



**Guyana Goldfields Inc.**  
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Having Obtained the Mining License on their Aurora Project, Guyana Goldfields Inc. is Positioned to Move into Construction and Development of their Asset, with an Eye on Operating an Open-Pit Mine in Early 2014



**Resources**  
**Gold Exploration**  
**(GUY-TSX)**

**Claude F. Lemasson (P.Engl, MBA)**  
**President, COO and Director**

**BIO:**

Mr. Lemasson is a professional engineer with 22 years of experience in mining construction and operations across Canada and the United States. From May 2006 to present, Mr. Lemasson was Goldcorp's General Manager of Projects for Canada and U.S. He was previously employed (2000-2006) with Goldcorp Inc. as the Mine General Manager of the Red Lake mine. Mr. Lemasson is a graduate of the Kellogg-Schulich Executive MBA program.

**Company Profile:**

Guyana Goldfields Inc. is a Canadian based mineral exploration Company primarily focused on the exploration and development of gold deposits in the Guiana Shield of South America. The Guiana Shield is in the northern part of the Amazon Craton and covers parts of Guyana, Venezuela, Suriname, French Guyana and northern Brazil. The Company holds advanced

exploration projects in various stages of development and has been operating in Guyana continuously since 1996.

**Interview conducted by:**  
**Lynn Fosse, Senior Editor**

**CEOCFO:** Mr. Lemasson, how did the interest in Guyana develop?

**Mr. Lemasson:** The company, Guyana Goldfields, has been established in Guyana for 15 years. The founder of the company and current CEO is Pat Sheridan Jr. Pat decided 15 years ago to look for an area in the world where he thought had very strong gold exploration potential. From his research and through his contacts, he selected Guyana as the country that could be very fruitful for gold exploration. He decided to establish himself there with a couple of other people, including our current country manager Violet Smith, who is Guyanese and educated in Canada. He partnered up with her and they created the company and established themselves in Guyana. From that point on throughout the late 1990's there was an acquisition of some key properties. In 2000 particularly, there was the acquisition of the Aurora Properties and through that acquisition and further exploration a major discovery was made at Aurora in 2004.

**CEOCFO:** What is happening today at Aurora, and are there other projects in the works for Guyana Goldfields?

**Mr. Lemasson:** Over the years, we have developed a fairly large strategic land package of over 417,000 acres. Part of that package is the Aurora Properties and at the center of the Aurora Properties is the Aurora

Project itself. The Aurora Project is our core asset. It is an asset that was discovered in 2004 through extensive drilling. The resource at Aurora was grown up to 5.7 million ounces of measured and indicated resource today and through that in the last two years or so we have been going through a pre-development phase on Aurora, which includes both doing some extensive studies including a feasibility study as well as moving forward on the permitting of the mine itself. We recently signed our Mineral Agreement with the Government of Guyana. We also received our full Mining License which is the permit to build and operate the Aurora Mine. The Aurora feasibility study itself will be completed in December, and we will issue results in mid-January. At that point we would move into development and construction of the asset, which would take roughly about 2 years. We would start operating out of the open-pit mine in early 2014 and reaching commercial production around that time.

**CEOCFO:** Does Guyana Goldfields own the property 100%?

**Mr. Lemasson:** Yes, we own the property 100%. The only take away is the royalty on the corporate income tax.

**CEOCFO:** Does Guyana Goldfields expect to handle the production phase as well?

**Mr. Lemasson:** Yes, we are looking at building the mine and operating the mine over the long term.

**CEOCFO:** Would you tell us about the country of Guyana and its mining friendliness?

**Mr. Lemasson:** Guyana itself is on the north coast of South America. It is very much Caribbean in style as a country, with some very close connection to Trinidad and to Barbados. It is a fairly small country of 750,000 people, and it is the only English-speaking country in South America. It has a democratically elected government. The GDP is just over \$2 billion U.S., which is a fairly small country, and a bit of a poor country. However, they are very supportive of mining, particularly gold mining both at the population as well as the government. There is a long history of gold production in the country, but most of the production has been through artisanal or small scale type mining. We are going to be the next large scale gold mine to be built and operated in the country and we expect a few others to continue after that. As a country, it is in a tropical environment. We are in a rainforest setting and the country itself is largely undeveloped except along the coast and the main rivers off the Atlantic. We are in an area that is fairly isolated and remote in the northwest part of the country.

**CEOCFO:** Does Guyana Goldfields need to put in much infrastructure?

**Mr. Lemasson:** Yes we do. There are some logging roads that we are currently using, but we had to extend those roads by about 40 kilometers and we have had to build our own camp and airstrip. We also have a small port facility that we are currently developing. Therefore, all of the infrastructure work to put in what you require as a mining company to operate, you need to put in yourself and that is essentially what we have been doing.

**CEOCFO:** Is there an available workforce in Guyana?

**Mr. Lemasson:** As I said earlier, there are 750,000 people in the country, so there is certainly readily available labor for some of the regular work that we are doing. Therefore, at the laboring level and at the equipment operator level, there is that ex-

pertise. When it comes to a bit more specialized skills and when we are talking about mining particularly, that is something that is more difficult to find and therefore we will have to do extensive training. We are planning on doing extensive training programs as part of our development and operation of the mine. We will train the Guyanese, particularly in some of the areas where we might have difficulty finding the specialty such as a good example, the underground mining. As we develop the underground portion of the mine we will have to provide some extensive training to do that.

**CEOCFO:** Do you have equipment available?

**Mr. Lemasson:** Yes, but all of the

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**- Claude F. Lemasson (P.Engl, MBA)**

equipment in Guyana comes from out of the country. Guyana is not a producer or a manufacturer of equipment or steel, so everything is imported. We are looking at equipment from a variety of different countries including Canada and United States, but we are also looking at equipment from Europe, and Brazil. Everything that we need to build a mine will have to be imported including fuel and steel.

**CEOCFO:** Are there any challenges you see and how do you plan to handle them?

**Mr. Lemasson:** There are a few challenges. For example, the changing weather is a bit tricky where sometimes the rainy season ends up being a dry season and the opposite as well. We are designing around weather and

rainfall, so the design takes that into account as we are moving forward designing the mine. The other one is skilled labor, where we will have to provide extensive training. That is a bit of a challenge and we will have to manage that. Another one is related to the cost of some of the items that we need to bring in such as fuel. The component of the mine is fuel both for power generation to be able to run the plant, but also for the mobile equipment. We are a bit at the mercy of the cost of fuel, but that is a huge influence and you have to bring it in from the outside. Those kinds of things for us are some of the challenges that we see, but all of that can be planned around and managed. The last one would be some of the logistics. As I

mentioned, everything comes from outside the country, so you have to bring it from the outside. That includes shipping it in and being able to move it to the site, which is about 170 kilometers from a small port facility that we are developing. That involves a lot of trucking and a lot of movement of material and equipment.

**CEOCFO:** What is the financial picture like for Guyana Goldfields today?

**Mr. Lemasson:** The financial picture is quite good. Currently in the bank we

have about \$44 million, and we are able to carry on with what we have for at least another six months if not longer. We will need to raise money for the project itself and we are looking at potentially raising in total, \$400 million or so to build the mine. We are looking at different options, obviously equipment financing is one of the options that could take up to somewhere between \$75 and \$100 million of the \$400. We are looking at debt and the debt syndicate that we are talking to is being led by the IFC, which is the International Finance Corporation of the World Bank Group. However, the IFC is one of our large shareholders. They have a 6.3% equity position in our company and they are proposing to offer a debt package that could be up to \$75 to \$100 million in that range.

Then the balance would be raised through the markets through some form of equity.

**CEO CFO:** Has the investment community been paying attention?

**Mr. Lemasson:** They have more recently. We have really been able to do some marketing and increase our investor relations in the last couple of years. Particularly, and I think most significant investors and funds whether they are institutional investors such as funds or retail investors, are paying more attention to gold in general as it has been in the news quite a bit in the last couple of years. They are also looking at gold mining companies and we are one of the ones that has a very unique asset in our hands, where the size of the mine itself being north of 5 million ounces, with a pretty high-grade between 3 and 4 grams overall. Then with a fairly low cost of both operating cost of around \$400 an ounce and a fairly

low Capex around \$400 million, all of that combined makes it quite attractive. Therefore, there has been more attention paid to our company and our project because of that.

**CEO CFO:** In closing, what should investors know about Guyana Goldfields that they might not realize when they look at the company?

**Mr. Lemasson:** The number-one item is the geopolitical risk, which has become quite important in the last two or three years, where there is very often a change of government or a change of approach by certain governments changing the royalty and the fiscal regimes and creating a bit of havoc all over the world. Guyana is a largely unknown area of the world as far as gold mining for investors and we are basically as I mentioned going to be the next large scale gold mine. Therefore, it is a bit of a new territory for a lot of investors, but with the signing of the Mineral Agreement and re-

ceipt of our mining license, it should really show that the country is open for business and that we are moving forward as expected and really open the doors for mining investment. So that is where I think investors need to pay more attention to what is going to happen in Guyana, because this is meant to be long term investments for us and many other companies that are going to follow us in the country. It is a very positive move, so that is probably the biggest number-one hurdle, which is for the investor to get comfortable with the country of Guyana, but it is open for business. From that point, it is to look at different assets, but the fact that we have a sizable asset that is highly profitable, is something that a lot of investors will notice very quickly and why they should definitely look into Guyana Goldfields.



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