GUYANA GOLDFIELDS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

SECOND QUARTER 2019

TABLE OF CONTENTS

Management's Discussion and Analysis 3
Company Business 3
Second Quarter 2019 Results Summary 4
Outlook 5
Corporate Developments 6
Key Performance Drivers & Trends 7
Second Quarter 2019 Operating Results 8
Second Quarter 2019 Financial Results 11
Financial Condition 13
Exploration Activities 14
Capital Projects Updates 15
Liquidity & Capital Resources 16
Commitments & Contingencies 16
Summary of Quarterly Financial Results 17
Outstanding Share Data 17
Non-IFRS Performance Measures 18
Gold Produced – Change in Definition 19
Additional IFRS Financial Performance Measures 20
Risk Factors 20
Forward-Looking Statements 21
Technical Information 23
Accounting Disclosures 24

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is Management's Discussion and Analysis ("MD&A") of the factors management believes are relevant to assessing and understanding the consolidated financial condition and results of operations of Guyana Goldfields Inc. (the "Company") for the three and six months ended June 30, 2019 and 2018. References to "Guyana Goldfields" in this MD&A refer to the Company and its subsidiaries taken as a whole.

This MD&A should be read in conjunction with Guyana Goldfields' unaudited condensed interim consolidated financial statements and related notes for the three and six months ended June 30, 2019 and 2018, which are prepared in condensed format in accordance with International Financial Reporting Standards ("IFRS") as applicable to the preparation of interim financial statements, including International Accounting Standard IAS 34 Interim Reporting ("IAS 34"). The unaudited condensed interim consolidated financial statements should also be read in conjunction with the audited consolidated financial statements and the related notes for the twelve months ended December 31, 2018, which have also been prepared in accordance with IFRS. This MD&A contains certain forward-looking statements. Refer to the cautionary language at the end of this MD&A.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors.

Additional information relating to the Company, including its Annual Information Form for the most recently completed fiscal year, is available on SEDAR at **www.sedar.com**. The Company is a reporting issuer under applicable securities legislation in each of the provinces of Canada and its outstanding common shares are listed on the Toronto Stock Exchange under the symbol GUY.

Certain non-IFRS measures are included in this MD&A. The Company believes that these measures provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Results are reported in United States dollars, unless otherwise noted. Due to rounding, the sum of all the quarters may not add to the annual total and per ounce figures may not calculate based on the amounts presented. Information contained herein is presented as at July 30, 2019 unless otherwise indicated.

COMPANY BUSINESS

Guyana Goldfields is a Canadian-based company engaged in the investment, acquisition, exploration, development and operation of mineral property interests, principally gold resource properties in Guyana, South America. The Company's primary focus is the production of gold from its 100% owned Aurora Gold Mine ("Aurora"), which commenced commercial production on January 1, 2016.

The Company also holds 15 prospecting licenses covering 146,571 acres and the beneficial rights to a total of 91 medium scale mining permits ("MPs") and 7 medium scale prospecting permits ("PPs") covering 110,940 acres, contiguous with and surrounding the Aurora mine property. The MPs and PPs are subject to a net smelter return royalty ("NSR") that varies from 1.5% to 2% or fixed payments in lieu thereof at the option of the Company.

SECOND QUARTER 2019 RESULTS SUMMARY

- Second quarter gold production of 37,300 ounces amounting to 74,000 ounces of gold produced in the first half of 2019, in line with the 2019 production guidance range of 145,000 to 160,000 ounces of gold.
- Gold sales of 38,300 ounces at a total cash cost (before royalty)[1] of $746 per ounce of gold sold representing a 13% reduction from the comparable quarter in 2018. Cost of sales (including royalty and depreciation) were $1,186 per ounce and all-in sustaining costs[1] ("AISC") were $1,323 per ounce.
- Mining rate averaged 57,700 tonnes per day, a 45% increase in the mining rate compared to the previous year.
- Record quarterly mill performance of 7,800 tonnes per day and a 10% increase from second quarter of 2018.
- Underground exploration decline construction was resumed and advanced 164 metres during the second quarter.
- Over 2 million-person hours without a lost time injury.
- Exploration drilling at Mad Kiss hole MKD 187 drilled into the central mineralized zone returned an average of 6.11 grams per tonne of gold over a core interval of 301.4 metres starting from 14.1 metres downhole.
- Strong balance sheet with a cash balance of approximately $38.9 million at June 30, 2019 and no outstanding debt.
- Settlement agreement reached on April 28, 2019 with a group of shareholders who had requisitioned a special meeting of the Company's shareholders, resulting in the appointment of two new independent Board members and implementing a succession plan for the role of Chief Executive Officer.

(in thousands of US dollars, except ounces, per ounce and per share figures)

		Three months ending June 30			Six months ending June 30	
		2019	**2018**		**2019**	**2018**
Ounces produced[1]		**37,300**	31,300		**74,000**	70,100
Ounces sold		**38,300**	31,700		**76,500**	69,750
Revenues	$	**50,772**	41,196	$	**100,451**	91,930
Earnings from mine operations	$	**5,255**	5,167	$	**5,266**	21,156
(Loss) earnings before tax	$	**(5,182)**	1,386	$	**(7,732)**	12,833
Net (loss) earnings	$	**(6,379)**	1,206	$	**(8,669)**	9,595
Net (loss) earnings per diluted share	$	**(0.04)**	0.01	$	**(0.05)**	0.06
Comprehensive (loss) income	$	**(6,379)**	1,307	$	**(8,669)**	694
Cash flow from operating activities	$	15,816	963	$	33,234	19,891
Cash and cash equivalents	$	**38,924**	62,670	$	**38,924**	62,670
Debt	$	**-**	50,000	$	**-**	50,000
Total Assets	$	**437,030**	467,378	$	**437,030**	467,378
Realized gold price per ounce	$	**1,325**	1,300	$	**1,313**	1,318
Cost of sales per ounce	$	**1,186**	1,137	$	**1,244**	1,015
Cash costs per ounce before royalty[2]	$	**746**	864	$	**793**	726
All-in sustaining costs per ounce [2]	$	**1,323**	1,186	$	**1,351**	1,052

[1] Change in definition of calculating and reporting gold produced effective January 1, 2019. Refer to "Gold Produced – Change in Definition" section of this MD&A.

[2] This is a non-IFRS measure. Refer to "Non-IFRS Performance Measures" section in this MD&A

OUTLOOK

PRODUCTION AND COST SAVING INITIATIVES

The Company expects full year gold production to come in toward the low end of its previously stated guidance range of 145,000 – 160,000 ounces of gold. During the third quarter, the plan calls for approximately half of the mill feed to be sourced from stockpiles due to sequencing of the pit phases at Rory's Knoll. As a result, production in the second half of the year will be back-end weighted with the fourth quarter accounting for approximately 60% of the forecast ounces.

Costs forecasts for the remainder of the year are provided below. Details have also been provided on the higher expected costs on a per ounce basis in the third quarter of 2019 due to the lower level of gold production expected that quarter.

- Cash cost per ounce[1] (before royalty) for the second half of the year are expected to be within the previously stated guidance range of $800 to $850/oz while third quarter cash costs per ounce are expected to be approximately 20% higher than the year-to-date average.
- Cost of sales per ounce for the second half of the year are expected to increase by approximately 10% when compared to the year-to-date average, while cost of sales per ounce in the third quarter are expected to be 20% higher than the first half of 2019 average.
- AISC[1] for the second half of the year is expected to be roughly in line with the year-to-date average while AISC[1] for the third quarter is expected to be approximately 5% higher than the first half of 2019 average.

Open pit mining rates are expected to be in line with the rate of 64,000 tpd as presented in the optimized mine plan on May 1, 2019. While the Company continues to implement a number of operational efficiency initiatives aimed at reducing costs, the benefit of these initiatives, for the most part, have not been incorporated into the current cost forecast, potentially allowing for additional unrealized improvements.

UNDERGROUND EXPLORATION DECLINE PROGRESS

The early works program on the underground exploration decline resumed in the second quarter with the remobilization of the underground contractor following the receipt of environmental authorization from the Guyanese Environmental Protection Agency ("EPA"). The contractor completed the portal collaring at Mad Kiss during the quarter and as at June 30, 2019, the exploration decline had been extended a total of 164 metres.

The early works program was recently extended to include the first 400 metres of development of the exploration decline. The next phase of the underground exploration decline development is for 2,100 metres, for which management continues to evaluate development alternatives.

2019 EXPLORATION

An exploration budget of $6.8 million has been approved for 2019. The program includes 30,000 metres of combined surface and underground drilling for the year. During the second quarter 18 holes were completed for 5,059 metres bringing the total on the year to 13,001 metres.

The first half of the year was focused on shallow, oxide satellite open pit targets and definition drilling of extensions of high-grade ore shoots at Mad Kiss and East Walcott. A new reverse circulation ("RC") drill as well as an underground drill will be mobilized to site in the third quarter for additional near mine surface exploration as well as underground definition drilling.

The regional data review is largely complete, now comprised of some 352 drill holes and 800,000 records. Targets are being assessed and ranked with field work expected to commence in the second half of 2019.

[1] This is a non-IFRS measure. Refer to "Non-IFRS Performance Measures" section in this MD&A

CORPORATE DEVELOPMENTS

SHAREHOLDER REQUISITION

On January 2, 2019, the Company received a requisition from a group of shareholders (the "Requisitioning Shareholders") for a special meeting of shareholders of the Company to be called to consider the replacement of the current board of directors of the Company. On April 29, 2019, the Company announced that it had reached a settlement with the Requisitioning Shareholders. As part of the settlement, the Company appointed two experienced mining executives, Alan Pangbourne and Allen Palmiere, to join the Board as independent directors, and three long-serving directors voluntarily resigned from the Board. The Company has also implemented a succession plan for the role of Chief Executive Officer. The Requisitioning Shareholders agreed to immediately withdraw their requisition for a special meeting and also agreed to customary standstill provisions extending through to the conclusion of the Company's 2021 annual shareholders meeting.

Total costs incurred related to the proxy contest during the second quarter of 2019 are as follows:

(in thousands of dollars)

	Three months ending June 30		Six months ending June 30	
	2019	**2018**	**2019**	**2018**
Proxy contest related costs	**$ 2,075**	-	**$ 4,144**	-

As part of the settlement, the Company reimbursed the Requisitioning Shareholders for Cdn$1.5 million of expenses incurred by them during the proxy contest, which were fully accrued and paid during the second quarter.

The settlement agreement is available under the Company's profile on SEDAR (www.sedar.com).

EARLY RETIREMENT OF LONG-TERM DEBT

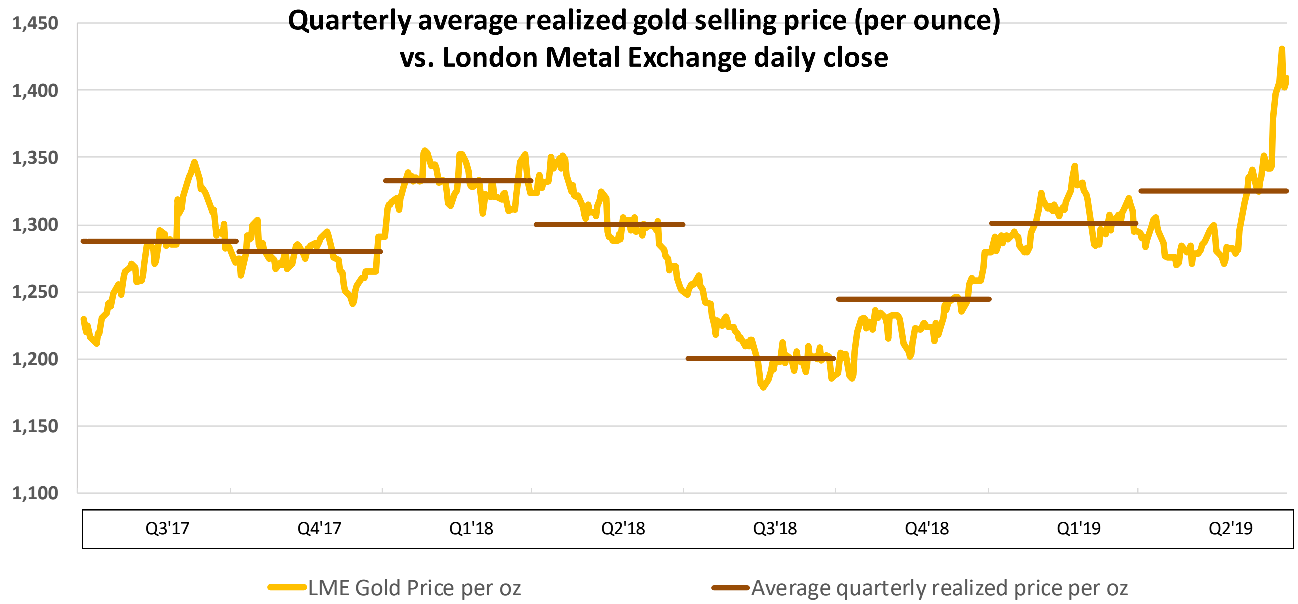
On April 30, 2019, the Company announced that it had elected to retire the $35 million principal balance of its long term debt. Under the original terms of the debt facility, quarterly principal repayments of $5 million were required until extinguishment of the loan on December 31, 2020. No prepayment penalty applied to the early retirement of the loan. Interest accrued to the date of prepayment was paid.

While the current management plan envisions the self-funding of underground development through 2019 and 2020, management is actively exploring financing alternatives to provide additional balance sheet flexibility through the next 24 months, or longer.

KEY PERFORMANCE DRIVERS & TRENDS

The price of gold is the largest single factor in determining the Company's profitability and cash flow from operations. Historically, the price of gold has been subject to volatile price movements over short periods of time and is affected by numerous macroeconomic and industry factors that are beyond the Company's control. Major influences on the gold price include currency exchange rate fluctuations and the relative strength of the U.S. dollar, the supply of and demand for gold and macroeconomic factors such as the level of interest rates and inflation expectations.

The price of gold over the last eight quarters based on the London Bullion Market Association PM Fix is summarized in the chart below. The average market price of gold on the London Bullion Market was $1,307 per ounce for the second quarter of 2019. During this period the Company realized an average selling price of gold of $1,325 per ounce sold, in line with the average market price. Subsequent to June 30, 2019, the price of gold has primarily been in a trading range between $1,390 per ounce and $1,415 per ounce. The Company has not entered into any gold hedging programs.



Other key performance drivers include production volumes and costs, which are further discussed on the following pages.

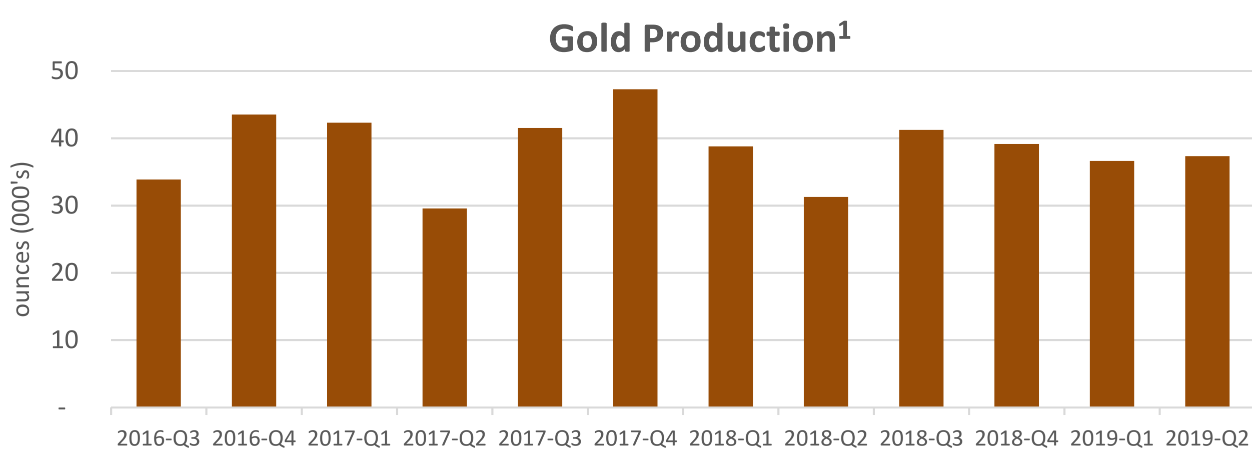
SECOND QUARTER 2019 OPERATING RESULTS

KEY OPERATING STATISTICS

		Three months ending June 30		Six months ending June 30	
		2019	**2018**	**2019**	**2018**
Ore mined	*tonnes ('000s)*	**547**	468	**1,049**	984
Waste mined	*tonnes ('000s)*	**4,705**	3,148	**9,741**	5,914
Total mined	*tonnes ('000s)*	**5,252**	3,616	**10,790**	6,898
Strip ratio	*waste:ore*	**8.6**	6.7	**9.3**	6.0
Tonnes mined per day	*tpd*	**57,700**	39,700	**59,600**	38,100
Ore processed	*tonnes ('000s)*	**711**	646	**1,360**	1,251
Tonnes processed per day	*tpd*	**7,800**	7,100	**7,500**	6,900
Head grade	*g/t Au*	**1.81**	1.65	**1.87**	1.9
Recovery	*%*	**90.2**	91.4	**90.3**	91.6
Gold produced[1]	*Ounces*	**37,300**	31,300	**74,000**	70,100
Gold sold	*Ounces*	**38,300**	31,700	**76,500**	69,750
Average realized gold price	*$/ounce*	**1,325**	1,300	**1,313**	1,318

[1] Change in definition of calculating and reporting gold produced effective January 1, 2019. Refer to "Gold Produced – Change in Definition" section of this MD&A.

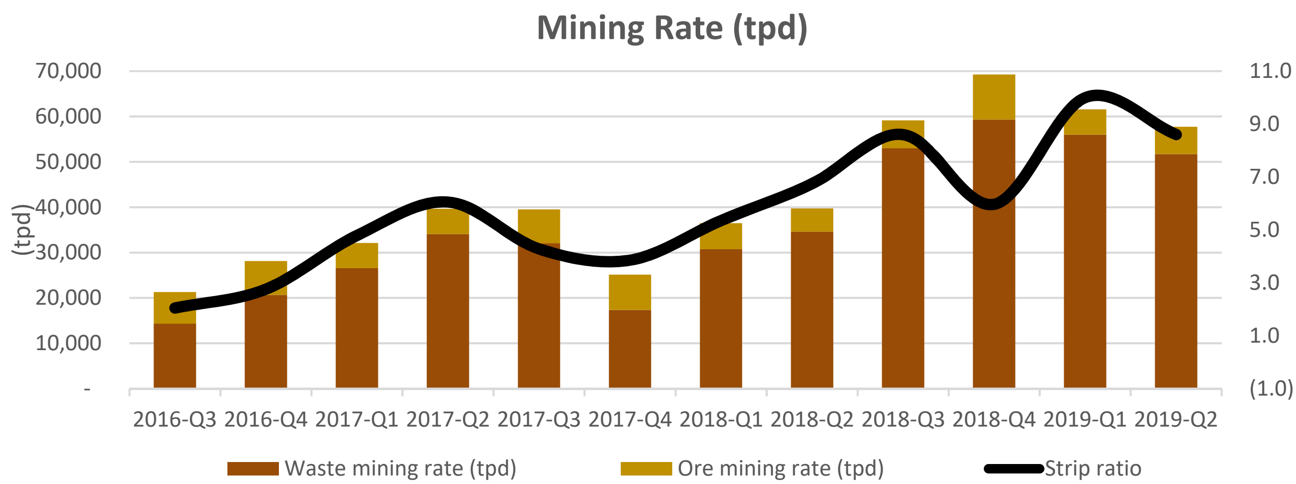
GOLD PRODUCTION[1]



[1] Change in definition of calculating and reporting gold produced effective January 1, 2019. Refer to "Gold Produced – Change in Definition" section of this MD&A.

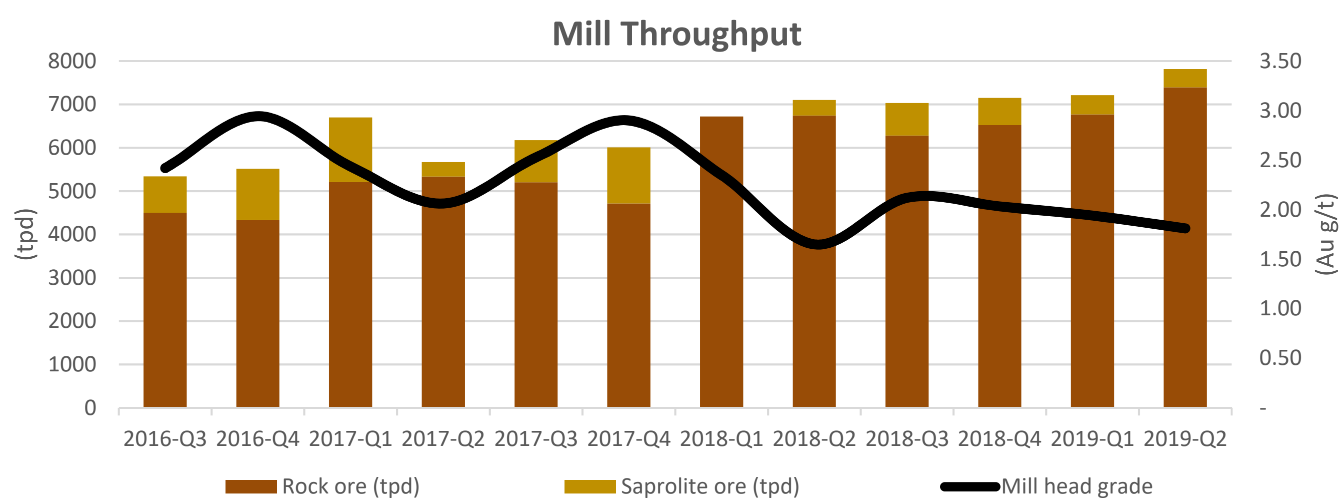
Gold production for the second quarter was 37,300 ounces, which was higher than the comparable quarter in the prior year and a result of a higher average head grade as well as higher mill throughput rates. See "Mining Activities" and "Processing Activities", respectively, on the following page for further detail.

MINING ACTIVITIES



During the second quarter, average mining rate was 57,700 tpd, a 6% decline from the previous quarter and a 45% increase from the second quarter of 2018. The average strip ratio during the quarter was 8.6 tonnes of waste to one tonne of ore, an increase from a strip ratio of 6.7 from the comparable quarter in the prior year. The decline in mining rate from the prior quarter was primarily due to lower equipment availabilities, along with seasonal rains.

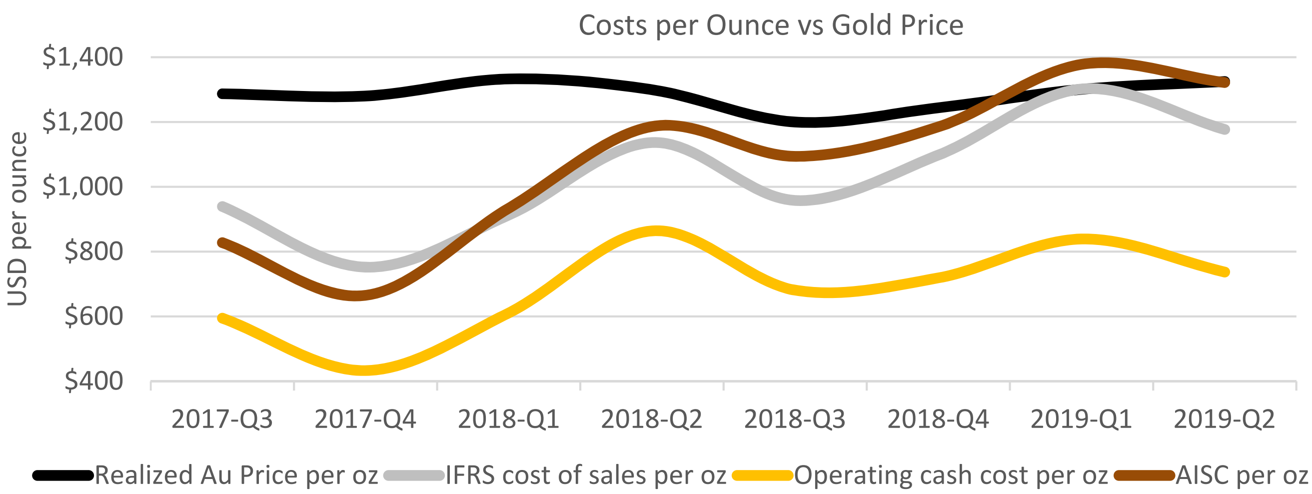
PROCESSING ACTIVITIES



The mill achieved record throughput rates for the quarter, averaging 7,800 tpd. The increased throughput is a result of commissioning the second phase of the plant expansion during the first quarter of 2019, which has increased mill availability and throughputs.

The mill head grade for the second quarter was 1.81 grams of gold per tonne ("g/t Au"), which was higher than the grade of 1.65 g/t Au milled during the second quarter of 2018. Gold recoveries in the current quarter of 90.2% were slightly lower than the comparable quarter in the prior year at 91.4%.

COST OF SALES, TOTAL CASH COSTS[1] & AISC[1]



Cost of sales (including depreciation and royalties) was $1,186 per ounce in the second quarter of 2019 compared to $1,137 per ounce for the comparable quarter in 2018. This corresponds to a total cash cost (before royalty)[1] of $746 per ounce of gold sold, an 11% decrease from the prior quarter ($839 per ounce) and also a 14% decrease from the comparable quarter in 2018 ($864 per ounce). The decrease in cash costs on a per ounce basis from the comparable and prior quarter were largely attributable to cost reduction initiatives that are being implemented at the Aurora mine.

AISC[1] for the quarter was $1,323 per ounce, which was a 4% decrease from the prior quarter ($1,378 per ounce) and a 12% increase from the comparable quarter in the prior year ($1,186 per ounce). This increase in AISC[1] over the prior year is primarily attributable to the higher waste to ore stripping ratio – as discussed in the mining section previously.

SUBSEQUENT EVENT

On July 2, 2019 the Company experienced work stoppage at its Aurora mine as a result of a portion of the workforce blocking delivery of ore to the mill. The work stoppage lasted three days, with employees agreeing to return to work on July 5, 2019. As a result of the operational days lost, the Company estimates that approximately 22,500 tonnes were not processed and will not affect the third quarter production guidance.

[1] This is a non-IFRS measure. Refer to "Non-IFRS Performance Measures" section in this MD&A

SECOND QUARTER 2019 FINANCIAL RESULTS

KEY FINANCIAL STATISTICS

(in thousands of dollars, except ounces, per ounce and per share figures)

	Three months ending June 30				Six months ending June 30			
		2019		**2018**		**2019**		**2018**
Revenue	$	**50,772**	$	41,196	$	**100,451**	$	91,930
Cost of sales		**45,517**		36,029		**95,185**		70,774
Earnings from mine Operations	$	**5,255**	$	5,167	$	**5,266**	$	21,156
Corporate general & administrative expenses		**5,121**		3,060		**8,730**		5,919
Exploration expenses		**173**		1,654		**466**		2,973
Restructuring expenses		**4,514**		-		**5,106**		-
Finance expense (income), net		**629**		(933)		**(1,304)**		-569
Deferred tax expense		**1,197**		180		**937**		3,238
Net (loss) income	$	**(6,379)**	$	1,206	$	**(8,669)**	$	9,595
Comprehensive (loss) income	$	**(6,379)**	$	1,307	$	**(8,669)**	$	694
Net (loss) earnings per share (EPS)								
Basic	$	**(0.04)**	$	0.01	$	**(0.05)**	$	0.06
Diluted	$	**(0.04)**	$	0.01	$	**(0.05)**	$	0.06
Gold ounces sold		**38,300**		31,700		**76,500**		69,750
Average realized selling price per ounce	$	**1,325**	$	1,300	$	**1,313**	$	1,318
Cost of sales per ounce	$	**1,186**	$	1,137	$	**1,244**	$	1,015
Cash costs per ounce before royalty[1]	$	**746**	$	864	$	**793**	$	726
All-in sustaining cost per ounce[1]	$	**1,323**	$	1,186	$	**1,351**	$	1,052

REVENUE

During the second quarter of 2019, the Company sold 38,300 ounces of gold (2018 – 31,700 ounces) at an average realized price of $1,325 per ounce (2018 – $1,300 per ounce). Revenue for the three months ended June 30, 2019 was $50.8 million, an increase of $9.6 million compared to the comparable period in 2018 ($41.2 million). The increase was due to a higher volume of gold ounces sold ($8.8 million), as well as an increase in the average realized selling price ($0.8 million).

On a year to date basis, the Company sold 76,500 ounces of gold, an increase from the comparable period in the prior year of 69,500 ounces sold. The average realized selling price for the six months ended June 30, 2019 was $1,313 (2018 - $1,318). Revenue for the year to date period was $100.5 million, $8.5 million higher than the comparable period in 2018 of $91.9 million. The increase in revenue was due to higher volume of gold ounces sold ($8.9 million), offset by a lower average realized selling prices ($0.4 million).

COST OF SALES

Cost of sales is comprised of royalties, costs associated with mining and processing activities (“Production Costs”) and depreciation.

[1] This is a non-IFRS measure. Refer to “Non-IFRS Performance Measures” section in this MD&A

Cost of sales for the second quarter of 2019 was $45.5 million, which was $9.5 million higher than the second quarter of 2018 ($36.0 million). The increase in cost of sales from the comparable period was due to the higher volume of ounces sold ($7.9 million) as well as higher average production costs during the current period ($1.6 million). On a per ounce of gold sold basis, cost of sales was $1,186 per ounce, which was higher than the comparable period in the prior year (2018 - $1,137).

For the six-month period ended June 30, 2019, cost of sales were $95.2 million, an increase of $24.4 million from the comparable period in the prior year ($70.8 million). The increase in cost of sales for the year to date period is due to a higher average cost per ounce sold ($16.0 million) as well as higher volume of ounces sold ($8.5 million).

CORPORATE, GENERAL & ADMINISTRATIVE EXPENSES

Corporate, general and administrative expenses include salaries and benefits (including share-based compensation), professional fees, shareholder relations and filing fees, shareholder meeting related costs as well as other expenditures associated with operating the Canadian corporate office.

Corporate, general and administrative expenses of $5.1 million for the second quarter of 2019 was up by $2.0 million from the second quarter in 2018 ($3.1 million). Year to date expense of $8.7 million higher than the comparable period in 2018 ($5.9 million). The year to date increase in corporate costs is driven by shareholder proxy contest related costs of $4.1 million (2018 – nil), offset by lower corporate salaries and benefits in the current period, as a result of on-going restructuring of the corporate office. See “Restructuring Expenses” below.

RESTRUCTURING EXPENSES

Restructuring expenses include termination benefits (including severance and share-based compensation), professional fees, as well as other expenditures associated with management changes. Severance costs are excluded from AISC calculations as per the World Gold Council’s November 2018 published guidance.

EXPLORATION AND EVALUATION EXPENSES

Exploration and evaluation expenses include costs associated with brownfields and greenfields exploration projects, including but not limited to salaries and wages, drilling and assay costs and field and camp supplies. All costs for exploration in the current resource shell limits are considered developmental and capitalized to mineral properties.

Exploration expenses in the current quarter totaled $0.2 million (2018 – $1.7 million). The year to date expenditure of $0.5 million decreased from prior year expenditure of $3.0 million. The decrease in expenditure was due to the higher focus on brownfields exploration during the current year, which was capitalized to mineral properties in the amount of $1.3 million (2018 – nil). For further details on exploration activities during the quarter refer to the “Exploration Activities” section later in this MD&A.

NET FINANCE INCOME/EXPENSE

Net finance expense for the second quarter of 2019 was $0.6 million, compared to a net finance income of $0.9 million in the second quarter of 2018. The year to date net finance income of $1.3 million was higher than the $0.6 million income reported for the comparable period in 2018. The reason for the change in finance income/expense from the prior year was a result of mark to market unrealized and realized gains on the diesel derivative instruments during the period.

DEFERRED TAX EXPENSE

Deferred tax expense for the second quarter of 2019 was $1.2 million, an increase of $1.0 million from the second quarter 2018 expense of $0.2 million.

The current six-month period tax expense of $0.9 million was $2.3 million lower than the comparable period in 2018 ($3.2 million). The decrease in the current year deferred tax expense was primarily driven by lower earnings from operations.

NET (LOSS) EARNINGS

Net loss for the second quarter of 2019 amounted to $6.4 million ($0.04 loss per diluted share), a decrease of $7.6 million in comparison to net income of $1.2 million ($0.01 earnings per diluted share) for the second quarter of 2018.

Year to date, net loss of $8.7 million ($0.05 loss per diluted share) was $18.3 million lower than the comparable period in the prior year which reported a $9.6 million net income ($0.06 earnings period diluted share).

Primary reasons for the net loss for the three and six months ended June 30, 2019 are the increased cost of sales and restructuring charges in the current period as explained earlier in this MD&A.

COMPREHENSIVE INCOME

The Company had no other comprehensive income in the current quarter, and as a result had no difference in the net loss and comprehensive loss reported.

FINANCIAL CONDITION

		As at June 30, 2019		As at December 31, 2018
Cash and cash equivalents	**$**	**38,924**	$	81,988
Long term debt		**-**		40,000
Current assets	**$**	**91,136**	$	147,863
Non-current assets		**345,894**		328,532
Total assets	**$**	**437,030**	$	476,395
Current liabilities	**$**	**33,714**	$	46,423
Non-current liabilities		**27,733**		44,580
Total liabilities		**61,447**		91,003
Shareholders' equity		**375,583**		385,392
Total liabilities and equity	**$**	**437,030**	$	476,395

The Company has a positive working capital balance of $57.4 million as at June 30, 2019, down from the December 31, 2018 balance of $101.4 million. The decrease is due to the retirement of the long term debt that occurred during the second quarter of 2019. See section "Early Retirement of Long-Term Debt" of this MD&A for further discussion.

Current liabilities decreased from the December 31, 2018 balance by $12.7 million to $33.7 million, also a result of the retirement of the debt during the current year.

EXPLORATION ACTIVITIES

Management's focus is on the exploration of near mine targets. Field work has been temporarily suspended on certain greenfields targets north of the Cuyuni River. Results of the historic exploration conducted on those targets are being compiled, reviewed and prioritized for future follow-up.

An exploration budget of $6.8 million was approved for 2019. The program consists of three phases of activity and an estimated 30,000 metres of combined surface and underground drilling.

- **Phase 1** was completed through the first half of the year utilizing two surface diamond drill rigs to continue to test ore shoots beneath the satellite ore zones at Aurora.
- **Phase 2** commenced in the third quarter, when the Company commissioned an underground drill rig to replace one of the surface rigs and conduct detailed reserve definition drilling. Under the current plan, the Company will continue to drill through the second half of the year with one surface and one underground drill rig.
- **Phase 3** contemplates the resumption of the regional, greenfield exploration activity aimed at further assessing certain known prospective targets and focusing on identifying new gold anomalies in the vicinity of the mine.

DRILLING RESULTS

Two diamond drills were in operation during second quarter completing 18 holes totaling 5,059 metres bringing the total for the year to 52 holes and 13,001 metres drilled. Drilling was completed at Mad Kiss, North Aleck Hill and commenced at East Walcott.

	Q2 2019		Year to Date	
Prospect	**Holes**	**Metreage**	**Holes**	**Metreage**
Mad Kiss	2	81	24	5,837
North Aleck Hill	5	1,209	10	2,246
Swamp Vein	0	0	7	1,149
East Walcott	11	3,769	11	3,769
Total	**18**	**5,059**	**52**	**13,001**

At Mad Kiss, hole MKD 187 drilled into the central mineralized zone returned an average of 6.11 g/t Au over a core interval of 301.4 metres ("m") starting from 14.1m downhole. The intercept released on May 1, 2019, included an upper porphyry zone over 139.7m averaging 6.09 g/t Au followed by a lower porphyry zone over 127.5m averaging 7.67 g/t Au separated by a narrow zone with intermixed sediments. The hole was drilled in the dip plane of the mineralized zone to confirm the distribution and continuity of steeply plunging, high-grade ore shoots

Holes MKD 184, 188 and 192 drilled roughly perpendicular to the dip of the porphyry, returned 14.0 g/t Au over 5.9m from 436m downhole, 2.3 g/t Au over 17.7m from 564.6m downhole and 19.4 g/t over 12.2m from 245.3m downhole, respectively.

At North Aleck Hill results from the final two holes drilled to test the depth extension of mineralization were received. Both NAHD 132 and 133 included significant intervals with intense extensional veining hosted by chloritic metasediments and intermediate to mafic volcanics.

Drilling at East Walcott targeted the depth extension to recently modeled ore shoots extending beneath the Rory's Knoll pit. Through the end of the quarter, a deep parent hole test had been completed intersecting multiple zones of intense veined silica-pyrite mineralization. Assay results from this work are pending.

A complete list of the results received during the second quarter of 2019 are presented below.

North Alec Hill						
Hole ID	*Azimuth (degrees)*	*Dip (degrees)*	*From (m)*	*To (m)*	*Width (m)*	*Gold (g/t)*
NAHD132	159	-55	98.5	105.8	7.3	1.55
Incl			103.7	105.2	1.5	5.21
NAHD132			148.6	149.5	0.9	3.08
NAHD132			152.4	153.6	1.2	1.49
NAHD132			162.3	162.9	0.6	5.54
NAHD132			164.9	165.7	0.8	3.43
NAHD132			**178.7**	**182.2**	**3.5**	**11.63**
Incl			181.3	182.2	0.8	33.60
NAHD132			**217.2**	**218.4**	**1.2**	**27.03**
NAHD132			**227.7**	**232.7**	**5.0**	**4.18**
NAHD133	153	-55	155.0	156.0	1.0	2.21
NAHD133			**200.0**	**235.1**	**35.1**	**1.92**
Incl			200.0	208.6	8.6	2.64
			214.5	218.3	3.9	3.50
NAHD133			239.0	241.0	2.0	1.08
NAHD133			244.0	245.0	1.0	2.45
NAHD133			247.3	248.0	0.7	5.23

East Walcott						
Hole ID	*Azimuth (degrees)*	*Dip (degrees)*	*From (m)*	*To (m)*	*Width (m)*	*Gold (g/t)*
EWD109	**144**	**-45**	**203.2**	**227.4**	**24.2**	**2.65**
Incl			209.4	209.8	0.3	12.02
			212.1	212.5	0.3	18.80
			216.3	221.2	4.9	5.38
EWD110	140	-65	249.1	250.4	1.2	1.59
EWD110			**254.5**	**260.1**	**5.6**	**1.90**
Incl			256.2	258.6	2.4	3.99
EWD110			**266.2**	**271.6**	**5.4**	**2.62**
Incl			266.6	267.5	0.9	6.62
EWD110			300.0	302.1	2.1	1.52
EWD110			306.0	306.6	0.6	5.98
EWD110			308.7	309.9	1.2	1.67
EWD111	**125**	**-56**	**215.4**	**227.3**	**11.9**	**7.25**
EWD111			**245.0**	**256.3**	**11.3**	**3.41**
Incl			248.2	249.5	1.3	9.67
			254.8	256.3	1.5	6.13

Mad Kiss						
Hole ID	*Azimuth (degrees)*	*Dip (degrees)*	*From (m)*	*To (m)*	*Width (m)*	*Gold (g/t)*
MKD179	160	-60	57.0	60.0	3.0	1.35
MKD179			224.0	224.7	0.7	1.17
MKD179			250.0	252.0	2.0	1.92
MKD179			348.0	349.0	1.0	1.03
MKD179			351.2	352.4	1.2	4.20
Incl			357.5	359.8	2.2	7.72
MKD183	190	-45	148.0	153.2	5.2	3.02
MKD183			155.2	155.5	0.4	4.40
MKD184	170	-73	187.0	188.0	1.0	3.05
MKD184			233.6	234.0	0.4	70.93
MKD184			353.1	353.8	0.8	6.47
MKD184			**436.0**	**441.9**	**5.9**	**14.00**
Incl			439.4	441.9	2.5	18.11
MKD185	285	-50	47.0	48.0	1.0	2.67
MKD185			**81.8**	**94.7**	**13.0**	**22.71**
			96.0	96.9	0.9	1.26
MKD186	302	-62	131.0	132.0	1.0	6.41
MKD186			154.6	160.0	5.4	3.09
MKD186			**175.0**	**187.3**	**12.3**	**4.22**
MKD187	**316**	**-73**	**14.1**	**315.5**	**301.4**	**6.11**
MKD187			**14.1**	**153.8**	**139.7**	**6.09**
MKD187			167.7	174.9	7.2	1.53
MKD187			**188.0**	**315.5**	**127.5**	**7.67**
MKD188	175	-82	82.0	84.2	2.2	4.05
Incl			82.5	83.7	1.3	6.11
MKD188			236.8	241.2	4.4	1.20
MKD188			394.0	398.2	4.2	1.35
MKD188			555.0	558.3	3.3	3.89
MKD188			**564.6**	**582.3**	**17.7**	**2.28**
MKD189	140	-60	161.9	166.1	4.2	1.56
MKD190	140	-70	179.1	182.8	3.7	2.81
MKD190			186.0	187.0	1.0	1.56
MKD191	128	-70	41.0	42.0	1.0	1.31
MKD191			44.6	46.8	2.2	0.92
MKD191			65.0	67.0	2.0	1.27
MKD192	**140**	**-61**	**245.3**	**257.5**	**12.2**	**19.40**
MKD193	125	-70	329.0	330.0	1.0	8.39
MKD193			**471.3**	**481.5**	**10.2**	**6.07**
MKD194	140	-72	14.0	15.0	1.0	2.73
MKD194			**311.8**	**320.0**	**8.2**	**2.28**
MKD194			323.5	324.0	0.5	9.47

CAPITAL PROJECTS UPDATES

UNDERGROUND EXPLORATION DECLINE UPDATE

Work on the underground exploration decline resumed in the second quarter. The contractor completed and reinforced the collar at the Mad Kiss portal and advanced the exploration decline approximately 164 metres. In order to fulfill the scope of the early works phase, the decline will be extended to 200 metres.

The Company's permit allows for test mining of up to 350,000 tonnes that could potentially provide supplemental mill feed during the development period and further unlock value at Aurora. In addition, the underground exploration ramp will allow the Company access in the fourth quarter to perform infill drilling at depth to delineate exploration targets and to potentially add mineral resources to the life of mine plan.

LIQUIDITY & CAPITAL RESOURCES

The Company finished the quarter with a cash balance of $38.9 million. This cash position provides the Company with the capacity to meet its most significant near-term liquidity requirements, which consist of capital purchase commitments of $1.8 million. As discussed in the section "Early Retirement of Long-Term Debt" earlier in this MD&A, management retired the remaining debt on April 30, 2019.

OPERATING CASH FLOWS

After working capital adjustments, the Company generated $15.8 million of operating cash flow during the second quarter compared to $0.9 million of operating cash flow in the second quarter of 2018. For the six months ended June 30, 2019, the Company generated operating cash flow of $33.2 million compared to $19.9 million in the comparable period of 2018. The increase in current period cash flow is a result greater cash generated by operations after removing large non-cash items as well as release of working capital through draw down of inventory during the current quarter.

INVESTING ACTIVITIES

Cash flow to investing activities was $14.5 million for the second quarter of 2019, primarily due to additions in mineral properties, plant and equipment (2018 - $8.8 million). The higher current quarter investing cash flow is driven by the higher deferred stripping totalling $10.5 million (2018 - $3.3 million). Year to date cash flow to investing activities totals $34.9 million (2018 – $22.1 million). The most significant capital investment is the deferred stripping of $24.0 million (2018 - $5.2 million), along with additions to fixed plant and mobile fleet of $7.3 million (2018 - $24.6 million).

FINANCING ACTIVITIES

For the second quarter of 2019, total cash to financing activities was an outflow of $35.6 million compared to an outflow of $5.5 million in the second quarter of 2019. Year to date cash to financing activities is $41.4 million, as compared to $10.8 in the prior year comparable period.

The increase in the current year relates to the management decision to retire the remaining debt on April 30, 2019, as discussed in the section "Early Retirement of Long-Term Debt" earlier in this MD&A.

LIQUIDITY OUTLOOK

The Company anticipates that its mine operations will generate sufficient working capital and cash flow to cover operating requirements for the next twelve months. While the current management plan envisions the self-funding of underground development through 2019 and 2020, management is actively exploring various financing alternatives available to provide additional balance sheet flexibility through the next 24 months or longer.

COMMITMENTS & CONTINGENCIES

The Mineral Agreement and Mining Licence for the Aurora Gold Mine require the Company to fulfill obligations and commitments over the twenty-year life of the agreements. The Company is in compliance in all material respects with all terms and conditions of the Mining Licence and Mineral Agreement for the Aurora Gold Mine. 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.

The Company has $1.8 million of capital commitments as at June 30, 2019.

In May 2018, the Company entered into an open-pit mining service contract with STRACON to meet higher mining requirements through to the end of 2021. The contract is priced at a fixed cost per Bank Cubic Meter ("BCM") of material mined.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

(Expressed in thousands of dollars except per share and ounce amounts). (Quarterly results are unaudited)

		2019		2018				2017	
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Gold ounces produced[1]		37,300	36,600	39,100	41,200	31,300	38,800	47,300	41,500
Gold ounces sold		38,300	38,200	37,450	41,200	31,700	38,000	48,000	39,000
Metal sales	$	50,772	49,679	46,542	49,418	41,196	50,734	61,417	50,207
Cost of sales									
Production costs		28,651	32,060	26,835	28,094	27,387	23,232	20,767	23,195
Royalty		4,049	3,963	3,713	3,939	3,285	4,046	4,898	4,005
Depreciation		12,817	13,645	10,545	7,420	5,357	7,467	10,412	9,433
Total cost of sales	$	45,517	49,668	41,093	39,453	36,029	34,745	36,077	36,633
Earnings from mine operations		5,255	11	5,449	9,965	5,167	15,989	25,340	13,574
Other expenses (net) [2]		9,808	4,494	3,633	6,821	4,714	4,178	4,789	3,700
Net finance (income) expense		629	(1,933)	5,763	376	(933)	363	(1,008)	(639)
Deferred tax expense		1,197	(261)	(1,915)	4,964	180	3,058	7,523	4,364
Net earnings (loss)	$	(6,379)	(2,289)	(2,032)	(2,196)	1,206	8,390	14,036	6,149
Earnings (loss) per share:									
Basic	$	(0.04)	(0.01)	(0.01)	(0.01)	0.01	0.05	0.08	0.04
Diluted	$	(0.04)	(0.01)	(0.01)	(0.01)	0.01	0.05	0.07	0.04

[1] Change in definition of calculating and reporting gold produced effective January 1, 2019. Refer to "Gold Produced – Change in Definition" section of this MD&A.

[2] Includes corporate general and administrative expenses, exploration and evaluation expenses, stock-based compensation, and non-mine related depreciation expense (as separately disclosed in the condensed interim consolidated financial statements).

OUTSTANDING SHARE DATA

At the date of this MD&A, there are 173,530,802 issued and outstanding common shares of the Company. Options outstanding amounted to 2,710,841 at the date of this MD&A, each of which is exercisable to acquire one common share of the Company in accordance with the terms thereof.

NON-IFRS[1] PERFORMANCE MEASURES

The Company has included certain non-IFRS performance measures in this MD&A. These measures are not defined under IFRS and should not be considered in isolation. The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. The inclusion of these measures is meant to provide additional information and should not be used as a substitute for performance measures prepared in accordance with IFRS. These measures are not necessarily standard and therefore may not be comparable to other issuers.

The Company has applied the World Gold Council's November 2018 published guidance in reporting cash costs and AISC to its mining operations. Adoption of cash costs and AISC metrics is voluntary and not necessarily standard, and therefore, these measures presented by the Company may not be comparable to similar measures presented by other issuers. The Company believes that the cash costs and AISC measures complement existing measures reported by the Company.

TOTAL CASH COSTS PER OUNCE

Total cash costs are a common financial performance measure in the gold mining industry but with no standard meaning under IFRS. The Company reports total cash costs on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating cost performance.

Total cash costs include production and royalty costs. Production costs include mining, processing, refining and transportation, and site administration, and in total are then divided by gold ounces sold to arrive at total cash costs per gold ounce sold. This measure also includes other mine related costs incurred such as mine standby costs and any current inventory write-downs. Production costs are exclusive of depreciation. Other companies may calculate these measures differently.

The following table reconciles these non-IFRS measures to the June 30, 2019 unaudited condensed interim consolidated statements of comprehensive income.

(in thousands of dollars except ounces and per ounce calculations)

	Three months ending June 30		Six months ending June 30	
	2019	**2018**	**2018**	**2017**
Production costs (cash costs)	$ 28,651	$ 27,387	$ 60,711	$ 50,619
Divided by: Gold ounces sold	38,300	31,700	76,500	69,700
Total cash costs per ounce -before royalty	$ **746**	**$** 864	$ **793**	$ 726
Cash costs – above	$ 28,651	$ 27,387	$ 60,711	$ 50,619
Add royalty costs	4,049	3,285	8,012	7,331
Total cash costs	32,700	30,672	68,723	57,950
Divided by: Gold ounces sold	38,300	31,700	76,500	69,700
Total cash costs per ounce	$ **854**	**$** 968	$ **898**	$ 831

[1] IFRS – International Financial Reporting Standards

ALL-IN SUSTAINING COST PER OUNCE

"All-in sustaining cost per ounce" is also a non-IFRS performance measure. The Company believes this measure more fully defines the total costs associated with producing gold; however, this performance measure has no standardized meaning. Accordingly, there may be some variation in the method of computation of AISC as determined by the Company compared with other mining companies. In this context, the Company calculates AISC as the sum of total cash costs (as described above), share-based compensation, corporate general and administrative expense, exploration and evaluation expenditures that are sustaining in nature (defined as brownfields exploration on the Company's Mining Licence), reclamation cost accretion, sustaining capital including deferred stripping (defined in further detail below) and realized gains and losses on diesel derivative contracts, all divided by the gold ounces sold to arrive at a per ounce figure.

Sustaining capital expenditures are expenditures that do not increase annual gold ounce production at a mine site and excludes expenditures at the Company's development projects as well as expenditures that are deemed expansionary in nature.

The following table reconciles these non-IFRS measures to the June 30, 2019 unaudited condensed interim consolidated financial statements.

(in thousands of dollars except ounces and per ounce calculations)

		Three months ending June 30				Six months ending June 30		
		2019		**2018**		**2018**		**2017**
Total cash cost - as above	**$**	**32,700**	$	30,672	**$**	**68,723**	$	57,950
Sustaining capital [1]		**16,521**		3,945		**32,146**		9,450
Corporate general and administrative expenses[2]		**3,046**		3,060		**4,586**		5,919
Exploration and evaluation costs (sustaining)		**97**		434		**196**		854
Asset retirement obligation - accretion		**28**		15		**85**		15
Realized (gain) loss on diesel forward contracts [3]		**(1,654)**		(530)		**(2,340)**		(844)
All-in sustaining costs	**$**	**50,091**	$	37,596	**$**	**103,396**	$	73,343
Divided by: Gold ounces sold		**38,300**		31,700		**76,500**		69,700
All-in sustaining costs per ounce	**$**	**1,323**	$	1,186	**$**	**1,351**		1,052

1) Sustaining capital is defined as all capital expenditures which do not result in a material increase in gold production and/or cash flow and exclude all expenditures at growth projects.

2) Corporate general and administrative expenses exclude shareholder requisition related costs, as disclosed in the "SHAREHOLDER REQUISITION" section of this MD&A.

3) Included in net finance expense in the unaudited Condensed Interim Consolidated Statements of Comprehensive Income - See Note 16 to the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2019 and 2018

GOLD PRODUCED – CHANGE IN DEFINITION

Effective January 1, 2019, the Company has changed its method of defining and reporting "gold produced". Previously, gold produced was defined to be equal to the number of gold ounces poured during a reporting period. The new definition of "gold produced" is equal to tonnes milled multiplied by average mill head grade multiplied by recovery for a given period (*Gold produced = tonnes milled * average mill head grade * average recovery).*

Management believes the revised definition more closely matches the Company's peer group, making the information more comparable for readers.

As a result of the change in definition, comparative periods have been restated to reflect the new definition. The table below presents the revised and previously reported figures for gold ounces produced:

	2018				2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Gold produced - as currently reported	**39,100**	**41,200**	**31,300**	**38,800**	**47,300**	**41,500**	**29,600**	**42,300**	**43,500**	**33,900**	**32,700**	**40,100**
Gold produced - as previously reported	42,750	41,000	28,250	38,500	48,900	41,000	29,700	40,900	43,800	34,400	**32,100**	41,300

ADDITIONAL IFRS FINANCIAL PERFORMANCE MEASURES

The Company has included the additional IFRS measure "Earnings from mine operations" in the condensed interim consolidated financial statements. Management believes that that "Earnings from mine operations" provides useful information to investors as an indication of the Company's principal business activities before consideration of how those activities are financed, and before sustaining capital expenditures, corporate general and administrative expenses, exploration and evaluation expenses, stock-based compensation, non-mine related depreciation, net finance expenses and taxation.

RISK FACTORS

The following list is a summary of existing and future material risks to the business of the Company. Each of the Company's major risk factors are discussed in more detail in the Company's most recent Annual Information Form ("AIF") for the year ended December 31, 2018 on the Company's website and filed with the Canadian securities regulatory authorities at www.sedar.com.

The risks below are not listed in any particular order and are not exhaustive. Additional risks and uncertainties not currently known to the Company, or those that it currently deems to be immaterial, may become material and adversely affect the Company's business. The realization of any of these risks may materially and adversely affect the Company's business, financial condition, results of operations and/or the market price of the Company's securities.

- Exploration, Development and Operating Risks
- Licencing Matters
- Geotechnical Risks
- Open Pit Mine Risks
- Underground Mine Risks
- Mineral Processing Risks
- Infrastructure Risks
- Insurance and Uninsured Risks
- Environmental Risks and Hazards
- Uncertainty Relating to Mineral Resources
- Reliability of Resource and Reserve Estimates
- Uncertainty of Feasibility Study Results & Revisions to Estimates
- Mine Closure
- Limited History of Mineral Production
- Land Title
- Global Financial Conditions
- Competition May Hinder Corporate Growth

- Production and Cost Estimates
- Additional Capital
- Dilution
- Commodity Prices
- Indebtedness and Inability to Satisfy Repayment Obligations
- Interest Rate Fluctuations
- Exchange Rate Fluctuations
- Government Regulation
- Territorial Risk
- Political Risks
- Labour and Employment Matters
- Subsidiaries
- Market Price of Common Shares
- Future Sales of Common Shares by Existing Shareholders
- Dependence on Management and Key Personnel
- Competition
- Shortages and Price Volatility of Input Commodities and Equipment
- Hedging Risk
- Conflicts of Interest
- Cyber Security Threats
- Compliance with Anti-Corruption Laws
- Limited History of Earnings or Dividends
- Accounting Policies and Internal Control
- Proposed Transactions
- Related Party Transactions

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to Guyana Goldfields, certain information contained in this MD&A 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 and investments; the future price of gold; expected operating cash flows and capital costs for the Aurora Gold Mine; production and cost guidance for 2019; success, nature and timing of exploration and development activities; timing and anticipated costs and benefits of mill expansion and mine plan optimization activities, cost and timing of future exploration and development; the estimation of Mineral Resources and Reserves and any anticipated upside potential thereof; conclusions of economic evaluations; successful and profitable operations of the Aurora Gold Mine, including the impact of the 2019 Optimization Life of Mine Plan; the Company's ability to meet its most significant near-term liquidity and operating requirements, including operating requirements for the next 12 months; the ability of the Company to manage its exposure to fluctuations in the price of diesel; requirements for additional capital, mine expansion plans, underground development, expected improvements in mining, processing and general and administrative costs as well as proposed expanded exploration activities and related costs and other potential opportunistic investments in 2019, and other statements relating to the financial and business prospects of Guyana Goldfields. 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 meet significant near-term liquidity and operation requirements;
- the Company's ability to achieve its production, cash cost and all-in sustaining cost guidance for 2019;
- risks of increases in the anticipated total capital and operating costs relating to commercial production for the Aurora Gold Mine and the Company's ability to meet such costs;
- the timing and amounts of expected cash outflows, and expected sales of gold, relating to profitable operations at the Aurora Gold Mine;
- expectations that the positive reconciliation between actual tonnes mined versus the Mineral Reserve model at the Aurora Gold Mine will continue;
- 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;
- risks related to exploration, development 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;
- the success of derivative transactions to establish a ceiling for a portion of the Company's future diesel fuel purchases;
- unusual or unexpected geological formations encountered during development and/or mining operations;
- unanticipated operating events which can reduce production or cause production to be shut down or delayed;
- the fact that the Aurora Gold Mine is located in a region that is subject to significant annual rainfall that could impact mining operations;
- the risk that insurance may not be available to Guyana Goldfields on reasonable terms or at all;
- adherence to the terms and condition of the Mineral Agreement and Mining Licence with respect to the Aurora Gold Mine;
- uncertain political and economic environments;
- environmental hazards and industrial accidents;
- unionization of its work force in Guyana;
- governmental regulation, political stability in the regions in which the Company operates and environmental liability;
- management's expectations that requisite licenses and permits will be available upon terms acceptable to the Company;
- access and supply risks;
- reliance on key personnel;
- risks that mill optimization efforts, efforts to increase mill capacity and other proposed improvements in mining and processing may not be as effective as proposed, or at all;
- 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, exploration and development operations at the Aurora Gold Mine and other exploration activities may not progress as currently proposed, and funds may be reallocated on a going forward basis;
- risks relating to variations and uncertainties in the estimation of Mineral Resources and Mineral Reserves, grade or recovery rates resulting from exploration and development activities (including risks that new Mineral Resources/Reserves may not be established, or existing Mineral Resources/Reserves may not be realized), with respect to both the properties and investments of the Company;
- risks relating to changes in gold prices and the worldwide demand for and supply of gold. Fluctuation in the price for gold may adversely affect the Company's ability to obtain additional financing and influence the course of action taken in operating the Aurora Gold Mine;
- risks related to increased competition in the mining industry generally;
- risks related to current global financial conditions;
- uncertain political and economic environments;
- the Company's goal of creating shareholder value by concentrating on the acquisition, development and exploration of properties that have the potential to contain economic gold deposits;
- ability to source new, additional or replacement financing through other share or debt issuances in support of the Aurora Gold Mine, corporate general and administrative expenses, and exploration activities;
- 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
- management's outlook regarding future trends, outlook and activities, including the ability of Guyana Goldfields to generate sufficient cash flow to cover operating requirements for the next 12 months.

Forward-looking information is also subject to the risks further described in the Company's Annual Information Form for its most recently completed year. 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.

TECHNICAL INFORMATION

Information Concerning Estimates of Measured, Indicated and Inferred Resources

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

Other Technical Disclosure

Unless stated otherwise herein, all scientific and technical data contained in this MD&A has been reviewed, approved and verified by Mr. Ron Stewart (P.Geo) who is a "Qualified Person" within the meaning of NI 43-101 and is a member of the Association of Geoscientists of Ontario ("APGO"). Mr. Stewart serves as Senior Vice President of Technical Services and Corporate Development for the Company.

ACCOUNTING DISCLOSURES

NATIONAL INSTRUMENT 52-109 DISCLOSURE

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 for the Company. The Company's controls are based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") (2013) framework.

The Company's CEO and CFO certify that the Company's DC&P have been designed to provide reasonable assurance that material information relating to the Company is made known to them by others, particularly during the period in which interim filings are being prepared; and information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. They also certify that the Company's ICFR have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

During the current period there have been no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company's management, including the CEO and CFO, believe that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in the condensed interim consolidated financial statements are the same as those applied in the Company's consolidated financial statements for the year ended December 31, 2018.

The following changes in accounting policies are also expected to be reflected in the Company's consolidated financial statements for the year ending December 31, 2019.

IFRS 16 (Leases)

Effective January 1, 2019, the Company has adopted IFRS 16, which specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all major leases. The impact of the transition is discussed below. The Company's accounting policy under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease obligation at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease obligation adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. Lease terms range from 3 to 45 years for mining contracts and lands. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease obligation.

The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease obligation is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease obligation is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease obligations for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Impact of transition to IFRS 16

Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations.

On initial application, the Company recognized lease obligations in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 *Leases*. The Company has elected to record right-of-use assets based on the corresponding lease obligation. Right-of-use assets and lease obligations of $1.229, were recorded as of January 1, 2019, with no net impact on retained earnings. When measuring lease obligations, the Company discounted lease payments using its incremental borrowing rate at December 31, 2018. The weighted-average rate applied is 7.55%.

The Company has elected to apply the practical expedient to account for leases for which the lease term ends within twelve months of the date of initial application as short-term leases.

The Company has elected to apply the practical expedient to grandfather the assessment of which transactions are leases on the date of initial application, as previously assessed under IAS 17 and IFRIC 4. The Company applied the definition of a lease under IFRS 16 to contracts entered into or changed on or after January 1, 2019.

The following table reconciles the Company's operating lease obligations at December 31, 2018, as previously disclosed in the Company's consolidated financial statements, to the lease obligations recognized on initial application of IFRS 16 at January 1, 2019.

Operating lease commitments at December 31, 2018 (in thousands of US dollars)	$ 1,600
Discounted using the incremental borrowing rate at December 31, 2018	1,409
Recognition exemption for short-term leases	(180)
Lease obligations recognized at January 1, 2019	**$ 1,229**
Less: current portion	(441)
Non-current portion as at January 1, 2019	**$ (788)**

IFRIC 23 (Uncertainty over Income Tax Treatments)

The Company has adopted IFRIC 23 Uncertainty over Income Tax Treatments effective January 1, 2019 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. The adoption of this standard did not have a material impact on the Company's consolidated financial statements. IFRIC 23 requires: (a) the management to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) the management to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

CRITICAL ACCOUNTING ESTIMATES

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of expenses and other income for the reporting period.

Judgments, estimates and assumptions are periodically evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Areas of judgment, estimate and assumptions that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements are as follows:

Mineral reserves and resources

The Company estimates its Mineral Reserves and Mineral Resources based on information compiled by qualified persons as defined in accordance with NI 43-101 -Standards of Disclosure for Mineral Projects issued by the Canadian Securities Administrators. Mineral Reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties.

There are numerous assumptions and estimates in determining Mineral Reserves and Mineral Resources. Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Changes to management's assumptions and judgements made in estimating the size and grade of the ore body, metallurgical assumptions made in estimating recovery of the ore body, including economic estimates of commodity prices, production costs, future capital requirements, and exchange rates, will impact Mineral Reserve and Mineral Resource estimates.

The estimates and assumptions valid at the time of estimation may change significantly when new information becomes available. This may result in a change in the economic status of the Mineral Reserves and may ultimately result in Mineral Reserves being revised.

Changes in the Mineral Reserve or Mineral Resource estimates may impact the carrying value of mineral properties, plant and equipment, the calculation of depreciation expense, asset retirement obligations, and the recognition of deferred tax amounts.

Valuation of inventories

The Company also assesses its inventory for impairment and estimates the net realizable value. If carrying value exceeds net realizable value, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused the write-down no longer exist.

Impairment of assets

The Company assesses its cash generating units annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is considered to be the higher of the fair value of the asset less costs of disposal and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance.

Fair value less costs to dispose is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Value in use is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of approved future expansion plans and eventual disposal. Cash flows are discounted by an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Changes in any of the assumptions or estimates used in determining the fair value could impact the impairment analysis.

Income taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences") and losses carried forward.

The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is "probable" that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, gold prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilization of the losses.

Asset retirement obligation

Liabilities for asset retirement obligations are recognized at the time of environmental disturbance, in amounts equal to the discounted value of expected future mine reclamation and closure costs. The Company's provision for asset retirement obligations represents management's best estimate of the present value of the future cash outflows required to settle the liability. Factors that affect the final cost of remediation include estimates of the extent and costs of rehabilitation activities, the expected timing, technological changes, cost increases and changes in discount rates. Changes in the above factors can result in a change to the asset retirement obligation recognized by the Company. This liability is reassessed and re-measured at each reporting date.

Contingencies

The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur.