2014

Annual Report

TSX : GUY

2014

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GUYANA GOLDFIELDS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014

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GUYANA GOLDFIELDS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FINANCIAL YEAR ENDED December 31, 2014

(Amounts are expressed in thousands of US dollars, unless otherwise noted)

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Guyana Goldfields Inc. ("Guyana Goldfields" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the two and fourteen months ended December 31, 2014. References to "Guyana Goldfields" in this MD&A refer to the Company and its subsidiaries taken as a whole.

On August 12, 2014 the Company announced that effective in 2014, its financial year-end has changed from October 31st to December 31st. The Company is reporting a one-time, fourteen month transition year covering the months of November 2013 to December 2014. Year-end financial statements for the fourteen month period ended December 31, 2014 will be compared to the financial statements for the twelve months ended October 31, 2013. Subsequent to the transition year, the Company's first full financial year will cover the period January 1, 2015 to December 31, 2015. Unless stated otherwise, any reference in this document to the financial year ended December 31, 2014 is for the fourteen month period ended December 31, 2014. See "Change in Year End" below".

Effective December 31, 2014, the Company adopted a voluntary change in accounting principle on exploration and evaluation ("E&E") expenditures whereby the Company's new policy on accounting for E&E expenditures is to expense these costs until such time as the work completed supports the future development of the property through the issuance of a National Instrument 43-101 ("NI 43-101") technical report or definitive bankable feasibility study, and such development receives appropriate board approvals. All subsequent expenditures on the property are then capitalized and classified as assets under construction, a component of property, plant and equipment. This change in accounting policy has been applied retrospectively to all of the Company's exploration activities for all properties. See "Changes in Accounting Policies" below. The change in accounting policy does not impact the importance, scope or nature of the Company's ongoing exploration activities.

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements and the related notes for the fourteen months ended December 31, 2014 (with comparatives for the twelve months ended October 31, 2013), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Results are reported in thousands of United States dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as at February 19, 2015, unless otherwise indicated.

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 ("Common Shares"); or (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. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on the Company's website at **www.guygold.com** or 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”.

COMPANY BUSINESS

The Company is a Canadian-based mineral development and exploration company primarily focused on the acquisition, exploration and development of gold deposits in Guyana, South America. The Company has one advanced development stage project, the Aurora project located in Guyana (the “Aurora Project” or the “Project”) that the Company expects to commence with gold production in mid-2015. The Company owns a 100% interest in the Aurora Project. See also the “Aurora Project”, “Exploration Activities”, “Liquidity, Capital Resources and Business Prospects”, “Commitments” and “Risk Factors” sections below.

On November 18, 2011, the Company signed a Mineral Agreement with the Government of Guyana and received the Mining Licence for the Aurora Project. The Mineral Agreement and Mining Licence detail all fiscal, property, import-export procedures, taxation provisions and other related conditions for the continued exploration, mine development and operation of the Aurora Project.

Significant terms include:

- Net smelter return (“NSR”) royalty of 5% on gold sales at a price of gold of $1,000 per ounce or less;
- NSR royalty of 8% on gold sales at a price of gold over $1,000 per ounce;
- Corporate income tax rate of 30% and no withholding tax on interest payments to lenders; and
- Duty and value added tax exemptions on all imports of equipment and materials for all continuing operations at the Aurora Project, including the construction and operation of a planned port facility, road and power improvements and the construction and operation of the mine.

The Mining Licence is the Company's permit to build and operate mining facilities at the Aurora Project and is valid for an initial 20-year term with provisions for extension on application by the Company.

During January 2013, the Company filed on SEDAR its Aurora Project NI 43-101 Technical Report, Updated Feasibility Study (the “Updated Feasibility Study”), which was an update to its NI 43-101 Technical Report, Feasibility Study filed on April 9, 2012 (the “April 2012 Feasibility Study”). Based on the key findings of the Updated Feasibility Study and board approval, the Company advanced with the development of the Aurora Project. The Project economics were subsequently updated in December 2013 based on the current capital cost estimates. With an average life of mine gold grade of 2.74 grams per tonne of ore milled, the improved mine plan is expected to produce 3.29 million ounces of gold over a 17 year mine life at an operating cash cost of $423 per ounce (excluding royalty). The Updated Feasibility Study estimated that average annual gold production over the life of mine is 194,000 ounces, and averages 231,000 ounces per year over the first ten years. Under the Updated Feasibility Study, as adjusted, at a gold price of $1,300 per ounce and a discount rate of 5%, the Aurora Project is expected to generate a net present value of $735 million and an internal rate of return of 31% on an after-tax basis, with a payback of approximately 4.4 years. Initial capital to achieve commercial production is currently estimated at $249 million.

The Company also holds a contiguous 216,888 acre land package located in the Aranka district of Guyana approximately thirty kilometres northeast of the Aurora Project, known as the “Aranka Properties” which consist of a number of separate properties including Sulphur Rose.

HIGHLIGHTS AND MILESTONES

Aurora Project

- On December 9, 2013, the Company announced an updated initial capital investment and revised time line to commercial production for the Aurora Project. The Company executed a Heads of Agreement and Term Sheet documenting the principal terms and conditions for the engineering, procurement and construction (the "EPC Contract") valued at $137 million with Sedgman Limited and Graña y Montero (the "GSJV"). Contractor services began immediately under an Interim Services Agreement and Early Procurement of Long Lead Equipment Agreement signed in early November 2013.

  The Company also announced the projected $44 million increase in initial capital investment over the Updated Feasibility Study's initial development cost amount of $205 million. The increase was due to costs associated with transitioning to an EPC development approach which assumes a lower project execution risk for the Company, additional funds for operational readiness, and increased estimates.

- In May 2014, the Company's wholly owned subsidiary AGM Inc. ("AGM") owner and operator of the Aurora Project, formalized its existing contractual arrangements with the GSJV, and signed the EPC Contract for the Aurora process plant and power plant. The fixed price contract value is for $134 million, with the novation of responsibilities and payments made under the previous contractual arrangements. The date for mechanical completion of the 5,000 tonnes per day processing plant and the diesel power plant was originally set for May 31, 2015. The GSJV has reported certain delays in construction of the Project, which required further investigation and review. AGM, through negotiations with the GSJV, has agreed to modify the original milestone for mechanical completion which included the crushing circuit, as it was not critical to establishing cash flow from gold production. Three milestones have now been established with the GSJV that result in first gold production through a partial plant (gravity circuit), and the commissioning of the saprolite circuit by mid-year 2015, and final mechanical completion of the full plant in the third calendar quarter of 2015. These milestones allow AGM to gain beneficial use of the plant in stages that match the mine plan. Crushing operations are subsequently expected when mining encounters fresh rock.

- On signing the EPC Contract, the value of the fixed price contract was reduced from $137 million to $134 million as a result of scope transfer to AGM. Total initial development costs of $249 million remain unchanged and include all facilities as well as mining equipment, owner's costs, indirect costs, inventory, first fills, contingency, etc. Approximately $172 million in development costs have been incurred to December 31, 2014 on an accrual basis (January 11, 2013 to December 31, 2014). The remaining initial capital required to achieve commercial production is estimated to be $77 million. See "Aurora Project" for further details.

- Total anticipated Aurora Project costs are $277 million that include development costs of $249 million, finance costs of $20 million, working capital of $5 million, and pre-operating costs of $3 million. Total funding sources amount to $335 million and are anticipated to exceed the expected total Aurora Project costs by $58 million. The Company does not expect that it will require using the $58 million in overfunding facilities. See "Liquidity, Capital Resources and Business Prospects" for further details.

- With the above staged mining approach, the scheduled September 30, 2015 interest and Senior Lenders' fee payment of approximately $4 million on the $185 million project loan facility (the "Project Loan Facility" or the "Facility"), may now be incurred during the development phase of the Aurora Project, rather than the operations phase (see "Financial" section below and "Liquidity, Capital Resources and Business Prospects" for further details). It is anticipated that cash flows generated from early gold production from the gravity and saprolite circuits in mid-year 2015 will be more than sufficient to cover these costs.

- For the two and fourteen months ended December 31, 2014, the Company incurred development expenditures on a cash basis for the Aurora Project of approximately $31 million and $131 million,

respectively, compared to approximately $5 million in the fourth quarter of fiscal 2013 and $11 million for the twelve months ended October 31, 2013.

Management and Board Changes

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

Exploration Properties

- During the two and fourteen months ended December 31, 2014, the Company incurred exploration and evaluation expenditures on all its exploration properties of $0.5 million and $2.5 million, respectively, compared to $0.8 million and $7.8 million, in the three and twelve month period ended October 31, 2013, respectively.

Financial

- In November 2013, the Company signed a mandate letter with the International Finance Corporation to lead a syndicate of banks, multi-lateral and development institutions to arrange a senior debt facility to support the development and construction of the Aurora Project.
- On June 9, 2014 the Company announced that a syndicate of lenders had received credit approvals to provide the $185 million senior secured Project Loan Facility to fund the development and construction of the Aurora Project. Under the Facility, the Company was obligated to fund an additional $33 million as a condition of first disbursement. See “Liquidity, Capital Resources and Business Prospects” for further details relating to financing activities.
- On June 27, 2014 the Company raised the $33 million in equity required under the proposed Facility by completing a non-brokered private placement (the “Placement”) pursuant to which it issued an aggregate of 24,000,000 Common Shares at a price of Cdn$1.85 per Common Share for aggregate gross proceeds of approximately $42 million (or Cdn$44 million). See “Liquidity, Capital Resources and Business Prospects” and “Related Party Transactions” for further details relating to financing activities.
- On September 2, 2014, the Company and its wholly owned subsidiary AGM, announced the signing of a common terms agreement (the “Common Terms Agreement”) with International Finance Corporation, Export Development Canada, ING Capital LLC, Caterpillar Financial Services Corporation, and The Bank of Nova Scotia (collectively the “Senior Lenders”) and other definitive documentation with respect to its previously announced credit approval for the $185 million Project Loan Facility to fund the development and construction of, and general matters relating to the Project. With the completion of the Facility, the development of the Project is now fully financed, subject to the terms and conditions of the Facility. See “Liquidity, Capital Resources and Business Prospects” for further details.
- On October 17, 2014 the Company satisfied all condition to first disbursement under the Project Loan Facility and received $42,573 in debt proceeds. As of December 31, 2014, the Company’s debt under the Facility was $68,573.
- Monthly funding under the Project Loan Facility is designed to match the Aurora Project’s amounts due and payable or reasonably expected to be, before the next Facility draw date. Consequently, the amount of cash on hand previously drawn under the Facility, and the Company’s working capital position will reduce over time as Project cash payments are made and subsequent supplier accruals are incurred. In addition, approximately $22,000 in Project current accounts payable and accrued liabilities are not yet funded under

the Facility. See "Liquidity, Capital Resources and Business Prospects" below. At December 31, 2014, the Company on a consolidated basis had cash and cash equivalents of $17,211 (October 31, 2013 - $108,649) to settle consolidated current liabilities of $38,501 (October 31, 2013 - $2,722). Included in the Company's consolidated cash position and current liabilities at December 31, 2014 is approximately $14,000 and $37,000, respectively, attributable to the Aurora Project. The $37,000 in Project's current liabilities includes $4,340 in current portion of long-term debt. The $14,000 cash position represents cash drawn under the Facility that the Company is contractually obligated to spend on the development of the Aurora Project.

- The Company's cash and cash equivalents position on February 19, 2015 was approximately $26 million.

AURORA PROJECT

EPC Contract – Update

In May 2014, the Company's wholly owned subsidiary AGM formalized its existing contractual arrangements with the GSJV, and signed the EPC Contract for the Aurora Project process plant and power plant. The fixed price contract value is for $134 million, with the novation of responsibilities and payments made under the previous contractual arrangements.

The date for mechanical completion of the 5,000 tonnes per day processing plant and the diesel power plant was originally set for May 31, 2015. The GSJV had reported certain delays in construction of the Project which have been reviewed. AGM, through negotiations with the GSJV, has agreed to modify the original milestone for mechanical completion which included the crushing circuit, as it was not critical to establishing cash flow from gold operations. Initial gold production is expected to be from saprolite, and mechanical completion (which contemplates crushing operations), must be deferred until after the saprolite is mined, and fresh rock is encountered to test the crusher.

Three milestones have now been established with the GSJV that result in first gold production through partial plant (gravity circuit), and the commissioning of the saprolite circuit by mid-year 2015, and final mechanical completion of the full plant in the third calendar quarter of 2015. These milestones allow AGM to gain beneficial use of the plant in stages that match the mine plan.

Under the terms of the EPC Contract, AGM is required to make prescribed monthly installment payments to the GSJV up to the end of September 2015. Initial payments by AGM were subject to 30% hold back, to a maximum of $10 million that is repayable at the full mechanical completion date. Also under the terms of the EPC Contract, AGM has made its required $13.4 million in advance contract deposits to the GSJV on an interest free basis. These amounts will be repaid by the GSJV through payment deductions by July 31, 2015.

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

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

Delay liquidated damages apply if the GSJV fails to reach mechanical completion on or before the fifteenth day after full plant mechanical completion date, with prescribed daily penalties payable to AGM, up to a maximum amount of 5% of the EPC Contract value. If the GSJV reaches mechanical completion within certain time parameters around the dates of the established three milestones (gravity circuit, saprolite circuit and full plant mechanical completion), bonuses are payable to the GSJV, in addition to the contract price, up to a maximum of 5% of the contract value.

Development Cost Update

Details of the actual and projected capital spend for the Aurora Project as of December 31, 2014:

Aurora Project Capital Expenditures (in Millions of US$)	Revised Capital Costs to Commercial Production *(Note A)*	Less Incurred: January 11, 2013 to October 31, 2013 F13	Less Incurred: November 1, 2013 to January 31, 2014 Q1 F14	Less Incurred: February 1, 2014 to April 30, 2014 Q2 F14	Less Incurred: May 1, 2014 to July 31, 2014 Q3 F14	Less Incurred: August 1, 2014 to October 31, 2014 Q4 F14	Less Incurred: November 1, 2014 to December 31, 2014 Q5 F14 *(Note B)*	Expected Remaining Capital Costs to Commercial Production (Note C)
GSJV: **Fixed Price Process and Power Plant EPC Contract**	**$134**	**0**	**($5)**	**($13)**	**($37)**	**($30)**	**($17)**	**38**
Owner's Cost – Balance of Scope								
Plant Infrastructure Buildings	2	-	-	-	-	-	-	2
Plant Earthworks and Roads	6	-	(1)	(1)	(1)	(1)	-	-
Mine Infrastructure Buildings	1	-	-	-	-	-	-	1
Tailings Dam	6	(1)	-	-	-	(1)	(1)	1
Water Dams and Dykes	4	-	-	-	-	-	-	2
Site Services Water & Power	9	-	-	-	-	-	-	3
Logistics	8	-	-	(2)	-	-	-	0
sub-total	36	(1)	(1)	(3)	(1)	(2)	(1)	9
Owner's Cost Infrastructure & Other	46	(3)	(4)	(3)	(7)	(7)	(5)	11
Owner's G&A *(Note D)*	25	(7)	(3)	(4)	(5)	(7)	(6)	16
Owner's Costs - Operational Readiness	8	-	-	-	-	-	-	3
Total Owner's Cost	**115**	**(11)**	**(8)**	**(10)**	**(13)**	**(16)**	**(12)**	**39**
Grand Total Initial Development Capital	**$249**	**($11)**	**($13)**	**($23)**	**($50)**	**($46)**	**($29)**	**$77**

Note A: These costs represent the initial development costs of $205 million as reflected in the Updated Feasibility Study, plus the projected $44 million increase in initial capital investment as described in the Company's MD&A for first quarter ended January 31, 2014. The $44 million estimated increase in development costs is due to costs associated with transitioning to an EPC development approach which assumes a lower project execution risk for the Company, additional funds for operational readiness, increased estimates and schedule delay. Under previous interim contractual arrangements with the GSJV, the anticipated EPC contract value was set at $137 million. On signing the EPC Contact in May 2014, the value of the fixed price contract was reduced to $134 million as a result of scope transfer to AGM. Owner's costs G&A was correspondingly increased.

Note B: All quarterly costs incurred in capital expenditures are computed on an accrual basis. The fifth quarter fiscal 2014 development cost spend is discussed below under the section "Quarterly Development Activities". The fifth quarter represents a two month period, reflecting the change in the Company's year-end to December 31st. See "Change in Year End" below.

Note C: The total expected remaining capital costs to commercial production of $77 million remains in line with the initial $249 million initial development budget.

Note D: Included in Owner's G&A quarterly spend are equipment maintenance costs attributable to Balance of Scope projects. Owner's G&A is expected to be approximately $23 million above budget due to the shift in scope from external contractors to self-performance by the Owner's team. Increased scope responsibility has led to an expansion of the work force and indirect supporting costs such as camp services, transportation costs and equipment maintenance beyond initial expectations.

The total development costs for all facilities as well as mining equipment, owner's costs, indirect costs, inventory and first fills, contingency, etc., is currently estimated to be $249 million, of which approximately $172 million are incurred costs to December 31, 2014 on an accrual basis (January 11, 2013 to December 31, 2014). The remaining initial capital required to achieve commercial production is estimated to be $77 million.

The remaining AGM estimated total owner's costs of $39 million at December 31, 2014 largely includes infrastructure and G&A comprising of completion of Phase II of the main camp, communications infrastructure, access road upgrades, first fills and spares, mobile equipment and other items. Also included is the construction and installation of facilities such as the mine dam, tailings management, river dyke, ancillary buildings, mine

development, and other infrastructure. Construction and development of these items are expected to be self-performed or tendered for fixed price lump sum bids.

Project Economics:

The following table provides updated project economics at variable gold price assumptions reflecting an initial capital investment of $249 million:

Financials @ 5% Discount Rate	Units	Gold Price Per Ounce in US$			
		$850[1]	$1,000[1]	$1,150	$1,300[2]
Pre-Tax NPV	US$M	236	533	759	1,046
After-Tax NPV	US$M	162	374	533	735
IRR (After-Tax)	%	12	20	25	31
Payback (After-tax)	Years	6.8	5.6	5.0	4.4
2015 EBITDA (1st year of partial production)	US$M	18	26	32	39
2016 EBITDA (1st year of full production)	US$M	60	80	95	115
2021 EBITDA (Peak year)	US$M	145	192	227	272
Cumulative Cash Flow[3]	US$M	506	975	1,330	1,784

1. Royalty rate of 5% at a price of gold of US$1,000 per ounce or less
2. Base Case
3. Cumulative cash flow defined as revenue less operating costs less capital expenditures.

Under the September 2, 2014 Common Terms Agreement with its Senior Lenders, underground mine development requires various terms and conditions being met, including the pre-funding of underground capital costs/commitments from operating cash flows generated from the open pit mine or from other financing sources. See “Liquidity, Capital Resources and Business Prospects” for further details.

Key Milestone Dates – Aurora Project:

Key Milestones (Note 1)	**Start & End Dates** (Note 1)	**Update as of February 19, 2015**
Contractor access to site	Early calendar Q1 2014	Actual achieved – Jan 2014
450 Man Camp Installation	Early calendar Q2 2014	Actual achieved – May 2014
SAG Mill Delivery	Late calendar Q4 2014	Actual achieved – December 2014
CIL Tank Installation	Calendar Q4 2014 – calendar Q1 2015	No change – on schedule
Power Generator Installation	Calendar Q2 2015	No change – on schedule
First Gold Pour	Mid calendar 2015	No change – on schedule
Commercial Production	Calendar Q3 2015	No change – on schedule

Note 1: The key milestones and dates above reflect the Company’s current estimate, and are revisions to the key milestones and dates contained in the Updated Feasibility Study. See “Forward Looking Statements and Additional Information” section below.

Quarterly Development Activities

During the shortened fifth quarter (comprising of two months) ended December 31, 2014, AGM incurred development expenditures on an accrual basis for the Aurora Project of approximately $29 million. AGM continued direct works with the GSJV under a fixed-price, lump-sum EPC Contract. Total development costs of $17 million were incurred in the quarter relating to the EPC Contract. Specific construction achieved during this shortened quarter was as follows:

- Completion of 100% of the Owner’s balance of scope engineering work.

- EPC procurement progress is 92% of plan. The most critical procurement, the SAG mill was shipped and received on site in mid December 2014. Similarly, the power generators for the plant (eight units), switch rooms, transformers and other key components for the power generation station were received into Buckhall port before the end of December. In addition, the major steel structures, fabricated tanks and large tank steel shells arrived at site during the period.
- The bulk earthworks to develop the plant platforms were completed and the GSJV continued civil works, including installation of concrete foundations for the SAG mill, CIL and leach tanks, installation of the saprolite feeder/breaker station, the main hard-rock crusher, auxiliary tanks, plant power generation station, fuel storage and gold room. The civil works for the SAG mill was completed in early November.
- CIL and leach tank steel work commenced in late November. Initial tank strakes were fabricated for four of the eight CIL tank complexes. The refeed bin and main crusher stations continued to progress with rebar placements and concrete pouring. All of the conveyor support foundations were completed and initial high conveyor bridge supports were erected.
- AGM completed the main tailings dam, the south east tailings dam, the east tailings dam, two diversion dams, and the fresh water dam in December. Earthworks were started on the mine water dam, which is the final dam structure to be built prior to production start-up.
- Trees were cleared from Alex Hill, Mad Kiss and Rory's Knoll pits and grubbing (clearing of foliage) commenced on these pits.
- AGM continues to operate the aggregate quarry and crushing plant, providing additional rock, fill and sand for the remaining balance of scope works being constructed by AGM.
- Logistics operations increased significantly in November and December with the arrival of the SAG mill, power generators, switch-rooms, transformers, steel structures and other major pieces of plant equipment. Transport of the large, heavy and wide loads commenced in early December with the overland transport of the SAG Mill shell from Buckhall to the Aurora Project site.
- The river barge landing at Tapir was upgraded to allow wide and heavy loads to be safely loaded onto the Tapir river barge. Road maintenance increased substantially in November and December to ensure the critical and heavy loads passed efficiently and safely, and in preparation of the expected rainy season that started in late December.
- Completed 85% of the construction of Phase II camp with increased room and bed capacity to support up to 850 personnel. The scope of Phase II includes additional dormitory facilities, work offices, recreation hall, emergency clinic, increased kitchen capacity, additional sewage treatment plant, larger capacity water treatment plant and general improvements to the camp facilities.
- Continued construction of the plant workshop and heavy machinery equipment storage/service facility.
- Completed the placement of tanks in the mine ready line fuel facility.
- Started construction of the final facilities at the Buckhall port, including new dormitory accommodation for 64 beds, new shower and toilet facilities, installed an increased capacity water treatment plant, complete the wash-bay for the light vehicle workshop and increased the overall port laydown pads.

Outlook

Planned activities at the Aurora Project for the next reporting period (January 1, 2015 to March 31, 2015) include the following:

- Achieve 85% of planned deliveries of materials and equipment to the Aurora Project plant site.
- Complete all construction for Phase II of the main camp. Overall camp available capacity will exceed 1000 beds with the inclusion of the temporary dormitories installed last quarter.
- Continue erection of the plant steel structures and SAG mill.
- Commence installation of material feed bins and chutes.
- Install all eight power plant generators (1.64 MW each) and the plant power station switch-room, and transformer.

- Start erection of the gold room, saprolite feeder breaker, saprolite feed conveyor and SAG mill feed conveyor.
- Start electrical installation throughout the plant.
- Complete installation of two radio communications transmission towers - one at Aurora New Camp and the other at Buckhall.
- Complete construction of the mine water dam.
- Start construction of the mine haul roads and the river dyke.
- Develop a land fill for the long-term waste disposal.
- Continue road maintenance.

The Company's main asset is the Aurora Project. As such, the outlook for the Company is strongly tied to the successful execution and development of the Aurora Project into an operating mine. See "Risk Factors" below.

EXPLORATION ACTIVITIES

During the two and fourteen months ended December 31, 2014, the Company incurred exploration and evaluation expenditures on all its exploration properties of $0.5 million and $2.5 million, respectively, compared to $0.8 million and $7.8 million, in the three and twelve month period ended October 31, 2013, respectively.

Aranka Properties

The Company completed its current exploration program activities at Aranka. The properties are now under care and maintenance. Exploration work will be continued at a later date to enable the Company to focus its exploration program on its Other Properties (as defined below). The Company will continue to retain its licenses in these areas.

The Company has a 100% interest in the Aranka Properties. At the option of the Company, the permit holders remain entitled to NSR royalties that vary from 1.5% to 2% or a fixed payment amount in lieu thereof. As of December 31, 2014, the Company held 102,220 acres under active exploration properties, with an additional 114,668 acres of property licences that have expired. Year to date, 34,893 acres of expired property licences were approved for re-issuance by the Guyana Geology & Mines Commission ("GGMC") and are awaiting final processing. The Company has previously submitted licence renewal applications with the GGMC, and has received in return a no objection letter from the GGMC, and has been advised that its applications are being processed.

Other Properties

Within an area located northeast from the Aurora Project, baseline exploration work consisting of stream sediment sampling, soil sampling, a more extensive systematic grid soil sampling, and a limited shallow saprolite drilling program were the focus of the work program during the current quarter.

Work at the main grid and infill soil sampling were both completed. An extension of the grid soil sampling to the northeast of the main grid is currently ongoing with about 50% completion. Available results from regolith mapping and soil sampling has indicated a highly coherent northwest trending gold anomaly. The more significant areas along the trend were followed up by closely spaced infill soil sampling and shallow saprolite drilling utilizing a man portable drill rig. To December 31, 2014, a total of 29 silt samples, 8392 soil samples, 147 rock samples, and 777 drill core samples were collected from the area. Twenty saprolite drill holes (1103 meters) have also been completed. Early results have indicated gold mineralization is hosted in altered intermediate intrusives (quartz diorite and diorite).

Other Properties represent exploration expenditures at exploration targets near the vicinity of the Aurora Project. The Company has a 100% interest in these Other Properties. At the option of the Company, the permit holder remains entitled to a NSR royalty of 1.5% or a fixed payment amount in lieu thereof. As of December 31, 2014, the Company held 18,589 acres under active exploration properties, in addition to 72,503 acres of property licences that have expired. The Company has submitted licence renewal applications with the GGMC, and has received in return a no objection letter from the GGMC, and has been advised that its applications are being processed.

Outlook

The Company completed its exploration activities at its Aranka Properties and the Company will continue to retain its licenses in these areas and return for future follow up exploration work. Exploration activities will continue to focus within the boundaries of the Company's Other Properties.

The outlook for all the Company's exploration assets is dependent upon successful drilling results, financing and development of these properties.

Based on correspondence and discussions with Guyana's Minister of Natural Resources and the Environment and with the Commissioner of the GGMC, management expects the above expired property licences for Aranka and the Other Properties to be renewed in due course.

TECHNICAL DISCLOSURE

The scientific and technical data contained under the headings "Company Business" and "Aurora Project – Development Cost Update" have been reviewed, approved and verified by Daniel Noone who is a "Qualified Person" under NI 43-101 and is a member of the Australian Institute of Geoscientists.

Chief Geologist Augusto Flores IV, (P.Geo), a "Qualified Person" within the meaning of NI 43-101, has supervised the preparation of the disclosure under the heading "Exploration Activities".

SELECTED ANNUAL INFORMATION

The annual summary is set out in the following table, which has been prepared in accordance with IFRS.

(Expressed in thousands of United States dollars except per share amounts and where otherwise noted)

	Ref.		**December 31, 2014[A]**		October 31, 2013[B]		November 1, 2012[C]
Operating loss		**$**	**(10,572)**	$	(18,222)	$	(40,835)
Other income (expense)			**(2,235)**		(759)		(1,702)
Net loss and comprehensive loss for the period	(i)	**$**	**(12,807)**	$	(18,981)	$	(42,537)
Net loss per share (basic and fully diluted)	(i)	**$**	**(0.09)**	$	(0.16)	$	(0.47)
Cash and cash equivalents	(ii)	**$**	**17,211**	$	108,649	$	37,390
Contract advances	(ii)	**$**	**10,417**	$	-	$	-
Restricted cash	(ii)	**$**	**33,311**	$	328	$	336
Development costs, property and equipment	(ii)	**$**	**182,205**	$	19,471	$	7,108
Total assets		**$**	**253,925**	$	129,219	$	45,683

	Ref.		December 31, 2014[A]		October 31, 2013[B]		November 1, 2012[C]
Current liabilities	(iii)	$	38,501	$	2,722	$	2,284
Long-term debt (net)	(iv)	$	58,077	$	-	$	-
Accumulated deficit	(v)	$	(254,325)	$	(241,518)	$	(222,537)

A The year ended December 31, 2014 covers a fourteen month period, represented by five fiscal quarters.

B The above figures have been re-stated to reflect the Company's voluntary change in accounting principle on "E&E" expenditures. See "Changes in Accounting Policies" below.

C The above figures have also been re-stated to reflect the Company's voluntary change in accounting principle on "E&E" expenditures. See "Changes in Accounting Policies" below. Figures comprising net loss and comprehensive loss are for the twelve months ended October 31, 2012, while components of the Company's opening balance sheet have been presented as at November 1, 2012.

(i) Overall, the Company's loss for the financial year ended December 31, 2014 totalled $12,807 with basic and diluted loss per share of $0.09. This compares with a loss for the year ended October 31, 2013 of $18,981 with basic and diluted loss per share of $0.16.

The Company's operating loss for the financial year ended December 31, 2014 of $10,572 reflected a decrease in loss of $7,650 from fiscal 2013. Despite the additional fiscal quarter operating loss of $1,478 included in current year-to-date figures, the year over year decrease in operating loss was substantially attributable to:

- Exploration and evaluation expenditure decrease of $5,361 from fiscal 2013. The majority of this decrease was represented by exploration activity at the Aurora Project that occurred just prior to the date of when development activities commenced under the Company's new accounting policy on E&E expenditures.
- Stock based compensation decrease of $2,384 from fiscal 2013. The total fair value of stock-based compensation during the fourteen months ended December 31, 2014 was $1,950 versus $4,112 last year. Of this amount, in fiscal 2014, $1,264 was expensed and the balance $686 capitalized to assets under development. In the twelve month period in fiscal 2013, $3,648 of the total fair value was expensed and the balance $464 capitalized. The decrease in stock based compensation expense of $2,384 versus last year was mainly due to a reduced number of options granted in the current fiscal year.

Other expense of $2,235 in fiscal 2014 was $1,476 higher than the prior fiscal year. Included in the current fiscal year was the additional expense related to the extra two month fiscal quarter. The increase in expense was substantially attributable to the following:

- The year over year change in the foreign exchange account that reflected an increase in the foreign exchange loss of $1,278. The current year to date net foreign exchange loss of $2,716 was primarily due to realized foreign exchange losses of approximately $1,381 and foreign exchange losses of approximately $1,335 that resulted from a weakening of the Canadian dollar applied primarily against the Company's Canadian dollar denominated cash and cash equivalents. The foreign exchange loss of $1,438 in the twelve month period last year was due to a 4.2 cent weakening in the Canadian dollar year end spot rate.

(ii) The decrease of $91,438 in the cash and cash equivalent balance from $108,649 at October 31, 2013 was substantially due to:

- Development expenditures on the Aurora Project of $131,186 (see "Aurora Project" for details), were primarily funded by the Company in fiscal 2014, and also supported by proceeds made under the Project Loan Facility (see "Liquidity, Capital Resources and Business Prospects" below),

- Receipt of gross proceeds of $41,523 from the June 27, 2014 equity Placement, which allowed for the disbursement of $33,000 into restricted bank accounts that was a pre-condition of the Facility (see "Liquidity, Capital Resources and Business Prospects" below),
- Disbursement of $13,618 in financing costs related to negotiating the Project Loan Facility and advances of $10,417 to the GSJV pursuant to the EPC Contract, and
- The current year's operating loss and other expenses that total $12,807.

(iii) Current liabilities of $38,501 at December 31, 2014 reflect an increase of $35,779 over the October 31, 2013 balance. This increase reflects the significant expansion of development activities taking place at the Company's Aurora Project. Almost all of the consolidated current liabilities represent obligations for the Aurora Project, substantially represented by accrued liabilities for work in progress under the EPC Contract, along with the current portion of the Project Loan Facility.

(iv) Long term debt of $58,077 was composed of $68,573 in proceeds to date under the Project Loan Facility (see "Liquidity, Capital Resources and Business Prospects" below), offset by the allocation of a proportional amount of unamortized deferred financing costs in the amount of $6,156 attributable to negotiating the Facility, less the current portion of Facility of $4,340 expected to be paid December 31, 2015.

(v) The accumulated deficits include the change in the Company's accounting policy on E&E expenditures (see "Changes in Accounting Policies" below). The cumulative impact of this change on accumulated deficit as of October 31, 2012, October 31, 2013 and December 31, 2014, is $163,353, $172,520 and $175,193, respectively. Of this cumulative change at December 31, 2014, $138,430 relates to exploration activities for the Aurora Project incurred prior to development activities. The balance of the cumulative impact of the change in accounting policy relates to the Company's Aranka Properties and its Other Properties that are currently in the exploration phase.

SUMMARY OF QUARTERLY RESULTS

Condensed Consolidated Financial Results

The following is a summary of the Company's consolidated quarterly results for the eight quarters ended December 31, 2014 following the basis of presentation utilized in its IFRS condensed consolidated interim financial statements:

(Expressed in thousands of United States dollars except per share amounts and where otherwise noted)
(Quarterly results are unaudited)

		Q5 Dec 31, 2014 [A]	Q4 Oct 31, 2014[B]	Q3 July 31, 2014[B]	Q2 Apr 30, 2014[B]	Q1 Jan 31, 2014[B]	Q4 Oct 31, 2013[B]	Q3 July 31 2013[B]	Q2 Apr 30, 2013[B]
Operating expenses									
General and administrative expenses	$	**779** $	1,608 $	1,290 $	1,666 $	1,331 $	1,851 $	1,473 $	1,523
Exploration and evaluation expenses		**448**	510	412	525	567	797	1,179	925
Stock-based compensation		**231**	88	178	309	458	754	1,016	785
Amortization		**20**	34	37	39	42	43	69	40
Operating loss		**(1,478)**	(2,240)	(1,917)	(2,539)	(2,398)	(3,445)	(3,737)	(3,273)
Other income (expense)									
Realized and unrealized loss on short-term investments		**-**	-	(3)	(13)	(8)	(35)	(92)	(184)
Foreign exchange gain (loss)		**(211)**	(124)	435	752	(3,568)	(836)	(1,914)	1,279
Capital and other taxes		**-**	-	-	-	-	60	(21)	(42)
Interest income		**3**	55	91	173	183	228	316	279
Net loss and comprehensive loss for the period	$	**(1,686)** $	(2,309) $	(1,394) $	(1,627) $	(5,791) $	(4,028) $	(5,448) $	(1,941)

[A] The fifth quarter of the year ended December 31, 2014 covers a two month period.
[B] The above figures have been re-stated to reflect the Company's voluntary change in accounting principle on "E&E" expenditures. See "Changes in Accounting Policies" below.

		Q5 Dec 31, 2014 [A]	Q4 Oct 31, 2014[B]	Q3 July 31, 2014[B]	Q2 Apr 30, 2014[B]	Q1 Jan 31, 2014[B]	Q4 Oct 31, 2013[B]	Q3 July 31 2013[B]	Q2 Apr 30, 2013[B]
Net loss per share									
Basic and fully diluted	$	**(0.01)** $	(0.01) $	(0.01) $	(0.01) $	(0.05) $	(0.02) $	(0.04) $	(0.02)
Weighted average number of share outstanding									
Basic and fully diluted		**150,331,399**	150,306,399	135,404,293	126,187,986	126,147,337	126,126,983	126,125,149	118,118,706
Total assets	$	**253,925** $	232,609 $	189,933 $	135,550 $	127,201 $	129,219 $	131,386 $	135,733
Total liabilities	$	**96,578** $	74,262 $	29,388 $	15,256 $	5,842 $	2,722 $	1,756 $	1,822

[A] The fifth quarter of the year ended December 31, 2014 covers a two month period.
[B] The above figures have been re-stated to reflect the Company's voluntary change in accounting principle on "E&E" expenditures. See "Changes in Accounting Policies" below.

The Company is engaged in the acquisition, exploration, evaluation and development of gold resource properties in Guyana, South America. At this time, any issues of seasonality or commodity market fluctuations have no direct impact on the Company's results or operations. The Company currently expenses exploration and evaluation expenditures incurred, and capitalizes expenditures related to the development and construction of the Aurora Project as part of assets under development, a component of development costs, property and equipment.

Results of Operations

Results for the two month period ended December 31, 2014

The Company reported a net loss for the two months ended December 31, 2014 (i.e. the fifth fiscal quarter) of $1,686 ($0.01 loss per share), substantially composed of:

- General and administrative expenses of $779, reflecting: salaries and related benefits of $426; office travel, insurance and other expenses of $225; professional fees of $117; and shareholder relations and filing fees of $11.
- Exploration and evaluation expenses of $448, substantially reflecting expenditures at the Company's Other Properties (see "Exploration Activities – Other Properties" above).
- Stock-based compensation expense of $231. The total fair value of stock-based compensation during the two months ended December 31, 2014 was $492 of which $231 was expensed and the balance $261 capitalized to assets under development. During the quarter, the Company granted 3,537,500 options to its employees and Directors with an exercise price of Cdn$2.64, five year term, vesting periods over three years, and a fair value per unit of Cdn$1.42

Results for the fourteen month period ended December 31, 2014, compared to the twelve month period ended October 31, 2013

The Company's reported a net loss for the financial year ended December 31, 2014 of $12,807 (basic and diluted loss per share of $0.09). This compares with a loss for the year ended October 31, 2013 of $18,981 (basic and diluted loss per share of $0.16). Despite the additional fiscal quarter net loss of $1,686 in 2014, the $6,174 decrease in the year over year net loss was substantially attributable to:

- Exploration and evaluation expenditure decrease of $5,361 from the prior year, with the majority of this decrease represented by exploration activity at the Aurora Project that occurred just prior to the date of when development activities commenced under the Company's new accounting policy on E&E expenditures. The balance of the reduction in E&E expenditures reflected a shift in focus in the Company's exploration program whereby its Aranka Property was placed on care and maintenance with exploration activities to resume at a future date, while the Company's current exploration program focused on its Other Properties.
- Stock based compensation decrease of $2,384 from fiscal 2013. The total fair value of stock-based compensation during the fourteen months ended December 31, 2014 was $1,950 versus $4,112 last year. Of this amount, in fiscal 2014, $1,264 was expensed and the balance $686 capitalized to assets under development. In the twelve month period in fiscal 2013, $3,648 of the total fair value was expensed and the balance $464 capitalized. The decrease in stock based compensation expense of $2,384 versus last year was mainly due to a reduced number of options granted in the current fiscal year.
- The year over year change in the foreign exchange account that reflected an increase in the foreign exchange loss of $1,278. The current year to date net foreign exchange loss of $2,716 was primarily due to realized foreign exchange losses of approximately $1,381 and foreign exchange losses of approximately $1,335 that resulted from a weakening of the Canadian dollar applied primarily against the Company's Canadian dollar denominated cash and cash equivalents. The foreign exchange loss of $1,438 in the twelve month period last year was due to a 4.2 cent weakening in the Canadian dollar year end spot rate.

TRENDS

The Company is a Canadian-based mineral exploration and development company primarily focused on the acquisition, exploration and development of gold deposits in Guyana, South America. The Company attempts to acquire properties in Guyana, should such acquisitions be consistent with the objectives and acquisition criteria of the Company. The Company's future financial success will be dependent upon management's successful execution of its Aurora Project development and operating plans, and satisfying all conditions necessary for continued draws of Project Loan Facility funds during development, and adherence while in production to the Facility's requirements. In addition, both the price of, and the market for, gold is volatile, difficult to predict and

subject to changes in domestic and international political, social and economic environments. Currently, access to capital to fund exploration and development companies is very challenging.

The Company is aware that governments around the world are looking to the resource sector as a possible source of additional revenue, be it taxes or royalties. The Company has negotiated a long-term agreement with the Government of Guyana it considers to be fair which should benefit all stakeholders.

Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

LIQUIDITY, CAPITAL RESOURCES AND BUSINESS PROSPECTS

Working Capital

The Company does not currently generate cash from mining operations, as its primary focus is on the development of its Aurora Project. The Company now considers the Project to be fully financed with monthly draws taking place under the Facility to fund ongoing development and construction activities.

Monthly funding under the Project Loan Facility is designed to match the Aurora Project's amounts due and payable or reasonably expected to be, before the next Facility draw date. Consequently, the amount of cash on hand previously drawn under the Facility, and the Company's working capital position will reduce over time as Project cash payments are made and subsequent supplier accruals are incurred. In addition, approximately $22,000 in Project current accounts payable and accrued liabilities are not yet funded under the Facility. See "Liquidity, Capital Resources and Business Prospects" below. At December 31, 2014, the Company on a consolidated basis had cash and cash equivalents of $17,211 (October 31, 2013 - $108,649) to settle consolidated current liabilities of $38,501 (October 31, 2013 - $2,722). Included in the Company's consolidated cash position and current liabilities at December 31, 2014 is approximately $14,000 and $37,000, respectively, attributable to the Aurora Project. The $37,000 in Project's current liabilities includes $4,340 in current portion of long-term debt. The $14,000 cash position represents cash drawn under the Facility that the Company is contractually obligated to spend on the development of the Aurora Project.

As of December 31, 2014 the Company had $10,417 outstanding in contract advances made to the GSJV. Contract advances are expected to be fully repaid by mid-2015.

The Company's current liabilities at December 31, 2014 and October 31, 2013 were $38,501 and $2,722, respectively. The increase reflects the growth of development activities taking place at the Aurora Project. Included in the December 31, 2014 current liabilities is $10,000 in holdbacks owed to the GSJV which are due on full plant mechanical completion date. In addition, current liabilities at December 31, 2014 include $4,340 in current portion of long term debt that is expected to be paid on December 31, 2015.

At December 31, 2014 the Company available cash to support its corporate general and administrative expenses and its exploration program was approximately $3,000. The Company expects to manage its corporate cash resources to support these ongoing activities for calendar 2015.

Financing Activities & Liquidity

On September 2, 2014 the Company and its wholly owned subsidiary AGM, announced the signing of the Common Terms Agreement with its Senior Lenders and other definitive documentation with respect to the $185 million Project Loan Facility to fund the development and construction of, and general matters relating to, the

100%-owned Aurora Project. With the completion of the Facility, the development of the Project is now fully financed, subject to the terms and conditions of the Facility.

The Project Loan Facility consists of two tranches; a Tranche 1 facility of $160,000 and a Tranche 2 cost overrun facility of $25,000. The maximum term of the Facility is eight years and advances under the Facility bear a weighted average interest rate of 3-month LIBOR plus 5.11% for the Tranche 1 facility, and advances under the Tranche 2 facility would bear interest at the same average rate plus 0.5% (if drawn). There is no required gold hedging or other required similar provisions associated with the Facility. The use of proceeds drawn under the Facility is limited to development and construction of the open pit mine and related process plant facilities.

As a condition of first disbursement under the Facility, the Company was obligated to fund into restricted reserve accounts a total of $33,000, which on June 27, 2014 the Company raised in equity by completing the Placement pursuant to which it issued an aggregate of 24,000,000 Common Shares at a price of Cdn$1.85 per Common Share for aggregate gross proceeds of approximately $41,523 (or Cdn$44,400). Share issue expenses of $287 were incurred on the Placement.

The Company satisfied all conditions to first disbursement under the Facility to enable initial drawdown on October 17, 2014 in the amount of $42,573. As of December 31, 2014, the Company's debt under the Facility was $68,573. Subsequent advances are expected to be received on a monthly basis, as determined by Project funding requirements. The Company was in compliance will all key covenants under the Common Terms Agreement as of February 19, 2015.

The Company has undertaken to provide additional funds, if required, for the Aurora Project to achieve project completion, and to supplement any shortfall of funds needed to meet the Aurora Project's financial obligations.

At and subsequent to completion of project development, AGM will be required to maintain specified financial and non-financial covenants/conditions and reporting requirements, including adherence to environmental and social standards, and funding of a debt service reserve account and mine closure reserve account. The restricted funds within the Owner's cost overrun equity and project completion accounts that total $33 million will be released at project completion (to the extent they are not drawn), and if required, applied against debt service reserve and mine closure reserve accounts, as required under the Project Loan Facility. The Facility also provides for a partial cash sweep mechanism for the benefit of the Senior Lenders and the acceleration of principal repayment in the event of a change in control.

Under the terms of the Facility, commencement of underground mine development requires various terms and conditions being met, including the pre-funding of underground capital costs/commitments from operating cash flows generated from the open pit mine or from other financing sources.

Principal repayments are expected to commence December 31, 2015 and continue quarterly thereafter over the tenor of the Facility.

The sources and uses of funds to construct the Aurora Project are anticipated as follows:

(in millions of United States dollars)

SOURCES		**Amount**	**USES**		**Amount**
Owners' equity contribution	$	117	Initial development costs[(A)]	$	249
Tranche 1 Facility		160	Working capital		5
			Capitalized operating costs		3
			Financing costs (including pre-production interest)		20
Total Base Case Sources	**$**	**277**	**Total Uses**	**$**	277
Owner's overrun equity restricted account		23			
Tranche 2 Facility		25			
Owner's completion restricted account		10			
Total Aurora Project Potential Overfunding		**58**			
Total Sources	**$**	**335**			

(A) Includes contingency of approximately $5 million.

Under the Common Terms Agreement, to the extent necessary, the following sequence is required to enable disbursement of the full Project Loan Facility funds:

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

Total anticipated Aurora Project costs are $277 million that include development costs of $249 million, finance costs of $20 million, working capital of $5 million, and pre-operating costs of $3 million. Total funding sources amount to $335 million and are anticipated to exceed the expected total Aurora Project costs by $58 million. The Company does not expect that it will require using the $58 million in overfunding facilities.

Development costs from project inception, on an accrual basis, of approximately $172 million reflect additions incurred in both fiscal 2013 and in fiscal 2014. The total expected remaining development costs to commercial production, on an accrual basis, are expected to be $77 million which includes $38 million for the fixed price EPC Contract, and $39 million in initial development costs attributable to the Company's self-performance (see "Aurora Project – Development Cost Update"). The Company has sufficient funding for an additional $58 million in Aurora Project cost overruns (if incurred), above and beyond the expected remaining costs to complete attributable to the Company's self-performance, and for any variations/change orders in the fixed price EPC Contract.

Accordingly, to complete the mine development and construction plan for the Aurora Project, ongoing draws and compliance with the Project Loan Facility will be required. See also "Risk Factors" below.

As of December 31, 2014, approximately $15,376 in costs on Lender's due diligence activities were incurred since project inception, in support of the bankable feasibility study and the Project Loan Facility, and includes Senior Lenders' and other advisory fees, legal costs, as well as required technical engineering and social and environmental assessment costs that were pre-requisites to entering into Facility negotiations. These costs have been capitalized on the balance sheet as deferred financing costs and considered borrowing transaction costs. A proportional amount of these transaction costs as of December 31, 2014, that is $6,590, has been netted against

ongoing advances made under the Facility, of which $434 has been accreted using the effective interest method and capitalized to the Project's development costs over the loan repayment period.

With the staged mining approach (see "Aurora Project EPC Contract – Update" above), the scheduled September 30, 2015 interest and Senior Lenders' fee payment of approximately $4,000 on the Project Loan Facility, may now be incurred during the development phase of the Aurora Project, rather than the operations phase (see "Financial" section below and "Liquidity, Capital Resources and Business Prospects" for further details). It is anticipated that cash flows generated from early gold production from the gravity and saprolite circuits in mid-year 2015 will be more than sufficient to cover these costs.

There can be no assurance that the Company will meet all ongoing conditions necessary for continued draws and compliance under the Facility. In these circumstances, this could result in a default under the Facility and require repayment of all advances. If debt and or equity capital markets are not available, or the cost of capital is excessive, the Company may have to delay the construction and development activities at the Aurora Project. See "Risk Factors" below.

As of December 31, 2014, the Company held approximately $14,000 of its cash in United States denominated currency, with the remaining predominantly in Canadian funds. The Company maintains substantially all of its cash and cash equivalents in interest bearing bank accounts at select Canadian chartered banks.

The Company's cash and cash equivalents position on February 19, 2015 was approximately $26 million.

Investing Activities

The Company's most significant expenditure is on its development of the Aurora Project.

For the two and fourteen months ended December 31, 2014, the Company incurred development expenditures on a cash basis for the Aurora Project of approximately $31 million and $131 million, respectively, compared to approximately $5 million in the fourth quarter and $11 million for the twelve months ended October 31, 2013. See "Aurora Gold Project" above which describes the nature and composition of development costs on an accrual basis.

During the two and fourteen months ended December 31, 2014, the Company incurred exploration and evaluation expenditures on all its exploration properties of $0.5 million and $2.5 million, respectively, compared to $0.8 million and $7.8 million, in the three and twelve month period ended October 31, 2013, respectively.

In accordance with the Project Loan Facility, in October 2014 the Company placed a total of $33 million into restricted bank accounts prior to first draw under the Facility. These restricted funds are available for project costs overruns on the Aurora Project, and are subject to security and debenture agreements whereby AGM has granted and created a lien for the benefit of the Senior Lenders. These balances will be released at project completion, to the extent they are not drawn, and if required, applied against debt service reserve and mine closure reserve accounts, as required under the Project Loan Facility. These restricted cash accounts are denominated in United States dollars and held at a select Canadian chartered bank. See "Financing Activities and Liquidity" section above.

During the financial year ended December 31, 2014, the Company made $13.4 million in contract advances to the GSJV pursuant to the EPC Contract. As of December 31, 2014, approximately $10.4 remained outstanding and is scheduled for repayment by the GSJV in equal monthly instalment by mid-2015.

OFF-BALANCE-SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

COMMITMENTS

The Mineral Agreement and Mining Licence for the Aurora Project require the Company to undertake various obligations and commitments over the twenty-year life of the agreements. The Company is progressing with infrastructure development and is in compliance in all material respects with all terms and conditions of the Mining Licence and Mineral Agreement for the Aurora Project. 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.

As of February 19, 2015 the Company is committed to $68,479 for obligations under the EPC Contract, other Aurora Project contractual commitments, purchases of equipment goods and services, and operating leases.

(In thousands of United States dollars)		Total	2015	2016	2017	2018	2019	There-after
EPC Contract	$	56,939 $	56,939 $	- $	- $	- $	- $	-
Other contractual commitments		7,368	5,628	290	290	290	290	580
Purchase Obligations		3,946	3,946	-	-	-	-	-
Operating leases		226	79	3	3	3	3	135
Total Contractual Obligations At February 19, 2015[A]	**$**	**68,479 $**	**66,592 $**	**293 $**	**293 $**	**293 $**	**293 $**	**715**

[A] With the Company's announcement on August 12, 2014 of the change in its fiscal year end (see "Change in Year End" section below), references to annual amounts reflect years ending December 31st.

In May 2014, the Company's wholly owned subsidiary AGM formalized its existing contractual arrangements with the GSJV, and signed the EPC Contract for the Aurora Project process plant and power plant. Under the terms of the EPC Contract valued at $134 million, the Company is required to make prescribed monthly installment payments to the GSJV up to the end of September 2015. Initial payments by AGM were subject to a 30% hold back, to a maximum of $10 million that is repayable at full plant mechanical completion date. The holdback is included in accounts payable and accrued liabilities at December 31, 2014.

The Company's mineral exploration rights to the Aurora Property were acquired from Alfro Alphonso and are subject to an annual fee of $100, payable on January 2nd each year, up to a maximum of $1,500. Such payments are due and payable for such period that the Company maintains an interest in the property. As at December 31, 2014 total payments of $1,100 have been made (October 31, 2013 - $900). This remaining commitment has not been included in the above contractual commitment table.

If the GSJV reaches mechanical completion within certain time parameters around the dates of the established three milestones (gravity circuit, saprolite circuit and full plant mechanical completion), bonuses are payable to the GSJV, in addition to the contract price, up to a maximum of 5% of the contract value. These contingent payments have not been included in the above figures and have not been accrued, as the likelihood of these events taking place is not determinable at this time.

Provisions to terminate the EPC Contract are available to AGM under certain conditions, along with a related termination payment. A termination payment by AGM would also apply in the case of a change in control of the

Company. Delay liquidated damages are payable by the GSJV to AGM, up to a maximum of 5% of the contract price, if the GSJV fails to reach the date of full plant mechanical completion.

The Company is also party to certain management and consulting contracts. These contracts contain clauses requiring additional payments to be made upon the occurrence of certain events such as contract termination or change of control by the Company. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in the consolidated financial statements.

PROPOSED TRANSACTIONS

The Company evaluates various opportunities and transactions as they arise. There are no material transactions pending at the date of this MD&A.

RELATED PARTY TRANSACTIONS

(a) Compensation to directors for director's fees and salaries and benefits for key management personnel were as follows:

(In thousands of United States dollars)	**Fourteen months ended December 31, 2014**	Twelve months ended October 31, 2013
Directors:		
Alan Ferry	$ 79	$ 35
Robert Bondy	6	31
Richard Williams	8	31
Jean-Pierre Chauvin	66	31
Scott Caldwell	-	15
David Beatty	48	24
Rene Marion	64	-
Michael Richings	52	-
	$ 323	**$ 167**
Key Management:		
J. Patrick Sheridan, Executive Chairman of the Board	$ 473	$ 564
Scott Caldwell, President, CEO and Director (i)	586	203
Lello Galassi, President and Chief Operating Officer	425	154
Marcel ("Mac") DeGuire, former President and COO	-	326
Paul J. Murphy, Executive Vice-President, Finance and Chief Financial Officer	496	345
Daniel Noone, Vice-President of Exploration, and Director	274	321
Reed Huppman, Vice President Sustainability, Health and Safety	307	-
	$ 2,561	**$ 1,913**

(i) Scott Caldwell was appointed President and CEO mid-calendar 2013

Directors fees are higher in fiscal 2014 than in fiscal 2013, substantially due to compensation adjustments in the current year, along with compensation related to the additional fifth fiscal quarter in 2014. Key management compensation in the current year was also higher than in fiscal 2013, due to the additional reporting quarter, one newly created senior management position (the VP Sustainability, Health and Safety), along with the newly created Executive Chairman of the Board position that commenced mid-last year and

adjustments to remunerations, that was partially offset by the payment of bonuses last year that related to the successful issuance of the Updated Feasibility Study.

(b) Included in accounts payable are the following amounts due to related parties:

(In thousands of United States dollars)	**December 31, 2014**	October 31, 2013
Directors:		
Alan Ferry	$ -	$ 9
Robert Bondy	-	9
Richard Williams	-	9
Jean-Pierre Chauvin	-	8
David Beatty	-	8
	$ -	**$** 43

(In thousands of United States dollars)	**December 31, 2014**	October 31, 2013
Key Management:		
J. Patrick Sheridan, Executive Chairman of the Board	$ 7	$ 30
Scott Caldwell, President, CEO and Director	-	1
	$ 7	**$** 31

The balances above are non-interest bearing and are payable on demand.

(c) Directors and insiders of the Company purchased a total of 114,000 Common Shares having a value of Cdn$210,900 under the June 2014 Placement. See "Liquidity, Capital Resources and Business Prospects – Financing Activities and Liquidity" for further details on the Placement.

All the above related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

CHANGE IN YEAR END

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

During its 2015 financial year, the Company will file interim financial statements (comparative period end dates presented in brackets) covering the three months ending March 31, 2015 (April 30, 2014), the three and six-month periods ending June 30, 2015 (July 31, 2014), and the three and nine-month periods ending September 30, 2015 (October 31, 2014). Annual statements will be filed for the new financial year ending December 31, 2015 with comparative statements from the previous fourteen month financial year ending December 31, 2014.

As prescribed in National Instrument 51-102 Continuous Disclosure Obligations, the filing deadline for the annual financial statements will be on or before the 90th day after the end of the most recently completed financial year and the filing deadline for the interim financial statements will be on or before the 45th day after the end of the interim period.

CHANGES IN ACCOUNTING POLICIES

Change in Accounting Policy on Exploration and Evaluation Expenditures

Under IFRS 6 – "Exploration and Evaluation of Mineral Resources" ("IFRS 6"), the Company's had historically capitalized its expenditures on E&E activities. Effective December 31, 2014, the Company adopted a voluntary change in accounting principle on E&E expenditures that is also generally accepted under IFRS 6. The Company's new policy on accounting for exploration and evaluation expenditures is to expense these costs until such time as the work completed supports the future development of the property through the issuance of a NI 43-101 technical report or definitive bankable feasibility study, and such development receives appropriate board approvals. All subsequent expenditures on the property are then capitalized and classified as assets under construction, a component of property, plant and equipment.

The Company's primary focus is on the development of its Aurora Project, with initial production expected mid-year of fiscal 2015. As such, exploration expenditures incurred prior to the issuance of the Aurora Project's Updated Feasibility Study do not form part of the current Project's development budget and supporting financing Facility. In addition, this change in accounting policy is consistent with the accounting conceptual framework for the recognition of assets, and is an accepted accounting practice in the mining industry. As such, management has determined that such a voluntary change in accounting policy results in financial statements providing more reliable and more relevant information. This change in accounting policy has been applied to all of the Company's exploration activities for all properties.

In accordance with IFRS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors", the change in accounting policy has been made retrospectively and the comparatives have been restated accordingly to all periods presented, as if the policy had always been applied. The following table summarizes the impact of the above voluntary change in accounting principle on affected line items within the Company's financial position, operations and comprehensive loss, and cash flows:

Selected Balance Sheet Items:	**November 1, 2012**			**October 31, 2013**		
(In thousands of United States dollars)	**As previously reported**	**Cumulative Change**	**As restated**	**As previously reported**	**Cumulative Change[1]**	**As restated**
Exploration and evaluation assets:						
Aurora Project	$ 133,954	$ (133,954)	$ -	$ -	$ -	$ -
Aranka Property	26,161	(26,161)	-	30,197	(30,197)	-
Other Properties	3,238	(3,238)	-	3,893	(3,893)	-
	163,353	(163,353)	-	34,090	(34,090)	-
Development costs, property and equipment	7,108	-	7,108	157,901	(138,430)	19,471
	$ 170,461	$ (163,353)	$ 7,108	$ 191,991	$ (172,520)	$ 19,471
Accumulated deficit	$ (59,184)	$ (163,353)	$ (222,537)	$ (68,998)	$ (172,520)	$ (241,518)

[1] During fiscal 2013, costs of $138,430 were reclassified from exploration and evaluation assets to development costs under the previous accounting policy. The cumulative change to development costs of $138,430 above, represents these same exploration costs that were incurred on the Aurora Project from inception to January 11, 2013 (the date of issuance of the Updated Feasibility Study and board approval to commence with development on the Project towards commercial production).

Selected Items from Statement of Operations and Comprehensive Loss: *(In thousands of United States dollars)*		Twelve months ended October 31, 2013				
		As previously reported		**Change**		**As restated**
Stock based compensation	$	2,844	$	804	$	3,648
Amortization		34		540		574
Exploration and evaluation expenditures		-		7,823		7,823
	$	2,878	$	9,167	$	12,045
Net loss and comprehensive loss for the year	$	(9,814)	$	(9,167)	$	(18,981)
Net loss per share - Basic and fully diluted	$	(0.08)	$	(0.08)	$	(0.16)

***Selected Items from Statement of Cash Flows**:* *(In thousands of United States dollars)*		Twelve months ended October 31, 2013				
		As previously reported		**Change**		**As restated**
Net Loss	$	(9,814)	$	(9,167)	$	(18,981)
Items not involving cash:						
Stock based compensation		2,844		804		3,648
Amortization		34		540		574
Change in non-cash operating working capital:						
Accounts payable and accrued liabilities		776		(1,365)		(589)
Investing						
Expenditures on exploration and evaluation assets		(9,188)		9,188		-
Total Cash Flows, or the like	$	(15,348)	$	-	$	(15,348)

Future accounting pronouncements

The Company has not yet adopted the following new accounting pronouncements which are effective for fiscal periods of the Company beginning on or after January 1, 2015:

(i) International Financial Reporting Standard 9, Financial Instruments ("IFRS 9") was issued in October 2010 by the IASB to replace IAS 39, Financial Instruments – Recognition and Measurement. The replacement standard has the following significant components: it establishes two primary measurement categories for financial assets – amortized cost and fair value; it establishes criteria for the classification of financial assets within the measurement category based on business model and cash flow characteristics; and it eliminates existing held to maturity, available-for-sale, loans and receivable categories.

In November 2013, the IASB issued an amendment to IFRS 9 which includes a new hedge model that aligns accounting more closely with risk management and enhances disclosure about hedge accounting and risk management. Additionally, as the impairment guidance and certain limited amendments to the classification and measurement requirements of IFRS 9 are not yet complete, the previously mandated effective date of IFRS 9 of January 1, 2015 has been removed. Entities may apply IFRS 9 before the IASB completes the amendments but are not required to do so. The final version of IFRS 9 was issued in July 2014 and includes (i) a third measurement category for financial assets – fair value through other comprehensive income; (ii) a single, forward-looking 'expected loss' impairment model, and (iii) a mandatory effective date for IFRS 9 of annual periods beginning on or after January 1, 2018. The Company has not evaluated the impact of adopting this standard.

(ii) International Accounting Standard 36, Impairment of Assets ("IAS 36") was amended in May 2013 to make small changes to the disclosures required by IAS 36 when an impairment loss is recognized or reversed. The amendments require the disclosure of the recoverable amount of an asset or cash generating unit ("CGU") at the time an impairment loss has been recognized or reversed and detailed disclosure of how the associated fair value less costs of disposal has been determined. The amendments are effective for accounting periods beginning on or after January 1, 2014 with earlier adoption permitted. The Company is currently evaluating the impact of adoption of the amended disclosure requirements of IAS 36.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses and other income during the year.

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 financial statements are as follows:

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 the higher of the fair value less costs to sell 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 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. Recoverable amount 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 future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate to determine the net present value. Changes in any of the assumptions or estimates used in determining the fair value could impact the impairment analysis.

The estimation of mineral resources as proven or probable ore reserves is complex and requires significant subjective assumptions, which are valid at the time of estimation. These assumptions may change significantly over time when new information becomes available and may cause the mineral resources and reserves estimates to change. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may have a significant impact on the economic assessment of the mineral resources and reserves and may result in their restatement, affecting the recoverability of mineral property interests capitalized.

Fair value of share-based payments:

Determining the fair value of certain share-based payments involves estimates of interest rates, expected life of options, expected forfeiture rate, share price volatility and the application of the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions that can materially affect the fair value estimate. Stock options granted vest in accordance with the stock option plan. The valuation of stock-based compensation is subjective and can impact profit and loss significantly.

The Company has applied a forfeiture rate in arriving at the fair value of stock based compensation to be recognized, reflecting historical experience. Historical experience may not be representative of actual forfeiture

rates incurred. Several other variables are used when determining the value of stock options using the Black-Scholes valuation model:

- Volatility: the Company uses historical information on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate will vary depending on the date of the grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the exploration and development stage and has not yet earned any significant income. Also, the Company does not expect to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, taking on debt, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The properties in which the Company currently has an interest are in the exploration and development stage. As such the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and development programs and pay for administrative costs, the Company will attempt to spend its existing working capital and raise additional amounts as needed.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient potential and if it has adequate financial resources to do so.

The Company considers its capital to be (1) equity, comprising share capital, stock options, contributed surplus and accumulated deficit, which at December 31, 2014 totalled $157,347 (October 31, 2013 - $126,497), and (2) long-term debt, which at December 31, 2014 was $58,077 net of unamortized debt issuance costs (October 31, 2013 – nil). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on exploration and development activities. Selected information is frequently provided to the Board of Directors of the Company. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company's capital management objectives, policies and processes have remained unchanged during the fourteen months ended December 31, 2014.

Under the Project Loan Facility, the Company's long-term debt is expected to increase to $160 million by the time the Aurora Project reaches commercial production, anticipated in the third calendar quarter of 2015.

PROPERTY AND FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: liquidity risk, market risk (including interest rate, currency rate and price risk) and credit risk.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(a) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The timeline to build the Aurora Project into a producing mine is dependent on continuing to satisfy all required financial and non-financial covenants under the Project Loan Facility and successful construction and development of the Project. There can be no assurances that future draws under the Facility will occur or take place in a timely fashion, or that other supplemental financing activities will be successful, if required, or that execution of the construction of the mine at the Project will proceed as planned.

The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company generates cash flow primarily from its financing activities and interest income earned on its cash and cash equivalents. At December 31, 2014, the Company on a consolidated basis had cash and cash equivalents of $17,211 (October 31, 2013 - $108,649) to settle consolidated current liabilities of $38,501 (October 31, 2013 - $2,722).

Monthly funding under the Project Loan Facility is designed to match the Aurora Project's amounts due and payable or reasonably expected to be, before the next Facility draw date. Consequently, the amount of cash on hand previously drawn under the Facility, and the Company's working capital position will reduce over time as Project cash payments are made and subsequent supplier accruals are incurred. In addition, approximately $22 million in Project current accounts payable and accrued liabilities are not yet funded under the Facility. See "Liquidity, Capital Resources and Business Prospects" above. At December 31, 2014, the Company on a consolidated basis had cash and cash equivalents of $17,211 (October 31, 2013 - $108,649) to settle consolidated current liabilities of $38,501 (October 31, 2013 - $2,722). Included in the Company's consolidated cash position and current liabilities at December 31, 2014 is approximately $14 million and $37 million, respectively, attributable to the Aurora Project. The $37 million in Project's current liabilities includes $4.3 million in current portion of long-term debt. The $14 million cash position represents cash drawn under the Facility that the Company is contractually obligated to spend on the development of the Aurora Project.

The Company regularly evaluates its overall cash position and forecasted cash flows to ensure preservation and security of capital as well as maintenance of liquidity. All of the Company's financial liabilities are subject to normal trade terms.

(b) Market risk:

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in foreign exchange rates, interest rates, and equity prices.

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the United States dollar and major purchases are transacted in United States dollars.

The Company is subject to gains and losses due to fluctuations in the Canadian and Guyanese dollar against the United States dollar. Sensitivity to a plus or minus 10% change in all foreign currencies (Guyanese and Canadian

dollars) against the United States dollar with all other variables held constant as at December 31, 2014, would affect the statement of operations and comprehensive loss by approximately $58 (October 31, 2013 - $5,667).

The Aurora Project is funded by the Project Loan Facility that is denominated in United States currency, and for disbursement purposes is supported by maintaining bank accounts denominated in United States, Canadian, and Guyanese dollars. The Project's exposure to fluctuations in the Canadian and Guyanese dollar against the United States dollar is not significant as substantially most development costs are incurred in United States dollars, and the exchange rate between the Guyanese and United States dollar has remained relatively constant.

The Company funds its exploration activities in Guyana on a cash call basis using United States dollars converted from its Canadian dollar bank accounts held in Canada. The Company maintains Canadian and United States dollar bank accounts in Canada, and Guyanese and United States dollar bank accounts in Guyana. Similarly, the Company foreign exchange exposure is not significant as its annual exploration expenditures are relatively small.

Interest rate risk is the impact that changes in interest rates could have on the Company's earnings and assets. In the normal course of business, the Company is exposed to interest rate fluctuations as a result its long-term debt, and its cash and cash equivalents being invested in interest-bearing instruments. The Project Loan Facility bears interest at a variable rate (3-month LIBOR plus 5.11% for the Tranche 1 facility).

Excluding cash balances and long-term debt attributable to the Aurora Project, sensitivity to a plus or minus 1% interest rate change with all other variables held constant as at December 31, 2014, would affect the statement of operations and comprehensive loss by approximately $32 (October 31, 2013 - $1,086). Prior to commercial production of the Project, related interest earned on cash balances and interest incurred on long-term debt will be credited to/charged to Aurora Project assets under development. Sensitivity to a plus or minus 1% interest rate change on the Project's cash balances and long-term debt with all other variables held constant as at December 31, 2014, would affect assets under development by approximately $216 (October 31, 2013 – N/A). The Company is evaluating opportunities to hedge its interest rate exposure on its long-term debt.

Fluctuation in the price for gold may adversely affect the Company's ability to obtain additional financing, influence the course of action taken in developing the Project, and affect the Company's ability to meet the Facility's financial and non-financial covenants. As at December 31, 2014, although the Company was not a gold producer, gold price risk may also affect the Company's liquidity and its ability to meet ongoing obligations.

(c) Credit risk:

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, restricted cash, accounts receivable and contract advances from the GSJV. The maximum credit exposure at December 31, 2014 is approximately $11,156 (October 31, 2013 - approximately $294). The Company has a significant concentration of credit risk arising from its advances to the GSJV. The Company maintains substantially all of its cash and cash equivalents in interest bearing bank accounts at select Canadian chartered banks.

NATIONAL INSTRUMENT 52-109 DISCLOSURE

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of disclosure controls and procedures ("DC&P") and the design of Internal Controls over Financial Reporting ("ICFR") to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's controls are based on the COSO framework. The Company's CEO and the CFO have evaluated the design and effectiveness of the Company's DC&P as of December 31, 2014, and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company. The CEO and CFO have also evaluated the design and

effectiveness of the Company's ICFR as of December 31, 2014, and concluded that these controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

It should be noted that while the Company's CEO and CFO believe that the Company's disclosure controls and processes will provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and processes will prevent all errors and frauds. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that its objectives are met.

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.

OUTSTANDING SHARE DATA

At the date of this MD&A, the issued and outstanding Common Shares totalled 150,575,149. Options outstanding amounted to 11,370,000 at the date of this MD&A, each of which is exercisable to acquire one Common Share in accordance with the terms thereof.

RISK FACTORS

The following discussion summarizes the existing and future material risks to the business of the Company. The risks described 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

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

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

cannot be accurately predicted, but the combination of these factors may result in Guyana Goldfields not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by Guyana Goldfields towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore.

Licencing Matters

Guyana Goldfields' operations are subject to receiving and maintaining permits and licences from appropriate governmental authorities. Although Guyana Goldfields currently has all required permits and licenses for its operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits and licenses for the existing operations or additional permits or licenses for all future operations. There can be no assurance that Guyana Goldfields will continue to hold all permits and licenses necessary to develop or continue operating at any particular property, or that any such licenses or permits awarded will not be cancelled pursuant to applicable legislation. At December 31, 2014, the Company had certain expired exploration licences for both the Aranka Property and Other Properties. The Company has submitted licence renewal applications with the GGMC, and has received in return a no objection letter from the GGMC, and the Company has been advised that the applications are being processed. Although the Company expects renewal of its expired exploration licences, there could no assurance that these licences will be renewed.

The interest of Guyana Goldfields in the Aurora Project is held through a mineral agreement and mining licence that sets out a tax regime and development and production framework. All other properties are held through property licences.

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

Insurance and Uninsured Risks

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

The Company currently maintains director's and officer's liability, general liability, construction, marine cargo and other required insurances in such amounts as it considers to be reasonable. Accordingly, the insurance of the Company may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development or production is not generally available to Guyana Goldfields or to other companies in the mining industry on acceptable terms. Guyana Goldfields might also become subject to liability for pollution or other hazards which may not be insured against or which Guyana Goldfields may elect not to insure against because of premium costs

or other reasons. Losses from these events may cause Guyana Goldfields to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

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

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

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

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

Infrastructure

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

Uncertainty Relating to Mineral Resources

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

Reliability of Resource Estimates

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

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

Uncertainty of Feasibility Study Results & Revisions to Estimates

Feasibility studies are used to determine the economic viability of a deposit, as are pre-feasibility studies and preliminary assessments. Feasibility studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs. Generally accepted levels of confidence are plus or minus 15% for feasibility studies, plus or minus 25-30% for pre-feasibility studies and plus or minus 3540% for preliminary assessments. These levels reflect the levels of confidence that exist at the time the study is completed. Accordingly, while the Updated Feasibility Study for the Aurora Project and the revised initial development costs estimate to commercial production are based on the best information available to the Company, the Company cannot be certain that actual costs will not significantly exceed the estimated costs. While the Company incorporates what it believes is an appropriate contingency factor in cost estimates to account for this uncertainty, there can be no assurance that the contingency factor is adequate, or that available funding will be sufficient.

No History of Mineral Production

Guyana Goldfields has never had any interest in mineral producing properties. There is no assurance that commercial quantities of minerals will be discovered at any of the properties of Guyana Goldfields or any future properties, nor is there any assurance that the exploration programs of Guyana Goldfields thereon will yield any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any property of Guyana Goldfields will ever be brought to a stage where mineral resources can profitably be produced thereon. Factors which may limit the ability of Guyana Goldfields to produce mineral resources from its properties include, but are not limited to, the price of the mineral resources which are currently being explored for, availability of capital and financing and the nature of any mineral deposits.

Land Title

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

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

Global Financial Conditions

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

Competition May Hinder Corporate Growth

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

Additional Capital

The development and exploration of Guyana Goldfields' properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of Guyana Goldfields' properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Guyana Goldfields.

Although the Company has $58 million in additional funding available under the Project Loan Facility above its $277 million Project estimate (see "Liquidity, Capital Resources and Business Prospects" above"), there can be no assurance that this additional funding will be sufficient for any unexpected development, financing or other costs for the Aurora Project.

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

Dilution

The Company may require additional monies to fund development, construction, operational and exploration programs. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into shares or the effect, if any, that future issuances and sales of the

Company's securities will have on the market price of the Common Shares. If the Company raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. The cost and availability of equity may also be restricted. Sales of substantial amounts of the Company's Common Shares, or the availability of such Common Shares for sale, could adversely affect the prevailing market prices for the Company's securities.

Commodity Prices

The price of the Common Shares, Guyana Goldfields' financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of gold. Gold prices fluctuate widely and are affected by numerous factors beyond Guyana Goldfields' control such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States, Canadian and Guyanese dollar currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold has fluctuated widely in recent years, and future serious price declines could cause development and or operations of Guyana Goldfields' properties to be impracticable. Future production from Guyana Goldfields' properties is dependent on gold prices that are adequate to make these properties economic.

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

Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that Guyana Goldfields incurs in its operations. The appreciation of non-US dollar currencies against the US dollar can increase the cost of gold production in US dollar terms. Most of the Company's expenditures that occur in Guyana are paid in U.S. currency. Accordingly, a strengthened Canadian and Guyanese dollar relative to the U.S. dollar would negatively impact the Company.

Government Regulation

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

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

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

Political Risks

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

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

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

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

Labour and Employment Matters

While Guyana Goldfields has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities in whose jurisdictions Guyana Goldfields carries on business. Adverse changes in such legislation, or the unionization of the Aurora Project's work force, may have a material adverse effect on Guyana Goldfields' business, results of operations and financial condition.

Subsidiaries

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

Market Price of Common Shares

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

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

Future Sales of Common Shares by Existing Shareholders

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

Dependence on Management and Key Personnel

Guyana Goldfields is dependent on the services of key executives, including the Executive Chairman of the Board, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer of the Company, and a small number of highly skilled and experienced executives and personnel, which is sufficient for the Company's present stage of development. The Company has also commenced the hiring of its production phase management team, and is also dependent upon the services of these individuals. Guyana Goldfield's development to date has largely depended, and in the future will continue to depend, on the efforts of key management and other key personnel to develop and operate the Project. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to the development and operation of the Company's projects, it may become necessary to attract both international and local personnel. The marketplace for skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high-level of technical expertise and experience required to execute the development and operation of the Company's projects, will affect the Company's ability to employ the specific personnel required. The failure to retain or attract a sufficient number of skilled personnel could have a material adverse effect on the Company's business, results of operations and financial condition. The Company has not taken out and does not intend to take out key man insurance in respect of any directors, officers or other employees.

Competition

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

Conflicts of Interest

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

Cyber Security Threats

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

Compliance with Anti-Corruption Laws

Guyana Goldfields is subject to various anti-corruption laws and regulations including but not limited to the Canadian Corruption of Foreign Public Officials Act 1999. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. The Company's primary operations are located in Guyana and, according to Transparency International, the country of Guyana is perceived as having fairly high levels of corruption relative to the selected sample of countries around the world. Guyana Goldfields cannot predict the nature, scope or effect of future regulatory requirements to which its operations

might be subject or the manner in which existing laws might be administered or interpreted. Failure to comply with the applicable legislation and other similar foreign laws could expose the Company and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any potential violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations, as well as on the market price of the Common Shares. As a consequence of these legal and regulatory requirements, the Company has instituted policies with regard to the code of business conduct and ethics. There can be no assurance or guarantee that such efforts have been and will be completely effective in ensuring Guyana Goldfield's compliance, and the compliance of its employees, consultants, contractors and other agents, with all applicable anti-corruption laws.

No History of Earnings or Dividends

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

Accounting Policies and Internal Control

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

FORWARD-LOOKING STATEMENTS AND ADDITIONAL INFORMATION

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; ability to continue to satisfy all conditions and covenants under the Project Loan Facility; successful and timely future disbursements under the Project Loan Facility; the future price of gold; expected capital costs and project milestones to achieve commercial production for the Aurora Project; success of exploration and development activities; cost and timing of future exploration and development; the estimation of mineral resources; conclusions of economic evaluations; successful startup and operations of the Aurora Project; requirements for additional capital 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 inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Guyana Goldfields 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 successfully satisfy all conditions under the Project Loan Facility to enable continued draws for future disbursements;
- the Company's failure to adhere to representations, warranties, affirmative and negative covenants under the Project Loan Facility, which could give rise to an event of default under the Facility;
- Guyana Goldfields' ability to meet the anticipated total capital costs to commercial production for the Aurora Project, including amounts of capital expenditures under the EPC Contract and owner's costs expenditures;
- going concern status of the GSJV and its partners;
- the timing of achieving expected milestones to develop the Aurora Project into a producing mine;
- the timing and amounts of expected cash outflows relating to contractual commitments to the GSJV for the EPC Contract for the processing and power plant;
- the timing and amounts of expected cash outflows relating to anticipated commitments for Owner's costs for the construction of the Aurora Project into a producing mine;
- unionization of its work force in Guyana;
- fluctuation in the price for gold may adversely affect the Company's ability to obtain additional financing, influence the course of action taken in developing the Project, and affect the Company's ability to meet the Facility's financial and non-financial covenants;
- the Company's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic gold deposits;
- ability to source new, additional or replacement financing through other share or debt issuances in support of the Aurora Project, corporate general and administrative expenses, and exploration activities;
- the successful execution of the construction of the Aurora Project into a producing mine;
- future plans for the Aurora Project and other property interests held by the Company or which may be acquired on a going forward basis, if at all;
- management's expectations that expired exploration licenses will be renewed;
- management's outlook regarding future trends, outlook and activities;
- the Company's ability to meet its working capital needs to finance the future development of the Aurora Project and its exploration and corporate activities; and
- governmental regulation and environmental liability.

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 Guyana Goldfields to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration, development and operating results will not be consistent with Guyana Goldfields' expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; failure by the Company and/or AGM to adhere to the Mineral Agreement and Mineral Licence; uncertainty of mineral resources; failure to adhere to representations, warranties, affirmative and negative covenants under the Project Loan Facility; future prices of gold; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in gold exploration, development and operations including environmental hazards,

industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. 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.

ADDITIONAL INFORMATION

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**.

GUYANA GOLDFIELDS INC.

Consolidated Financial Statements

(Expressed in United States Dollars)

For the Fourteen Months Ended December 31, 2014

and

the Twelve Months Ended October 31, 2013

February 19, 2015

Independent auditor's report

To the Shareholders of
Guyana Goldfields Inc.

We have audited the accompanying consolidated financial statements of Guyana Goldfields Inc. and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2014 and October 31, 2013 and November 1, 2012 and the consolidated statement of operations and comprehensive loss, statement of changes in equity and statement of cash flows for the 14-month and 12-month periods ended December 31, 2014 and October 31, 2013, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Guyana Goldfields and its subsidiaries as at December 31, 2014 and October 31, 2013 and November 1, 2012 and their financial performance and their cash flows for the periods ended December 31, 2014 and October 31, 2013 in accordance with International Financial Reporting Standards.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Guyana Goldfields Inc.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Guyana Goldfields Inc. (the "Company") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 3 to the consolidated financial statements.

Management has established systems of internal control over the financial reporting process that are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management as well as with the independent auditors to review the internal controls over the financial reporting process, the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

/s/ Scott Caldwell

Chief Executive Officer

/s/ Paul J. Murphy

Chief Financial Officer

Toronto, Canada

February 19, 2015

Guyana Goldfields Inc.

Consolidated Balance Sheets

(EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS)

	December 31, 2014	October 31, 2013 (as re-stated Note 3)	November 1, 2012 (as re-stated Note 3)
ASSETS			
Current assets			
Cash and cash equivalents (Note 4)	**$ 17,211**	$ 108,649	$ 37,390
Accounts receivable, prepaid expenses and other assets (Note 5)	**1,995**	771	849
Contract advances (Note 6)	**10,417**	-	-
	29,623	109,420	38,239
Non-current assets			
Restricted cash (Note 7)	**33,311**	328	336
Deferred financing costs (net) (Note 8)	**8,786**	-	-
Development costs, property and equipment (Note 9)	**182,205**	19,471	7,108
Total assets	**$ 253,925**	**$ 129,219**	**$ 45,683**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities (note 10)	**$ 34,161**	$ 2,722	$ 2,284
Current portion of long-term debt (Note 11)	**4,340**	-	-
Total current liabilities	**38,501**	2,722	2,284
Non-current liabilities			
Long-term debt (net) (Note 11)	**58,077**	-	-
Total liabilities	**96,578**	$ 2,722	$ 2,284
Equity			
Share capital (Note 12)	**$ 377,668**	$ 335,785	$ 237,808
Stock options (Note 13)	**7,670**	11,962	16,715
Contributed surplus	**26,334**	20,268	11,413
Accumulated deficit (Note 3(a))	**(254,325)**	(241,518)	(222,537)
Total equity	**157,347**	126,497	43,399
Total liabilities and equity	**$ 253,925**	**$ 129,219**	**$ 45,683**

The notes on pages 49 to 73 are an integral part of these consolidated financial statements.

Contingencies (Note 18)

Commitments (Note 19)

Subsequent Event (Note 24)

APPROVED ON BEHALF OF THE BOARD:

"J. Patrick Sheridan" — Director

"Alan Ferry" — Director

Guyana Goldfields Inc.

Consolidated Statements of Operations and Comprehensive Loss

(EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)

		Fourteen months ended December 31, 2014 ***(Note 2)***		*Twelve months ended October 31, 2013 (as re-stated Note 3)*
Operating expenses				
General and administrative expenses (Note 15)	**$**	**6,674**	$	6,177
Exploration and evaluation expenses (Note 3 and Note 16)		**2,462**		7,823
Stock-based compensation (Note 13)		**1,264**		3,648
Amortization		**172**		574
Operating loss		**(10,572)**		(18,222)
Other income (expense)				
Realized and unrealized loss on short-term investments		**(24)**		(175)
Foreign exchange loss		**(2,716)**		(1,438)
Capital and other taxes		**-**		(3)
Interest income		**505**		857
Net loss and comprehensive loss for the period	**$**	**(12,807)**	$	(18,981)
Net loss per share				
Basic and fully diluted	**$**	**(0.09)**	$	(0.16)
Weighted average number of shares outstanding				
Basic and fully diluted		**136,861,701**		116,346,213

The notes on pages 49 to 73 are an integral part of these consolidated financial statements.

Guyana Goldfields Inc.

Consolidated Statements of Changes in Equity

(EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS)

	Share Capital	Stock Options	Contributed Surplus	Deficit	Total Equity
AT NOVEMBER 1, 2012	**$ 237,808**	**$ 16,715**	**$ 11,413**	**$ (59,184)**	**$ 206,752**
Cumulative effect of exploration and evaluation costs policy change (Note 3(a))	-	-	-	(163,353)	(163,353)
Balance at November 1, 2012, as adjusted	237,808	16,715	11,413	(222,537)	43,399
Shares issued on exercise of options	28	-	-	-	28
Value of options exercised	10	(10)	-	-	-
Issued by short-form prospectus	97,987	-	-	-	97,987
Issued by subscription agreement	5,412	-	-	-	5,412
Share issue expenses	(5,460)	-	-	-	(5,460)
Stock-based compensation – issued this period	-	1,464	-	-	1,464
Stock–based compensation – issued prior period	-	2,648	-	-	2,648
Expired options	-	(4,145)	4,145	-	-
Forfeited options	-	(502)	502	-	-
Cancelled options	-	(4,208)	4,208	-	-
Net loss for the year	-	-	-	(18,981)	(18,981)
AT OCTOBER 31, 2013	**$ 335,785**	**$ 11,962**	**$ 20,268**	**$ (241,518)**	**$ 126,497**

	Share Capital	Stock Options	Contributed Surplus	Deficit	Total Equity
AT OCTOBER 31, 2013	**$ 335,785**	**$ 11,962**	**$ 20,268**	**$ (68,998)**	**$ 299,017**
Cumulative effect of exploration and evaluation costs policy change (Note 3(a))	-	-	-	(172,520)	(172,520)
Balance at October 31, 2013, as adjusted	335,785	11,962	20,268	(241,518)	126,497
Shares issued on exercise of options	471	-	-	-	471
Fair value of options exercised	176	(176)	-	-	-
Issued by private placement (Note 12)	41,523	-	-	-	41,523
Share issue expense	(287)	-	-	-	(287)
Stock-based compensation – issued this period	-	887	-	-	887
Stock-based compensation – issued prior period	-	1,063	-	-	1,063
Expired options	-	(4,026)	4,026	-	-
Forfeited options	-	(357)	357	-	-
Cancelled options	-	(1,683)	1,683	-	-
Net loss for the period	-	-	-	(12,807)	(12,807)
AT DECEMBER 31, 2014	**$ 377,668**	**$ 7,670**	**$ 26,334**	**$ (254,325)**	**$ 157,347**

The notes on pages 49 to 73 are an integral part of these consolidated financial statements.

Guyana Goldfields Inc.

Consolidated Statements of Cash Flows

(EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS)

	Fourteen months ended December 31, 2014 (Note 2)	*Twelve months ended October 31, 2013 (as re-stated Note 3)*
Cash provided by (used in)		
Operations		
Net loss	**$ (12,807)**	$ (18,981)
Items not involving cash:		
Unrealized loss on short-term investments	**24**	175
Stock-based compensation	**1,264**	3,648
Unrealized foreign exchange loss	**349**	2,465
Amortization	**172**	574
Change in non-cash operating working capital:		
Accounts receivable, prepaid expenses and other assets	**(1,294)**	(122)
Accounts payable and accrued liabilities	**182**	(589)
	(12,110)	(12,830)
Financing		
Proceeds from long-term debt	**68,573**	-
Proceeds from private placement	**41,523**	-
Proceeds from short-form prospectus	**-**	97,987
Proceeds from subscription agreement	**-**	5,412
Share issue expenses	**(287)**	(5,460)
Deferred financing costs	**(13,618)**	-
Proceeds from exercise of stock options	**471**	28
	96,662	97,967
Investing		
Expenditures on assets under development	**(131,186)**	(11,000)
Restricted cash	**(33,000)**	-
Contract advances	**(10,417)**	-
Purchase of property and equipment	**(688)**	(385)
	(175,291)	(11,385)
Net change in cash and cash equivalents	**(90,739)**	73,752
Effect of exchange rate on cash held in foreign currency	**(699)**	(2,493)
Cash and cash equivalents, beginning of year	**108,649**	37,390
Cash and cash equivalents, end of year (Note 4)	**$ 17,211**	$ 108,649

The notes on pages 49 to 73 are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Guyana Goldfields Inc. (the "Company" or "GGI") is engaged in the acquisition, exploration, evaluation and development of principally gold resource properties in Guyana, South America. The Company's primary focus is the development of the Aurora Gold Project (the "Project") and ongoing exploration for gold at its exploration properties. The Company is incorporated and domiciled in Canada and its shares are publicly traded on the Toronto Stock Exchange. The address of its registered office is 141 Adelaide Street West, Suite 1608, Toronto, Ontario, Canada.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as set out in the Chartered Professional Accountants of Canada ("CPA Canada") Handbook applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. Different bases of measurement may be appropriate when a company is not expected to continue operations for the foreseeable future. For the fourteen months ended December 31, 2014, the Company reported a loss of $12,807 and an accumulated deficit of $254,325 as at that date.

The Company's predominant source of funding has been the issuance of equity securities for cash, and most recently the signing on September 2, 2014 (by its wholly owned subsidiary AGM Inc.), the $185 million Project Loan Facility (the "Project Loan facility" or the "Facility") for the development and construction of the 100%-owned Aurora Gold Project with the International Finance Corporation, Export Development Canada, ING Capital LLC, Caterpillar Financial Services Corporation, and The Bank of Nova Scotia (collectively the "Senior Lenders"). With the completion of the Facility, the development of the Project is now fully financed, subject to the terms and conditions of the Facility. First draw under the Facility occurred on October 17, 2014 (see Note 11). The Company has no other sources of operating cash flows. There can be no assurance that the Company will meet all ongoing conditions necessary for continued draws and compliance under the Facility. In these circumstances, if debt and or equity capital markets are not available, or the cost of capital is excessive, the Company may have to delay the construction and development activities at the Aurora Gold Project.

The recovery of amounts capitalized for assets under development at December 31, 2014 in the consolidated balance sheet is dependent upon the ongoing ability of the Company to draw down on its Facility to complete the Aurora Gold Project development, and upon future profitable production or proceeds from its disposition. Recovery of amounts capitalized for the Project is also dependent upon compliance with financial and non-financial covenants under the Project Loan Facility.

Over the next twelve months, the Company expects to 1) continue to draw on its Project Loan Facility to fund the Aurora Project development activities, including the purchase of long-lead Project equipment; 2) manage its corporate cash resources to continue exploration at its exploration properties, and incur general corporate and operating expenses. On an ongoing basis, the Company examines various financing alternatives to address future funding requirements. Although the Company has been successful in these activities in the past, the Company has no assurance on the success or sufficiency of these initiatives in the foreseeable future.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material.

2. BASIS OF PRESENTATION

(a) Change in year end

On August 12, 2014 the Company announced that effective in 2014, its financial year-end has changed from October 31st to December 31st. The Company is reporting a one-time, fourteen month transition year covering the months of November 2013 to December 2014. Year-end financial statements for the fourteen month period ended December 31, 2014 will be compared to the financial statements for the twelve months ended October 31, 2013. Subsequent to the transition year, the Company's first full financial year will cover the period January 1, 2015 to December 31, 2015.

(b) Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. See note 3 (p) for significant judgements, estimates and assumptions.

The Board of Directors approved the consolidated financial statements on February 19, 2015.

(c) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for financial instruments such as short-term investments that are held-for-trading and are measured at fair value through profit and loss.

(d) Currency of presentation

All amounts are expressed in United States dollars. All financial information presented in United States dollars has been rounded to the nearest thousand.

3. ACCOUNTING POLICIES

(a) Change in accounting policy

Under IFRS 6 – "Exploration and Evaluation of Mineral Resources" ("IFRS 6"), the Company's had historically capitalized its expenditures on exploration and evaluation ("E&E") activities. Effective December 31, 2014, the Company adopted a voluntary change in accounting principle on E&E expenditures that is also generally accepted under IFRS 6. The Company's new policy on accounting for exploration and evaluation expenditures is to expense these costs until such time as the work completed supports the future development of the property through the issuance of a NI 43-101 technical report or definitive bankable feasibility study, and such development receives appropriate Board approvals. All subsequent expenditures on the property are then capitalized and classified as assets under construction, a component of property, plant and equipment.

The Company's primary focus is on the development of its Aurora Gold Project, with initial production expected mid-year of fiscal 2015. As such, exploration expenditures incurred prior to the issuance of the Aurora Project's NI 43-101 feasibility study do not form part of the current Project's development budget and supporting Financing Facility. In addition, this change in accounting policy is consistent with the accounting conceptual framework for the recognition of assets, and is an accepted accounting practice in the mining industry. As such, management has determined that such a voluntary change in accounting policy results in financial statements providing more reliable and more relevant information. This change in accounting policy has been applied to all of the Company's exploration activities for all properties.

In accordance with IFRS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors", the change in accounting policy has been made retrospectively and the comparatives have been restated accordingly to all periods presented, as if the policy had always been applied. The following table summarizes the impact of the above voluntary change in accounting principle on affected line items within the Company's financial position, operations and comprehensive loss, and cash flows:

Selected Balance Sheet Items	November 1, 2012			October 31, 2013		
	As previously reported	Cumulative Change	As restated	As previously reported	Cumulative Change[1]	As restated
Exploration and evaluation assets:						
Aurora Gold Project	$ 133,954	$ (133,954)	$ -	$ -	$ -	$ -
Aranka Gold Property	26,161	(26,161)	-	30,197	(30,197)	-
Other Properties	3,238	(3,238)	-	3,893	(3,893)	-
	163,353	(163,353)	-	34,090	(34,090)	-
Development costs, property and equipment	7,108	-	7,108	157,901	(138,430)	19,471
	$ 170,461	$ (163,353)	$ 7,108	$ 191,991	$ (172,520)	$ 19,471
Accumulated deficit	$ (59,184)	$ (163,353)	$ (222,537)	$ (68,998)	$ (172,520)	$ (241,518)

[1] During fiscal 2013, costs of $138,430 were reclassified from exploration and evaluation assets to development costs under the previous accounting policy. The cumulative change to development costs of $138,430 above, represents these same exploration costs that were incurred on the Aurora Project from inception to January 11, 2013 (the date of issuance of the NI 43-101 feasibility study and Board approval to commence with development on the Project towards commercial production).

Selected Items from Statement of Operations and Comprehensive Loss	Twelve months ended October 31, 2013		
	As previously reported	Change	As restated
Stock based compensation	$ 2,844	$ 804	$ 3,648
Amortization	34	540	574
Exploration and evaluation expenditures	-	7,823	7,823
	$ 2,878	$ 9,167	$ 12,045
Net loss and comprehensive loss for the year	$ (9,814)	$ (9,167)	$ (18,981)
Net loss per share - Basic and fully diluted	$ (0.08)	$ (0.08)	$ (0.16)

Selected Items from Statement of Cash Flows	Twelve months ended October 31, 2013		
	As previously reported	Change	As restated
Net Loss	$ (9,814)	$ (9,167)	$ (18,981)
Items not involving cash:			
Stock based compensation	2,844	804	3,648
Amortization	34	540	574
Change in non-cash operating working capital:			
Accounts payable and accrued liabilities	776	(1,365)	(589)
Investing			
Expenditures on exploration and evaluation assets	(9,188)	9,188	-
Total Cash Flows, or the like	$ (15,348)	$ -	$ (15,348)

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an invested entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The consolidated financial statements include the accounts of the Company and the following subsidiaries:

Entity name	Place of Incorporation	Ownership
Aranka Gold Inc.	Canada	100%
AGM Inc.	Guyana	100%
Guy Gold Inc.	Guyana	100%
Aranka Gold Inc. (Guyana)	Guyana	100%
Guygold Barbados Inc.	Barbados	100%
Aranka Gold (Barbados) Inc.	Barbados	100%
Aurora USA Ltd	United States	100%
Guyana Goldfields Inc. UK Limited	United Kingdom	100%

(c) Functional and presentation currency

The functional and presentation currency of the company and its subsidiaries is the Unites States dollar. Transactions and balances denominated in foreign currencies are translated into the United States dollar as follows:

- Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date;
- Non-monetary assets and liabilities, expenses and other income arising from foreign currency transactions are translated at the exchange rate in effect at the date of the transaction;
- Revenue, expenses and capitalized exploration and evaluation assets are translated using the rate in effect at the date of the transaction, and
- Exchange gains and losses arising from translation are included in the determination of net loss and comprehensive loss.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash on hand and other highly liquid short-term instruments with maturity dates less than ninety days.

(e) Restricted cash

Cash subject to restrictions that prevent its use for current purposes is presented as restricted cash.

(f) Short-term investments

Short-term investments are designated as financial assets at fair value through profit and loss and are recorded at fair value using the last bid price. They represent the Company's investment portfolio in junior mining exploration companies. The purchase and sale of short-term investments is recognized and derecognized as applicable, using settlement date accounting.

(g) Property and equipment

Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Depreciation is recognized based on the cost of an item of equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Percentage	Method
Earth moving equipment	30%	Declining balance
Construction equipment	30%	Declining balance
Field equipment	30%	Declining balance
Computer equipment	30%	Declining balance
Office furniture	20%	Declining balance
Leasehold improvements		Straight-line basis over the term of the lease

Amortization of earth moving equipment, construction equipment and field equipment used for development activities is included in Aurora Gold Project assets under development, while amortization of equipment used in exploration and evaluation activities is expensed.

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

Where parts (components) of an item of property and equipment have different useful lives or for which different depreciation rates would be appropriate, they are accounted for as separate items of property and equipment.

(h) Exploration and evaluation costs

Exploration and evaluation costs incurred on the exploration and evaluation of potential mineral reserves and resources and includes costs such as:

- exploratory drilling, trenching and sampling;
- accumulating exploration data through topographical and geological studies;
- determining the volume and grade of resources;
- test work on geology, metallurgy, mining, geotechnical and environmental; and
- conducting engineering, marketing and feasibility studies.

Exploration and evaluation costs are expensed as incurred. Purchased exploration and evaluation assets are recognized as assets at their cost of acquisition or at fair value if purchased as part of a business combination.

(i) Development Costs

Expenditures are considered as development costs when the work completed supports the future development of the property through the issuance of a NI 43-101 technical report or definitive bankable feasibility study, and such development receives appropriate Board approvals. Subsequent to this point, development expenditures are then capitalized and classified as assets under construction.

Development expenditures represent costs incurred to obtain access to proven and probable reserves and to provide facilities for extracting, treating, gathering, transporting and storing of minerals. Development expenditures are capitalized to the extent that they are necessary to bring the property to commercial production. Costs which meet this criteria include:

- the purchase price for development assets, including any duties and any non-refundable taxes;
- costs directly related to bringing the asset to the location and condition for intended use such as drilling costs and removal of overburden to establish access to the ore reserve;
- direct and indirect costs incurred if they can be directly attributable to the area of interest;
- pre-production expenditures incurred prior to the mine being substantially complete and ready for its intended use;
- the present value of the initial estimate of the future costs of dismantling and removing the item and restoring the site on which it is located;
- costs incurred to expand operating capacity;
- borrowing costs incurred while construction and development activities are in progress, when they directly relate to financing the construction of the project, and when general borrowings would have been avoided if the expenditure on the qualifying assets had not been made.

Projects are assessed to determine the point of commencement of production of the mine. Various relevant criteria are considered to assess when the mine is substantially complete and ready for its intended use and moved into the production stage. Some of the criteria considered include, but are not limited to, the completion of a reasonable period of testing of mine plant and equipment; the ability to produce minerals in saleable form; and the ability to sustain ongoing production of minerals. When a project commences production, the capitalization of certain mine construction costs ceases, and costs are either capitalized to inventory or expensed, except for capitalized costs related to property, plant and equipment additions or improvements, open pit stripping activities that provide a future benefit or underground mine development.

When a property is placed into production, those capitalized costs are included in the calculation of the amortization of mine development costs. Property acquisition and mine development costs are amortized by the units-of-production method based on estimated proven and probable recoverable mineral reserves. Estimates of residual values, useful lives and methods of amortization are reviewed at each reporting period, and adjusted prospectively if appropriate.

(j) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use, which is the present value of the future cash flows expected to be derived from an asset. Estimated future cash flows are calculated using estimated future commodity prices, mineral resources, operating and capital costs, using appropriate discount rates.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or groups of assets, in which case, the individual assets are grouped together into cash generating units for impairment purposes.

An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

(k) Share based payments

Equity settled share-based payments to employees and non-employees are measured at the fair value of the equity instrument at the grant date. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is determined using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted, and recognized over the period during which the options vest. The vesting periods are generally over a prescribed schedule of up to two to five years from date of grant issuance. The fair value is expensed or capitalized to assets under development with a corresponding increase in equity, reflecting a graded vesting method based on the company's estimate of equity instruments that will eventually vest. Management estimates the number of options likely to vest at the time of a grant and at each reporting date up to the vesting date. Annually, the estimated forfeiture rate is adjusted for actual forfeitures in the period. Upon the exercise of stock options, the consideration received is recorded as share capital and the related stock option equity amount is transferred to share capital.

(l) Provisions

Provisions for environmental remediation, restructuring costs and legal claims are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These provisions are measured

at the present value of the expenditures expected to be required to settle the obligation using a pre-tax risk free rate.

The net present value of environmental reclamation and remediation costs are capitalised to the carrying amount of the asset, as soon as the obligation to incur such costs arise. These costs are charged against profit or loss over the economic life of the related asset, through amortization using the unit-of-production method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense.

The Company has no material reclamation, remediation and environmental costs as at December 31, 2014 and October 31, 2013 as the disturbances to date are minimal.

(m) Long-term debt

Debt is classified as current when the Company expects to settle the liability in its normal operating cycle or the liability is due to be settled within twelve months after the date of the consolidated balance sheet.

(n) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are presented as non-current.

(o) Loss per share

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the year. Diluted per share amounts are calculated using the treasury stock method whereby proceeds deemed to be received on the exercise of options and warrants in the per share calculation are assumed to be used to acquire common shares. The effect of potential issuances of shares under options and warrants would be anti-dilutive, and have not been considered.

(p) Significant judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses and other income for the year.

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 consolidated financial statements are as follows:

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 the higher of the fair value less costs to sell 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 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. Recoverable amount 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 future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate to determine the net present value. Changes in any of the assumptions or estimates used in determining the fair value could impact the impairment analysis.

Fair value of share-based payments:

Determining the fair value of certain share based payments involves estimates of interest rates, expected life of options, expected forfeiture rate, share price volatility and the application of the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions that can materially affect the fair value estimate. Stock options granted vest in accordance with the stock option plan. The valuation of stock-based compensation is subjective and can impact profit and loss significantly.

The Company has applied a forfeiture rate in arriving at the fair value of stock based compensation to be recognized, reflecting historical experience. Historical experience may not be representative of actual forfeiture rates incurred. Several other variables are used when determining the value of stock options using the Black-Scholes valuation model:

- Volatility: the Company uses historical information on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate will vary depending on the date of the grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the exploration and development stage and has not yet earned any significant income. Also, the Company does not expect

to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

Depreciation:

Earth moving, construction and field equipment used in exploration and development activities is depreciated, net of residual value, on a declining basis, over the useful life of the equipment. Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation, and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(q) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and reward of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

All financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets and other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

- Held-to-maturity investments and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and losses due to impairment are included in current profit and loss.
- Loans and receivables are initially measured at the amount receivable less adjustment for the time value of money.
- Held-for-trading financial instruments are measured at fair value. All gains and losses are included in profit and loss for the period in which they arise.

The Company's financial instruments primarily consist of cash and cash equivalents, restricted cash (classified as loans and receivables), short-term investments (classified as held-for-trading), accounts receivable (classified as loans and receivables), and accounts payable and accrued liabilities and long-term debt (classified as other financial liabilities).

The Company categorizes each of its fair value measurements in accordance with a fair value hierarchy. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

(r) Future accounting pronouncements

The Company has not yet adopted the following new accounting pronouncements which are effective for fiscal periods of the Company beginning on or after January 1, 2015:

(i) International Financial Reporting Standard 9, Financial Instruments ("IFRS 9") was issued in October 2010 by the IASB to replace IAS 39, Financial Instruments – Recognition and Measurement. The replacement standard has the following significant components: it establishes two primary measurement categories for financial assets – amortized cost and fair value; it establishes criteria for the classification of financial assets within the measurement category based on business model and cash flow characteristics; and it eliminates existing held to maturity, available-for-sale, loans and receivable categories.

In November 2013, the IASB issued an amendment to IFRS 9 which includes a new hedge model that aligns accounting more closely with risk management and enhances disclosure about hedge accounting and risk management. Additionally, as the impairment guidance and certain limited amendments to the classification and measurement requirements of IFRS 9 are not yet complete, the previously mandated effective date of IFRS 9 of January 1, 2015 has been removed. Entities may apply IFRS 9 before the IASB completes the amendments but are not required to do so. The final version of IFRS 9 was issued in July 2014 and includes (i) a third measurement category for financial assets – fair value through other comprehensive income; (ii) a single, forward-looking 'expected loss' impairment model, and (iii) a mandatory effective date for IFRS 9 of annual periods beginning on or after January 1, 2018. The Company has not evaluated the impact of adopting this standard.

(ii) International Accounting Standard 36, Impairment of Assets ("IAS 36") was amended in May 2013 to make small changes to the disclosures required by IAS 36 when an impairment loss is recognized or reversed. The amendments require the disclosure of the recoverable amount of an asset or cash generating unit ("CGU") at the time an impairment loss has been recognized or reversed and detailed disclosure of how the associated fair value less costs of disposal has been determined. The amendments are effective for accounting periods beginning on or after January 1, 2014 with earlier adoption permitted. The Company is currently evaluating the impact of adoption of the amended disclosure requirements of IAS 36.

4. CASH AND CASH EQUIVALENTS

		December 31, 2014		October 31, 2013
Cash	**$**	**17,211**	$	104,740
Cash equivalents		**-**		3,909
	$	**17,211**	$	108,649

Included in the Company's consolidated cash position at December 31, 2014 is approximately $14 million in cash draw under the Project Loan Facility, that the Company is contractually obligated to spend on the development of the Aurora Project. As of December 31, 2014, the Company held approximately $14 million of its cash in United States denominated currency, with the remaining predominantly in Canadian funds. The Company maintains substantially all of its cash and cash equivalents in interest bearing bank accounts at select Canadian chartered banks.

5. ACCOUNTS RECEIVABLE, PREPAID EXPENSES AND OTHER ASSETS

	December 31, 2014	October 31, 2013
Accounts receivable	$ 606	$ -
Sales tax receivable	136	130
Interest & income tax receivables	-	120
Employee advances	109	61
Prepaid expenses & other assets	1,110	400
Short-term investments	34	60
	$ 1,995	$ 771

6. CONTRACT ADVANCES

Under the terms of the EPC Contract for the Aurora Gold Project process plant and power plant with the GSJV (see Note 19), the Company advanced to the GSJV approximately $13.4 million which is repayable by the GSJV in nine equal installments. As of December 31, 2014, $10.4 million was outstanding.

7. RESTRICTED CASH

	December 31, 2014	October 31, 2013
AGM Inc. overrun equity account (i)	$ 23,000	$ -
AGM Inc. completion account (i)	10,000	-
Other restricted balances (ii)	311	328
	$ 33,311	$ 328

(i) In accordance with the Project Loan Facility, in October 2014 the Company placed a total of $33 million into restricted bank accounts prior to first draw under the Facility. These restricted funds are available for project costs overruns on the Aurora Project, and are subject to security and debenture agreements whereby AGM has granted and created a lien for the benefit of the Senior Lenders. These balances will be released at project completion, to the extent they are not drawn, and if required, applied against debt service reserve and mine closure reserve accounts, as required under the Project Loan Facility. These restricted cash accounts are denominated in United States dollars and held at a select Canadian chartered bank.

(ii) The Company has an outstanding letter of guarantee in the amount of $160 (October 31, 2013 - $160) that is required under the regulations prescribed by the Guyana Geology and Mines Commission ("GGMC") for prospecting licenses issued to the company and its subsidiaries. The Company also has several company credit cards with a major financial institution with an aggregate credit limit of $151 (October 31, 2013 - $168). The financial institution holds a $151 deposit as collateral on the credit amount as long as the credit cards are active. The restricted cash amounts would change if there were any changes in the credit limits on the cards.

8. DEFERRED FINANCING COSTS

Deferred financing costs represent expenses incurred in negotiating the Project Loan Facility, and include Senior Lenders' and other advisory fees, legal costs, as well as required technical engineering and social and environmental assessment costs that were pre-requisites to entering into Facility negotiations. These costs have been capitalized on the balance sheet as deferred financing costs and considered as borrowing transaction costs. A total of $15,376 in deferred financing costs has been incurred as of December 31, 2014. A proportional amount of these borrowing costs, that is $6,590, has been netted against ongoing advances made under the Facility (see Note 11), and accreted to the Aurora Gold Project's development costs over the loan repayment period (see Note 9).

9. DEVELOPMENT COSTS, PROPERTY AND EQUIPMENT

	Aurora Gold Project Assets under development	*Earth moving equipment*	*Construction and field equipment*	*Office equipment and other*	*Total*
COST					
At November 1, 2012	**$ -**	**$ 9,183**	**$ 2,747**	**$ 219**	**$ 12,149**
Additions during the period	12,088	-	367	18	12,473
Stock-based compensation	464	-	-	-	464
Amortization	1,342	-	-	-	1,342
At October 31, 2013 – as re-stated	**13,894**	**9,183**	**3,114**	**237**	**26,428**
Additions during the period	160,404	98	539	51	161,092
Interest expense and commitment fees	2,065	-	-	-	2,065
Transfers	(6,035)	1,922	4,113	-	-
Transferred to deferred financing costs	(1,371)	-	-	-	(1,371)
Stock-based compensation (Note 13)	686	-	-	-	686
Amortization - deferred financing costs	434	-			434
Amortization - property and equipment	2,109	-	-	-	2,109
At December 31, 2014	**$ 172,186**	**$ 11,203**	**$ 7,766**	**288**	**$ 191,443**

	Aurora Gold Project Assets under development	*Earth moving equipment*	*Construction and field equipment*	*Office equipment and other*	*Total*
ACCUMULATED AMORTIZATION					
At October 31, 2012	$ -	$ 4,424	$ 521	$ 96	$ 5,041
Amortization for the period	-	1,284	598	34	1,916
At October 31, 2013	-	**5,708**	**1,119**	**130**	**6,957**
Amortization for the period	-	1,193	1,041	47	2,281
At December 31, 2014	**$ -**	**$ 6,901**	**2,160**	**$ 177**	**$ 9,238**

		Aurora Gold Project Assets under development		*Earth moving equipment*		*Construction and field equipment*		*Office equipment and other*		*Total*
NET BOOK VALUE										
October 31, 2013 – as re-stated	$	13,894	$	3,475	$	1,995	$	107	$	19,471
December 31, 2014	**$**	**172,186**	**$**	**4,302**	**$**	**5,606**	**$**	**111**	**$**	**182,205**

Aurora Gold Project

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

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

The Mining Licence is the Company's permit to build and operate the Aurora Gold Project. The document was valid immediately, commencing November 18, 2011 for an initial 20-year term with provisions for extension on application by the Company.

On January 11, 2013 the Company announced the key findings of its Aurora Gold Project's NI 43-101 Technical Report Updated Feasibility Study and received Board approval to further develop and bring the Aurora Gold Project to commercial production. This point commenced the recognition expenditures for the Aurora Gold Project as assets under development.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2014		October 31, 2013
Trade payables and accrued liabilities	**$**	**31,855**	$	1,838
Severance accrual		**34**		-
Employee related accrued liabilities		**2,272**		884
	$	**34,161**	$	2,722

11. LONG-TERM DEBT

On September 2, 2014 Guyana Goldfields Inc. and its wholly owned subsidiary, AGM Inc., announced the signing of a common terms agreement (the "Common Terms Agreement") with its Senior Lenders, and other definitive

documentation with respect to the $185 million Project Loan Facility to fund the development and construction of, and general matters relating to, the 100%-owned Aurora Gold Project.

The Project Loan Facility consists of two tranches; a Tranche 1 facility of $160 million and a Tranche 2 cost overrun facility of $25 million. The maximum term of the Facility is eight years and advances under the Facility bear a weighted average interest rate of 3-month LIBOR plus 5.11% for the Tranche 1 facility, and advances under the Tranche 2 facility bear interest at the same average rate plus 0.5% (if drawn). There is no required gold hedging or other required similar provisions associated with the Facility. The use of proceeds drawn under the Facility is limited to development and construction of the open pit mine and related process plant facilities.

Long-term debt outstanding consists of the following as at:

		December 31, 2014		October 31, 2013
Secured Tranche 1 Facility advances	**$**	**68,573**	$	-
Unamortized deferred financing costs (Note 8)		**(6,156)**		-
		62,417		-
Current portion		**(4,340)**		-
	$	**58,077**	$	-

First drawdown of the Facility occurred in October 2014. Advances are expected to be received on a monthly basis, as determined by project funding requirements. The Company was in compliance will all key covenants under the Common Terms Agreement as of December 31, 2014.

Under the terms of the Common Terms Agreement, the Company has entered into security and debenture agreements pursuant to which AGM has granted and created a lien over all its assets and property of any kind to the benefits of the Senior Lenders. Similarly, Guyana Goldfields Inc. and certain of its wholly owned subsidiaries, namely Aurora Gold (Barbados) Inc., Guygold (Barbados) Inc., and Guy Gold Inc., (collectively the “Related Entities”) have entered into security agreements to grant and create liens over all their related rights, titles, and interests that are necessary for the Aurora Gold Project, for the benefits of the Senior Lenders. In addition, certain of the Related Entities have entered into subordination agreements whereby any intercompany debt owed by these companies has been subordinated to the Project Loan Facility. The Company has undertaken to provide additional funds, if required, for the Project to achieve project completion, and to supplement any shortfall of funds needed to meet the Aurora Gold Project’s financial obligations.

Scheduled principal repayments, reflecting amounts drawn as of December 31, 2014 are as follows:

	Total	2015	2016	2017	2018	2019	There-after
Total long-term debt as of December 31, 2014	$ 68,573	$ 4,340	$ 28,010	$ 36,223	$ -	$ -	$ -

Principal repayments are expected to commence December 31, 2015 and continue quarterly thereafter over the tenor of the Facilities. The Company expects to fully draw on its Tranche 1 $160 million Facility.

At and subsequent to completion of project development, AGM will be required to maintain specified financial and non-financial covenants/conditions and reporting requirements, including adherence to environmental and social standards, and funding of a debt service reserve account and mine closure reserve account. The Facility also

provides for a partial cash sweep mechanism for the benefit of the Senior Lenders and the acceleration of principal repayment in the event of a change in control.

12. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. The issued and outstanding common shares consist of the following:

	Number of Shares		*Amount*
At October 31, 2012	95,071,814	$	237,808
Issued on exercise of options	18,750		28
Fair value of options exercised	-		10
Issued by short-form prospectus (i)	29,420,000		97,987
Issued by subscription agreement (ii)	1,633,335		5,412
Share issue expenses (iii)	-		(5,460)
At October 31, 2013	**126,143,899**	**$**	**335,785**
Issued on exercise of options	300,000		471
Fair value of options exercised	-		176
Issued by private placement (iv)	24,000,000		41,523
Share issue expenses (iv)	-		(287)
At December 31, 2014	**150,443,899**	**$**	**377,668**

(i) On February 22, 2013 the Company completed a bought deal offering (the “Offering”) pursuant to which the Company issued 29,420,000 common shares (the “Common Shares”), at a price of Cdn$3.40 per Common Share for gross proceeds of $97,987 (or approximately Cdn$100,028). The Common Shares were sold pursuant to an underwriting agreement with a syndicate of underwriters.

(ii) On March 12, 2013 the Company completed an agreement with the IFC (the “IFC Agreement”) pursuant to which the Company issued 1,633,335 Common Shares of the Company at a price of Cdn$3.40 per Common Share for gross proceeds of $5,412 (or approximately Cdn$5,553).

(iii) Share issue expenses represent underwriters’ commission relating to the Offering, and legal and regulatory costs associated with both the Offering and the IFC Agreement.

(iv) On June 27, 2014 the Company completed a non-brokered private placement (the “Placement”) to which it issued an aggregate of 24,000,000 Common Shares at a price of Cdn$1.85 per Common Share for aggregate gross proceeds of $41,523 (Cdn$44,400). Share issue expenses of $287 were incurred on the Placement.

13. STOCK OPTIONS

The April 25, 2012 stock option plan (the “2012 Plan”) was approved by the shareholders of the Company, for the purpose of attracting, retaining and motivating officers, directors, employees and service providers by providing them an opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The number of stock options that may be granted under the 2012 Plan is limited to not more than 9% of the issued common shares of the Company at the time of the stock option grant. The 2012 Plan also restricts the number of stock options which may be granted to each non-executive director within any one year period to such number of options as entails a maximum aggregate grant date value of Cdn$100 calculated based upon the Black-Scholes Option pricing model. The exercise price of stock options granted in accordance with the plan will

be not less than the closing price of the common shares on the trading day immediately prior to the effective date of grant.

The following table shows the continuity of stock options during the periods presented:

	Number of Options		Amortized Value		Average Exercise Price (Cdn$)
At October 31, 2012	8,475,058	$	16,715	$	4.80
Stock-based compensation – issued this period	3,970,000		1,464		1.69
Stock–based compensation – issued prior period	-		2,648		-
Exercised	(18,750)		(10)		1.48
Expired	(1,367,558)		(4,145)		5.85
Forfeited	(627,500)		(502)		3.29
Cancelled	(800,000)		(4,208)		9.97
At October 31, 2013	**9,631,250**	**$**	**11,962**	**$**	**3.04**
Stock-based compensation – issued this period	4,262,500		887		2.52
Stock–based compensation – issued prior period	-		1,063		-
Exercised	(300,000)		(176)		1.57
Expired	(1,636,250)		(4,026)		5.19
Forfeited	(6,250)		(357)		3.22
Cancelled	(450,000)		(1,683)		6.89
At December 31, 2014	**11,501,250**	**$**	**7,670**	**$**	**2.43**

Stock-based compensation expense is comprised of:

		Fourteen months ended December 31, 2014		Twelve months ended October 31, 2013
Stock-based compensation:				
– issued this period	**$**	**887**	$	1,464
– issued prior period		**1,063**		2,648
Less value of stock-based compensation expense:				
Capitalized to assets under development (Note 9)		**(686)**		(464)
	$	**1,264**	$	3,648

The Company determined the fair value of the stock options granted under the Company's stock option plan using the Black-Scholes option model with the following assumptions on a weighted average basis:

Options granted to officers, directors and employees:

	Fourteen Months Ended December 31, 2014	Twelve Months Ended October 31, 2013
Fair value exercise price (Cdn$)	**2.58**	1.87
Risk-free interest rate	**1.35%**	1.19%
Dividend yield	**-**	-
Expected volatility	**68.57%**	68.17%
Expected option life	**4.2 years**	2.3 years
Expected forfeiture rate	**6%**	7%

The weighted average fair value on the grant date, of options granted to officers, directors and employees during the fourteen months ended December 31, 2014 was Cdn$1.36

The following are the stock options outstanding and stock options exercisable as at December 31, 2014:

	Stock Options Outstanding			Stock Options Exercisable		
Range of exercise prices (Cdn$)	Number of options	Weighted average exercise price (Cdn$)	Weighted average remaining contractual life (years)	Number of options	Weighted average exercise price (Cdn$)	Weighted average remaining contractual life (years)
$1.48 to $3.50	11,201,250	2.39	2.65	7,442,917	2.28	1.57
$3.51 to $7.00	300,000	3.95	0.74	300,000	3.95	0.74
	11,501,250	**2.43**	**2.60**	**7,742,917**	**2.34**	**1.54**

The intrinsic value of options outstanding at December 31, 2014 is $4,899. As of December 31, 2014, the remaining fair value of outstanding unvested options is $3,705.

14. INCOME TAXES

The Company's effective income tax rate differs from the amount that would be computed by applying the federal and provincial statutory rate of 26.50% (2013 – 26.50%) to the net loss. The reasons for the differences are a result of the following:

	Fourteen months ended December 31, 2014	*Twelve months ended October 31, 2013*
Net loss before income taxes	**$ 12,807**	$ 18,891
EXPECTED TAX RECOVERY AT STATUTORY RATES	**3,394**	5,030
Tax effects of:		
Change in unrecognized deductible temporary differences	**(3,006)**	(4,562)
Stock-based compensation	**(315)**	(754)
Other	**(73)**	286
	$ -	$ -

Deductible temporary differences have not been recognized in respect of:

	December 31, 2014	*October 31, 2013*
Non-capital losses	**$ 52,390**	$ 40,267
Net capital losses	**2,059**	4,289
Property and equipment	**9,066**	1,881
Exploration and evaluation	**168,087**	170,619
Share issue costs	**3,580**	4,466
Short-term investments	**886**	859

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits.

Deferred income tax liabilities have not been recognized for withholding tax and other taxes that would be payable on the unremitted earnings of subsidiaries because the parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Unremitted earnings totaled $1,750 (2013: $1,755).

The Company has non-capital losses that will expire, if not utilized, as follows:

		Canada		Other		Total
2034 and beyond	$	10,800	$	261	$	11,061
2033		11,031		646		11,677
2032		19,588		56		19,644
2031		3,914		-		3,914
2030		1,242		-		1,242
2029		3,193		-		3,193
2028		45		-		45
2027		101		-		101
2026		960		-		960
2025		17		-		17
2024		523		-		523
2021		-		13		13
	$	**51,414**	**$**	**976**	**$**	**52,390**

15. GENERAL AND ADMINISTRATIVE EXPENSES

		Fourteen months ended December 31, 2014		Twelve Months Ended October 31, 2013
Salaries and related benefits	**$**	**3,897**	$	3,013
Office, travel, insurance and other expenses		**1,450**		1,291
Professional fees		**1,084**		1,432
Shareholder relations and filing fees		**243**		441
	$	**6,674**	$	6,177

16. EXPLORATION AND EVALUATION EXPENSES

		Fourteen months ended December 31, 2014		Twelve months ended October 31, 2013
Other Properties	**$**	**1,640**	$	616
Aranka Gold Property		**722**		3,330
Aurora Gold Project		**100**		3,877
	$	**2,462**	$	7,823

Aranka Gold Property

During fiscal 2013, the Company completed making annual acreage payments to holders of property licences, and has no further obligations to permit holders. The Company now has a 100% interest in these properties. At the option of the Company, the permit holders remain entitled to net smelter return royalties that vary from 1.5% to 2% or a fixed payment amount in lieu thereof.

Other Properties

Other properties represent exploration expenditures at exploration targets near the vicinity of the Aurora Project. During fiscal 2013, the Company completed making annual acreage payments to a holder of property licences, and has no further obligations to the permit holder. The Company now has a 100% interest in these other properties. At the option of the Company, the permit holder remains entitled to a net smelter return royalty of 1.5% or a fixed payment amount in lieu thereof.

The Company has incurred exploration costs associated with certain expired exploration licences for both the Aranka Gold Property and Other Properties. The Company has submitted licence renewal applications with the Guyana Geology & Mines Commission (the "GGMC), and has received in return a no objection letter from the GGMC, and the Company has been advised that the applications are being processed. During the second quarter of fiscal 2014, certain expired exploration licences were approved for re-issuance by the GGMC and are waiting final processing.

17. RELATED PARTY TRANSACTIONS

(a) Remuneration of key management personnel of the Company was as follows:

		Fourteen months ended December 31, 2014		Twelve months ended October 31, 2013
Compensation – salaries and related benefits (i)	**$**	**2,561**	$	1,913
Directors fees		**323**		167
Share-based compensation		**1,083**		2,434
	$	**3,967**	$	4,514

Key management personnel are defined as the senior management team and members of the Board of Directors.

(i) For the fourteen months ended December 31, 2014 $831 of salaries and related benefits was capitalized as assets under development (twelve months ended October 31, 2013 - $211).

(b) Included in accounts payable are the following amounts due to related parties:

		December 31, 2014		October 31, 2013
To officers of the Company	**$**	**7**	$	31
To directors of the Company		**-**		43
	$	**7**	$	74

The balances are non-interest bearing and are payable on demand.

(c) Directors and insiders of the Company purchased under the June 2014 Placement a total of 114,000 Common Shares having a value of Cdn$210,900 or Cdn$1.85 per Common Share (see Note 12).

All the above related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

18. CONTINGENCIES

The Company's mining development and exploration activities are subject to various government laws and regulations relating to the protection of the environment. As at December 31, 2014, the Company does not believe that there are any significant environmental obligations requiring material outlays and anticipates that such obligations will only arise when open pit and underground mine development commences.

19. COMMITMENTS

The Company is committed to $70,009 for obligations under the EPC Contract, other Aurora Gold Project contractual commitments, purchases of equipment goods and services, and operating leases.

(IN THOUSANDS OF US$)	Total	2015	2016	2017	2018	2019	There-after
EPC Contract	$ 61,021	$ 61,021	$ -	$ -	$ -	$ -	$ -
Other contractual commitments	5,830	4,090	290	290	290	290	580
Purchase Obligations	2,885	2,885	-	-	-	-	-
Operating leases	273	126	3	3	3	3	135
Total Contractual Obligations At December 31, 2014	**$ 70,009**	**$ 68,122**	**$ 293**	**$ 293**	**$ 293**	**$** 293	**$ 715**

In May 2014, Guyana Goldfields' wholly owned subsidiary AGM Inc. formalized its existing contractual arrangements with Sedgman Limited and Graña y Montero, (the "GSJV"), and signed the contract for the engineering, procurement and construction (the "EPC Contract") for the Aurora process plant and power plant. Under the terms of the EPC Contract valued at $134 million, the Company is required to make prescribed monthly installment payments to the GSJV up to the end of August 2015. Initial payments by AGM are subject to a 30% hold back, to a maximum of $10 million that is repayable at mechanical completion date.

The Company's mineral exploration rights to the Aurora Gold Property were acquired from Alfro Alphonso and are subject to an annual fee of $100, payable on January 2nd each year, up to a maximum of $1,500. Such payments are due and payable for such period that the Company maintains an interest in the property. As at December 31, 2014 total payments of $1,100 have been made (October 31, 2013 - $900). This remaining commitment has not been included in the above contractual commitment table.

20. SEGMENTED INFORMATION

The company's operations comprise a single reporting operating segment engaged in mineral exploration and development in Guyana. As the operations comprise a single reporting segment, amounts disclosed in the consolidated financial statements also represent segment amounts.

Geographical Information

The following geographical information is provided as supplemental information to users of the financial statements to further describe the Company's operations:

As at and for the fourteen months ended December 31, 2014		Canada	Barbados	Guyana	United Kingdom	Total
Development costs, property and equipment	$	67 $	- $	182,138 $	- $	182,205
Total assets		49,781	-	204,144	-	253,925
Total liabilities		1,376	-	95,202	-	96,578
Net loss		9,463	20	3,083	241	12,807
Additions to development costs, property and equipment		12	-	131,862	-	131,874

As at and for the twelve months ended October 31, 2013 – as re-stated		Canada	Barbados	Guyana	United States & United Kingdom	Total
Development costs, property and equipment	$	91 $	- $	19,380 $	- $	19,471
Total assets		108,818	69	20,332	-	129,219
Total liabilities		2,076	-	646	-	2,722
Net loss		9,032	136	9,271	542	18,981
Additions to development costs, property and equipment		15	-	11,370	-	11,385

21. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, taking on debt, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The properties in which the Company currently has an interest are in the exploration and development stage. As such the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and development programs and pay for administrative costs, the Company will attempt to spend its existing working capital and raise additional amounts as needed.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient potential and if it has adequate financial resources to do so.

The Company considers its capital to be (1) equity, comprising share capital, stock options, contributed surplus and accumulated deficit, which at December 31, 2014 totalled $157,347 (October 31, 2013 - $126,497), and (2) long-term debt, which at December 31, 2014 was $58,077 net of unamortized debt issuance costs (October 31, 2013 – nil). The Company manages capital through its financial and operational forecasting processes. The

Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on exploration and development activities. Selected information is frequently provided to the Board of Directors of the Company. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company's capital management objectives, policies and processes have remained unchanged during the fourteen months ended December 31, 2014.

Under the Project Loan Facility, the Company's long-term debt is expected to increase to $160 million by the time the Aurora Gold Project reaches commercial production, anticipated in the third calendar quarter of 2015.

22. FINANCIAL INSTRUMENTS

As at December 31, 2014 and October 31, 2013 the Company's financial instruments consisted of cash and cash equivalents, short term investments, accounts receivable, restricted cash, accounts payable and accrued liabilities and long-term debt. The Company estimates that their fair values approximate their carrying values at December 31, 2014 and October 31, 2013 respectively.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2014:

Financial assets and liabilities at December 31, 2014	***Level 1***	***Level 2***	***Level 3***	***Total***
Cash and cash equivalents	$ 17,211	$ -	$ -	$ 17,211
Short-term investments	34	-	-	34
Restricted cash	33,311	-	-	33,311
	$ 50,556	$ -	$ -	$ 50,556

The Company's activities expose it to a variety of financial risks: liquidity risk, market risk (including interest rate, currency rate and price risk) and credit risk.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(a) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The timeline to build the Aurora Gold Project into a producing mine is dependent on continuing to satisfy all required financial and non-financial covenants under the Project Loan Facility and successful construction and development of the Project. There can be no assurances that future draws under the Facility will occur or take place in a timely fashion, or that other supplemental financing activities will be successful, if required, or that execution of the construction of the mine at the Project will proceed as planned.

The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company generates cash flow primarily from its financing activities and interest income earned on its cash and cash equivalents. At December 31, 2014 the Company on a consolidated basis had cash and cash equivalents of $17,211 (October 31, 2013 - $108,649) to settle consolidated current liabilities of $38,501 (October 31, 2013 - $2,722).

Included in the Company's consolidated cash position and current liabilities at December 31, 2014 is approximately $14 million and $37 million, respectively, attributable to the Aurora Gold Project. The $14 million represents cash drawn under the Facility, that the Company is contractually obligated to finance the development of the Aurora Gold Project. Draws under the Facility are received on a monthly basis, as determined by Project funding requirements, reflecting the Company's amounts due and payable or reasonably expected to be, before the next draw date. Consequently, the amount of cash on hand drawn under the Facility will reduce over time as payments are made. Included in the Project's current liabilities of $37 million, is approximately $4 million of current long-term debt expected to be payable on December 31, 2015.

The Company regularly evaluates its overall cash position and forecasted cash flows to ensure preservation and security of capital as well as maintenance of liquidity. All of the Company's financial liabilities are subject to normal trade terms.

(b) Market risk:

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in foreign exchange rates, interest rates, and equity prices.

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the United States dollar and major purchases are transacted in United States dollars.

The Company is subject to gains and losses due to fluctuations in the Canadian and Guyanese dollar against the United States dollar. Sensitivity to a plus or minus 10% change in all foreign currencies (Guyanese and Canadian dollars) against the United States dollar with all other variables held constant as at December 31, 2014, would affect the statement of operations and comprehensive loss by approximately $58 (October 31, 2013 - $5,667).

The Aurora Gold Project is funded by the Project Loan Facility that is denominated in United States currency, and for disbursement purposes is supported by maintaining bank accounts denominated in United States, Canadian, and Guyanese dollars. The Project's exposure to fluctuations in the Canadian and Guyanese dollar against the United States dollar is not significant as substantially most development costs are incurred in United States dollars, and the exchange rate between the Guyanese and United States dollar has remained relatively constant.

The Company funds its exploration activities in Guyana on a cash call basis using United States dollars converted from its Canadian dollar bank accounts held in Canada. The Company maintains Canadian and United States dollar bank accounts in Canada, and Guyanese and United States dollar bank accounts in Guyana. Similarly, the Company foreign exchange exposure is not significant as its annual exploration expenditures are relatively small.

Interest rate risk is the impact that changes in interest rates could have on the Company's earnings and assets. In the normal course of business, the Company is exposed to interest rate fluctuations as a result its long-term debt, and its cash and cash equivalents being invested in interest-bearing instruments. The Project Loan Facility bears interest at a variable rate (3-month LIBOR plus 5.11% for the Tranche 1 facility).

Excluding cash balances and long-term debt attributable to the Aurora Gold Project, sensitivity to a plus or minus 1% interest rate change with all other variables held constant as at December 31, 2014, would affect the statement of operations and comprehensive loss by approximately $32 (October 31, 2013 - $1,086). Prior to commercial production of the Project, related interest earned on cash balances and interest incurred on long-term debt will be credited to/charged to Aurora Project assets under development. Sensitivity to a plus or minus 1% interest rate change on the Project's cash balances and long-term debt with all other variables held constant as at

December 31, 2014, would affect assets under development by approximately $216 (October 31, 2013 – N/A). The Company is evaluating opportunities to hedge its interest rate exposure on its long-term debt.

Fluctuation in the price for gold may adversely affect the Company's ability to obtain additional financing, influence the course of action taken in developing the Project, and affect the Company's ability to meet the Facility's financial and non-financial covenants. As at December 31, 2014, although the Company was not a gold producer, gold price risk may also affect the Company's liquidity and its ability to meet ongoing obligations.

(c) Credit risk:

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, restricted cash, accounts receivable and contract advances from the GSJV. The maximum credit exposure at December 31, 2014 is approximately $11,156 (October 31, 2013 - approximately $294). The Company has a significant concentration of credit risk arising from its advances to the GSJV. The Company maintains substantially all of its cash and cash equivalents in interest bearing bank accounts at select Canadian chartered banks.

23. PAYMENTS MADE TO FOREIGN GOVERNMENT AUTHORITIES

During the fourteen months ended December 31, 2014, the Company made in total approximately $6,767 (twelve months ended October 31, 2013 - $1,572) in payments to the Government of Guyana or related government authorities in respect of taxes, property licences, duties, payroll deductions, property rentals, and other similar charges.

24. SUBSEQUENT EVENT

(a) Financing:

Subsequent to December 31, 2014 the Company's wholly subsidiary AGM Inc., received proceeds of $25,500 from its Project Loan Facility to fund ongoing development and construction activities relating to the Aurora Gold Project.

DIRECTORY

Directors

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John Patrick Sheridan,
Dan Noone,
Scott Caldwell,
Jean-Pierre Chauvin,
David Beatty,
Michael Richings,
Rene Marion

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Peter Lello Galassi	Chief Operating Officer
Paul Murphy	Executive VP, Finance & Chief Financial Officer

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Shares Traded

TSX Exchange

Symbol T.GUY

Capital at December 31, 2014

Issued	150,443,899
Options	11,501,250
Total Outstanding	161,945,149

2014

2014

Annual Report

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