utilizing the open benching and sublevel retreat mining methods via a decline access with truck haulage from a depth of -170 metres below sea level ("mbsl") down to -770 mbsl. The favorable orebody context and the results from a detailed coupled hydrogeological and geotechnical model support the open benching and sublevel retreat mining method approach. The study results show underground mining creates minimal surface subsidence and indicate water inflows are manageable. The

underground mine plan, mining method, production rate, and cost estimates were validated by two independent Front End Engineering Development proposals completed in 2015.

The above-noted scientific and technical disclosure regarding the January 2016 Report has been approved by Scott E. Wilson who is a “qualified person” within the meaning of NI 43-101. See also “Material Properties” below.

2016 Exploration

The 2016 exploration program at the Mine 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 Mine of which the Iroma prospect is the most highly significant. The Iroma Prospect is located approximately 10 km northeast of the Mine with a total land area of approximately 120 square km. This is an area composed of three prospecting licenses and five optioned properties. 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 \$3 million has been allocated for 2016.

Aranka Properties

In addition to the Mine, the Company also holds an interest in a land package located in the Aranka district of Guyana approximately thirty kilometres northeast of the Aurora Gold Mine, known as the “Aranka Properties” which consist of a number of separate properties including Sulphur Rose. The Company has a 100% interest in the Aranka Properties, subject to NSR royalties that vary from 1.5% to 2% or fixed payments in lieu thereof at the option of the Company. The Aranka Properties are now under care and maintenance. The Company presently intends to retain its license in this area. All of the exploration licenses held by the Company have been renewed.

See also “Description of Business”, “General Development of the Business - Three Year History” and “Foreign Operations” below.

Other Properties

Within an area located northeast from the Aurora Gold Mine, the Company also holds an interest in certain additional properties known as the “Other Properties”, which have also been placed under care and maintenance. The Company has a 100% interest in these Other Properties, subject to a 1.5% NSR or a fixed payment in lieu thereof at the option of the Company. All of the exploration licenses held by the Company have been renewed. The Company presently intends to retain its licenses in this area.

See also “General Development of the Business - Three Year History” and “Foreign Operations” below.

Three Year History

Fiscal Year Ended December 31, 2015

Aurora Gold Mine

Gold production at the Mine for 2015 mining pre-commercial production operations totalled 35,901 ounces. From late October 2015 to December 31, 2015, 28,850 ounces of gold were sold at an average realized price of \$1,079 per ounce generating approximately \$31.1 million in pre-commercial production revenue. As a result of 2015 mine and mill production rates, the Mine declared commercial production effective January 1, 2016 (which has been defined as the first calendar month following the mill having operated for

a period of sixty consecutive days at an average of 75% or more of the designed production capacity (including both soft and fresh rock components) equivalent to processing 3,750 tonnes of ore per day, and with gold recoveries at least 85%). Total pre-commercial production operating costs and royalties for the four month period ended December 31, 2015 were approximately \$23 million. All of the above revenues and costs during the 2015 pre-commercial production period were capitalized to development costs.

In connection with its operations at the Mine, the Company had a total of 26.4 million litres of diesel forward contracts at December 31, 2015 at an average rate of \$0.44/litre, which will settle on a net basis, covering subsequent periods that end in the third and fourth quarters of 2017. Contractual commitments under these contracts at December 31, 2015 total \$11.5 million over 2016 and 2017. Subsequent to December 31, 2015, a derivative contract for 9.6 million litres of diesel at an average rate of \$0.395/litre, covering the calendar year 2018, was also entered into that will settle on a net basis. The diesel commodity swap forward contracts are secured under the Facility (as defined below) and documented in the form of an International Swap and Derivative Association master agreement.

As of December 31, 2015, the Company is committed to \$30,738,000 for obligations under the EPC Contract (as defined below), other Mine contractual commitments, purchases of equipment goods and services, and operating leases. The Mine accounts for substantially all of this commitment.

As of December 31, 2015, all required and essential EPC Contract work had been completed. In January 2016, the Company negotiated a settlement with the GSJV of all extension of time claims and contingent bonuses relating to the construction of the processing and power plant at the Mine. The Company is committed to paying the GSJV approximately \$18 million over the first and second quarters of fiscal 2016. This settlement did not result in a material impact on the Mine, and the amount had been previously accrued. As of December 31, 2015, the total value of work performed under the EPC Contract was \$149 million (see "Development Cost Update" above). This includes approved EPC Contract variation, the settlement of all extension of time claims and contingent bonuses, and the value of Company supplied resources to support the process and power plant development. See also "General Development of the Business - Three Year History - Fiscal Year Ended December 31, 2014 – Aurora Gold Mine – EPC Contract".

In January and February 2016, the Company entered into commitments for the purchase of six new 45 tonne haul trucks, five new excavators and the purchase of a refurbished pre-owned Twin Otter airplane for local employee mine transport between the Mine site and Georgetown, Guyana.

On September 21, 2015, the Company announced that its saprolite circuit was fully operational and its hard rock circuit was mechanically complete at the Mine, along with the semi-autogenous-grinding mill, gravity circuit, carbon-in-leach tanks, tailings line, and gold refinery.

On August 4, 2015, the Company announced that first gold production had been achieved on-time and on-budget at the Aurora Gold Mine, through the gravity and saprolite production circuits which allowed for earlier gold production (pre-commercial production) through the processing plant. Initial start-up gold was captured by processing the lowest grade ore available, after which the Company progressed towards full saprolite circuit operation, gradually feeding the mill with higher grade material.

On May 27, 2015, the Company announced that the mill commissioning process had commenced, with the mining fleet fully operational and all materials required for construction being on site. All surface and on-site construction and bulk earthworks were completed except for the river dike and runway expansion, and the operational readiness team had been hired and was undergoing initial training. The Company also announced that initial open pit mining at Rory's Knoll has defined the pit outline with excavation below river level with no in-flow of water, as expected.

Project Loan Facility

As of September 30, 2015, the Company had fully drawn on tranche 1 of the Project Loan Facility in the aggregate amount of \$160 million and at December 31, 2015, the Company made its first principal debt repayment of \$4.34 million. Net draws under the Facility in 2015 were approximately \$91 million. The Company did not need to draw on its tranche 2 Facility in the amount of \$25 million for cost overruns in construction of the Mine. Consequently, the tranche 2 Facility expired on November 30, 2015.

Principal debt repayments under the Facility continue quarterly over the tenor of the Facility. At December 31, 2015, repayments over the next twelve months are approximately \$7 million, \$5 million, \$8 million and \$8 million, occurring on March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016, respectively. Interest payments are also required on a quarterly basis.

Commencing with the December 31, 2015 principal debt repayment, AGM Inc. is required to maintain specified financial and non-financial covenants/conditions and reporting requirements, including adherence to environmental and social standards, and future funding of a debt service reserve account and mine closure reserve account. Financial covenants include a debt service coverage ratio, projected debt service coverage ratio, loan life coverage ratio, project life coverage ratio and a mining reserve tail ratio. The Facility also provides for a partial cash sweep mechanism for the benefit of the Senior Lenders (as defined below), and the acceleration of principal repayment in the event of a change in control. The Company was in compliance with all key covenants under the Common Terms Agreement as of December 31, 2015.

In connection with the Facility, the Owner's project completion restricted bank account originally had \$10 million in available funds for Mine cost overruns. In May 2015, IFC, Export Development Canada, ING Capital LLC, Caterpillar Financial Services Corporation, and The Bank of Nova Scotia (collectively the "Senior Lenders") approved the release of \$6 million of funds held in AGM Inc.'s restricted completion bank account back to the Company. Accordingly, as of December 31, 2015, AGM Inc. had a total of \$27 million in funds available in restricted bank accounts for the Mine for construction and development costs overruns, as follows:

- Owner's cost overrun equity restricted account of \$23 million, and
- balance of Owner's project completion restricted account of \$4 million.

With the completion of construction activities at the Mine, the Company does not require the use of these restricted bank account funds at December 31, 2015. Accordingly, the Company expects that the \$4 million in completion funds will be returned to the Company, while the \$23 million in the cost overrun account will fund the Mine's debt service and mine closure reserve bank account.

See "General Development of the Business - Three Year History - Fiscal Year Ended December 31, 2014 – Aurora Gold Mine – Project Loan Facility".

Working Capital Deficiency

The extended commissioning and ramp up efforts during the latter half of fiscal 2015, and the delay of pre-commercial production gold sales until November and December 2015, contributed to a working capital deficiency at December 31, 2015 on a consolidated basis and for the Mine, of approximately \$47 million and \$53 million, respectively (excluding restricted cash balances). The Company has determined that approximately \$22 million of its current liabilities are non-typical of ongoing mine operations at the Mine, and are substantially represented by its liability to the GSJV at December 31, 2015 of approximately \$18

million under the EPC Contract that includes construction holdbacks. Included in the \$53 million working capital deficiency is \$28 million in future scheduled principal debt repayments due in 2016.

As a development stage company at December 31, 2015, the value of material and supplies inventory as well as gold inventory (combined total of approximately \$15 million) has been included in assets under development.

The Company expects that the above working capital deficiency will be funded from the Mine's operating cash flows in 2016.

With the Mine achieving commercial production on January 1, 2016, the Company is dependent upon the successful and profitable operation of the Mine in order to satisfy its financial obligations. As a "one-mine" company, this dependence is more pronounced, and in these circumstances if there was a prolonged disruption to the operations of the Mine, the Company would use its corporate cash resources to supplement any shortfall in funds. If these measures are insufficient, the Company would look for other sources of financing that may involve debt or equity, or a combination of both. See "Risk Factors".

Other Developments

On October 22, 2015, the Company commented on recent developments regarding the Venezuela-Guyana border dispute as it had received an unfounded notification of a possible legal claim from Venezuela. The Venezuela-Guyana border dispute was resolved and agreed upon by all parties under the 1899 Arbitration Agreement and any claims made outside of such agreement violate international law. The matter is currently before the United Nations, however Venezuela's border claim is widely viewed by the international community to be without merit. See "Risk Factors – Land Title".

On October 5, 2015, the Company announced the scheduled departure of its Chief Operating Officer, Peter Lello Galassi.

On September 18, 2015, the Company was added to the S&P/TSX Global Gold Index and Global Mining Index.

On May 26, 2015, Ms. Wendy Kei, CPA-CA, was appointed as a director of the Company.

See also "General Development of the Business - Three Year History - Fiscal Year Ended December 31, 2014 – Other Properties".

Fiscal Year Ended December 31, 2014

Aurora Gold Mine

EPC Contract

On December 9, 2013, the Company announced that it had selected the contractor and executed an agreement (the "Heads of Agreement and Term Sheet"), documenting the principal terms and conditions for a full engineering, procurement and construction contract (the "EPC Contract") with joint venture partners Sedgman Limited and Graña y Montero (the "GSJV"). Contractor services began immediately under an Interim Services Agreement ("ISA") and Early Procurement of Long Lead Equipment Agreement ("LLP") signed in early November 2013.

In May 2014, the Company's wholly owned subsidiary AGM Inc., owner and operator of the Aurora Gold Mine, formalized its existing contractual arrangements with the GSJV, and signed the EPC Contract for the Aurora process plant and power plant. The fixed price contract value was originally for \$134 million, with the novation of responsibilities and payments made under the previous contractual arrangements. In January 2015, the fixed price contract value was revised to \$137 million, an increase of \$3 million over the original fixed price, with the inclusion of agreed upon EPC contractor claims while allowing AGM Inc. to gain use of the plant in stages that matches the mine plan. The date for mechanical completion of the 5,000 tonnes per day processing plant and the diesel power plant was originally set for May 31, 2015. The GSJV reported certain delays in construction of the Mine, which required further investigation and review. AGM Inc., through negotiations with the GSJV, agreed to modify the original milestone for mechanical completion which included the crushing circuit, as it was not critical to establishing cash flow from gold production.

Under the terms of the EPC Contract, AGM Inc. was required to make prescribed monthly installment payments to the GSJV up to the end of September 2015. Initial payments by AGM Inc. were subject to 30% hold back, to a maximum of \$10 million that was repayable at the full mechanical completion date. Also under the terms of the EPC Contract, AGM Inc. made its required \$13.4 million in advance contract deposits to the GSJV on an interest free basis. As of December 31, 2015, these amounts have been repaid by the GSJV.

The fixed price EPC Contract value is subject to adjustments for:

- fluctuation in foreign exchange rates on contract portions denominated in currencies other than the United States dollar;
- changes in laws of Guyana that affect the scope of work; and
- extension of time to mechanical completion date for a variety of events and causes attributable to the GSJV and AGM, alike.

Delay liquidated damages applied if the GSJV failed to reach mechanical completion on or before the fifteenth day after full plant mechanical completion date, with prescribed daily penalties payable to AGM Inc., up to a maximum amount of 5% of the EPC Contract value. If the GSJV reached mechanical completion within certain time parameters, bonuses were payable to the GSJV, in addition to the contract price, up to a maximum of 5% of the contract value. The EPC Contract also entitles the GSJV to completion bonus amounts for reaching various construction milestones by specified dates, which are subject to extension of time claims. See "General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2015 – Aurora Gold Mine".

Project Loan Facility

In November 2013, the Company signed a mandate letter (the "IFC Mandate Letter") with International Finance Corporation ("IFC") to lead a syndicate of banks, multi-lateral and development institutions to arrange a facility to support the development and construction of the Aurora Gold Mine. On June 9, 2014, the Company announced that further to the IFC Mandate Letter, a syndicate of lenders had received credit approvals to provide a \$185 million senior secured project loan facility (the "Project Loan Facility" or the "Facility") to fund the development and construction of the Aurora Gold Mine.

Under the proposed Facility, the Company was obligated to fund an additional \$33 million into restricted reserve accounts as a condition of first disbursement. On June 27, 2014 the Company raised the \$33 million in equity required under the proposed Facility by completing a non-brokered private placement pursuant to which it issued an aggregate of 24,000,000 Common Shares at a price of Cdn\$1.85 per Common Share for aggregate gross proceeds of Cdn\$44,400,000.

On September 2, 2014 the Company and its wholly owned subsidiary AGM Inc., announced the signing of a common terms agreement (the “Common Terms Agreement”) with the Senior Lenders and other definitive documentation with respect to the Project Loan Facility to fund the development and construction of, and general matters relating to, the Aurora Gold Mine. Under the Common Terms Agreement, underground mine development requires various terms and conditions being met, including the pre-funding of underground capital costs/commitments from operating cash flows generated from the open pit mine or from other financing sources. With the completion of the Facility, the development of the Mine was fully financed, subject to the terms and conditions of the Facility. Included in this financing is \$28 million for anticipated financing costs, pre-operating costs and working capital.

The Project Loan Facility consists of two tranches; tranche 1 of \$160 million and a tranche 2 cost overrun facility of \$25 million. The maximum term of tranche 1 is eight years and advances bear a weighted average interest rate of 3-month LIBOR plus 5.11% for tranche 1, while advances under tranche 2 would bear interest at the same average rate plus 0.5% (if drawn). There is no required gold hedging or other required similar provisions associated with the Facility. The use of proceeds drawn under the Facility is limited to development and construction of the open pit mine and related process plant facilities. The Company has undertaken to provide additional funds, if required, for the Aurora Gold Mine to achieve project completion, and to supplement any shortfall of funds needed to meet the Aurora Gold Mine’s financial obligations.

Under the Common Terms Agreement, to the extent necessary, the following sequence as of December 31, 2014 was required to enable disbursement of the full Project Loan Facility funds:

- First: Tranche 1 Facility \$160 million
- Second: Owner’s overrun equity restricted account \$23 million
- Third: Tranche 2 Facility – cost overrun \$25 million
- Fourth: Owner’s project completion restricted account \$10 million

The restricted funds within the owner’s cost overrun equity and project completion accounts that total \$33 million reflected balances on initial draw and will be released at project completion (to the extent they are not drawn), and if required, applied against debt service reserve and mine closure reserve accounts, as required under the Project Loan Facility. The Facility also provides for a partial cash sweep mechanism for the benefit of the Senior Lenders and the acceleration of principal repayment in the event of a change in control.

On October 17, 2014, the Company satisfied all conditions to first disbursement under the Project Loan Facility and received \$42,573,000 in debt proceeds. As of December 31, 2014, the Company’s debt under the Facility was \$68,573,000, with subsequent advances expected to be received on a monthly basis as determined by Mine funding requirements.

Aurora Mine Development

At December 31, 2014, total anticipated Aurora Gold Mine costs were \$277 million that included development costs of \$249 million, finance costs of \$20 million, working capital of \$5 million, and pre-operating costs of \$3 million. Total funding sources amounted to \$335 million.

Under the Common Terms Agreement with its Senior Lenders, underground mine development requires various terms and conditions being met, including the pre-funding of underground capital costs/commitments from operating cash flows generated from the open pit mine or from other financing sources.

At December 31, 2014, the total development costs for all facilities as well as mining equipment, owner’s costs, indirect costs, inventory and first fills, contingency, etc., was estimated to be \$249 million, of which

approximately \$172 million were incurred costs to December 31, 2014. As at December 31, 2014, the remaining capital required to achieve commercial production was estimated to be \$77 million, which included \$38 million for the fixed price EPC Contract, and \$39 million in development costs attributable to the Company's self-performance. The remaining AGM Inc. estimated total owner's costs of \$39 million at December 31, 2014 largely included infrastructure and G&A comprising of completion of Phase II of the main camp, communications infrastructure, access road upgrades, first fills and spares, mobile equipment and other items. Also included was the construction and installation of facilities such as the mine dam, tailings management, river dyke, ancillary buildings, mine development, and other infrastructure.

The scientific and technical data contained under the headings "EPC Contract" and "Aurora Mine Development" has been reviewed, approved and verified by Daniel Noone who is a qualified person under NI 43-101 and a member of the Australian Institute of Geoscientists. Mr. Noone serves as a director and Vice-President, Exploration of the Company.

Aranka Properties

The Company completed exploration program activities at the Aranka Properties during fiscal 2014. See "General Development of the Business – General – Aranka Properties".

Other Properties

At the Other Properties, baseline exploration work consisting of stream sediment sampling, soil sampling, a more extensive systematic grid soil sampling, and a limited shallow saprolite drilling program were the focus of the work program during 2014 and the first half of fiscal 2015.

Work at the main grid and infill soil sampling were both completed in 2014. An extension of the grid soil sampling to the northeast of the main grid is currently ongoing with about 50% completed in 2014 and the remainder was completed within the first half of 2015. Results of extensive regolith mapping and soil sampling has indicated a highly coherent northwest trending gold anomaly. The more significant areas along the trend were followed up by closely spaced infill soil sampling and shallow saprolite drilling utilizing a man portable drill rig. Gold mineralization is hosted in altered intermediate intrusives (quartz diorite and diorite). As at December 31, 2015, a total of 895 soil samples, 97 rock samples, and 814 drill core samples were collected from the area. Twenty saprolite drill holes covering 1,190 metres have also been completed.

See "General Development of the Business – General – Other Properties".

Other Developments

On August 12, 2014, the Company announced that, effective in 2014, its financial year-end has changed from October 31st to December 31st to align its financial reporting calendar with other public mining companies and to facilitate the investment community's ability to compare its financial performance. The Company reported a one-time, fourteen month transition year covering the period from November 1, 2013 to December 31, 2014. Subsequent to this transition year, the Company's first full financial year covered the period January 1, 2015 to December 31, 2015.

In December, 2013, the Company announced that Mr. Richard Williams and Mr. Robert Bondy resigned as directors of the Company, and in their place, Mr. René Marion and Mr. Michael Richings were appointed as independent directors. In addition, Mr. Patrick Sheridan, Executive Chairman of the Company resigned as Corporate Secretary and Mr. Robert Bondy was appointed as his successor.

In December, 2013, the Company also appointed Reed Huppman as Vice President of Sustainability, Health and Safety and Victor "Vic" Rozon as General Manager, Operations.

Fiscal Year Ended October 31, 2013

Aurora Gold Mine

On January 29 2013, the Company filed on SEDAR its updated feasibility study dated January 29, 2013, entitled "NI 43-101 Technical Report Updated Feasibility Study – Aurora Gold Project" (the "January 2013 Report"), as prepared by Messrs. D. Erik Spiller and Richard Tocher of Tetra Tech (Colorado) ("Tetra Tech"), Glen Cole and Jarek Jakubec of SRK, and John Lambert of Environ International Corporation. The January 2013 Report demonstrated a significantly improved financial return and payback on the Aurora Gold Mine derived from a combination of factors which included:

- reduction in the initial capital investment to \$205 million;
- phased mining and milling approach;
- reduced footprint of the mine site and facilities, with particular focus on improving the location of key facilities such as the waste dumps, processing plant and tailings area with the objective of significantly decreasing operating costs;
- optimization of the mobile equipment fleet, ramps, haul roads and strip ratio;
- adoption of open benching and sub-level retreat underground mining methods with decline access; and
- removal of the vertical shaft component and paste backfill plant.

Based on the key findings of the January 2013 Report, the Company advanced with the development of the Aurora Gold Mine. The above-noted scientific and technical disclosure regarding the January 2013 Report has been prepared under the supervision of, and verified by, Messrs. D. Erik Spiller, Richard Tocher, Glen Cole, Jarek Jakubec and John Lambert, each of whom is a "qualified person" within the meaning of National Instrument 43-101 ("NI 43-101"). See also "General Development of the Business – General – January 2016 Report" and "Material Properties".

On March 27, 2013, the Company announced that it had awarded its detailed engineering contract for early works at the Aurora Gold Mine to Tetra Tech Inc., which included the construction drawings for the tailings storage facility, river dike, and water diversion dams.

In October, 2013, the Company entered into an agreement to purchase one 7.9x6.0 meters (5.5 megawatts) semi-autogenous (SAG) mill as its primary grinding solution for the initial milling facility at the Mine. The purchase of this key long lead time item was a significant milestone in the development of the Mine. The mill is designed for an initial throughput rate of 5,000 tonnes per day ("tpd"). The Company also purchased a fully-equipped and self-contained camp which met the Company's near term requirements for construction at the time.

On November 5, 2013 the Company announced that that it had signed the IFC Mandate Letter. See "General Development of the Business – Three Year History – 2014 – Project Loan Facility".

Aranka Properties

During the twelve months ended October 31, 2013, the Company undertook additional detailed exploration work on its prior year's extensive soil sampling program that covered a potentially 10 kilometre long northeast trending corridor of gold mineralized zones similar to the Sulphur Rose deposit. Several new

defined targets were delineated by this exercise (i.e. N-1, S-1 and S-3) that warranted additional detailed exploration work.

The Company incurred exploration and evaluation expenditures on the Aranka Properties of \$3.4 million for the twelve months ended October 31, 2013, reflecting the exploration activities detailed below.

Early in the year at the main Greater Sulphur Rose Area (the "GSRA") covering the S-1 and S-3 targets, limited diamond drilling was initiated. The objectives of the drilling program were mainly to trace known mineralization at shallow depths using historical drilling data and new exposures excavated by artisanal workings. At S-1, six drill holes were completed totaling 826 metres while at S-3, five short holes were drilled totaling 259 metres. Assay results from drilling at the S1 and S3 exploration targets area yielded narrow zones of gold mineralization for future follow up. There has been insufficient exploration to date to establish a Mineral Resource at the S-1, S-3 or N-1 targets, and it is uncertain if further exploration will result in such targets being delineated as a Mineral Resource in the future.

A second pass grid soil sampling was initiated at other exploration prospects located about 7 km east/northeast of the main Sulphur Rose deposit, which is within the same 10 kilometre long northeast trending corridor of mineralization encompassed by the GSRA. Over 1,600 soil samples were collected from this program. Trenching was also conducted at one of these prospects with a total of 23 trenches excavated with an aggregate length of 2,324 metres. Over 100 saprolite/rock samples were collected from the trenches. Assay results received did not identify any large mineral targets while the 1,000 plus soil, silt, and rock samples subsequently collected indicated multiple zones for follow-up work.

At Maple Creek, a prospect about 25 km northeast from the main Sulphur Rose deposit, ground work commenced in late May and was completed in early July 2013. Work consisted of reconnaissance mapping in conjunction with silt and soil sampling. A total of 472 samples were collected from this exercise. Assays returns yielded gold values in the silt samples, which warranted further work. Short follow up work consisting of ridge and spur and soil grid sampling was completed. Limited ground work was conducted on two Prospecting Licenses north of GSRA. Over 750 soil, silt and rock samples were collected later in the year.

Geological mapping and grid soil sampling was initiated at the Pakira Hills prospect. Previous work in calendar 2009 involving silt, soil and rock sampling was not able to adequately assess the possible mineralization potential at Pakira Hills due to physical constraints of the laterite rock cover. This area is located about 25 km to the northeast from the main Sulphur Rose deposit.

At Wynamu, a prospect approximately 35 kilometres north from Sulphur Rose, helicopter supported logistics continued. Exploration work focused on trenching, grid auger soil sampling and deep auger soil sampling. Nine trenches were manually excavated with an aggregate length of 636 metres. Preliminary assay results returned showed insignificant to low level gold values. However, trench areas containing zones with point anomalies of >0.5 ppm gold were followed-up with deep auger soil sampling. Forty two (42) deep augers were drilled ranging from 8 to 10 metres deep. Partial results showed moderately to shallow dipping zones of gold mineralization ranging from 0.52 to 7.56 ppm gold. There has been insufficient exploration to date to establish a Mineral Resource at the Wynamu target, and it is uncertain if further exploration will result in such target being delineated as a Mineral Resource in the future. A closer spaced grid auger sampling at zones of interest was also conducted to follow up gold anomalies delineated during a 100 metre grid sampling done in calendar year 2012. A total of 599 soil samples were collected. Exploration work subsequently focused on the completion of trenching and deep soil auger sampling. An additional 471 samples were collected. Complete assay returns indicated potential follow up work consisting of shallow drilling and additional deep auger sampling.

Other Developments

On January 22, 2013 the Company announced the appointment of Mr. David M. Beatty as a director of the Company.

On February 22, 2013, the Company completed a bought deal offering pursuant to which it issued 29,420,000 Common Shares at a price of Cdn\$3.40 per Common Share to raise gross proceeds of approximately \$98 million. The Common Shares were sold pursuant to an underwriting agreement with a syndicate of underwriters.

On March 12, 2013, the Company completed a private placement pursuant to which IFC subscribed for an aggregate of 1,633,335 Common Shares at a price of Cdn\$3.40 per Common Share to raise aggregate gross proceeds of approximately \$5.4 million.

During fiscal 2013, Mr. Marcel. F. DeGuire resigned as President & Chief Operating Officer of the Company, and Mr. Peter Lello Galassi was appointed as Chief Operating Officer of the Company. Also effective June 3, 2013, Mr. Patrick Sheridan resigned as Chief Executive Officer and was appointed as Executive Chairman of the Company, and Mr. Scott Caldwell was appointed as President and Chief Executive Officer.

Technical Disclosure

Unless otherwise specified herein, all disclosure of a scientific or technical nature contained in this Annual Information Form has been prepared by or under the supervision of Mr. Daniel Noone, a director and Vice-President, Exploration of the Company and a “qualified person” within the meaning of NI 43-101 of the Canadian Securities Administrators.

DESCRIPTION OF BUSINESS

General

The Company is a Canadian-based mineral exploration and development company primarily focused on the acquisition, exploration and development of gold deposits in Guyana, South America. The Company holds a 100% interest in its material project, the Aurora Gold Mine, which achieved first pre-commercial gold production in August 2015 and is subject to a NSR of 5% or 8%, depending on the price of gold, payable to the GGMC. As of December 31, 2015, a total of \$2,345,198 has been paid in this regard. On January 1, 2016, the Mine declared commercial production.

On November 18, 2011, the Company signed the MA with the Government of Guyana and received the Mining Licence for the Aurora Gold Mine. The MA details all significant fiscal, property development, import-export procedures, taxation provisions and other related conditions for the continued exploration, mine development and operation of the Aurora Gold Mine. Significant terms include:

- net smelter return royalty of 5% on gold sales at a price of gold of \$1,000/oz or less;
- net smelter return royalty of 8% on gold sales at a price of gold over \$1,000/oz;
- corporate income tax rate of 30% and no withholding tax on interest payments to lenders; and
- duty and value added tax exemptions on all imports of equipment and materials for all continuing operations at the Aurora Gold Mine, including the construction and operation of a planned port facility, road and power improvements and the construction and operation of the mine.

The Mining Licence is the Company's permit to build and operate the Aurora Gold Mine. The document was valid starting immediately upon receipt for an initial 20-year term with provisions for extension on application by the Company.

See "Material Properties" and "Risk Factors – Licensing Matters" below.

Other Assets

The Company also holds an interest in the Aranka Properties. See "General Development of the Business – General – Aranka Properties".

Employees

As at December 31, 2015, Guyana Goldfields had an aggregate of 14 employees operating out of Canada, one employee operating out of the United States and a further 690 employees involved in its various projects in Guyana.

Guyana Goldfields is dependent on the services of key executives, including the Executive Chairman, Chief Financial Officer, President and Chief Executive Officer of the Company, as well as a small number of highly skilled and experienced executives and personnel. See "Risk Factors – Key Executives".

Environmental Protection

All phases of Guyana Goldfields' operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

In particular, Guyana Goldfields is subject to the "Guyana Environmental Protection Act No. 11 of 1996" of the Co-operative Republic of Guyana (the "Guyana Act") and the Regulations made thereunder, which provides for the management, conservation, protection and improvement of the environment, the prevention/control of pollution, the assessment of the impact of economic development on the environment and the sustainable use of natural resources and the matters incidental thereto or connected therewith. This legislation also establishes the Guyana Environmental Protection Agency (the "EPA") to carry out the functions as set out in the Guyana Act.

The Guyana Act establishes a wide range of sanctions and penalties, both criminal and civil, for violations of the provisions of the Guyana Act. These sanctions and penalties include, but are not limited to:

- varying monetary fines or imprisonment depending on the gravity of the offence (if the offender has been convicted of an offence under the Guyana Act and has benefited monetarily from the violation, a court may order a fine in an amount equal to the court's estimation of the amount of monetary benefits notwithstanding the maximum fine that may be imposed. To expedite settlement, authorised officers of the EPA may by notice offer the option of discharging liabilities in consideration of the offender making immediate payment to the EPA equal to two-thirds of the minimum penalty prescribed within 28 days of the date of the notice sent by the officer);
- suspension, cancellation, or revocation of a permit or authorisation;
- liability for offences by directors, security managers or officers of a body corporate;
- injunctions restraining commission of offences under the Guyana Act;
- loss and damages occasioned to any person arising out of offences committed under the Guyana Act;
- order to cease (or make no changes to) construction, operation, or other activities;
- prohibition notices (similar to an injunction);

- enforcement notices;
- mandating actions to prevent, ameliorate, correct, mitigate, restore, or otherwise address environmental harm within a specified time;
- community service;
- order compensation to aggrieved persons;
- injunctions (upon application to High Court); and
- order prohibiting the continuation or repetition by a person who is convicted in respect of any acts or omissions under the Guyana Act.

To date, applicable environmental legislation has had no material financial or operational effects upon the operations of Guyana Goldfields. See also “Risk Factors – Environmental Risks and Hazards”.

Foreign Operations

All of the current exploration and development operations of Guyana Goldfields are presently conducted in Guyana, South America. See “Risk Factors – Political Risks”.

Guyanese law is based upon British common law. All minerals within the lands of Guyana are vested in the state. The Guyana Geology and Mines Commission may, with the approval of the Minister, grant a licence or permit under the applicable act authorizing the holder of the licence to enter on Government lands and search for or mine gold, take and appropriate, any minerals.

In general, foreign investors and domestic investors receive the same treatment under the applicable laws of Guyana and are equally able to hold property in Guyana, provided that interest in prospecting permits for medium and small scale claims and mining permits may only be granted to:

- an individual who is a citizen of Guyana and an adult;
- a partnership consisting of two or more citizens of Guyana;
- a company whose entire issued share capital is beneficially owned by citizens of Guyana or by a corporation which has been established by or under a written law in operation in Guyana, or partly by such citizens and partly by such a corporation;
- a co-operative society registered under the Co-operative Societies Act;
- a public corporation, or any other corporate body established by or under any written law in force in Guyana; or
- any organization established by the Government or by or under any written law in force in Guyana and authorized to carry on mining operations.

The interest of Guyana Goldfields in the Aurora Gold Mine is held through the MA between AGM Inc. (a wholly owned indirect subsidiary of the Company), the GGMC and the Co-operative Republic of Guyana, and a Mining Licence issued to AGM Inc. dated November 18, 2011 pursuant to an application by Guyana Goldfields dated June 23, 2009. A Mining Licence is required from the GGMC in order to carry out prospecting and mining operations, develop and exploit a property, and to commence production. The holder of a prospecting licence (as further described below) may, in compliance with the provisions of the Mining Act and within the applicable time limits set forth in the Mining Act or as may be allowed by the GGMC, apply for the grant of a Mining Licence in respect of any discovery parcel(s) in the prospecting area covered by that prospecting licence which following appraisal, can be shown to contain any mineral to which the prospecting licence relates, subject to providing a positive feasibility study to the GGMC and obtaining an environmental permit and otherwise complying with the requirements of the Mining Act and Regulations. A Mining Licence, while it remains in force, confers on the licensee exclusive rights to carry on prospecting and mining operations in the mining area in respect of the minerals specified in the Mining Licence, subject to the Mining Act and Regulations, and to the holder’s compliance with the environmental permit and any terms and conditions imposed by the GGMC in the Mining Licence itself or to which the

Mining Licence is otherwise subject, or in any mineral agreement between the GGMC and the holder (such as the MA). Mining Licences are granted for a period not exceeding 20 years following the grant of the Mining Licence and require the holder to pay applicable fees as may be prescribed by the GGMC and a royalty, the amount of which varies and is subject to negotiation with respect to each particular Mining Licence or mineral agreement. Mining Licences are renewable by the GGMC in accordance with the Mining Act and the applicable regulations, with the approval of the Minister responsible for mining following their expiry provided that they are in good standing at such time, on such terms and conditions as the GGMC deems fit.

The Company's exploration interest in its Aranka Properties is held through medium scale prospecting licences, and accordingly has been acquired pursuant to a contract between the Guyanese vendor and Ms. Violet Smith (the Senior Vice-President, Country Management of the Company) who is a Guyanese national, and a corresponding contract between Ms. Smith and Aranka Gold Inc., a wholly-owned direct subsidiary of the Company. Legislation passed in the National Assembly from time to time and regulations made thereunder may impact and affect mining rights and mineral interests whether held directly by Guyana Citizens or entities or foreign citizens or entities. A prospecting licence, while it remains in force, confers on the licensee, subject to applicable law and the conditions specified in the licence or to which the licence is otherwise subject, the exclusive right to explore for any mineral in respect of which the licence is granted, and the right to carry on such operations and execute such works as are necessary for that purpose, in the prospecting area to which the licence relates, provided that the holder carries out such activities generally in compliance with good mining practices. A prospecting licence shall continue in force for the period specified in the licence, for a period not exceeding three years after the grant of the licence, and is renewable in accordance with applicable regulations for up to two additional one year periods, in each case subject to the terms of the particular prospecting licence in question, provided that the holder of a prospecting licence maintains the licence in good standing. Where a prospecting licence would otherwise cease to be in force, the licence shall (unless sooner determined by surrender or cancellation under the Mining Act) continue in force in respect of any parcel to which the licence relates if an application has been made for the grant of a mining licence in relation to that parcel, until the application is finally dealt with by the grant of, or refusal to grant, the mining licence or until the application lapses. In order to maintain such prospecting licences in good standing, Guyana Goldfields is required to: (i) make annual rental payments as may be prescribed from time to time by applicable mining regulations in Guyana; (ii) supply to the GGMC quarterly reports relating to all information acquired by Guyana Goldfields with respect to the area underlying the prospecting licence, and annual audited statements of accounts reflecting all amounts expended on the property during the previous year of exploration; (iii) submit to the GGMC an adequate programme in respect of work and expenditures to be incurred in accordance with the Mining Act; (iv) meet the requirements in respect of work and expenditures stipulated in the licence and of each work programme submitted to the GGMC; (v) comply with the provisions of the Mining Act with respect to the discovery of minerals; and (vi) comply with all other provisions of the Mining Act and the Licence.

During fiscal 2013, the Company completed making annual acreage payments to holders of property licences within the Aranka Properties, and has no further obligations to permit holders. See "General Development of the Business – General – Aranka Properties".

The Company has satisfied itself with respect to the required permits, business licenses and other regulatory approvals to carry out its business in Guyana through oversight by qualified persons, within the meaning of National Instrument 43-101, who have done a complete review of the Aurora Gold Mine and the Aranka Properties, and through consultants who are engaged by the Company in Guyana in connection with the Company's permitting, licensing and regulatory approval application process.

There are currently no restrictions or conditions that have been imposed by the Government of Guyana on the Company's ability to operate in Guyana, other than those contained in the MA and Mining Licence in

respect of the Aurora Gold Mine, and the prospecting licenses in respect of the Aranka Properties. Imposing such restrictions or conditions on a basis that would only affect the Company, to the exclusion of all other entities, is not presently permitted by the applicable law of Guyana. Given that the applicable law of Guyana (absent any change) prohibits the retroactive application of any law, any restrictions or conditions that could be imposed would not be expected to affect the Company's current operations, only future operations.

The Company has satisfied itself as to its land title with respect to the Aurora Gold Mine through the receipt and review of a title opinion provided by Jonas M.F. Coddett & Associates in Guyana, a law firm recognized as having expertise in real property and mining law matters.

See "Risk Factors - Licensing Matters".

Competition

The mineral industry is intensely competitive in all its phases. Guyana Goldfields competes with many other mineral exploration companies who have greater financial resources and experience. The market price of precious metals and other minerals is volatile and cannot be controlled. See "Risk Factors – Competition May Hinder Corporate Growth".

MATERIAL PROPERTIES

January 2016 Report

Messrs. Scott Wilson, Carl Brechtel, Glen Cole, Martin Telford, William Pennstrom and Robert McCarthy prepared the January 2016 Report. Each of the Authors is a qualified person under NI 43-101, and is independent of Guyana Goldfields. The following description of the January 2016 Report is a summary of the January 2016 Report and is included herein with the consent of each of the Authors. Readers should consult the January 2016 Report to obtain further particulars regarding the Aurora Gold Mine. The full text of the January 2016 Report is incorporated herein by reference and is available for review on the SEDAR website located at www.sedar.com under the Company's profile. Readers are cautioned that the summary of technical information in this AIF should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete January 2016 Report and the summary provided herein is qualified in its entirety by the January 2016 Report. Capitalized and abbreviated terms appearing in the following summary and not otherwise defined herein shall have the meaning ascribed to such terms in the January 2016 Report.

Introduction

Guyana Goldfields Inc. ("Guyana Goldfields" or the "Company") owns 100% interest in the Aurora Gold Mine (or the "Mine"), an open pit mine utilizing a standard 5,000 tpd CIL processing facility located in Guyana, South America.

The mine poured its first gold in August 2015 and after a successful ramp-up produced 35,901 ounces of gold in total, in 2015. Commercial production was declared on January 1, 2016. As of December 31, 2015, mine to mill reconciliation indicates that 27% percent more ounces of gold were contained in the ore mined than were predicted by the ore reserve model for the project.

This Feasibility Study is based on a gold price of \$1,000 per ounce and confirms the feasibility of the Aurora Gold Mine at this gold price. Highlights of the Study include:

- 16 year mine life and Post-Tax NPV5% of \$568 M;

- Average annual production over the life of the mine is 196,000 ounces at an average cash cost of \$564 per ounce (including royalties);
- Proven and Probable Reserves of 3.07 million ounces of gold at an average grade of 2.94 g/t;
- Measured and Indicated Resource of 6.53 million ounces of gold at an average grade of 3.24 g/t;
- Inferred Resource of 1.81 million ounces of gold at an average grade of 3.80 g/t;
- Open pit mining will be ongoing through to 2023. Development of the underground operation will commence in 2020 with first production expected in 2022. All expansion capital and sustaining capital is expected to be funded by the projected cash from for the mine.

In April 2015 Metal Mining Consultants Inc. (“MMC”) and SRK Consulting (Canada) Inc. (“SRK”) were retained by AGM Inc. (“AGM”) to prepare this Updated Feasibility Study. MMC developed the open pit mine design while SRK developed the underground mine design and resource estimate. Itasca, Inc. provided groundwater hydrogeology support to the authors.

All values presented in this report are in “real” US dollars unless otherwise stated.

Geology and Mineralization

Project Mineral Resources are confined within an approximately 2 km long corridor, known as the “Golden Square Mile” within the A1 license. The Golden Square Mile area of the Aurora Gold Project comprises folded metasedimentary and metavolcanic rock of the lower Cuyuni Formation that has been metamorphosed to greenschist assemblages. The Golden Square Mile is located within a broad regional, northwest trending, high strain zone characterized by strong northwest trending and sub-vertical foliation and dip slip shearing (southwest over northeast) and strain partitioning into interconnected network of discrete shear zones.

Gold mineralization at the Aurora Gold Project exhibits features analogous to mesothermal or “orogenic” gold deposits in the West-African Palaeoproterozoic Birimian Supergroup, with all gold mineralization controlled by a series of northwest trending shear zones.

The Aurora Project area is divided into four major areas of gold mineralization; Rory’s Knoll (includes Walcott Hill East), Aleck Hill (includes Aleck Hill North), Walcott Hill, and Mad Kiss (includes Mad Kiss West).

Mineral Resource Estimate

This report summarizes the data and parameters used by SRK to prepare the mineral resource model for the Aurora Gold Project. The current mineral resource model reported is based on drilling data as of April 30, 2012, and was updated on September 30, 2015 to reflect updated topography due to mining at Rory’s Knoll.

The borehole database contains updated drilling data for the period May 2011 to April 2012. The database contains 1,110 exploration boreholes (366,851 meters; excluding geotechnical and metallurgical holes) and 86,380 gold assay intervals. The current mineral resource model is unchanged from the January 2013 mineral estimate.

Mineral resources are reported at two cut-off grades to reflect the fact that parts of the gold mineralization are amenable for open pit extraction, while other parts are more likely amenable for underground extraction. The consolidated Mineral Resource Statement for the Aurora Gold Project is presented in Table 1-1.

Table 1-1: Aurora Mineral Resource Statement at September 30, 2015

Classification	Quantity (000' Tonnes)	Grade Gold (g/t)	Contained Gold (000' Ounces)
Open Pit Mining			
Measured	5,720	3.24	590
Indicated	26,780	2.51	2,160
Inferred	5,080	1.54	250
Underground Mining			
Measured			
Indicated	30,060	3.91	3,780
Inferred	11,810	4.12	1,560
Combined Mining			
Measured	5,720	3.23	590
Indicated	56,850	3.37	5,940
Inferred	16,890	3.80	1,810

Mineral resources are not mineral reserves and 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 \$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 g/t Au and 0.40 g/t Au for Saprolite and Fresh rock respectively, whereas underground resources are reported at a cut-off of 1.8 g/t Au.

Mine Engineering

Mineral Reserves have been recalculated for the Project at a gold selling price of \$1,000 per ounce. The Mineral Reserve estimate for the Aurora Gold Project has been subdivided into an open pit portion and an underground portion. Table 1-2 presents the combined open pit and underground reserve estimate for the project at September 30, 2015.

Table 1-2: Aurora Mineral Reserve Statement as of September 30, 2015

Classification	Quantity	Grade	Contained Gold
Proven	(000' Tonnes)	Gold (g/t)	(000' Ounces)
OP SAP	89	3.49	10
OP FRESH	4,976	3.11	498
Total Proven	5,065	3.12	508
Probable			
OP SAP	3,543	2.02	230
OP FRESH	9,000	2.87	832
Underground Fresh	14,904	3.13	1,502
Total Probable	27,447	2.91	2,564
Total P&P	32,512	2.94	3,072
*Open Pit saprolite cut-off grade Upper 0.41 g/t Au – Veins 0.43 g/t Au			
*Open Pit fresh rock cut-off grade Rory's Knoll 0.64 g/t Au – Other 0.75 g/t Au			
*Underground cut-off grade Rory's Knoll 1.62 g/t Au			

The project is being developed as a standalone open pit mining operation with a life of approximately eight years. Three years prior to the completion of open pit mining, underground development will commence. Once open pit mining has been completed, the underground mine at Rory's Knoll will continue to feed ore to the mill until ore has been exhausted; an approximate 16 year mine life in total.

The open pit production schedule incorporates the Rory's Knoll, Aleck Hill, Aleck Hill North, Mad Kiss and Walcott Hill deposits. Limited mine production commenced in July 2015 with production sourced from a high value, low stripping ratio starter pit at Rory's Knoll. Reconciliation for the year 2015 demonstrated a positive gain of ore grade which yielded an increase of reserve ounces as compared to forecast production.

Processing

There will be 32.5M tonnes of ore processed. The average gold head grade over the life of the mine is 2.94 g/t Au. A total of 3,072,000 ounces of gold will be mined and processed over the life of the mine.

The mill throughput strategy in 2015 to 2019 is based on saprolite/fresh rock blend. A summary of mill throughput rates, hard rock and saprolite blends, and associated recoveries used for this study is shown in Table 1-3.

Table 1-3: LoM Mill Throughput Rates

Description	Units	Total/ Average	2015	2016	2017	2018-2019	2020-2026	2027-2030
Throughput Rate	tonnes/day	5,918	5,000	5,000	8,000	7,000	6,000	5,000
Hard Rock	%	11%	75%	90%	50%	75%	0%	0%
Saprolite	%	89%	25%	10%	50%	25%	100%	100%
Recovery Grade	%	93.20%	94.40%	94.40%	94.80%	93.50%	92.30%	94.40%

Gold recovery is nominally 97.0% for saprolite and 94.4% for fresh rock. However there is subtle variability of recoveries due to varying throughput rates and blends. A total of 2,865,726 ounces of gold will be recovered under the current life-of-mine plan. Gold production averages 200,000 ounces per year for the first 12 years with a peak production of 231,000 ounces in 2023. Note that an average of 218,000 gold ounces will be produced in 2017 and 2018.

Capital and Operating Cost Estimates

Capital Cost Estimate

Majority of the initial project capital has been spent prior to this feasibility study update. Current estimate for the life-of-mine (LoM) Project capital cost includes open pit mine sustaining, mill expansion, underground mine development, underground mine sustaining and closure costs. The project capital cost estimate is shown in Table 1-4.

Table 1-4: LoM Project Capital Cost Summary

Description	LoM Total (\$M)	Years 2015-2017 (\$M)	Years 2018-2019 (\$M)	Years 2020-2022 (\$M)	Years 2023-2030 (\$M)	Years 2031-2033 (\$M)
Open Pit Mine	37.9	18.8	16.0	3.1	0.0	0.0
Underground Mine	227.4	0.0	0.0	112.4	115.1	0.0
Processing Facilities	5.6	5.6	0.0	0.0	0.0	0.0
Closure Costs	9.0	0.0	0.0	0.0	0.0	9.0
Total Capital Costs	279.9	24.4	16.0	115.5	115.1	9.0

Operating Cost Estimate

Total project operating cost is estimated to be \$1,471.2 million, a breakdown of LoM operating costs is shown in Table 1-5. LoM operating cost of ore processed is \$45.3 per tonne as outlined in Figure 1.1. Open pit operating cost estimates have been developed by MMC based on the mine schedule which assumes seven years and nine months of production from Rory's Knoll, Aleck's Hill, Walcott Hill and Mad Kiss deposits. Underground operating cost estimates were developed by SRK based on the mine schedule which assumes nine years and three months of production from Rory's Knoll deposit. LoM cash cost per ounce of payable metal is shown in Table 1-6.

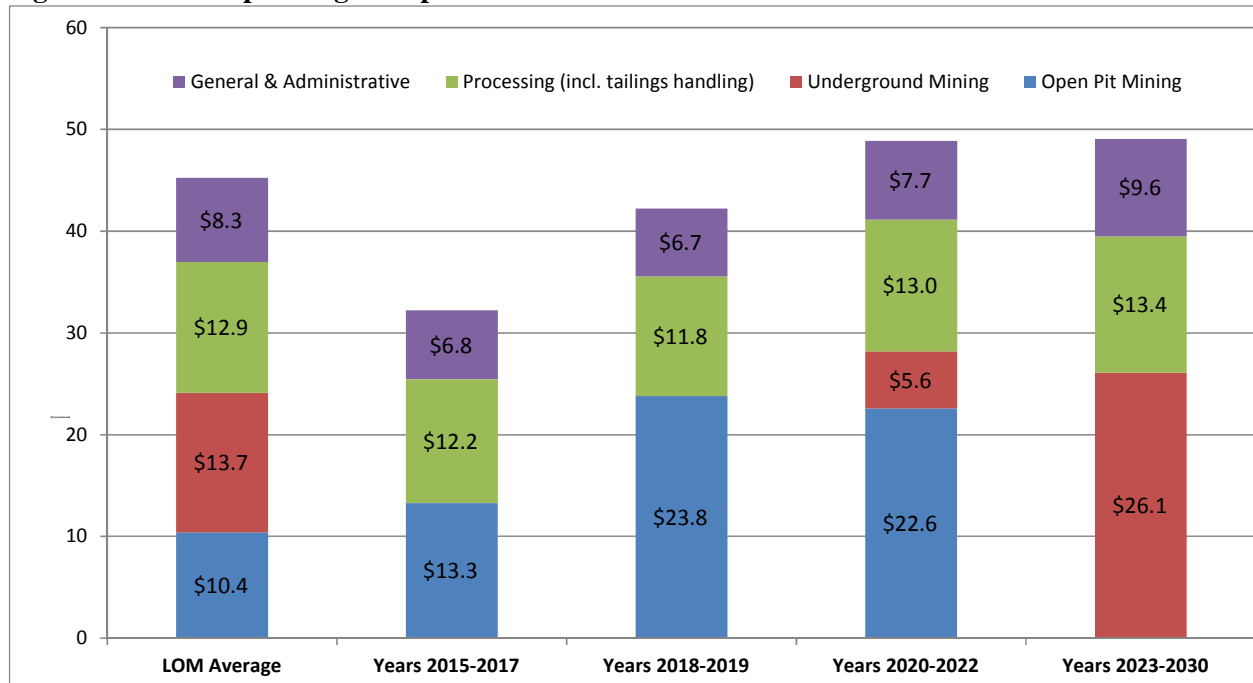
Table 1-5: LoM Operating Costs

Description	Total (\$M)	Years 2015-2017 (\$M)	Years 2018-2019 (\$M)	Years 2020-2022 (\$M)	Years 2023-2030 (\$M)
Open Pit Mining	338.6	69.1	121.0	148.4	0.0
Underground Mining	445.0	0.0	0.0	36.9	408.1
Processing (incl. tailings handling)	418.1	63.5	59.9	85.2	209.6
General & Administrative	269.5	35.3	33.9	50.9	149.4
Total Operating Costs	1,471.2	167.9	214.8	321.3	767.1

Table 1-6: LoM Cash Costs

Description	LoM Average (\$/oz Au)	Years 2015-2017 (\$/oz Au)	Years 2018-2019 (\$/oz Au)	Years 2020-2022 (\$/oz Au)	Years 2023-2030 (\$/oz Au)
Open Pit Mining	118.2	169.9	284.8	259.1	0.0
Underground Mining	155.4	0.0	0.0	64.4	279.8
Processing	146.0	156.1	141.0	148.6	143.7
General & Administrative	94.1	86.8	79.8	88.8	102.4
Total Unit Operating Costs	513.8	412.8	505.6	560.9	525.9
Royalty	50.0	50.0	50.0	50.0	50.0
Tota Cash Costs Including Royalty	563.8	462.8	555.6	610.9	575.9

Figure 1.1: LoM Operating Cost per Tonne of ore Processed



Conclusions

Under the base case input estimates, shown in Table 1-7, the Aurora project is expected to yield an after-tax undiscounted LOM net cash flow of \$776.7 million, and an NPV of \$568.0 million at a discount rate of 5% per year.

The results of sensitivity analysis demonstrated that the project can withstand a substantial increase in capital and operating costs. At \$700 per ounce gold price the NPV_{5%} is reduced to \$104.4 million; at a gold price of \$1,300 per ounce the NPV_{5%} increases to \$911.0 million.

Table 1-7: Project Economic Results

Description	Units	LOM Value
Open Pit Ore Mined	ktonnes	17,608
Underground Ore Mined	ktonnes	14,904
Total Ore Mined	ktonnes	32,512
Total Ore Milled	ktonnes	32,512
Payable Gold Produced	kounces	2,863
Gold Price	\$/oz	1,000
Gross Revenue	\$M	2,863.3
Refining and Freight Costs	\$M	12.3
Royalty (5%)	\$M	143.2
LOM Operating Costs	\$M	1,471.2
LOM Capital Costs	\$M	279.9
LOM Working Capital	\$M	11.0
LOM Pre-Tax Cash Flow	\$M	945.7
LOM Corporate Tax	\$M	168.9
LOM Post-Tax Cash Flow	\$M	776.7
Pre-tax NPV	\$M	672.2
Post-tax NPV	\$M	568.0

Open Pit Mining

Truck and shovel mining methods are simple and straight forward. The project has demonstrated that mining and earthworks can be accomplished with a highly skilled Guyanese workforce. The saprolite/fresh rock contact is predictable and has been exposed by mining in the pit. The project has demonstrated that saprolite can be mined without drilling and blasting. First principle engineering calculations of cycle times, loading times, truck capacities and production metrics have been achieved and demonstrated by the project. This demonstrates that forecasts of material movement of tonnes and ounces can be relied upon in the economic projections within this report.

The pit level at the date of this report is below the river surface. Water inflows appear to be controlled with the existing dewatering well fields. There does not appear to be a geological conduit between the pit and the river.

Underground Mining

The Rory’s Knoll orebody geometry and the results of geotechnical investigation and stability modeling confirmed that it is amendable to the top-down open benching and SLR mining methods accessed by a decline with diesel truck haulage.

Processing

The mill has performed as expected, for both saprolite and fresh rock, achieving processing rates above the initial nameplate capacity of 5,000 tpd. A relatively small capital expenditure in the existing facility contributes to a substantial increase in the discounted NPV of the project.

Recommendations

Open pit mining

The project will require up to 40 articulated haul trucks. MMC chose to use 40 tonne class articulated haul trucks for this feasibility study. The trucks are rugged and work well in the rainy, muddy environments found at the Project. As the Project encounters fresh waste rock it will be able to cap the haul roads and articulated trucks may not be necessary. Rigid frame haul trucks may be beneficial to the project. MMC recommends evaluating the impact of purchasing and using rigid frame haul trucks with capacities of 50 to 100 tonne capacity. The evaluation will compare capital and operating costs of the rigid frame trucks to the articulated trucks.

Saprolite is free digging and has achieved predicted gold recoveries through the mill. Site geologists have identified several nearby locations where mineralization is exposed at the surface in saprolite. MMC recommends that several trenching programs be implemented to identify sources of saprolite that could be used to augment mill production, as saprolite ore is exhausted from the current mine plan.

AGM needs to assess the viability of additional production by trucking mineralization from the nearby Sulphur Rose Deposit. This is an adjacent property with an existing PEA which is 100% controlled by Guyana Goldfields. This could be a source of production for the project as open pit mining ceases at Aurora.

Geotechnical

SRK recommends further investigation into the geotechnical characterization of the sericite schist in that portion of the open pit through either pit wall mapping when exposed or additional borehole investigations. Further to that:

- Geotechnical monitoring of open pit stability, stope stability, and the SLR mine is imperative to follow best practices for both production and safety reasons. Standard open pit slope monitoring using a prism network should be established and developed continuously as open pit mining progresses. If areas of concern are determined through visual observations and/or the analysis of the monitoring equipment, additional slope stability measuring equipment, such as slope stability radar should be implemented to assess the slope stability. This stability monitoring system will continue to be utilized as underground mining progress and will be complemented by additional underground excavation monitoring systems using Lidar or similar. The surveyed underground and SLR excavations can then be converted into a 3D model used for on-going geotechnical analysis. Such models aid in further prediction of stability, potential dilution/recovery reconciliation, and risk mitigation and design measures.
- A Ground Control Management Plan (GCMP) will be required once underground development commences at Aurora Gold Project. A GCMP is a live document that is prepared, reviewed and approved by all key stakeholders, and is intended to provide a background on the likely ground conditions, required procedures, and policy controls in place to manage the risks related to the rock mass conditions. The intent of the GCMP is to articulate the higher level strategies aimed at eliminating or minimizing the risk of fatalities, injuries, and incidents resulting from falls of ground and collapse in underground operations, of production loss, and of equipment damage.

Underground Mining

SRK would recommend the following studies are completed for the design of a portal box-cut within the saprolite for Rory's Knoll:

- Specific geotechnical drill holes characterizing the talus and overburden materials, depth to bedrock, and bedrock contact rock mass quality.
- Pilot drill holes from the proposed portal location along the decline alignment where insufficient data is available to accurately characterize the rock mass.

SRK recommends that AGM undertakes a comprehensive training program to train the local labour for the underground mine.

RISK FACTORS

The following discussion summarizes the principal risk factors that apply to Guyana Goldfields' business and that may have a material adverse effect on Guyana Goldfields' business, financial condition and results of operations, or the trading price of the Common Shares.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. Guyana Goldfields' operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by Guyana Goldfields will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Guyana Goldfields not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by Guyana Goldfields towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore, or that future operations at the Aurora Gold Mine will be profitable.

Licencing Matters

Guyana Goldfields' operations are subject to receiving and maintaining permits and licences from appropriate governmental authorities. Although Guyana Goldfields currently has all required permits and licenses for its operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits and licenses for the existing operations or additional permits or licenses for all future operations. There can be no assurance that Guyana Goldfields will continue to hold all permits and licenses necessary to develop or continue operating at any particular property, or that any such licenses or permits awarded will not be cancelled pursuant to applicable legislation. At December 31, 2015, all of the expired exploration licences for both the Aranka Properties and Other Properties had been renewed.

The interest of Guyana Goldfields in the Aurora Gold Mine is held through a MA and Mining Licence that sets out a tax regime and development and production framework. All other properties are held through property licences.

The MA and Mining Licence for the Aurora Gold Mine require the Company to undertake various obligations and commitments over the twenty year life of the agreements. The government of Guyana has the right to terminate the agreements in the event of default by written notice to the Company, subject to a dispute resolution process involving arbitration. There can be no assurance that the Company will continue to be in compliance with all terms and conditions of the MA and Mining Licence or assurance that any dispute resolution process will decide in the Company's favour.

Geotechnical Risks

Geotechnical risks are present for any greenfield project where no previous mining history and experiences with the rock mass behaviour and response to mining conditions have been tested. Those risks are stemming from the limitations of drill hole based on geotechnical and structural data and residual uncertainty in selected base case parameters. In such cases, it is important to assess potential ranges of outcomes and apply both empirical and numerical methods of rock mass strength and stress evaluation and conduct sensitivity analyses to understand the consequences of potential deviation from the base case. Third party consultants followed such process in respect of their work for the Company.

As part of the risk mitigation strategy, it was important to develop a design that has flexibility to address potential unexpected situations; such as hidden and undetected faults, or deviation from the ore body geometry etc., without major interruption to the mining process. The second important risk mitigation measure is the development and commissioning of comprehensive instrumentation and monitoring programs that will provide early warning and enable mine planners to develop an alternative approach. On January 29, 2013, the Company filed on SEDAR its January 2013 Report, in which a third party consultant concluded that the Company has implemented adequate drilling programs to obtain the necessary geotechnical information for such report. It was further noted that additional drilling to better define the character of the shear zones and further geotechnical drilling would not materially improve the current knowledge.

Despite the satisfactory drilling program at the Aurora Gold Mine, it was noted in the January 2013 Report that two major geotechnical uncertainties exist that could potentially require mine operational adjustments, as follows:

- In-situ stress tests have not been conducted at site and there are no publically available in-situ stress results within a reasonable distance from the project site. Numerical analyses have been conducted to test the sensitivity to in-situ stress in order to understand the consequences of the deviation from selected base case values. In-situ stresses of different magnitude or direction may have an effect on the zone of mining induced stress around the underground operation. However, it was concluded that such change within the reasonable possible range of magnitude and/or direction would not result in a fatal flaw of the mining method and plan, but would potentially increase sloughing of the stope wall. Since the sub-level retreat (“SLR”) method can tolerate limited stope wall instability, a third party consultant has concluded that such conditions would not require a change of the mining method. The sensitivity analyses indicated that it is unlikely that stress changes within a reasonable range of magnitude or direction could result in uncontrollable collapse of the stope walls. It is also important to understand that even if such an unlikely situation would occur, the monitoring program would provide an early warning of changing conditions and mitigation measures; such as waste backfilling of the SLR stope excavation could be implemented and SLR mining would change to sublevel “caving”; and
- the presence of unknown large scale structures. A third party consultant has concluded that with the amount of drilling and hydrogeological testing it is highly unlikely that any unknown structures would cause a major impact on the mining plan. Again, such structures would most likely be discovered during the early stages of the overburden stripping and would not come as unexpected surprises throughout the underground development, hence mitigation measures in terms of grouting and increasing pumping or storage capacity would be available.

The open pit design criterion at the Aurora Gold Mine is currently based on the previous geotechnical domains. The updated geological and geomechanical domains include the sericite shear band, which has a distinct strong foliation in which rock breakage occurs. These shear zones will need to be incorporated into an updated open pit design. Although the strongly foliated rock may present some risk in terms of toppling behaviour within the north pit wall at Rory’s Knoll, third party consultants have indicated that the sub vertical nature and limited extent in the pit wall should not have a material impact on the operation.

In the January 2016 Report, it is noted that due to foliation angle and orientation, the potential for additional dilution and localized pit wall failure can be addressed through additional stability analysis of the southwest wall conducted upon the collection of more data.

Open Pit Mine Risks

The proposed mining operation at the Aurora Gold Mine is located in a region that receives significant tropical rainstorms that could materially impact the mining operation. To minimize the risk, the mining schedule allows for delays due to poor weather, and the mine dewatering is designed to cope with 25 year storm events. In order to minimize the impact of high rainfall, the mine has to adopt “wet mine” culture and proposed recommendations in terms of water diversions, slope erosion preventions etc. has to be implemented. With the global change in weather conditions, there is an elevated risk that significant rainfall outside the expected design parameters could cause further production interruptions. This mine plan accounts for certain external dilution of the ore during the mining operations. This allowance is based on third party consultants’ practical open pit mining experience but requires accurate ore control modeling and field observations, followed by dig face demarcation and digging, in order to achieve the estimated dilution rates. If dilution is higher than estimated, it may result in the loss of certain ore blocks which will drop below the cut-off grade.

Underground Mine Risks

There are no field-observed hydraulic conductivity values obtained for the shear zones at the Aurora Gold Mine. Higher than expected water inflows may cause delays in the mine plan and may increase the operating costs. To mitigate this risk, a complementary drilling program was proposed to further evaluate geotechnical and hydrogeological conditions of the shear zone. Also, the mine design has 13,500 m³ of storage capacity in the decline and there is provision to increase pumping capacity. Although this would increase the operating cost, a third party consultant has indicated that it would not be a fatal flaw in terms of the mine design. External mudrush risk exists for the underground mine due to the heavy rainfall and the potential for generating fines and clays from the overlaying saprolite material. This risk will be mitigated by partial pre-stripping of saprolites as part of the open pit mining and by implementation of proper dewatering and water diversion programs, such as perimeter drainage, collection sumps, etc. Timely supply of expatriate and skilled local personnel has the potential to be a very significant risk to the success of the project. The ability to adequately train local un-skilled labour to the required level is also a key factor for the underground mine. To mitigate this risk, a third party consultant has assumed that in the years the mine will be developed using an experienced underground contractor, a comprehensive training program is introduced.

The underground mine plan, mining method, production rate, and cost estimates were validated by two independent Front End Engineering Development (“FEED”) proposals completed in 2015. Despite these FEED proposals, underground development projects are prone to material cost overruns versus budget. The capital expenditures and time required to develop these projects are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the Mine. It is not unusual in the mining industry to experience unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated.

Mineral Processing Risks

In the January 2013 Report, a third party consultant recommended that a full risk assessment of the transportation of reagents and consumables to site at the Aurora Gold Mine should be conducted to determine any logistics issues given the plant site location.

Infrastructure Risks

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Guyana Goldfields’ operations, financial condition and results of operations.

The 120 km access road from Buckhall to Tapir was designed for logging operations. This access road has been upgraded and an operating plan with Barama Logging Company is in place.

Insurance and Uninsured Risks

Guyana Goldfields’ business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to

Guyana Goldfields' properties or the properties of others, delays in mining, monetary losses and possible legal liability.

The Company currently maintains directors' and officers' liability, general liability, construction, marine cargo and other required insurances in such amounts as it considers to be reasonable. Accordingly, the insurance of the Company may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development or production is not generally available to Guyana Goldfields or to other companies in the mining industry on acceptable terms. Guyana Goldfields might also become subject to liability for pollution or other hazards which may not be insured against or which Guyana Goldfields may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Guyana Goldfields to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of Guyana Goldfields' operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Guyana Goldfields' operations. Environmental hazards may exist on the properties on which Guyana Goldfields holds interests which are unknown to Guyana Goldfields at present and which have been caused by previous or existing owners or operators of the properties. Government approvals and permits are currently, and may in the future be required in connection with Guyana Goldfields' operations. To the extent such approvals are required and not obtained, Guyana Goldfields may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on Guyana Goldfields and cause increases in exploration expenses, development costs, capital expenditures, operating costs or require abandonment or delays in development of new and existing mining properties.

Commercial production at the Aurora Gold Mine involves the use of sodium cyanide which is a poison. Should sodium cyanide leak or otherwise be discharged from the containment system then Guyana Goldfields may become subject to liability for cleanup work that may not be insured. While all steps will be taken to prevent discharges of pollutants into the ground water and the environment, Guyana Goldfields

may become subject to liability for hazards that may not be insured against. Cyanide used by the processing facility is all destroyed prior to being discharged.

Uncertainty Relating to Mineral Resources

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to Mineral Resources, there is no assurance that Mineral Resources will be upgraded to Mineral Reserves as a result of continued exploration.

Reliability of Resource and Reserve Estimates

There is no certainty that any of the Mineral Resources or Mineral Reserves on any of Guyana Goldfields' properties will be realized. Until a deposit is actually mined and processed the quantity of Mineral Resources or Mineral Reserves and grades must be considered as estimates only. In addition, the quantity of Mineral Resources or Mineral Reserves may vary depending on, among other things, metal prices. Any material change in quantity of Mineral Resources or Mineral Reserves, grade or stripping ratio may affect the economic viability of any project undertaken by Guyana Goldfields. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

Fluctuations in gold and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of Mineral Resources or Mineral Reserves could have a material adverse effect on Guyana Goldfields' results of operations and financial condition, and on its ability to comply with the Project Loan Facility requirements.

Uncertainty of Feasibility Study Results & Revisions to Estimates

Feasibility studies are used to determine the economic viability of a deposit, as are pre-feasibility studies and preliminary assessments. Feasibility studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs. Generally accepted levels of confidence are plus or minus 15% for feasibility studies, plus or minus 25-30% for pre-feasibility studies and plus or minus 35-40% for preliminary assessments. These levels reflect the levels of confidence that exist at the time the study is completed. Accordingly, although the Company has commenced commercial production at the Mine and ceased all development activities, it has exceeded its initial development cost estimates by approximately \$5 million, or two percent, at December 31, 2015. The Company cannot be certain that future significant construction costs will not be required to correct any deficiencies in constructing the Aurora Gold Mine, or that available funding will be sufficient.

Mine Closure

Mine closure plans may materialize earlier than planned to reflect market conditions and closure costs may not be fully known for a period of time. The closure plan and site rehabilitation plan may be incomplete and not fully documented.

No History of Mineral Production

Guyana Goldfields has never had any interest in mineral producing properties, other than the Aurora Gold Mine which commenced commercial production on January 1, 2016. There is no assurance that commercial quantities of minerals will be discovered at any of the properties of Guyana Goldfields, or any future properties, nor is there any assurance that the exploration programs of Guyana Goldfields thereon will yield

any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any property of Guyana Goldfields will ever be brought to a stage where Mineral Resources can profitably be produced thereon. Factors which may limit the ability of Guyana Goldfields to produce Mineral Resources from its properties include, but are not limited to, the price of the Mineral Resources which are currently being explored for, availability of capital and financing and the nature of any mineral deposits.

Land Title

Although the title to the properties in which Guyana Goldfields holds an interest were reviewed by or on behalf of Guyana Goldfields, no formal title opinions were delivered to Guyana Goldfields and, consequently, no assurances can be given that there are no title defects affecting such properties. Title insurance generally is not available, and Guyana Goldfields' ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Guyana Goldfields has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, Guyana Goldfields' mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects.

In addition, Guyana Goldfields may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Global Financial Conditions

In recent years financial conditions have been characterized by volatility. Access to financing has been negatively impacted by many factors as a result of the recent global financial crisis. This may impact the Company's ability to obtain equity or debt financing in the future on terms acceptable or favourable to the Company. A period of renewed uncertainty in the world capital markets could make any project debt component of the financing more expensive than anticipated or, in certain cases, unavailable. It is not uncommon for financial institutions to require some form of cost overrun facility, a price guarantee (hedging) program and/or a completion guarantee in association with the provision of project debt finance. Additionally, global economic conditions may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such volatility and market turmoil continue, the Company's business and financial condition could be adversely impacted.

Competition May Hinder Corporate Growth

The mining industry is competitive in all of its phases. Guyana Goldfields faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than Guyana Goldfields. As a result of this competition, Guyana Goldfields may be unable to maintain or acquire attractive mining properties or skilled resources on terms it considers acceptable or at all. Consequently, Guyana Goldfields' revenues, operations and financial condition could be materially adversely affected.

Production and Cost Estimates

The Company prepares estimates of future production, operating costs and capital costs for its operations. Despite the Company's best efforts to budget and estimate such costs, as a result of the substantial expenditures involved in the development of mineral projects and the fluctuation and increase of costs over time, development projects may be prone to material cost overruns. The Company's actual costs may vary from estimates for a variety of reasons, including: increased competition for resources and development

inputs; cost inflation affecting the mining industry in general; short term operating factors; revisions to mine plans; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; and unexpected labour shortages or strikes. Operating costs may also be affected by a variety of factors, including: ore grade metallurgy, labour costs, cost of commodities and other inputs, general inflationary pressures and currency exchange rates. Many of these factors are beyond the Company's control. No assurance can be given that cost estimates will be achieved. Failure to achieve production or cost estimates, or incurring material increases in costs, could have a material adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Additional Capital

The development and exploration of Guyana Goldfields' properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of Guyana Goldfields' properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Guyana Goldfields. In addition, financing of the underground development at the Aurora Gold Mine may not proceed as planned, and external financing may be unavailable, or prohibitively expensive.

With the commencement of commercial production at the Aurora Gold Mine on January 1, 2016, the Company is reliant on the profitable operations of the Mine to fund its current and future liabilities, especially its working capital deficiency at December 31, 2015. There can be no assurance that operating cash flow or any additional financing will be sufficient for any unexpected development or other costs for the Aurora Gold Mine.

The amount and timing of raising additional capital, which may involve debt or equity, or a combination of both, may be materially impacted by the economic climate in the capital markets. As a result, the cost and availability of any debt and or equity financing may be restricted. Accordingly, there can be no assurance that the Company will be able to raise sufficient funds to satisfy its contractual obligations or to develop a mining operation at the Aurora Gold Mine upon terms acceptable to the Company, or at all.

Dilution

The Company may require additional monies to fund development, construction, operational and exploration programs. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares. If the Company raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. The cost and availability of equity may also be restricted. Sales of substantial amounts of the Company's Common Shares, or the availability of such Common Shares for sale, could adversely affect the prevailing market prices for the Company's securities.

Commodity Prices

A decline in the price of gold will materially adversely affect the price of the Common Shares, Guyana Goldfields' financial results and exploration, development and mining activities. Gold prices fluctuate widely and are affected by numerous factors beyond Guyana Goldfields' control such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States currency, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The

price of gold has fluctuated widely in recent years, and future serious price declines could cause development and or operations of Guyana Goldfields' properties to be impracticable. Future production from Guyana Goldfields' properties is dependent on gold prices that are adequate to make these properties economic.

In addition to adversely affecting Guyana Goldfields' reserve and/or resource estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

If the world market price of gold continues to drop and the prices realized by the Company decrease further and remain at such a level for any substantial period, the Company's profitability and cash flow would be negatively affected. In such circumstances, the Company may determine that it is not economically feasible to continue commercial production at its Aurora Gold Mine, or to pursue the future development of some or all of its current projects, which could have an adverse impact on the Company's financial performance and results of operations. The Company may curtail or suspend some or all of its activities, with the result that depleted reserves are not replaced. In addition, the market value of the Company's gold inventory may be reduced and existing reserves may be reduced to the extent that ore cannot be mined and processed economically at the prevailing prices.

Indebtedness and Inability to Satisfy Repayment Obligations

Although the Company has been successful in making its first scheduled principal debt repayment under the Project Loan Facility on December 31, 2015, there can be no assurance that it will continue to do so. The Company's level of indebtedness could have important consequences for its operations and the value of its Common Shares including: (a) limiting its ability to borrow additional amounts for working capital, capital expenditures, debt service requirements, execution of strategic initiatives, or other purposes; (b) limiting the Company's ability to use operating cash flow in other areas because of its obligations to service debt; (c) increasing the Company's vulnerability to general adverse economic and industry conditions, including increases in interest rates; (d) limiting the Company's ability to capitalize on business opportunities and to react to competitive pressures and adverse changes in government regulation; and (e) limiting its ability or increasing the costs to refinance indebtedness.

The Company expects to utilize its Aurora Gold Mine cash flow from operations to pay its mine operating costs and to pay principal and interest on its Project Loan Facility. The Company's ability to meet these payment obligations will depend on its future financial performance, which will be affected by financial, business, economic and other factors. The Company will not be able to control many of these factors, such as economic conditions in the markets in which it operates. The Company cannot be certain that its future cash flow from operations will be sufficient to allow it to make principal and interest payments on its Project Loan Facility and meet its other obligations. If cash flow from operations are insufficient or if there is a contravention of its Project Loan Facility covenants, the Company may be required to refinance all or part of its existing debt, sell assets, borrow more money or issue additional equity. There can be no assurance that the Company will be able to refinance all or part of its existing debt on terms that are commercially reasonable.

Interest Rate Fluctuations

Fluctuations in interest rates can affect the Company's results of operations and cash flow. The Company's Project Loan Facility is subject to variable interest rates.

Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that Guyana Goldfields incurs in its operations. The appreciation of non-United States dollar currencies against the United States dollar can increase the cost of gold production in United States dollar terms. Although a majority of the Company's expenditures for the Aurora Gold Mine are paid in United States currency, a strengthened Canadian and Guyanese dollar relative to the United States dollar would negatively impact the Company.

Government Regulation

The mining, processing, development and mineral exploration activities of Guyana Goldfields are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters.

Exploration and development may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both Guyana Goldfields' ability to undertake exploration and development activities in respect of present and future properties in the manner contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and/or development rights to date.

Although Guyana Goldfields believes that its exploration and operating activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail future exploration, development and mine production activities. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on Guyana Goldfields.

Territorial Risk

During the fourth quarter of fiscal 2015, the Company received an unfounded notification of a possible legal claim from the Government of Venezuela that relates to recent developments regarding the Venezuela-Guyana border dispute. The Venezuela-Guyana border dispute was resolved and agreed upon by all parties under the 1899 Arbitration Agreement and any claims made outside of such agreement violate international law. The matter is currently before the United Nations, however Venezuela's border claim is widely viewed by the international community to be without merit.

If the Aurora Gold Mine property subject to the Mining Licence issued by the Government of Guyana is encroached upon by the government of Venezuela, the Company would be unable to realize a recovery of

amounts capitalized under mineral properties, plant and equipment, and would recognize a write-down of the full recorded value.

Political instability in relation to these or other matters could also have a material adverse impact upon Guyana Goldfields' ability to access suitable financing on acceptable terms. Furthermore, Guyana Goldfields requires consultants and employees to work in Guyana to carry out its planned exploration programs and operations, and in the event of civil unrest or war, it may be difficult to find or hire qualified people or to obtain all of the necessary services or expertise in Guyana at reasonable rates. In addition, although considered very unlikely, the possibility that Venezuela may secure control over the land underlying the Company's property interests and the potential expropriation of such assets cannot be ruled out. The occurrence of these uncertainties cannot be accurately predicted and may constrain Guyana Goldfields' ability to secure claim to its mineral properties, and/or impact its inability to operate its properties as permitted or enforce its rights with respect to its property interests. Any such loss, reduction or expropriation of its entitlements would have a material adverse effect upon Guyana Goldfields.

Political Risks

All of Guyana Goldfields' current operations are presently conducted in Guyana, South America and as such, Guyana Goldfields' operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; and changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions cannot be predicted and may adversely affect Guyana Goldfields. Changes, if any, in mining or investment policies or shifts in political attitude in the country of Guyana may adversely affect the Company's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

The Company has established a community and social relations office in Guyana which is in part, responsible for management and monitoring of government relations. The Company's senior management meets with government officials on a regular basis to support the continued operation of the Aurora Gold Mine.

Labour and Employment Matters

While Guyana Goldfields has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities in whose jurisdictions Guyana Goldfields carries on business. Adverse changes in such legislation, or the

unionization of the Aurora Gold Mine's work force, may have a material adverse effect on Guyana Goldfields' business, results of operations and financial condition.

Subsidiaries

The Company conducts its operations through its domestic and foreign subsidiaries, and holds certain of its assets through its subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the Company and its subsidiaries could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

Market Price of Common Shares

Securities of micro and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in gold prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to Guyana Goldfields' performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning Guyana Goldfields' business may be limited if investment banks with research capabilities do not continue to follow the Company; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company's securities to be delisted from the exchange on which they trade, further reducing market liquidity.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect Guyana Goldfields' long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares. Guyana Goldfields has previously completed private placements at prices per share which are from time to time lower than the market price of the Common Shares. Accordingly, a significant number of shareholders of the Company have an investment profit in the Common Shares that they may seek to liquidate.

Dependence on Management and Key Personnel

Guyana Goldfields is dependent on the services of key executives, including the Executive Chairman of the Board, President and Chief Executive Officer, Chief Financial Officer of the Company, and a small number of highly skilled and experienced executives and personnel, which is sufficient for the Company's present stage of operation. The Company also has an experienced management team supporting its production operations at the Aurora Gold Mine, and is dependent upon the services of these individuals. Guyana Goldfields' development to date has largely depended, and in the future will continue to depend, on the

efforts of key management and other key personnel to develop and operate the Mine. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to the development and operation of the Company's projects, it may become necessary to attract both international and local personnel. The marketplace for skilled personnel may become more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high-level of technical expertise and experience required to execute the development and operation of the Company's projects, will affect the Company's ability to employ the specific personnel required. The failure to retain or attract a sufficient number of skilled personnel could have a material adverse effect on the Company's business, results of operations and financial condition. The Company has not taken out and does not intend to take out key man insurance in respect of any directors, officers or other employees.

Competition

The international mining industry is highly competitive. Guyana Goldfields may encounter competition from other mining companies in its efforts to hire experienced mining professionals. Competition for services and equipment could cause future development and operating costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increase potential scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase future project development, operations, exploration or construction costs, result in project delays or both.

Shortages and Price Volatility of Input Commodities and Equipment

The Company is dependent on various input commodities (such as diesel fuel and cyanide) and equipment (including parts) to conduct its mining operations and development projects. A shortage of such input commodities or equipment or a significant increase in their cost could have a material adverse effect on the Company's ability to carry out its operations and therefore limit, or increase the cost of, production. The Company is also dependent on access to and supply of water to carry out its mining operations, and such access and supply may not be readily available. Market prices of input commodities can be subject to volatile price movements which can be material, occur over short periods of time and are affected by factors that are beyond the Company's control. An increase in the cost, or decrease in the availability, of input commodities or equipment may affect the timely conduct and cost of operations and development projects. If the costs of certain input commodities consumed or otherwise used in connection with the Company's operations and development projects were to increase significantly, and remain at such levels for a substantial period, the Company may determine that it is not economically feasible to continue commercial production at its Aurora Gold Mine, which could have an adverse impact on the Company's financial performance and results of operations.

Hedging Risk

The Company's results of operations can vary significantly with fluctuations in the market price of gold. The Company's practice is not to hedge gold sales. The Company does however enter into forward contracts for the purchase of diesel when deemed advantageous by management. These derivative instruments are not formally recognized as hedging instruments and accordingly are classified as financial instruments.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and/or operation, and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the CBCA and other applicable laws.

Cyber Security Threats

Information systems and other technologies, including those related to the Company's financial and operational management, are an integral part of the Company's business activities. Network and information systems-related events, such as computer hackings, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, malicious social engineering or other malicious activities, or any combination of the foregoing, or power outages, natural disasters, terrorist attacks or other similar events, could result in damage to the Company's property, equipment and data. These events also could result in significant expenditures to repair or replace the damaged property or information systems and/or to protect them from similar events in the future. Further, any security breaches, such as misappropriation, misuse, leakage, falsification or accidental release or loss of information maintained in the Company's information technology systems, including personnel and other data, could damage its reputation and require the Company to expend significant capital and other resources to remedy any such security breach. Insurance maintained by the Company against losses resulting from any such events or security breaches may not be sufficient to cover any consequent losses or otherwise adequately compensate the Company for any disruptions to its business that may result, and the occurrence of any such events or security breaches could have a material adverse effect on the business of the Company. There can be no assurance that these events and security breaches will not occur in the future or not have an adverse effect on the business of the Company.

Compliance with Anti-Corruption Laws

Guyana Goldfields is subject to various anti-corruption laws and regulations including but not limited to the *Canadian Corruption of Foreign Public Officials Act 1999*. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. The Company's primary operations are located in Guyana and, according to Transparency International, the country of Guyana is perceived as having fairly high levels of corruption relative to the selected sample of countries around the world. Guyana Goldfields cannot predict the nature, scope or effect of future regulatory requirements to which its operations might be subject or the manner in which existing laws might be administered or interpreted. Failure to comply with the applicable legislation and other similar foreign laws could expose the Company and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any potential violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations, as well as on the market price of the Common Shares. As a consequence of these legal and regulatory requirements, the Company has instituted policies with regard to the code of business conduct and ethics.

There can be no assurance or guarantee that such efforts have been and will be completely effective in ensuring Guyana Goldfield's compliance, and the compliance of its employees, consultants, contractors and other agents, with all applicable anti-corruption laws.

No History of Earnings or Dividends

The Company has no history of earnings and as such the Company has not paid dividends on its Common Shares since incorporation. It currently intends to retain future earnings, if any, to fund the development and growth of its business, and, therefore, investors cannot expect to receive a dividend on their common shares for the foreseeable future. The payment of future dividends, if any, will be reviewed periodically by the Company's Board of Directors and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and such other factors deemed by the Board of Directors to be relevant at the time.

Accounting Policies and Internal Control

With effect from November 1, 2011, the Company prepares its financial reports in accordance with IFRS. In preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting policies are described in more detail in the Company's audited financial statements. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported, the Company has implemented and continues to analyze its internal control systems for financial reporting. Although the Company believes its financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance.

DIVIDENDS

The Company has never declared or paid cash dividends on the Common Shares. Any future dividend payment will be made at the discretion of the board of directors, and will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factor that the board deems necessary to consider in the circumstances.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares, of which as at March 18, 2016 there were 153,598,247 issued and outstanding Common Shares. Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company, and to attend and to cast one (1) vote per Common Share held at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Company's board of directors at its discretion from funds legally available therefor, and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

MARKET FOR SECURITIES

The Common Shares are listed and traded on the TSX under the symbol “GUY”. The following table indicates the high and low values and volume with respect to trading activity for the Common Shares on a monthly basis during the fiscal year ended December 31, 2015.

Month	High	Low	Volume
December 2015	3.30	2.76	5,597,862
November 2015	3.28	2.48	6,564,793
October 2015	3.93	3.11	6,529,988
September 2015	4.44	3.47	8,639,319
August 2015	4.48	3.46	6,031,636
July 2015	4.14	3.23	7,553,141
June 2015	4.09	3.35	5,717,036
May 2015	3.85	3.00	3,021,867
April 2015	3.32	2.92	3,893,833
March 2015	3.32	2.63	5,576,360
February 2015	3.37	2.83	5,064,187
January 2015	3.41	2.67	7,720,721

DIRECTORS AND OFFICERS

The following table sets forth the name and province and country of residence of each director and executive officer of the Company as of March 18, 2016, as well as such individual’s position with the Company, principal occupation within the five preceding years and period of service as a director (if applicable). Each of the directors of the Company will hold office until the next annual meeting of shareholders and until such director’s successor is elected and qualified, or until the director’s earlier death, resignation or removal. As of March 18, 2016, an aggregate of 7,911,828 Common Shares (representing approximately 5% of all issued and outstanding Common Shares as of March 18, 2016) are beneficially owned or controlled or directed (directly or indirectly) by all of the directors and executive officers of the Company, as a group⁽¹⁾.

Name and Province and Country of Residence	Position	Principal Occupation Within Five Preceding Years	Director Since
Scott Caldwell ⁽⁴⁾⁽⁵⁾ Toronto, Ontario	President and Chief Executive Officer and Director	President and Chief Executive Officer of the Company (2013 to present) Former President, Chief Executive Officer and Director of Allied Nevada Gold Corp., mining company (2006 to 2013) Former Director, Atacama Pacific Gold Corporation, mineral exploration company (2011 to 2015)	2012
Paul Murphy Ontario, Canada	Chief Financial Officer	Chief Financial Officer of the Company (2010 to present) Partner, PricewaterhouseCoopers LLP, accounting firm (1981 to 2010)	N/A
J. Patrick Sheridan Berkshire United Kingdom	Executive Chairman and Director	Executive Chairman and Director of the Company Former Chief Executive Officer of the Company (1995 to 2013)	1993

<p>Alan Ferry⁽²⁾⁽³⁾⁽⁶⁾ Ontario, Canada</p>	<p>Lead Director</p>	<p>Independent Businessman (2007 to present) Director and past Chairman of Avalon Advanced Materials Inc., mineral development company (formerly Avalon Rare Metals Inc.) (2000 to present) Director, past Chairman and Co-Founder of Plateau Uranium Inc. (formerly Macusani Yellowcake Inc.), mineral exploration company (1996 to present). Director of GPM Metals Inc., mineral exploration company (2008 to present)</p>	<p>1998</p>
<p>Dan Noone Ontario, Canada</p>	<p>Director and Vice-President, Exploration</p>	<p>Vice-President, Exploration of the Company (2010 to present)</p>	<p>2009</p>
<p>J.P. Chauvin⁽²⁾⁽⁴⁾⁽⁵⁾ Ontario, Canada</p>	<p>Director</p>	<p>President and Senior Consultant, Chauvin Engineering Ltd., engineering company (2001-present) Interim President and Chief Executive Officer, PC Gold Inc., mineral exploration company (2011 to 2012) President and Chief Operating Officer, Globestar Mining Corp., mineral exploration company (2006-2009)</p>	<p>2012</p>
<p>René Marion⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ Ontario, Canada</p>	<p>Director</p>	<p>Chairman (2016 to present) and Director (2013 – present), Richmond Mines Inc., mining company and Director of Continental Gold Limited, mining company (2015 to present) Former Executive Chairman and Director, Temex Resources Corp., mineral exploration company (2013 – 2015) and former Director of Falco Resources Ltd., mineral exploration company (2014 to 2015) President and Chairman, RJLM Professional Services Ltd., engineering consulting firm (2012 – present) President, Chief Executive Officer and Director, AuRico Gold Inc., mining company (2007 – 2012)</p>	<p>2013</p>
<p>Michael Richings⁽²⁾⁽⁴⁾⁽⁵⁾ Washington, USA</p>	<p>Director</p>	<p>Retired mining executive Director of the Company (2013 - present) Non-executive Chairman (2012 - present) and director (1995 to present) of Vista Gold Corp., mining company</p>	<p>2013</p>

		Former director of Midas Gold Corp., mineral exploration company, (2011 to 2015)	
David Beatty ⁽³⁾⁽⁶⁾ Ontario, Canada	Director	Director, OMERS Administration Corp., pension fund (2013 to present) President and Deputy Chairman of New Generation Power, renewable power company (2015 to present) Chairman of Rio Verde Minerals Development Corp., potash and phosphate mine developer (2011 to 2013)	2013
Wendy Kei ⁽²⁾ Ontario, Canada	Director	Director of the Company (May 2015 – present) Chief Financial Officer of Dominion Diamond Corporation (formerly Harry Winston Diamond Corporation and Aber Diamond Corporation) (“Dominion”), diamond mining company (March 2013 to September 2014) Chief Financial Officer - Mining Segment, Vice President and Corporate Controller for Dominion (February 2004 to March 2013)	2015
Robert A. Bondy Ontario, Canada	Corporate Secretary	Director of the Company (2007 – 2013) Independent consultant (2007 - present) Partner, Blake Cassels & Graydon LLP, law firm (1977 - 2007)	N/A

(1) The information as to Common Shares beneficially owned (directly or indirectly) or over which any of the directors or executive officers exercises control or direction not being within the knowledge of the Company has been furnished by the respective directors and executive officers individually.

- (2) Member of the Audit Committee of the Company.
- (3) Member of the Corporate Governance & Nominating Committee of the Company.
- (4) Member of the Sustainability Committee of the Company.
- (5) Member of the Technical Committee of the Company.
- (6) Member of the Human Resources & Compensation Committee of the Company.

Scott Caldwell is a director and President and Chief Executive Officer of the Company and dedicates approximately 100% of his time to such duties. Mr. Caldwell is the former President, Chief Executive Officer and Director of Allied Nevada Gold Corp. and also previously served as the Chief Financial Officer and Principal Accounting Officer for such company from September 2006 to April 2007. From March 2003 to August 2006, Mr. Caldwell was the Executive Vice President and Chief Operating Officer and Director of Kinross Gold Corp. He holds a Bachelor of Science (Mining) degree in Engineering from the University of Arizona. Mr. Caldwell has not entered into any non-competition or non-disclosure agreement with the Company.

Paul Murphy is the Chief Financial Officer of the Company and dedicates approximately 90% of his time to such duties. Mr. Murphy also serves as Chief Financial officer of GPM Metals Inc. (TSXV:GPM). Mr. Murphy currently serves as a Director of Continental Gold Limited (TSX: CNL) and Chairman of the Board of Directors of Alamos Gold Inc. (TSX: AGI). Mr. Murphy previously served as a partner with PricewaterhouseCoopers LLP from 1981 to 2010, prior to joining the Company. Mr. Murphy is a graduate of Queens University and is a Chartered Accountant (CPA-CA). Mr. Murphy has not entered into any non-competition or non-disclosure agreement with the Company.

Patrick Sheridan Jr. is Executive Chairman and a director of the Company and dedicates approximately 80% of his time to such duties. Mr. Sheridan also serves as the President, Chief Executive Officer and a director of GPM Metals Inc. (TSXV:GPM). Mr. Sheridan previously served as Chief Executive Officer of the Company, and has been employed in the mining industry on a full-time basis since 1987, and holds a B.Sc. and M.Sc. from the London School of Economics and Political Science, United Kingdom. Mr. Sheridan has not entered into any non-competition or non-disclosure agreement with the Company.

Daniel Noone is Vice President, Exploration and a director of the Company and dedicates approximately 100% of his time to such duties. Mr. Noone holds a B.Sc. (Graduate) in Geology and a M.B.A., and also currently serves as a director of GPM Metals Inc. (TSXV:GPM), Amerix Precious Metals Corporation (TSXV: APM) Odin Mining and Exploration Limited (TSXV: ODN), Quia Resources Inc. (TSXV:QIA) and Lago Dourado Minerals Ltd. (TSXV:LDM). Mr. Noone previously served as President and Chief Executive Officer of Absolut Resources Corp. until its amalgamation with Aquiline Resources Inc. (TSX:AQI) in April 2008. Mr. Noone has not entered into any non-competition or non-disclosure agreement with the Company.

Alan Ferry is a director of the Company and dedicates approximately 10% of his time to such duties. Mr. Ferry is a self employed businessman who had previously been engaged in the investment industry for over 28 years as a mining analyst and a mining corporate finance specialist after previously being employed as a geologist. He holds a CFA (retired) designation and a B.Sc. (Hons. Geological Sciences) from Queen's University, Kingston, Ontario. Mr. Ferry is also currently a director of Avalon Advanced Materials Inc. (TSX:AVL), a director of Plateau Uranium Inc. (TSXV:PLU), and a director of GPM Metals Inc. (TSXV:GPM). Prior to July 2007, he was employed as Vice-President, Metals & Minerals at D&D Securities Company. Mr. Ferry has not entered into any non-competition or non-disclosure agreement with the Company.

J.P. Chauvin is a director of the Company and dedicates approximately 5% of his time to such duties. Mr. Chauvin has more than 40 years of combined experience in mining operations and construction management, including participating in the development of the Isle-Dieu mine in Matagami, Quebec and overseeing the rehabilitation of the Gaspé Copper mine, both for Noranda Mines Inc. In 1992, Mr. Chauvin relocated to Maniwadge to head the mine department at Hemlo Gold Mine's Golden Giant mine, where he was subsequently promoted to Mine Manager, ultimately becoming General Manager of Canadian Operations for the successor company, Battle Mountain Gold. In 2004, Mr. Chauvin was appointed Chief Executive Officer of Patricia Mining Corp., and in 2006, Mr. Chauvin joined GlobeStar Mining Corp. as President and Chief Operating Officer where he oversaw development of the Cerro de Maimon project in the Dominican Republic. Mr. Chauvin is an engineer and graduate of Queen's University (B.Sc., Mining Engineering). Mr. Chauvin has not entered into any non-competition or non-disclosure agreement with the Company.

René Marion is a director of the Company and dedicates approximately 5% of his time to such duties. Mr. Marion has approximately 30 years of diversified management and senior technical experience with resource industry expertise in operations, mineral exploration, and mine development, along with a successful history of corporate development. Mr. Marion was most recently President, CEO and Director of AuRico Gold Inc. ("AuRico") from 2007 to 2012, where he oversaw the acquisition and development of

AuRico's flagship Young-Davidson Mine. Prior to AuRico, he held several senior positions with Barrick Gold Inc. for over 14 years including Vice-President of Russia and Central Asia, Vice-President Technical Services, and Vice-President and General Manager of Kahama Mining. He is currently Chairman and President of RJLM Professional Services Ltd., a private engineering consulting firm. Mr. Marion is a member of the Professional Engineers of Ontario, and holds a BScE in Mine Engineering from Queens University. Mr. Marion has not entered into any non-competition or non-disclosure agreement with the Company.

Michael Richings is a director of the Company and dedicates approximately 5% of his time to such duties. Mr. Richings has over 40 years of development and operational experience in the resource sector. Mr. Richings currently is Non Executive Chairman and Director of Vista Gold Corp. and previously served as the Chairman of the Board and Chief Executive Officer of Vista Gold Corp. Previously, he was a director of Allied Nevada Gold Corp., Zaruma Resources Inc., and Triumph Gold Corp. Mr. Richings, a mining engineer, is a graduate of Camborne School of Mines (UK) and has a Master's degree from Queens University (Canada). Mr. Richings has not entered into any non-competition or non-disclosure agreement with the Company.

David Beatty is a director of the Company and dedicates approximately 5% of his time to such duties. Mr. Beatty brings 25 years of experience in investment banking principally focused on equity financing and mergers and acquisitions of mining and natural resource companies. David Beatty was appointed to the OMERS AC Board effective January 2013 as the City of Toronto employer representative and is the founder of Edgecrest Capital, a former independent investment dealer. He is the former Chairman of Rio Verde Minerals Development Corp. Mr. Beatty co-founded Westwind Partners Inc., an investment bank, which was acquired by Thomas Weisel Partners in 2008 where he remained as Deputy Chairman – Investment Banking until January 2010. Mr. Beatty was Head of the Mining & Metals Group at First Marathon Securities (now called NB Financial) and a partner and Head of Mining Group at Gordon Capital Corporation. Mr. Beatty was a member of the TSX/OSC Mining Standards Task Force in 1997-98 that drafted the NI 43-101 regulations and is also a past member of the IDA Corporate Finance Committee. Mr. Beatty co-founded Yamana Resources Inc. with Mr. Victor Bradley in 1994 and advised on the acquisition of the Santa Elina properties in May 2003. Mr. Beatty holds a B. Comm. (Queen's), M. Phil., International Affairs (Cambridge) and an MBA (Harvard Business School). Mr. Beatty has not entered into any non-competition or non-disclosure agreement with the Company.

Wendy Kei is a Chartered Professional Accountant/Chartered Accountant and previously served as Chief Financial Officer of Dominion Diamond Corporation (formerly Harry Winston Diamond Corporation and Aber Diamond Corporation) (“Dominion”). Ms. Kei has also previously served as Chief Financial Officer - Mining Segment, Vice President and Corporate Controller for Dominion. Ms. Kei is a member of the Institute of Chartered Accountants of Ontario, and holds a Bachelor of Mathematics from the University of Waterloo. Ms. Kei has not entered into any non-competition or non-disclosure agreement with the Company.

Robert A. Bondy is the Corporate Secretary of the Company and dedicates approximately 5% of his time to such duties. He was a securities and corporate lawyer, and a partner with the law firm Blake Cassels & Graydon LLP from 1977 to 2007 when he retired. Mr. Bondy holds a B.A. degree from the University of Windsor and an LL.B. degree from Osgoode Hall Law School. Mr. Bondy has not entered into any non-competition or non-disclosure agreement with the Company.

Committees of the Board of Directors

The Board of Directors discharges its responsibilities directly and through committees of the Board of Directors, currently consisting of an Audit Committee, Human Resources and Compensation Committee, Sustainability Committee, Corporate Governance and Nominating Committee and Technical Committee.

Audit Committee

The mandate of the Audit Committee is formalized in a written charter. The members of the Audit Committee are Messrs. Alan Ferry, Michael Richings and Jean-Pierre Chauvin and Ms. Wendy Kei.

The Audit Committee's primary duties and responsibilities are to serve as an independent and objective party to monitor the Company's financial reporting process and control systems, review and appraise the audit activities of the Company's independent auditors, financial and senior management, and to review the lines of communication among the independent auditors, financial and senior management, and the Board of Directors for financial reporting and control matters.

The Audit Committee assists the Board of Directors in its oversight responsibilities with respect to (i) the financial reporting process and the quality, transparency and integrity of the Company's financial statements and other related public disclosures; (ii) the Company's internal controls over financial reporting; (iii) the Company's compliance with legal and regulatory requirements relevant to the financial statements and financial reporting; (iv) ensuring that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics; (v) the external auditors' qualifications and independence; and (vi) the performance of the internal audit function and the external auditors.

Corporate Governance and Nominating Committee

The mandate of the Corporate Governance and Nominating Committee is formalized in a written charter. The members of the Corporate Governance and Nominating Committee of the Board are Messrs. Rene Marion, Alan Ferry and David Beatty.

The purpose of the Corporate Governance and Nominating Committee is to assist the Board of Directors in (i) establishing the Company's corporate governance policies and practices generally; (ii) reviewing the effectiveness of the Board of Directors and its committees; (iii) promoting a culture of integrity throughout the Company; and (iv) identifying and recommending new nominees for election to the Board of Directors.

The Committee is responsible for (i) monitoring the appropriateness of structures to ensure that the Board of Directors can function independently of the senior officers of the Company; (ii) providing an orientation and education program for new directors; and (iii) monitoring and, when appropriate, makes recommendations to the Board of Directors concerning the corporate governance of the Company including assessing the Company's corporate governance policies and practices, evaluating the functioning of the Board of Directors, its committees and individual directors and approving the annual disclosure of the Company's corporate governance practices. The Committee is also responsible for making recommendations for the various committees of the Board of Directors.

Other responsibilities of the Committee include reviewing and assessing the Company's corporate governance policies and practices, and reviewing the position descriptions of the Executive Chairman, Lead Director, President and CEO, and CFO.

Human Resources and Compensation Committee

The mandate of the Human Resources and Compensation Committee is formalized in a written charter. The members of the Human Resources and Compensation Committee of the Board are Messrs. Alan Ferry, Rene Marion and David Beatty.

The purpose of the Human Resources and Compensation Committee is to assist the Board in monitoring, reviewing and approving compensation policies and practices of the Company and administering its share compensation plans. The Committee is responsible for reviewing and making recommendations to the Board with respect to (i) the Company's overall compensation strategies and policies for directors, officers and employees of the Company; (ii) the corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluating the performance of the Chief Executive Officer on light of those goals and objectives and recommending the compensation level of the Chief Executive Officer based on this evaluation. The Committee is also responsible for reviewing and approving compensation of all other senior executive officers, as recommended by the Chief Executive Officer. The Committee is currently considering establishing long term incentive programs with a view to better aligning management and the Board with the interests of shareholders.

Other responsibilities of the Committee include making recommendations of officer appointments or terminations and making recommendations to the Board with respect to the Company's incentive compensation and equity-based plans.

Sustainability Committee

The mandate of the Sustainability Committee has been formalized in a written policy. The members of the Sustainability Committee of the Board are Messrs. Jean-Pierre Chauvin, Scott Caldwell, Rene Marion and Michael Richings.

The Sustainability Committee's primary duties and responsibilities are to monitor and review the (i) sustainable development, environmental, health and safety policies, principles, practices and processes; (ii) current and future regulatory issues relating to sustainable development, environmental, health and safety; and (iii) corporate social responsibility performance at all of the Company's projects and properties and in all communities in which the Company operates.

The Committee is responsible for ensuring that management is taking appropriate steps to protect the Company's licenses and permits to operate and that appropriate systems are in place to ensure that the Company's mines and activities operate in compliance with all applicable laws, regulations and the conditions of its permits and licenses.

The Committee's responsibilities also includes monitoring the sustainability, health, safety and environmental policies and activities of the Company to ensure that the Company is in compliance with applicable laws and regulations and identifying the principle area of health, safety and environment risks and impacts and ensure that sufficient resources are allocated to address them.

Technical Committee

The mandate of the Technical Committee is formalized in a written policy. The members of the Technical Committee of the Board are Messrs. Rene Marion, Scott Caldwell, Jean-Pierre Chauvin and Michael Richings.

The Technical Committee is responsible for assisting the Board in carrying out its responsibilities overseeing the exploration, development activities of the Company, including the construction, development and operation of the Aurora Gold Mine, from a technical, financial and scheduling perspective. The Committee is also responsible for Board oversight of production forecasts, budgets, life of mine plans, reserves and resources and management's proposed public disclosure of said technical nature.

The responsibilities of the Committee include: (i) assisting the Board in overseeing the exploration, development, and operational activities of the Company, including the construction, development and operation of the Aurora Gold Mine from a technical, financial and scheduling perspective, all with dual purposes of providing proper oversight by the Board of, and providing support, guidance and assistance to, management on behalf of the Board in respect of the construction, development and operation of the Aurora Gold Mine; (ii) assisting the Board in fulfilling its oversight responsibilities relating to the Company's enterprise risk management program by identifying and monitoring technical-related risks and recommending strategies to mitigate against such risks; (iii) reviewing and updating, on an annual basis, a work plan for the ensuing year for the Committee to ensure the Committee fulfills its responsibilities on a timely basis; (iv) reviewing and assessing its own performance and the adequacy of its mandate at least once a year, and being jointly responsible with management for setting design criteria, metal prices, reporting timelines, reconciliations, compliance with laws and regulations, and completeness of reporting of reserves and resources. The Committee's primary purpose is to assist the President and Chief Executive Officer and the Chief Financial Officer in their oversight of the integrity of the Company's reported mineral reserves and resources, and apprising the Board and Audit Committee of significant developments.

Conflicts of Interest

In the future, circumstances may arise where officers or members of the Board of Directors of the Company are directors or officers of corporations which are in competition to the interests of the Company. No assurances can be given that opportunities identified by such board members will be provided to the Company. Pursuant to the CBCA, directors who have an interest in a proposed transaction upon which the Board of Directors is voting are required to disclose their interests and refrain from voting on the transaction. See also "Risk Factors – Conflicts of Interest".

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this AIF, no director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or will materially affect the Company.

LEGAL PROCEEDINGS

There are no material pending legal proceedings or regulatory actions to which the Company is a party or of which any of the Company's properties are subject, nor are any such proceedings or actions currently known by the Company to be contemplated, other than as set forth herein. See also "General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2015 – Other Developments".

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is TMX Equity Transfer Services, 200 University Avenue, Suite 400, Toronto, ON, M5H 4H1.

MATERIAL CONTRACTS

There are no contracts of the Company, other than (i) the MA and Mining Licence in respect of the Aurora Gold Mine; (ii) the Common Terms Agreement; and (iii) the EPC Contract (see "General Development of the Business"), and contracts entered into in the ordinary course of business, that are material to the Company and that were entered into by the Company within the most recently completed financial year or were entered into since January 1, 2002 and are still in effect.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 - Audit Committees (“**NI 52-110**”) requires the Company to disclose annually in its AIF certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The Company’s Audit Committee is governed by an Audit Committee charter, the text of which is included in this AIF as Appendix A.

Composition of the Audit Committee

The Company’s Audit Committee is comprised of Messrs. Alan Ferry, Jean-Pierre Chauvin and Michael Richings and Ms. Wendy Kei. As defined in NI 52-110, each of the directors are considered to be “independent” and “financially literate”.

Mr. Ferry holds a Chartered Financial Analyst designation (retired) and was previously engaged as a financial analyst in the mining industry, thereby providing him relevant experience to be a member of the Audit Committee.

Mr. Chauvin has more than 40 years of combined experience in mining operations and construction management, and has relevant experience as a result of his service as a director and senior officer of various mineral resource companies. Mr. Chauvin is an engineer and graduate of Queen's University (B.Sc., Mining Engineering).

Mr. Richings has over 40 years of development and operational experience in the resource sector and has relevant experience as a result of his service as a director and senior officer of various mineral resource companies. Mr. Richings is a graduate of Camborne School of Mines (UK) and has a Master's degree from Queens University (Canada).

Ms. Kei is a Chartered Professional Accountant/Chartered Accountant and has more than 20 years of relevant experience. Previously, Ms Kei served as Chief Financial Officer of Dominion Diamond Corporation (formerly Harry Winston Diamond Corporation and Aber Diamond Corporation). Ms. Kei is a member of the Institute of Chartered Accountants of Ontario, and holds a Bachelor of Mathematics from the University of Waterloo.

Pre-Approval Policies and Procedures

In the event that the Company wishes to retain the services of the Company’s external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company shall consult with the chair of the Audit Committee, who shall have the authority to approve or disapprove such non-audit services on behalf of the Audit Committee. All other permissible non-audit services must be approved or disapproved by the Audit Committee as a whole.

Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2015 and December 31, 2014 for audit and non-audit related services:

Type of Work	Year Ended December 31, 2014 (Cdn\$)	Year Ended December 31, 2015 (Cdn\$)
Audit Fees ⁽¹⁾	110,000	180,000
Audit-related Fees ⁽²⁾	75,000	120,670
Tax Advisory Fees ⁽³⁾	40,695	9,459
All other Fees ⁽⁴⁾	-	15,000
Total	225,695	325,129

Notes:

- (1) Aggregate fees billed for the Company's annual financial statements and services normally provided by the auditor in connection with the Company's statutory and regulatory filings.
- (2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as "Audit fees", including: assistance with aspects of tax accounting, attest services not required by state or regulation and assistance regarding financial accounting and reporting standards.
- (3) Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.
- (4) Aggregate fees billed for other non-audit services.

EXPERTS

Names of Experts

Following are the names of each person or company who is named as having prepared or certified a report, valuation, statement or opinion described, included or referred to in a filing made under National Instrument 51-102 by the Company during or relating to the financial year ended December 31, 2015, whose profession or business gives authority to such report, valuation, statement or opinion:

1. PricewaterhouseCoopers LLP (regarding the Financial Statements and auditor's report thereon);
2. D. Erik Spiller, Richard Tocher, Glen Cole, Jarek Jakubec and John Lambert (regarding the January 2013 Report);
3. Scott E. Wilson, Carl Brechtel, Glen Cole, Martin Telford, William Pennstrom and Robert McCarthy (regarding the January 2016 Report);
4. Scott E. Wilson (regarding the updated Mineral Reserve estimate in respect of the Aurora Gold Mine as of January, 2016 as described under the heading "General Development of the Business – General – Aurora Gold Mine - January 2016 Mineral Reserve Update");
5. Dorota El-Rassi and Glen Cole (regarding the 2012 Resource Estimate); and
6. Dan Noone (regarding certain disclosure contained in this AIF as described under the heading "General Development of the Business – Three Year History).

Interests of Experts

Each of D. Erik Spiller, Richard Tocher, Jarek Jakubec, John Lambert, Scott Wilson, Carl Brechtel, Glen Cole, Martin Telford, William Pennstrom, Robert McCarthy, Dorota El-Rassi and Dan Noone has advised the Company that he or she was at all relevant times the registered and/or beneficial owner, directly or indirectly, of less than one percent of the outstanding Common Shares.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, are the auditor of the Company and have performed the audit in respect of the annual financial statements of the Company for the year ended December 31, 2015. PricewaterhouseCoopers LLP has advised the Company that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Additional information, including information concerning directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the management proxy circular of the Company dated April 8, 2015.

Additional financial information is provided in the Company's Financial Statements and MD&A for the financial year ended December 31, 2015, available on SEDAR at www.sedar.com.

APPENDIX A
GUYANA GOLDFIELDS INC.
AUDIT COMMITTEE CHARTER

PURPOSE

1. The Audit Committee (“**Committee**”) is a committee of the board of directors (the “**Board**”) of Guyana Goldfields Inc. (the “**Company**”). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to:
 - (a) the financial reporting process and the quality, transparency and integrity of the Company’s financial statements and other related public disclosures;
 - (b) the Company’s internal controls over financial reporting;
 - (c) the Company’s compliance with legal and regulatory requirements relevant to the financial statements and financial reporting;
 - (d) ensuring that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adhering to a corporate code of ethics;
 - (e) the external auditors’ qualifications and independence; and
 - (f) the performance of the internal audit function and the external auditors.
2. The function of the Committee is oversight. The members of the Committee are not full-time employees of the Company. The Company’s management is responsible for the preparation of the Company’s financial statements in accordance with applicable accounting standards and applicable laws and regulations. The Company’s external auditors are responsible for the audit or review, as applicable, of the Company’s financial statements in accordance with applicable auditing standards and laws and regulations.

COMPOSITION

3. The Committee shall be appointed by the Board annually on the recommendation of the Corporate Governance & Nominating Committee and shall be comprised of a minimum of three directors. If an appointment of members of the Committee is not made as prescribed, the members shall continue as such until their successors are appointed. The Board may remove a member of the Committee at any time in its sole discretion by resolution of the Board.
4. All of the members of the Committee shall be directors whom the Board has determined are independent and “financially literate”, taking into account the applicable rules and regulations of securities regulatory authorities and/or stock exchanges.
5. The Chair of the Committee will be designated by the Board from among the members of the Board. Such Chair shall serve as a liaison between members and senior management. If for any reason a Chair of the Committee is not appointed by the full Board, members of the Committee may designate a Chair of the Committee by majority vote of the full membership of the Committee.

MEETINGS

6. The Committee shall have a minimum of four meetings per year, to coincide with the Company's financial reporting cycle. Additional meetings will be scheduled as considered necessary or appropriate, including considering specific matters at the request of the external auditors or the head of internal audit.
7. The time and place of the meetings of the Committee, the calling of meetings and the procedure in all things at such meetings shall be determined by the Chair of the Committee. A meeting of the Committee may be called by notice, which may be given by written notice, telephone, facsimile, email or other communication equipment, given at least 48 hours prior to the time of the meeting provided that no notice of a meeting will be necessary if all of the members are present either in person or by means of conference telephone or if those absent waive notice or otherwise signify their consent to the holding of such meeting.
8. At least a majority of the Committee will constitute a quorum at each meeting.
9. The Committee will hold an in camera session without any senior officers present at each meeting.
10. The Committee will keep minutes of its meetings which shall be available for review by the Board.
11. The Committee may appoint any individual, who need not be a member, to act as the secretary at any meeting.
12. The Committee may invite such directors, senior officers and other employees of the Company and such other advisors and persons as is considered appropriate to attend any meeting of the Committee.
13. Any matter to be determined by the Committee will be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Any action of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee (including in counterpart) and any such action will be as effective as if it had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose.
14. The Committee will report its determinations and recommendations to the Board.

RESOURCES AND AUTHORITY

15. The Committee has the authority to:
 - (a) engage, at the expense of the Company, independent counsel, accounting and other experts or advisors as considered advisable in its sole discretion, at the expense of the Company, which shall provide adequate funding for such purposes;
 - (b) determine and pay the compensation for any independent counsel, accounting and other experts or advisors retained by the Committee;
 - (c) conduct any investigation in the Company's business or affairs that it considers appropriate; and

- (d) request unrestricted access to the books and records of the Company, management, the external auditors and the head of internal audit, including private meetings, as it considers necessary or appropriate to discharge its duties and responsibilities.

DUTIES AND RESPONSIBILITIES

16. The responsibilities of a member of the Committee shall be in addition to such Member's duties as a member of the Board. The duties and responsibilities of the Committee shall be as follows:

Financial Reporting and Disclosure

- (a) The Committee has the duty to determine whether the Company's financial disclosures are complete, accurate, are in accordance with international financial reporting standards and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Company's own policies.
- (b) Review and discuss with management and the external auditor at the completion of the annual examination:
 - (i) the Company's audited financial statements and related notes;
 - (ii) the external auditor's audit of the annual financial statements and their report thereon;
 - (iii) any significant changes required in the external auditor's audit plan;
 - (iv) any serious difficulties or disputes with management encountered during the course of the audit; and
 - (v) other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- (c) Review and discuss with management and, where authorized by the Board, the external auditor at the completion of any review engagement or other examination of the Company's quarterly unaudited financial statements:
 - (i) the Company's unaudited financial statements and related notes;
 - (ii) any significant changes required in the external auditor's audit plan resulting from the preparation of the unaudited financial statements;
 - (iii) any serious difficulties or disputes with management encountered during the course of the preparation of the unaudited financial statements; and
 - (iv) other matters related to the preparation of the unaudited financial statements, which are to be communicated to the Committee.
- (d) Approve unaudited financial statements and the notes thereto and the Company's management discussion and analysis with respect to such financial statements for recommendation to the Board.

- (e) Review, discuss with management the annual reports, the quarterly reports, the related Management Discussion and Analysis, the annual information form, any prospectus and other disclosures and, if thought advisable, recommend the acceptance of such documents to the Board for approval.
- (f) Review disclosure respecting the activities of the Committee included in the Company's annual filings.
- (g) Review and discuss with management any guidance being provided to shareholders on the expected future results and financial performance of the Company and provide their recommendations on such documents to the Board.
- (h) Inquire of the auditors the quality and acceptability of the Company's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.
- (i) Meet independently with the external auditor and management in separate executive sessions, as necessary or appropriate.
- (j) Ensure that management has the proper systems in place so that the Company's financial statements, financial reports and other financial information satisfy legal and regulatory requirements. Based upon discussions with the external auditor and the financial statement review, if it deems appropriate, provide the Board with such recommendations and reports with respect to the financial disclosures of the Company.
- (k) Review and approve any significant amendments to the Company's Disclosure Policy.
- (l) Review and if appropriate, ratify the mandate of the Disclosure Committee.

External Auditor

- (m) Retaining and terminating, and/or making recommendations to the Board and the shareholders with respect to the retention or termination of, an external auditing firm to conduct review engagements on a quarterly basis and an annual audit of the Company's financial statements.
- (n) Communicating to the external auditors that they are ultimately accountable to the Board and the Committee as representatives of the shareholders.
- (o) Obtaining and reviewing an annual report prepared by the external auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.

- (p) Evaluating the independence of the external auditor and any potential conflicts of interest and (to assess the auditors' independence) all relationships between the external auditors and the Company, including obtaining and reviewing an annual report prepared by the external auditors describing all relationships between the external auditors and the Company.
- (q) Approving, or recommending to the Board for approval, all audit engagement fees and terms, as well as all non-audit engagements of the external auditors prior to the commencement of the engagement.
- (r) Reviewing with the external auditors the plan and scope of the quarterly review and annual audit engagements.
- (s) Setting hiring policies with respect to the employment of current or former employees of the external auditors.

Internal Controls and Audit

- (t) Reviewing and discussing with management, the external auditors and the head of internal audit the effectiveness of the Company's internal controls over financial reporting, including reviewing and discussing any significant deficiencies in the design or operation of internal controls, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.
- (u) Discussing the Company's process with respect to risk assessment (including fraud risk), risk management and the Company's major financial risks and financial reporting exposures, all as they relate to internal controls over financial reporting, and the steps management has taken to monitor and control such risks.
- (v) Reviewing and discussing with management the Company's Code of Business Conduct and Ethics and anti-fraud program and the actions taken to monitor and enforce compliance.
- (w) Establishing procedures for:
 - (i) the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, including reviewing and discussing Whistleblower Policy with management; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting, internal controls or auditing matters.
- (x) Reviewing and discussing with management, the external auditors and the head of internal audit the responsibilities and effectiveness of the Company's internal audit function, including reviewing the internal audit mandate, independence, organizational structure, internal audit plans and adequacy of resources, receiving

periodic internal audit reports and meeting privately with the head of internal audit on a periodic basis.

- (y) Approving in advance the retention and dismissal of the head of internal audit.

Other

- (z) Reporting regularly to the Board.
- (aa) Reviewing and assessing its Charter and recommending any proposed changes to the Corporate Governance & Nominating Committee of the Board on an annual basis.
- (bb) Evaluating the functioning of the Committee on an annual basis, including with reference to the discharge of its Charter, with the results to be reported to the Corporate Governance & Nominating Committee, which shall report to the Board.
- (cc) Review periodically, together with the Corporate Governance & Nominating Committee, the directors' and officers' liability insurance and indemnities of the Company and consider the adequacy of such coverage.

ADOPTION

This Charter was amended and restated by the Board on November 13, 2015.