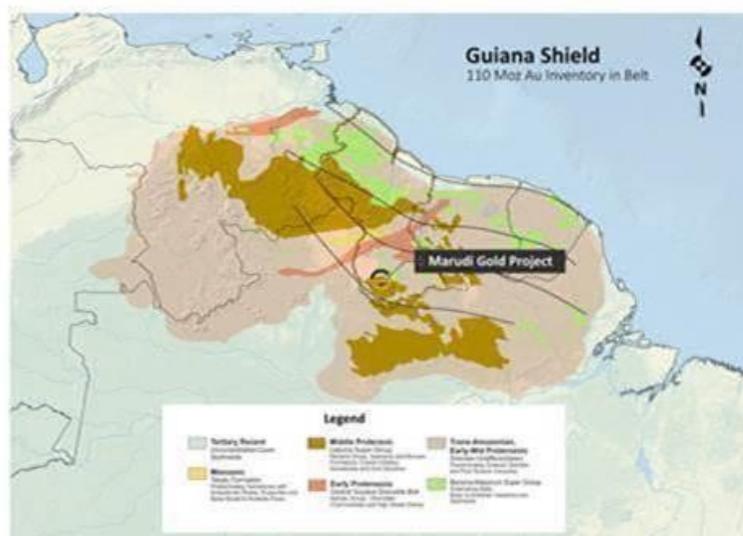


Guyana Goldstrike to Exploit Gold Deposits in Premium Mining District



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During the long grinding bear market phase for the junior exploration sector many companies were forced to give up on projects that held great potential. These projects are now being recycled into new ventures that are better positioned to carry the ball. Gold has been showing more vigor of late and recently achieved a new yearly high above \$1300. This could be the start of a new bull phase and thus may be an ideal time for a gold explorer with a solid project to be active.

Guyana Goldstrike Inc. [TSXV – GYA, OTC – GYNAF] is an emerging junior explorer that has speculative appeal in the current market environment. The company recently secured a purchase option to control 100% ownership of the Marudi Gold property in Guyana by issuing shares, plus a staged payment plan amounting to \$775,000. I believe this deal was a bargain for several reasons.

Marudi is an advanced project that has seen historic exploration work going back more than 50 years, by several previous operators. More than \$30 million in historic exploration work has been completed, targeting various gold showings on the property area. This includes 125 drill holes amounting to over 40,000 meters of diamond drilling. The previous work contributed to the discovery a significant gold deposit with several other development sites, representing a head start towards the ultimate goal of establishing a serious candidate for mine development.

In addition, extensive soil sampling and trenching work has identified numerous targets that were never tested with a modern drill program. Analysis of sample material has indicated that the coarse gold present near surface has not been transported far from its geologic source. This is very important as it suggests the potential for a larger discovery zone in the bedrock nearby.

In 1996 an NI43-101 report provided by Kilborn outlined 390,000 ounces of gold averaging 2.8 gpt from the main 'open pit' deposit site. Further exploration since 2000 expanded the historic gold estimate to 760,000 ounces. This revised total is not yet compliant with NI43-101 reporting standards.

Another attractive element to this story is the recurring cash flow that is being generated through a royalty agreement with small scale local miners that are active on the property. The company reported in June that this arrangement has already contributed a significant windfall as its share of that gold production amounted to net proceeds of US\$106,490. Guyana Goldstrike anticipates that similar royalty payments will be due each quarter, representing 10% of all gold production from the local operators.

The ability of a crude, small scale mining approach to generate significant gold output from just the near surface alluvial zone is a testament to the prolific gold endowment of this district. The weathered soil horizon near surface is estimated to contain more than 50,000 ounces of gold in the soft saprolite overburden, and there is the potential for half a million ounces or more just held within this zone.

What is clear at this point is that numerous gold showings have been identified across much of the twelve square kilometer property area, encountered near surface and with the prospect for development to enable low cost gold mining if a larger deposit area is proven up. Guyana Goldstrike has retained MineIT Consulting group to assist with compiling a database of all the previous exploration data, and presenting an updating geological model to interpret new target areas that have the best potential for further discovery success.

It is the established presence of hard rock gold deposit areas further to depth that has captured the imagination of the geologists to move this project forward. A thorough exploration program (trenching and drilling) is set to commence within months that will follow up on some of the higher grade intervals from previous work, with the objective to confirm historic assay data, and to expand on the discovery areas already in hand. The ambitious target from this work is to define a NI43-101 compliant gold resource of more than 1 million ounces in the first year.

Given that extensive infrastructure is already in place at Marudi, including road access right through the project area and a functional base camp, an extensive drill program may still be completed on a reasonable budget in Guyana. The company has already secured a mining license and permitting to enable the work to kick off, and the project is suitable for year-round access and exploration activity.

A final point of importance to this story is that Guyana itself may be considered underexplored at this point. The Guiana Shield is an attractive and well documented gold bearing district with geological characteristics similar to West Africa. As more work is carried out in the country and new high profile gold discoveries are reported, it is likely that Guyana will become much more appealing to investors as a

premium district and that too will help to support a higher market valuation for companies like Guyana Goldstrike.

For comparison, consider that Guyana Goldfields Inc. [TSX – GUY] was a speculative junior a few years ago before it embarked on development of its multi-million ounce Aurora gold mine. It now commands a market cap approaching one billion dollars. One may consider Guyana Goldstrike to be the ‘little brother’ in this district, with the possibility for a similar successful development plan in the years ahead.

As it stands now, with about 38 million shares outstanding, Guyana Goldstrike trades with a tiny market cap in the range of just \$7 million. This is well into bargain territory considering the advanced discovery stage and the likely prospect that further exploration work will expand on a deposit that could already amount to more than three quarters of a million ounces of gold.

When adding in the value of the regular cash flow coming in, plus the upside potential for several new discovery highlights that may be outlined in the year ahead, there is a good case to be made for a speculative position right now in this emerging gold junior.

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