NOTICE

This version of annual information form replaces the version filed on March 23,2017. It has been revised to attach the correct version of the Audit Committee Charter in Appendix "A". No other changes have been made.

GUYANA GOLDFIELDS INC.

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Effective: March 22, 2017

TABLE OF CONTENTS

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, 2016 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, 2016, 2015 and 2014 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, 2016.

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 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 February 2017 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 Loan Facility (as defined herein), and its ability to repay the Loan Facility as currently proposed or at all;
- the Company's failure to adhere to representations, warranties, affirmative and negative covenants under the Loan Facility, which could give rise to an event of default thereunder;

- the Company's ability to achieve its production guidance for 2017 and its anticipated consolidated cash flow forecast for 2017;
- 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 owner's costs expenditures;
- 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;
- 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 operating the Aurora Gold Mine, and affect the Company's ability to meet the 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 share or debt issuances in support of the Aurora Gold Mine, corporate general and administrative expenses, and/or exploration activities, as required;
- 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 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, and the results of any future exploration activities;
- 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 February 2017 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 22, 2017, one Canadian dollar was worth approximately $0.75 in US currency, based on the noon exchange rate of the Bank of Canada.

CORPORATE STRUCTURE

Name, Address and Incorporation

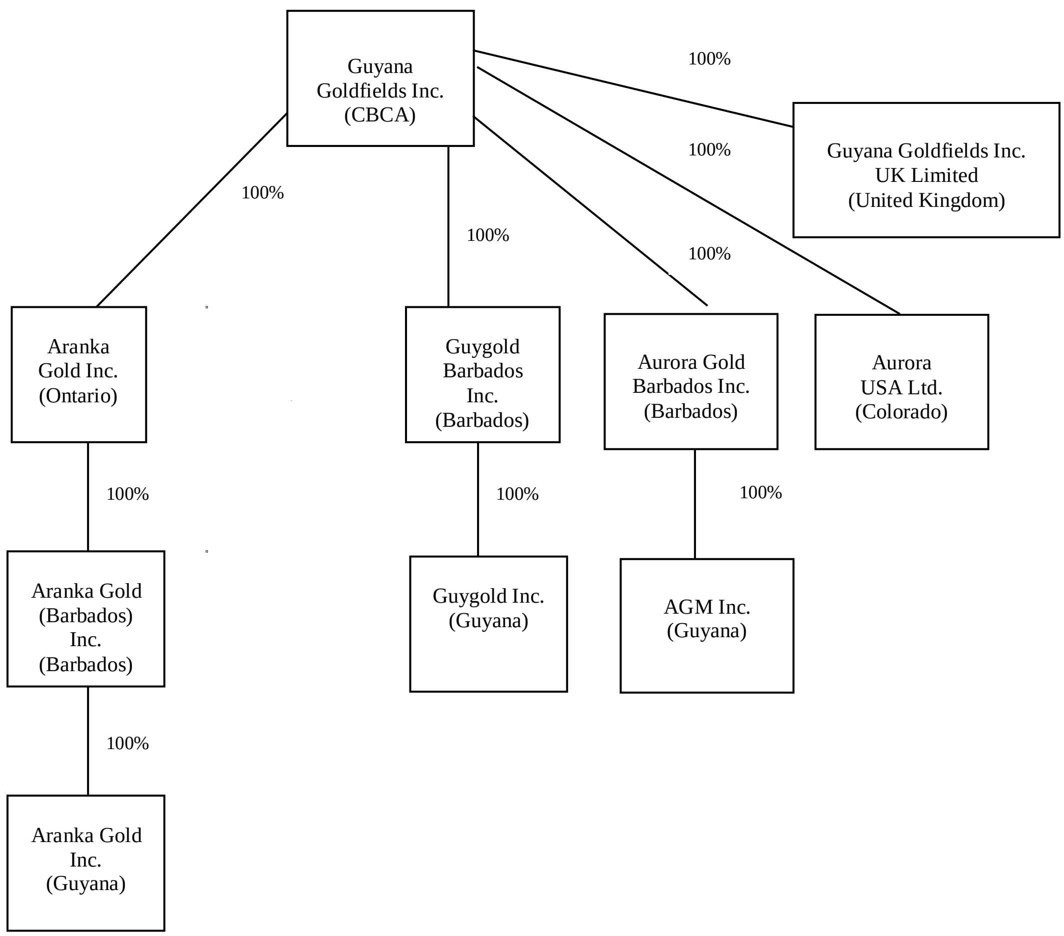
The Company was incorporated under the name "6357458 Canada Inc." pursuant to the *Canada Business Corporations Act* (the "CBCA") on March 2, 2005. Effective April 7, 2005, the Company completed a three-cornered amalgamation pursuant to which (i) a predecessor company named "Guyana Goldfields Inc." ("Old 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 $1,300,000 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" or "Mineral Agreement"); and
- Aurora Mining Licence issued by the GGMC dated November 18, 2011 (the "Mining License").

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

The Company's production and cost guidance for 2017 at the Aurora Gold Mine is provided below. Due to mine sequencing gold production is expected to be slightly higher in the second half of the year relative to the first half. Similarly, due to the timing of sustaining capital expenditures, all-in sustaining costs are expected to be higher in the first half of the year relative to the second half. The royalty cost is based on an assumed gold price of $1,200 per ounce.

2017 Guidance	
Gold production (000's ounces)	160-180
Cost of sales (production costs, royalty and depreciation) ($ per ounce)	$800-$850
Cash cost[1], excluding royalty ($ per ounce)	$500-$550
All-in sustaining[1] ("AISC") ($ per ounce)	$775-$825

[1] *This is a non-GAAP measure.*

February 2017 Mineral Reserves and Resources Update

The Company has updated its Mineral Reserves for its Aurora Gold Mine utilizing a gold price of $1,200 per ounce and an effective date of December 31, 2016. Overall reserves (net of depletion) increased by 15% to 3.5 Moz compared to the most recent reserve estimate which had an effective date of September 30, 2015 and utilized a gold price of $1,000 per ounce (See "January 2016 Mineral Reserves and Resources Update" below)

Aurora Gold Mine Mineral Reserves
Effective December 31, 2016 ($1,200/oz Au)

Category	Quantity ('000 t)	Grade (g/t Au)	Contained Metal ('000 oz)
Proven			
OP Saprolite	336	1.60	17
OP Rock	4,864	2.99	468
Total Proven	**5,200**	**2.90**	**485**
Probable			
OP Saprolite	2,934	1.91	180
OP Rock	12,128	3.02	1,178
UG Rock	16,519	3.19	1,694
Total Probable	**31,580**	**3.01**	**3,052**
Total P&P	**36,781**	**2.99**	**3,537**

Notes:

1. Mineral Reserves are based on a gold price of US$1,200 per ounce, 8% royalty and an average metallurgical recovery of 96.0% for saprolite and 94.0% for fresh rock material.
2. Open pit saprolite and rock reserves are reported at a cut-off grade of 0.44 g/t Au and 0.42 g/t Au for vein and upper saprolite material respectively. Open pit rock reserves are reported at a cut-off grade of 0.76 g/t Au and 0.64 g/t Au for vein and Rory's Knoll rock material respectively.
3. Underground fresh rock reserves are reported at a cut-off grade of 1.5 g/t Au.
4. Mineral Reserves are contained within Mineral Resources.
5. SRK (as defined below) is not aware of mining, metallurgical, infrastructure, permitting, or other factors that could materially affect the mineral reserve estimates.

Aurora Gold Mineral Resources Effective December 31, 2016 ($1,300/oz Au)			
Category	Quantity (000's t)	Grade (g/t Au)	Contained Metal (000's oz)
Open Pit			
Measured	5,230	3.17	500
Indicated	24,440	2.51	1,970
Measured and Indicated	29,670	2.62	2,440
Inferred	4,770	1.57	230
Underground			
Indicated	30,060	3.91	3,780
Measured and Indicated	30,060	3.91	3,780
Inferred	11,810	4.12	1,570
Combined Mining			
Measured	5,230	2.97	500
Indicated	54,500	3.28	5,750
Measured and Indicated	**59,730**	**3.25**	**6,250**
Inferred	**16,580**	**3.79**	**1,790**

Notes:

1. Mineral resources are inclusive of mineral reserves. 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.
2. Open pit mineral resources are reported at a cut-off grade of 0.30 g/t for Saprolite and 0.40 g/t for Fresh rock respectively, and underground mineral resources are reported at a cut-off grade of 1.8 g/t. Cut-off grades are based on a price of US$1,300 per ounce of gold and a gold recoveries of 97 percent for saprolite and 94.5 percent for fresh material.
3. ***Mineral resources have been adjusted using the 2016 EOY topography, to account for open pit mining to date, and include ore stockpile inventories as of EOY 2016.***

February 2017 Report

On February 2, 2017, the Company filed on SEDAR an updated feasibility study dated effective December 31, 2016, entitled “Independent Technical Report Updated Feasibility Study, Aurora Gold Mine Project, Republic of Guyana” (the “February 2017 Report”), as prepared by Timothy Carew, Robert McCarthy, Christopher Elliott, Jaroslav Jakubec, Neil Winkelmann, Eric Olin, Jordan Severin, Cameron Scott, Louri Lakovlev, Grant Carlson, Kelly McLeod and Rich Greenwood. The February 2017 Report assumes a gold price of $1,200 per ounce resulting in increased Mineral Reserves by 15% from the previous estimate despite net depletion of 15 months of operations and reflects an expansion of the current processing facility from 5,600 tonnes per day (“tpd”) to 8,000 tpd. The proposed expansion of the mill will be completed in two phases and will increase annual production to above 200,000 ounces beginning in 2018 for the life of the mine with gold production expected to peak at 303,000 ounces in 2021. See “February 2017 Mineral Reserves and Resources Update” above.

Other highlights of the February 2017 Report are as follows:

- Average annual production of 220,000 ounces over a 15-year mine life at an average cash cost of $612 per ounce (including royalties)
- Average head grade of 3.02 g/t Au over the life of the mine
- NPV5% of $850 million

- Open pit mining ongoing through to 2024. Development of the underground operation is scheduled to commence in 2022 with first production expected in 2024
- Mill Expansion Phase 1:
  - Debottlenecking of the back end of the circuit
  - Expected to increase throughput from 5,600 tpd to 8,000 tpd based on a saprolite/hard rock blend with a concurrent improvement in recoveries of ~1%
  - Expected completion by end of the first quarter of 2018 at a capital cost of $21 million
  - The expansion requires an increase in the mining fleet currently estimated at $24 million, to be completed during 2018
- Mill Expansion Phase 2:
  - Addition of a ball mill resulting in increased recoveries of a further 1% to 2%
  - Expected to allow the processing of 8,000 tpd of hard rock
  - Expected completion by mid-2019 at a capital cost of $27 million
- Both phases are fully permitted and are expected to be funded internally

The above-noted scientific and technical disclosure regarding the February 2017 Report and as contained under the heading "February 2017 Mineral Reserves and Resources Update" has been approved by Mr. Chris Elliot and Mr. Bob McCarthy of SRK Consulting (Canada) Inc. ("SRK") who are both "qualified persons" within the meaning of National Instrument 43-101 ("NI 43-101"). For further details of the February 2017 Report, please refer to "Material Properties" below.

<u>2017 Exploration</u>

After a lengthy hiatus during the financing and development period of the Aurora Gold Mine, exploration activity is expected to ramp up significantly in 2017 with a focus on both brownfield and greenfield targets. Drilling is expected to commence on brownfield targets by the end of the first quarter. Initial drilling will be focused on the North West Aleck Hill target. Mapping and assessment work will also be ongoing through 2017 on other brownfield targets on the Aurora Gold Mine concession.

Exploration success in finding saprolitic ore on these targets has the potential to extend open pit production and defer the second phase of the mill expansion.

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 kilometers 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 Company presently intends to retain its license in this area.

The Company completed a ground IP and magnetics survey during the fourth quarter at Sulphur Rose. Field work to follow-up on anomalies generated by the survey will be conducted in the first quarter with a goal of defining drill targets. Geochemical soil sampling and additional assessment work is also being completed at Wynamu, located approximately 30 km to the north of Sulphur Rose, ahead of a planned drill program scheduled to ramp up later this year.

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. 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, 2016

<u>Aurora Gold Mine</u>

The development of the Aurora Gold Mine concluded on December 31, 2015, with the announcement of Commercial Production January 1, 2016.

In its first year of operation, the mine performed strongly delivering total production of 151,600 ounces, meeting its upwardly revised guidance of 140,000 to 160,000 ounces. Operating cash costs (before royalties) of $496 per ounce sold were also in-line with guidance. An ongoing focus on and investment in operational improvements through the course of the year resulted in the fourth quarter for the Company being its best quarter in 2016 across all key operating and cost metrics. Mining throughput rates, mill throughput rates and operating costs on a per tonne and per ounce basis for the fourth quarter were all new records. Most importantly, the results in 2016 were achieved without any lost time injuries or major environmental incidents.

2016 Financial Results

The Company generated revenue of $194.2 million in 2016 based on 156,000 ounces of gold sold at an average realized price of $1,245 per ounce.

Cost of sales for 2016 totaled $123.0 million for the year. Cost of sales are comprised of royalties, depreciation and production costs, and on a per ounce of gold sold basis were $789 for the year. Depreciation expense included in cost of sales for 2016 was $30.2 million.

Net earnings for 2016 totaled $27.0 million, compared to 2015 net earnings of $20.1 million ($0.13 per diluted share). The 2015 net earnings were boosted by a non-cash recognition of a deferred tax asset of $28.9 million ($0.19 per diluted share).

The Company reported a comprehensive income of $47.7 million for the year. The difference between Net Earnings and Comprehensive Income for the 2016 year is attributable to a $20.7 million unrealized gain on available for sale securities. In 2015 and 2014, Net Earnings and Comprehensive Income were equal.

In connection with its operations at the Mine, the Company had a total of $33.6 million litres of diesel forward contracts at December 31, 2016 at an average rate of $0.44/litre, which will settle on a net basis, covering subsequent periods throughout calendar years 2017, 2018 and 2019. Contractual commitments under these contracts at December 31, 2016 total $14.8 million over 2017, 2018 and 2019. 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, 2016, the Company is committed to $101.4 million for obligations under the Loan Facility, Mine closure funding, and other contractual purchase commitments of capital and operating supplies.

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 paid 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 fully accrued at December 31, 2015.

January 2016 Mineral Reserves and Resources 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, as set forth below (the “2016 Reserve Estimate”). There was no change to the Mineral Resource model of the Mine as previously disclosed on June 25, 2012 (the "2012 Resource Estimate"). The updated Mineral Reserves were prepared by Metal Mining Consultants Inc. (“MMC”) and SRK in accordance with NI 43-101. Each of the 2016 Reserve Estimate and 2012 Resource estimate have been superseded by the by the estimates set forth under the heading “February 2017 Mineral Reserves and Resources Update” above.

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 did 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 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.

January 2016 Feasibility Study

On January 18, 2016, the Company filed on SEDAR an 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. This study has been superseded by the February 2017 Report as set forth under the heading “February 2017 Report” above. The January 2016 Report reflected 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:

<table>
<tr><th colspan="3">Highlights of the January 2016 Report
at $1,000 Gold Price</th></tr>
<tr><td colspan="2">Gold Price (base case)</td><td>$1,000/oz</td></tr>
<tr><td colspan="2">Mine Life (LOM)</td><td>16 years</td></tr>
<tr><td colspan="2">Average Mill Throughput (initial)</td><td>5,000 tpd</td></tr>
<tr><td colspan="2">Average Mill Throughput (extended)</td><td>6,040 tpd</td></tr>
<tr><td colspan="2">Strip Ratio</td><td>6.8:1 (waste to ore)</td></tr>
<tr><td colspan="2">Average Gold Grade (mill head)</td><td>2.94g/t</td></tr>
<tr><td colspan="2">Gold Recovery (saprolite)</td><td>97%</td></tr>
<tr><td colspan="2">Gold Recovery (fresh rock @ 5,000 tpd)</td><td>94.4%</td></tr>
<tr><td colspan="2">Average Annual Production (LOM)</td><td>188,000 oz/yr</td></tr>
<tr><td colspan="2">Average Annual Production (Years 2017-2028)</td><td>200,000 oz/yr</td></tr>
<tr><td colspan="2">Total Gold Production (Recovered Gold)</td><td>2,865,726 oz</td></tr>
<tr><td colspan="2">LOM Cash Costs (with royalty)</td><td>$564/oz</td></tr>
<tr><td colspan="2">LOM All-in sustaining capital (“AISC”)</td><td>$661/oz</td></tr>
<tr><td colspan="2">All-In cost (AISC + Corp G&A + Exploration+ Debt)</td><td>$778/oz</td></tr>
<tr><td rowspan="2">Expansion Capital Cost</td><td>Mill (Year 2016)</td><td>$5.6 M</td></tr>
<tr><td>Open Pit (Year 2016 + 2017)</td><td>$18.8 M</td></tr>
<tr><td colspan="2">Underground Development Cost</td><td>$227.4 M</td></tr>
<tr><td colspan="2">Pre-Tax NPV (5% Discount Rate)</td><td>$672 M</td></tr>
<tr><td colspan="2">After-Tax NPV (5% Discount Rate)</td><td>$568 M</td></tr>
<tr><td colspan="2">Net Revenue</td><td>$2.7 B</td></tr>
<tr><td colspan="2">Net Operating Income</td><td>$1.2 B</td></tr>
</table>

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.

Loan Facility

Repayments under the Facility in 2016 were approximately $6.8 million, $5.5 million, $7.7 million and $55.7 million, occurring on March 31, 2016, June 30, 2016, September 30, 2016 and December 23, 2016, respectively.

In March 2016, the Senior Lenders (as defined below) approved the release of $4 million of restricted cash held in a subsidiary to the parent of the Company. See “Fiscal Year Ended December 31, 2015 - Loan Facility”.

On November 10, 2016, the Company announced that it was in negotiation with the Senior Lenders regarding a level of debt reduction in conjunction with the restructuring of the Facility with targeted completion prior to year-end. On December 21, 2016, the Company announced the successful refinancing of the Facility with a consortium of existing lenders composed of ING Capital LLC, The Bank of Nova Scotia, and Export Development Canada. The newly restructured Facility amounts to $80 million and contemplates sixteen quarterly principal repayments of $5 million each over a period of four years beginning March 31, 2017. Various covenants and restrictions have also been removed including the release of $23 million of restricted funds held by the lenders in the Overrun Equity Account, the elimination of cash sweeps, and a reduction of 1.3% in the interest rate allowing for increased financial flexibility. In addition, there will continue to be no gold hedging requirements or other similar provisions associated with the Facility. Upon completion of the restructuring, a one-time, non-cash charge of $8 million was applied to fully expense deferred financing costs in the fourth quarter of 2016 which adversely affected that quarter's earnings per share with no effect on cash flow. The Company estimated annual cost savings of the new operating Facility will amount to approximately $4.5 million per year over the course of the new Facility. The Company successfully reduced its debt by 50% to $80 million over the course of 2016 and ended the year with a cash balance of $73.1 million. The Company's subsidiary AGM Inc. entered into an amended and restated Common Terms Agreement dated as of September 2, 2014, as amended and restated as of December 23, 2016, with the lenders giving effect to the restructured Facility.

Exploration Activities

Exploration activities during fiscal 2016 consisted of mapping and assessment work at brownfield targets proximal to the Aurora Gold Mine as well as at the Company's Sulphur Rose deposit, located approximately 20km to the northeast of the Aurora Gold Mine. Drilling activities at both brownfield and greenfield targets are expected to ramp up significantly in 2017 once this target generation work has been completed. The Company also conducted assessment work on the economic potential of Sulphur Rose as a stand-alone mining operation. A ground IP survey was conducted at Sulphur Rose with the objective of identifying potential mineralized zones outside the current Mineral Resource. IP surveys were also completed to the northeast of Sulphur Rose at the N1 and S3 prospects for drill targeting purposes. N1 and S3 lie along a 6km long mineralized corridor and have returned encouraging trench results and drill intercepts from earlier work completed by the Company.

Investment in SolGold PLC

During the third quarter of fiscal 2016, the Company purchased 81.3 million shares of SolGold PLC at $0.08 per share for total consideration of $6.5 million pursuant to SolGold PLC's capital raising that closed on September 2, 2016. In the fourth quarter of fiscal 2016, the Company purchased an additional 21.9 million shares of SolGold PLC at $0.16 per share for total consideration of $3.5 million pursuant to an additional capital raising that closed on October 17, 2016. In aggregate, the Company owns a 7.2% interest in SolGold PLC's issued share capital as of the date of this AIF. SolGold PLC owns an 85% interest in the Cascabel Copper Gold Porphyry project located in Ecuador. The Company believes Cascabel has the potential to be a world-class copper gold porphyry deposit based on the significant high grade intercepts of gold and copper mineralization from initial drilling at the project. See also "Interest of Management and Others in Material Transactions".

Other Developments

On June 17, 2016, the Company was added to the S&P/TSX Composite Index and the NYSE Arca Gold Miners Index.

On July 19, 2016, the Company announced that it had closed a bought deal offering (the "Offering") of 13,830,000 Common Shares, at a price of Cdn$9.40 per Common Share for gross proceeds of approximately Cdn$130 million. Of the 13,830,000 Common Shares sold, 12,830,000 Common Shares were issued and sold by the Company and 1,000,000 Common Shares were sold by Patrick Sheridan. The Common Shares were sold pursuant to an underwriting agreement with a syndicate of underwriters led by BMO Capital Markets, Scotiabank and RBC Capital Markets and including Cormark Securities Inc. and TD Securities Inc. (the "Underwriters"). The Company did not receive any proceeds from the secondary offering of the 1,000,000 Common Shares sold by Patrick Sheridan. In connection with the Offering, the Underwriters were granted an over-allotment option which they partially exercised on August 22, 2016 to acquire an additional 1,500,000 Common Shares at Cdn$9.40 per share to raise additional aggregate gross proceeds of Cdn$14,100,000.

Fiscal Year Ended December 31, 2015

Aurora Gold Mine

Gold production at the Mine for 2015 (pre-commercial production) 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. 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. The diesel commodity swap forward contracts were secured under the Facility and documented in the form of an International Swap and Derivative Association master agreement.

As of December 31, 2015, the Company was 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. As of December 31, 2015, the total value of work performed under the EPC Contract was $149 million (see "Development Cost Summary" below). 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".

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.

Development Cost Summary

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 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 were 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)
sub-total	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**		

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[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:	*9*
Grand Total Aurora Mine Development & Pre- Commercial Production Impact – December 31, 2015:	***$293***

Note (2): These costs compiled in December 2013, represent the initial development costs of $205 as reflected in the January 2013 Report (as defined below), 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 GSJV 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.

Loan Facility

As of September 30, 2015, the Company had fully drawn on tranche 1 of the 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.

Commencing with the December 31, 2015 principal debt repayment, AGM Inc. was required to maintain specified financial and non-financial covenants/conditions and reporting requirements pursuant to the Facility, including adherence to environmental and social standards, and future funding of a debt service reserve account and mine closure reserve account. Financial covenants included 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 provided 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. 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 did not require the use of these restricted bank account funds at December 31, 2015.

See "General Development of the Business - Three Year History - Fiscal Year Ended December 31, 2014 – Aurora Gold Mine –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 determined that approximately $22 million of its then current liabilities were non-typical of ongoing mine operations at the Mine, and were substantially represented by its liability to the GSJV at December 31, 2015 of approximately $18 million under the EPC Contract that included construction holdbacks. Included in the $53 million working capital deficiency was $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) was included in assets under development.

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". The Company reduced its working capital deficiency through 2016 to standard operating levels.

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. 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”.

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 loan facility (the “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 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 required 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 was $28 million for anticipated financing costs, pre-operating costs and working capital.

The Loan Facility consisted of two tranches; tranche 1 of $160 million and a tranche 2 cost overrun facility of $25 million. The maximum term of tranche 1 was 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 was no required gold hedging or other required similar provisions associated with the Facility. The use of proceeds drawn under the Facility was limited to development and construction of the open pit mine and related process plant facilities. The Company undertook 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 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 were specified to be released at project completion (to the extent they were not drawn), and if required, applied against debt service reserve and mine closure reserve accounts, as required under the Loan Facility. The Facility also provided 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 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. The Company completed a ground geophysics survey during Q4 2016 at one of the Aranka Properties. Chargeability and ground magnetic data indicated areas for potential drill testing. Data is being reviewed to generate drill program to test the geophysics anomalies. 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). Groundwork at Wynamu, located approximately 30 km to the north of Sulphur Rose commenced during Q4 2016. Previous work at Wynamu returned trenching results of 58 metres at 1.21g/t Au and 6 metres at 4.21g/t Au. Geochemical soil sampling and additional assessment work is being completed at Wynamu ahead of a planned drill program ramping up later next year, 2017. As at December 31, 2016, a total of 1000 soil samples were collected from this area.

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.

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 commercial gold production on January 1, 2016 and is subject to a NSR of 5% or 8%, depending on the price of gold, payable to the GGMC. As of December 31, 2016, a total of $18 million has been paid in this regard.

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%[1] 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.

[1] *Effective January 1, 2017 the Guyana Revenue Authority has changed the effective tax rate of 27.5%. Based on the Mineral Agreement, the Company enjoys the benefit of the lower of the national enacted rate, or the rate stated in the Mineral Agreement.*

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, 2016, Guyana Goldfields had an aggregate of approximately 14 employees operating out of Canada, one employee operating out of the United States and a approximately 600 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”.

Guyana law is based upon English common law as at January 1st, 1917. Mining laws are governed by the Mining Act No. 20 of 1989 (the “Mining Act”) and the Regulations made under Section 136 thereof. Under Section 6 of the Mining Act 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 Mining Act authorizing the holder of the licence to enter on Government lands and then search for or mine gold, take and appropriate, any minerals.

The Mining Act allows for the following licences or permits granted by the GGMC.

a) Prospecting and Mining Licences for prospecting or mining on a large scale

b) Prospecting or Mining Permits for prospecting or mining on a medium scale

c) Claim Licences for mining on a small scale

Section 97 of the Mining Act also provides for the granting of permission by the Minister for any person to carry out geological, geographical and other surveys and investigations for the prospecting for or mining of any mineral on such terms and conditions as may be agreed between the Minister and the applicant for the permission.

Large scale prospecting and mining licences may be granted to a body or persons as specified in Sections 17(2) and 17(3) of the Mining Act which includes a Company within the meaning of the Companies Act. There is no restriction on foreign persons or companies as shareholders of such companies. Under Section 97(1) of the Mining Act the Minister may permit any person to carry on geological, geophysical or other surveys or such terms as may be agreed between the Minister and the applicant for the permission.

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 a prospecting permits for medium and small scale claims and mining permits may only be issued 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 Mineral Agreement 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 regulations 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 or any part thereof 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 Mineral Agreement). 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 permits, 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 and is not in default. 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 a renewal of the prospecting licence in relation to that parcel or for the grant of a mining licence in relation to that parcel, until the application is finally dealt with by the renewal, or refusal to renew the prospecting licence or grant 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 regulations 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 Mineral Agreement and Mining Licence in respect of the Aurora Gold Mine, and the prospecting licenses in respect of the Aranka Properties and Other 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

February 2017 Report

Messrs. Timothy Carew, Robert McCarthy, Christopher Elliott, Jaroslav Jakubec, Neil Winkelmann, Eric Olin, Jordan Severin, Cameron Scott, Louri Lakovlev, Grant Carlson, Kelly McLeod and Rich Greenwood (the "Authors") prepared the February 2017 Report. Each of the Authors is a qualified person under NI 43-101, and is independent of Guyana Goldfields. The following description of the February 2017 Report is a summary of the February 2017 Report and is included herein with the consent of each of the Authors. Readers should consult the February 2017 Report to obtain further particulars regarding the Aurora Gold Mine. The full text of the February 2017 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 February 2017 Report and the summary provided herein is qualified in its entirety by the February 2017 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 February 2017 Report.

Executive Summary

<u>Introduction</u>

Guyana Goldfields Inc. (Guyana Goldfields, GGI or the Company) owns a 100% interest in the Aurora Gold Mine (Aurora or the Mine), an open pit mine utilizing a standard 5,600 tonnes per day (tpd) CIL processing facility located in Guyana, South America.

The Aurora mine poured its first gold in August 2015 and after a successful ramp-up declared commercial production on January 1, 2016. For the calendar year 2016, the mine produced 151,600 ounces with a total of 1.9 Mt processed at an average head grade of 2.74g/t Au.

This feasibility study assumes a gold price of $1,200 per ounce and reflects an expansion of the current processing facility from 5,600 tonnes per day (tpd) to 8,000 tpd. The proposed expansion of the mill is planned to be implemented in two phases and is expected to increase annual production to above 200,000 ounces beginning in 2018 for the life of the mine with gold production peaking at 302,704 ounces in 2021. Highlights of the study include:

- 16 years mine life and Post-Tax NPV5% of $850 M;
- Average annual production over the life of the mine is 220,000 ounces at an average cash cost of $612 per ounce (including royalties);
- Proven and Probable Mineral Reserves of 36.7 Mt at an average grade of 2.99 g/t Au;
- Measured and Indicated Mineral Resource of 6.3 million ounces of gold at an average grade of 3.25 g/t Au;
- Open pit mining will be ongoing through to 2024. Development of the underground operation will commence in 2022 with first production expected in 2024.
- Phase 1 of the mill expansion will allow processing of a saprolite/rock blend at a rate of 8,000 tpd and is expected to be completed by the end of the first quarter of 2018.
- Phase 2 of the mill expansion will include the addition of a ball mill and will allow the processing of 8,000 tpd hard rock. Phase 2 is expected to be completed by the middle of 2019.

In September 2016 SRK Consulting (Canada) Inc. was retained by the Company to prepare this updated Feasibility Study. The Recovery Methods section of the report is authored by JDS Energy & Mining Inc., Tailings Disposal and Water Management sections are authored by Tetra Tech, Inc.

Property Description and Ownership

The Aurora Gold Mine is located in Guyana, South America, approximately 170 km west of the capital Georgetown and 130 km west north-west of Bartica, a settlement at the junction of the Essequibo and Cuyuni Rivers. Bartica is a regional hub for accessing the interior of north-western Guyana. The center of the property is located at latitude 6°45’N, longitude 59°45’W. The Project includes the Buckhall Port on the Essequibo River. There is a 150 km road from Buckhall Port to the Aurora Project site, and a ferry crossing of the Cuyuni River at Tapir.

Guyana Goldfields has constructed a runway on the southern bank of the Cuyuni River adjacent to the mining operation, which is suitable for helicopters and short-takeoff-and-landing aircraft. The runway has an approximate length of 1200 m. Guyana Goldfields operates several charter flights per day from Ogle airport to the Project site.

Guyana Goldfields, through its wholly owned subsidiary in Guyana, AGM Inc. (AGM), owns a 100% interest in Aurora. The Company was issued a Mining Licence for Aurora in November 2011. The licence gives Guyana Goldfields the right to build and operate the mine. When the licence was issued, the Company also signed a Mineral Agreement with the Government of Guyana and the Guyana Geology and Mines Commission which sets the fiscal regime, taxation and royalties as they affect the operation of the mine. The licence and mineral agreement were signed by Guyana Goldfields and AGM Inc., and are valid for 20 years and renewable on application for an additional seven-year period. The boundaries of the license form an oblong shape trending approximately southeast from the south bank of the Cuyuni River.

Geology and Mineralization

Mineral Resources at Aurora are confined within an approximately 2 km long corridor, known as the "Golden Square Mile" within the Company's Mining Licence. The Golden Square Mile area of the Aurora Gold Mine 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 Aurora 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 Gold Mine 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).

Exploration Status

After a lengthy hiatus during the financing and development period of the Aurora Gold Mine exploration activity is expected to ramp up significantly in 2017. Exploration efforts will be focused on both near mine targets as well as more greenfield type targets to the north and east of the Mining Licence.

Operations

Open Pit Operation

The open pit has a mine life of eight years based on a total of 19.6 Mt of ore mined at an average grade of 2.87 g/t Au. Average annual gold production over this period is approximately 1.8 M oz. Saprolite ore makes up 2.9 Mt or ~15% of total open pit ore tonnes and is expected to be largely mined out by the middle of 2019. Approximately 60% of the ore tonnes are sourced from Rory's Knoll, 30% from Aleck Hill, with the remainder coming from the Walcott Hill, Mad Kiss and North Aleck satellite deposits. Mining activity over the near term will be focused on rock ore at Rory's Knoll and saprolitic ore at Aleck Hill.

The average strip ratio over the life of mine is 8.4 to 1. The strip ratio peaks in 2019 and 2020, averaging 14.7 over these two years. As a result of the increasing strip ratio during these years the mining rate is expected to increase from ~35,000 tpd in 2017 to ~95,000 tpd in 2019 and 2020. To accommodate this increase and reduce overall mining costs the Company plans to transition to a larger mining fleet in 2018 consisting of 90-tonne haul trucks. The larger equipment will primarily be used for waste mining activities in the upper benches of the larger Rory's Knoll and Aleck Hill pits. 41-tonne haul trucks will continue to be used to haul waste deeper in the pits and to haul all ore.

Underground Operation

Following a two-year pre-production period, underground mining at Rory's Knoll commences in year 2024 as open pit mining operations wind down. The mining rate at Rory's Knoll averages 5,500 tpd at an average grade of 3.02 g/t Au over an 8-year mine life for a total of 1.4 Moz. Vertical development is assumed to be completed by an underground contractor while all lateral development will be completed by the Company. 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 -330 mRL down to -770 mRL. Below the open pit, the Rory's Knoll ore body approximates a sub-vertical pipe with >100 m diameter which, along with results from a detailed 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, as has been proven by existing open pit mining activities.

The Aleck Hill underground is expected to contribute 153,000 ounces (1.1 Mt at an average grade of 4.28 g/t Au) to the overall mine plan beginning in 2025 and continuing through to 2030. Aleck Hill will be mined through a combination of transverse and longitudinal LHOS from a depth of about -160 mRL to about -500 mRL.

The Mad Kiss underground contributes 104,000 ounces (0.6 Mt at an average grade of 5.45 g/t Au) to the overall mine plan. Mad Kiss will be developed concurrently with the Rory’s Knoll underground with initial production expected in 2024 and continuing through to 2027. Mad Kiss will be mined via longitudinal LHOS from a depth of about -40 mRL to about -380 mRL.

Processing

The existing process circuit has capacity for 5,600 tpd and includes cyanide leach and carbon adsorption process comprising crushing, single-stage grinding, gravity, cyanide leaching, carbon adsorption, carbon elution and regeneration, gold refining, cyanide destruction and tailings disposal.

The proposed plant expansion will be completed in two phases. The first phase will increase the throughput rate from 5,600 tpd to 8,000 tpd assuming that the saprolite portion of the mill feed is between 25% and 50%. The ordering of long lead-time items for the Phase 1 expansion has already commenced and detailed engineering is expected to commence in February 2017. The first phase of the expansion is expected to be completed by the end of the first quarter of 2018. The second phase of the expansion will allow the processing of 8,000 tpd hard rock and is expected to commence in mid-2018 and be completed by mid-2019 when the majority of saprolitic ore has been exhausted.

Gold doré is produced in the on-site refinery and stored in a secure vault prior to transportation off-site.

Mineral Resource Estimates

The mineral resources for the Aurora Gold Mine are reported at a cut-off grade of 0.30, 0.40 and 1.80 g/t Au based on open pit (saprolite and rock) and underground mining scenarios, respectively. The open pit cut-off grades are based on assumptions summarized in ES Table 1, while the underground reporting cut-off grades was determined considering the same price and recovery assumptions in consultation with SRK mine engineers involved in the design of an underground mine for the Aurora Gold Mine.

Mineral resources were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014) by Timothy Carew, P.Geo (APEGBC #19706), appropriate independent qualified person for the purpose of National Instrument 43-101.

ES Table 1: Mineral Resource Statement, Aurora Gold Project, Guyana, SRK Consulting, effective December 31, 2016.

Category	Quantity (kt)	Grade (g/t Au)	Contained Metal (k Oz)
Open Pit			
Measured	5,230	3.17	500
Indicated	24,440	2.51	1,970
Measured and Indicated	29,670	2.62	2,440
Inferred	4,770	1.57	230
Underground			
Indicated	30,060	3.91	3,780
Measured and Indicated	30,060	3.91	3,780
Inferred	11,810	4.12	1,570
Combined Mining			
Measured	5,230	2.97	500
Indicated	54,500	3.28	5,750
Measured and Indicated	59,730	3.25	6,250
Inferred	16,580	3.79	1,790

Notes:

1. 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.
2. The cut-off grades are based on a gold price of US$1,300 per ounce and metallurgical recoveries of 97 percent and 94.5 percent for saprolite and rock material respectively.
3. 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 ore and rock ore respectively, whereas underground resources are reported at a cut-off of 1.8 g/t Au.
4. Open pit mineral resources exclude the mined out areas.
5. Stockpile data based on inventory in RoM, external RoM and Refeed stockpile as of EOY 2016.

<u>Mineral Reserve Estimates</u>

The mineral reserve estimate has been completed to a level appropriate for feasibility studies. The mineral reserve estimate stated herein is consistent with the CIM Definition Standards (2014) for reporting Mineral Resources and Mineral Reserves and is suitable for public reporting. As such, the Mineral Reserves are based on Measured and Indicated Resources, and do not include any Inferred Resources.

The Mineral Reserve statement for the Aurora Gold project is presented in ES Table 2.

ES Table 2: Mineral Reserve Statement, Aurora Gold Project, Guyana, SRK Consulting, effective December 31, 2016.

Category	Quantity (kt)	Grade (g/t Au)	Contained Metal (k Oz)
Proven			
OP Saprolite	336	1.60	17
OP Rock	4,864	2.99	468
Total Proven	**5,200**	**2.90**	**485**
Probable			
OP Saprolite	2,934	1.91	180
OP Rock	12,128	3.02	1,178
UG Rock	16,519	3.19	1,694
Total Probable	**31,580**	**3.01**	**3,052**
Total P&P	**36,781**	**2.99**	**3,537**

Notes:

1 Mineral Reserves are based on a gold price of US$1,200 per ounce, 8% royalty and an average metallurgical recovery of 96.0% for saprolite and 94.0% for fresh rock material.

2 Open pit saprolite and rock reserves are reported at a cut-off grade of 0.44 g/t Au and 0.42 g/t Au for vein and upper saprolite material respectively. Open pit rock reserves are reported at a cut-off grade of 0.76 g/t Au and 0.64 g/t Au for vein and Rory's Knoll rock material respectively.

3 Underground fresh rock reserves are reported at a cut-off grade of 1.5 g/t Au for Rory's Knoll and 2.41 g/t Au for the satellite deposits.

4 Mineral Reserves are contained within Mineral Resources.

5 Independent qualified persons as defined by National Instrument 43-101 are Robert J. McCarthy P Eng.(# 27309), for open pit reserves and Christopher A. Elliott, FAusIMM (#103277), for underground reserves. SRK is not aware of mining, metallurgical, infrastructure, permitting, or other factors that could materially affect the mineral reserve estimates.

Project Infrastructure and Access

During the mine life a combination of transportation methods, including aircraft, river navigation, and road access will be used to supply the Mine. Overall, the offsite infrastructure includes docking facilities for cargo ships at the Buckhall Port facility on the west side of the Essequibo River. The mine access road is 150 km in length from Buckhall Port to the mine site.

During production, the access road will be mainly used for the supply of food, reagents, spare parts, mining supplies, and diesel fuel. The site airstrip will be used mainly for personnel transportation and emergency situations.

The site entails a series of open pits, waste rock stockpiles, a process facility with associated laboratory and maintenance facilities; maintenance buildings for underground and open pit equipment. Facilities and structures include a warehouse, office, change house facilities, ventilation shaft, mine air cooling process facility, explosives storage area, power generating station, fuel storage tanks, a warehouse and laydown area, a 1,200 m airstrip, and a permanent accommodation complex. The open pit area is protected from potential flooding of the Cuyuni River by a river dike.

Areas for the tailings management, fresh water, and mine water management ponds are provided by several dams at low topographic points. These ponds, and all except one of the waste rock stockpiles, are on the west side of the process facility, away from the accommodation complex. Additional waste is located to the north of the process facility, also away from the accommodation complex.

Conclusions

The results of sensitivity analyses show that the project can withstand a substantial increase in capital and operating costs. A 30% decrease in gold price results in a positive NPV5% of $312 M; at a gold price of $1,500 per ounce the NPV5% results in $1,325 M.

Open Pit Mining

The Aurora Mine has successfully completed its commissioning and as of this writing is in a steady state of mining production. The operations are sufficiently established so as to provide the basis of much of the technical and economic inputs required for this feasibility study update.

This study has demonstrated that AGM would be able to increase the mine production beginning in 2018 to meet a mill throughput rate of 8,000 tonnes per day. Both saprolite and rock ores are mined through 2019 with only rock ore available from 2020 onward. In order to elevate the mill feed grade in the early years, SRK segregated low grade saprolite and rock ores for later feeding to the mill at the end of the mine life.

The increase in mine production rates is enabled by the acquisition of larger loading and hauling equipment starting in 2018. This enables AGM to realize the benefits of lower unit costs as well as limit the size of equipment fleets needed in the mine plan.

Underground Mining

The study has demonstrated that the underground operations Rory's Knoll and the satellite deposits (Aleck Hill and Mad Kiss) are economically viable in their current configurations.

Processing

The current processing facility operating at AGM is meeting the predicted throughput rates and grind sizes. The proposed expansion of the processing facility in two phases will ultimately result in an expanded throughput rate of 8,000 tpd hard rock.

Environmental

The project has been in operation for one year. There is an ESHS MS System in place and external audits for IFC standards compliance review occur regularly.

There are no non-compliance issues based on verbal information provided by the VP Sustainability and Health & Safety, and confirmed by a general review of public information.

Risks and Opportunities

During the course of the study the following potential risks were identified.

Geotechnical

Open Pit Geotechnical

- **Brittle Fault Location and Characterization** – Currently, a model of the brittle fault features and large persistent joints expected behind the pit face in the region of the final pit does not exist. Local structure mapping has been conducted on site, however these observations have not been interpreted to extend behind the pit face to the planned interim or final wall locations. The structural model of the rock at the final pit wall location is an integral part of the overall slope design which must be reviewed against the likelihood of faults to avoid large scale slope failures ranging from multi-bench to inter-ramp scale. An improved understanding of the nature and location of any potential brittle fault features at the final pit wall locations should be undertaken as soon as possible. This is commonly achieved through the development of a 3D structural model. All slope designs and angles are contingent to their review against a fault model and should not be considered final until this reconciliation is complete. Pit slope designs may be governed by major structures.

- **Shear Zone Characterization (Aleck Hill)** – The location and geotechnical nature (thickness, strength, etc.) of the shear zones at the Aleck Hill pit are based on limited data. Additional boreholes should be drilled to allow for a more complete characterization of these zones. If the shears are found to be extensive, inter-ramp wall angles may be required to be flattened to accommodate for the foliation and weakened rock mass strength.
- **Wall Control Blasting** – The angles provided within this document are based up best industry blasting practices in which wall control is of primary importance. Excessive blast damage will not allow for the achievement of the designed IRA's. Bench heights may be reduced to 10m if necessary, however, bench widths should also be evaluated to keep the IRA's in the design sectors similar.

Underground Geotechnical

The geotechnical design parameters presented within this document are based upon the review of historical data and observations on site. The following risks have been identified to the underground design:

- **Slope Stability** – The current mine design includes open benching to the surface. Instability of the slopes above may lead to excess dilution in the underground mine. Due to their impact on the underground mine, the slopes should be designed to a FOS of 1.3 and above.
- **Brittle Fault Location and Characterization** – Currently, a model of the brittle fault features and large persistent joints expected underground does not exist. Local structure mapping has been conducted on site, however these observations have not been interpreted to extend to the underground locations. An improved understanding of the nature and location of any potential brittle fault features at the underground mine locations should be undertaken as soon as possible. This is commonly achieved through the development of a 3D structural model.
- **Shear Zone Characterization (Aleck Hill)** – The location and geotechnical nature (thickness, strength, etc.) of the shear zones at the Aleck Hill pit are based on limited data. Additional boreholes should be drilled to allow for a more complete characterization of these zones. If the shears are found to be extensive, underground development and stope locations may be required to move or be reduced in size to accommodate for the foliation and weakened rock mass strength or an increase in ground support (and associated costs) will be required.
- **Water Inflow** – Any changes in the location and geotechnical nature (thickness, strength, etc) of the shear zones at the Aleck Hill area may affect the local water inflow into the underground excavation. Additional costs may be associated with managing the water inflow.

- **Ore Geometry** – ore geometry which is more complex than expected, may increase damage and dilution during production, and reduce ore recovery.

The following opportunities have been identified to the open pit design:

- **Saprolite Design Angle** – Based on the current behaviour of the saprolite slopes, site specific laboratory testing and specific trial inter-ramp slopes can used to determine in saprolite slopes can be locally steepened. Pore water pressures should be monitored in these areas.
- **Data Reconciliation** – As mining progresses, additional data on both the saprolite and the rockmass (such as joint persistence, joint set orientation, etc.) can be collected and used to update the geotechnical domain models. The inter-ramp angles may be able to be increased with increased confidence in the geotechnical data and continued site observations.

The following opportunities have been identified to the underground design:

- **Geological Reconciliation** – As additional geotechnical information is collected on the areas near the underground design, ground conditions found to be more competent than the current model will allow for a reduction in support cost.

Mining

Open Pit Mining

There is risk that the production increase in 2018 may pose logistical and management challenges. A key area to consider is training of new operators and staff to ensure efficiencies envisioned in this study are realized. AGM would be advised to develop a comprehensive execution plan to ensure that milestones are met as new equipment and personnel are brought on line.

Additional resources in the mine proximity would enable the open pit mine life to extend. While such resources have not yet been identified, SRK is aware that brownfield exploration is getting underway to see if such opportunities may exist for the near term.

As previously suggested, the Company may be able to source more used equipment than considered in this study and possibly at better pricing than assumed.

Underground Mining

- **Mudrush** – 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 saprolite ore as part of the open pit mining and by implementation of an effective dewatering and water diversion programs, such as perimeter drainage, collection sumps, etc.
- **Labour productivity** – The productivity of the Guyanese workforce in an underground mining environment is not demonstrated. 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 unskilled labour to the required level is also a key factor for the underground mine. Sufficient time for planning and execution of the contracting strategy must be allowed.
- **Execution risk** – Any mining system is dependent on professional execution and there exists a risk that the planning and procedures are either optimistic or ultimately not well executed. AGM should ensure that both planning and execution capability are well-considered, are not overly optimistic, and that downside risk does not place the underground mining values proposition at undue risk.

The opportunities available for the underground mines are extensive, given that the commitment to commence underground mining is still some years away. Therefore, with the advantage of time and additional data (as it becomes available from operations and deeper exploration drilling) there exists the opportunity to re-evaluate almost every aspect of the underground mining strategy.

As a minimum, opportunities exist in the following aspects of the underground mines:

- **Mining Method**: re-evaluate the range of applicable mining methods in the context of updated resource model and geotechnical data.
- **Ore Handling**: given that Rory's Knoll deposit is open at depth, there is an opportunity to evaluate alternative ore handling strategies prior to committing to the truck haulage method.

Processing

The ability to blend ores using the soft Saprolitic materials may enhance throughputs beyond those estimated here. If so, an opportunity exists to run low grade Saprolite longer into the mine life with the rock ore from underground, thus extending the mine life and improving overall project economics.

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.

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 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, 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.

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 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 3540% 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 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.

Limited History of Mineral Production

Guyana Goldfields did not previously have any interest in mineral producing properties prior to the commencement of commercial production at the Aurora Gold Mine 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.

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. 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 further explore and develop its projects, as applicable, 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 scheduled principal debt repayments under the Loan Facility to date, 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 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 Loan Facility and meet its other obligations. If cash flow from operations are insufficient or if there is a contravention of its 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 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 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.

Limited History of Earnings or Dividends

Prior to fiscal 2016, the Company had 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. 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 22, 2017 there were 172,287,133 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, 2016.

Month	High	Low	Volume (in millions)
December 2016	4.95824	3.40682	21.28365
November 2016	6.3826	3.96917	18.30335
October 2016	6.28183	5.12635	12.30804
September 2016	7.28068	5.95922	29.14298
August 2016	7.48554	6.12487	17.50687
July 2016	7.39166	5.78454	17.33933
June 2016	7.99975	5.50408	47.20509
May 2016	6.55471	4.88294	18.71977
April 2016	5.97251	3.32823	14.58517
March 2016	4.02754	3.00211	11.99946
February 2016	3.43451	2.61576	9.294000
January 2016	2.69619	2.21742	4.74138

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 22, 2017, 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 22, 2017, an aggregate of 7,467,500 Common Shares (representing approximately 4.3% of all issued and outstanding Common Shares as of such date) 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] Toronto, Ontario	President and Chief Executive Officer and Director	President and Chief Executive Officer of the Company (2013 to present) Independent Director of SolGold PLC, mineral exploration company (2015 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) Chief Financial Officer of GPM Metals Inc., mineral exploration company (2012 to present) Chairman of the Board of Directors of Alamos Gold Inc., mineral exploration company (2010 to present) Director of Continental Gold Limited, mineral exploration company (2010 to present)	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
Alan Ferry[2] [3] [5] Ontario, Canada	Lead Director	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	1998

		Yellowcake Inc.), mineral exploration company (1996 to present). Director of GPM Metals Inc., mineral exploration company (2008 to present)	
Dan Noone Ontario, Canada	Director and Vice-President, Exploration	Vice-President, Exploration of the Company (2010 to present)	2009
J.P. Chauvin(2) (4) Ontario, Canada	Director	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)	2012
René Marion(3) (4)(5) Ontario, Canada	Director	Chairman (2016 to present) and Director (2013 – present), Richmont Mines Inc., mining company Former Executive Chairman and Director, Temex Resources Corp., mineral exploration company (2013 – 2015), former director of Continental Gold Limited (2015-2016) and former Director of Falco Resources Ltd., mineral exploration company (2014 to 2015) President and Chairman, RJLM Professional Services Ltd., engineering consulting firm (2012 – 2015) President, Chief Executive Officer and Director, AuRico Gold Inc., mining company (2007 – 2012**)**	2013
Michael Richings(2) (4) Washington, USA	Director	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 Former director of Midas Gold Corp., mineral exploration company, (2011 to 2015)	2013
David Beatty(3)(5) Ontario, Canada	Director	Director, OMERS Administration Corp., pension fund (2013 to present) Managing Director, Head of Mining + Metals, Investment Banking at	2013

		Industrial Alliance Securities (2016 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)	
Wendy Kei(2) (3) (5) 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)	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 Technical and Sustainability Committee of the Company.
(5) 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 90% of his time to such duties. Mr. Caldwell accepted a position as Director on the Board of SolGold PLC, an exploration company listed on the London AIM stock exchange. 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 Gaspe Copper mine, both for Noranda Mines Inc. In 1992, Mr. Chauvin relocated to Manitouwadge 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. 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 joined Industrial Alliance Securities as Managing Director, Head of Mining + Metals, Investment Banking in December 2016. 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 director of the Company and dedicates approximately 5% of her time to such duties. Ms. 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, Technical and Sustainability Committee, and Corporate Governance and Nominating.

Audit Committee

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

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, David Beatty and Ms. Wendy Kei.

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, David Beatty and Ms. Wendy Kei.

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.

Technical and Sustainability Committee

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

The purpose of the Committee is to assist the Board in carrying out its responsibilities with respect to overseeing the exploration, development and operating activities of the Company, including the operation of the Aurora Gold Mine, from a technical, sustainable, financial and scheduling perspective including all current and future regulatory requirements. In addition, the Committee will oversee all sustainable development, environmental, health and safety policies, principles, practices and processes. 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.

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.

Messrs. Scott Caldwell and Patrick Sheridan, each an executive officer and a director of the Company, collectively hold securities representing approximately 3.5% of all issued and outstanding voting securities of SolGold PLC as of the date hereof, calculated on a non-diluted basis (or 3.3% calculated on a fully diluted basis). Mr. Caldwell also serves as a director of SolGold PLC. The Company holds securities representing approximately 7.2% of the outstanding shares of SolGold PLC as of the date hereof, calculated on a non-diluted basis. Each of Messrs. Caldwell and Sheridan has declared his interest in SolGold PLC to the board of directors of the Company and has and will refrain from voting in respect of any related matters in accordance with applicable corporate law .

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 TSX Trust Company, 200 University Avenue, Suite 400, Toronto, ON, M5H 4H1.

MATERIAL CONTRACTS

There are no contracts of the Company, other than (i) the Mineral Agreement and Mining Licence in respect of the Aurora Gold Mine; (ii) the Common Terms Agreement in respect of the Loan Facility;, 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 Ms. Wendy Kei, Messrs. Alan Ferry, Jean-Pierre Chauvin and Michael Richings. As defined in NI 52-110, each of the directors are considered to be "independent" and "financially literate".

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.

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).

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, 2016 for audit and non-audit related services:

Type of Work	Year Ended December 31, 2016 (Cdn$)	Year Ended December 31, 2015 (Cdn$)
Audit Fees (1)	$300,000	$180,000
Audit-related Fees (2)	$240,000	$120,670
Tax Advisory Fees (3)	$16,233	$9,459
All other Fees(4)	$51,500	$15,000
Total	$607,733	$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, 2016, 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 – Three Year History – Fiscal Year Ended December 31, 2016 – Aurora Gold Mine");
5. Dorota El-Rassi and Glen Cole (regarding the 2012 Resource Estimate);
6. Timothy Carew, Robert McCarthy, Christopher Elliott, Jaroslav Jakubec, Neil Winkelmann, Eric Olin, Jordan Severin, Cameron Scott, Louri Lakovlev, Grant Carlson, Kelly McLeod and Rich Greenwood (regarding the February 2017 Report);
7. Chris Elliot and Bob McCarthy regarding the scientific and technical disclosure concerning the February 2017 Report and as contained under the heading "February 2017 Mineral Reserves and Resources Update" in this AIF; and
8. 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, Chris Elliott, Bob McCarthy, Dan Noone, Timothy Carew, Robert McCarthy, Christopher Elliott, Jaroslav Jakubec, Neil Winkelmann, Eric Olin, Jordan Severin, Cameron Scott, Louri Lakovlev, Grant Carlson, Kelly McLeod and Rich Greenwood 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, 2016. 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 with respect to the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, as applicable, is contained in the Company's annual meeting management information circular for its most recently completed year end.

Additional financial information is provided in the Company's Financial Statements and MD&A for the financial year ended December 31, 2016, 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, integrity and accuracy of the Company's financial statements and other related public disclosures;

   (b) risk management and the Company's major financial risks and financial reporting exposures and working with the Technical & Sustainability Committee overseeing technical and operating risks;

   (c) the Company's internal controls over financial reporting;

   (d) the Company's compliance with legal and regulatory requirements relevant to the financial statements and financial reporting;

   (e) 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;

   (f) the external auditors' qualifications and independence; and

   (g) the performance of the external auditors and any reports on internal control from the auditors or third party reviews of financial reporting.

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. 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.
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.

(e) 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.

(f) 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.

(g) Meet independently with the external auditor and management in separate executive sessions, as necessary or appropriate.

(h) 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.

(i) Review and approve any significant amendments to the Company's Disclosure Policy.

(j) Review and if appropriate, ratify the mandate of the Disclosure Committee.

External Auditor

(k) 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.

(l) Communicating to the external auditors that they are ultimately accountable to the Board and the Committee as representatives of the shareholders.

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.

(m) 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.

(n) 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.

(o) Reviewing with the external auditors the plan and scope of the quarterly review and annual audit engagements.

(p) Setting hiring policies with respect to the employment of current or former employees of the external auditors.

Internal Controls and Audit

(q) 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.

(r) 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.

(s) 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.

(t) 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.

(u) Reviewing and discussing with management and the external auditors the effectiveness of the Company's audit function, including reviewing the internal audit mandate, independence, organizational structure, internal controls, independence, and organizational structure.

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

Other

(w) Reporting regularly to the Board.

(x) Reviewing and assessing its Charter and recommending any proposed changes to the Corporate Governance & Nominating Committee of the Board on an annual basis.

(y) 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.

(z) 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 February 23, 2017.