

Guyana Goldfields Inc. Addresses False and Misleading Sheridan Allegations and Frivolous Threatened Derivative Action

TORONTO, April 23, 2019 /CNW/ - Guyana Goldfields Inc. (TSX:GUY) (the "Company") today addressed false and misleading allegations and a threatened derivative action by Patrick Sheridan, who was terminated as the Company's Executive Chairman in July 2018 and is now leading a dissident proxy campaign against the Company and its Board of Directors (the "Board").

"Mr. Sheridan's allegations are plainly untrue and his threatened derivative action is entirely frivolous," said Mr. René Marion, Non-Executive Chairman. "This is nothing but a smokescreen to distract shareholders from Mr. Sheridan's own actions."

Continued Mr. Marion, "If Mr. Sheridan's concerns were genuine, he had ample opportunity to raise and address them while he was in an executive position with the Company. He never did so. It is clear that Mr. Sheridan's purported concerns are tactical, not genuine, and are being raised now in bad faith to further Mr. Sheridan's goal of acquiring control of the Board and the Company in the ongoing proxy contest."

After his termination as Executive Chairman, Mr. Sheridan made a number of disparaging and sensational allegations similar to the ones raised with the Company today. The Company created a Special Committee and retained independent legal counsel and a global forensic accounting firm at significant expense to investigate those allegations.

The Special Committee's advisors reviewed over 15,000 records and interviewed current and former employees and consultants. The Special Committee ultimately concluded that many of the allegations raised by Mr. Sheridan were false or without merit. The Special Committee also made a number of recommendations for improvements in Company policies and procedures that were adopted and implemented by the Board.

The Board reviewed Mr. Sheridan's latest allegations, issued in a news release yesterday. None of them were made with any verifiable information to support them. Based on the Special Committee's prior work and findings, the Board is satisfied yesterday's allegations have no merit and are made in bad faith.

The Company urges shareholders to ignore Mr. Sheridan's news release and his allegations based on unnamed sources. Instead, shareholders should carefully review the Company's Management Information Circular (the "Circular"), issued yesterday just prior to Mr. Sheridan's news release.

The Company specifically refers shareholders to:

- Mr. Sheridan's role as Chief Executive Officer and interim Chief Operating Officer in 2012 when the previous resource model for the Aurora Gold Mine was prepared. As previously disclosed in the Company's news release dated April 4, 2019, it is apparent that the contained ounces of gold at the mine had been overestimated in the previous resource model. The matter is described in more detail on pages 3-7, 22, and 27-28 of the Circular;
- Mr. Sheridan's managerial performance as an officer of the Company, his conflicts, his conduct and his trading in the Company's securities, as described on pages 21 to 26 of the Circular; and
- The thorough five-month investigation by the Special Committee of Mr. Sheridan's allegations, as described on pages 29 to 30 of the Circular.

The Company is aware of no facts that support investigating Mr. Sheridan's complaints further and has no intention of instituting a claim as proposed by Mr. Sheridan. If Mr. Sheridan proceeds with

an application to seek leave to commence a derivative action, his action would constitute a manifest abuse of the court process and the Company's resources.

The Company will contest any litigation commenced by Mr. Sheridan. Shareholders should be concerned that Mr. Sheridan continues to force the Company to waste funds addressing his misguided hostility toward the current management and Board and his efforts to blame them for his failure to create value for shareholders.

About Guyana Goldfields Inc.:

Guyana Goldfields Inc. is a Canadian based mid-tier gold producer primarily focused on the exploration, development and operation of gold deposits in Guyana, South America.

Forwarding-Looking Information

This news release contains "forward-looking information" which may include, but is not limited to, statements with respect to future legal actions by the Company. Often, but not always, statements containing forward-looking information can be identified by the use of words and phrases such as "will" or variations of such word, or state that certain actions, events or results "will" be taken, occur or be achieved. Forward-looking statements are based on the opinions of management as of the date such statements are made and are based on various assumptions. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, those factors discussed in the section entitled "Risk Factors" in the Company's annual information form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

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