

Gran Colombia Gold Reports First Quarter 2020 Results; Files National Instrument 43-101 Technical Report for its Segovia Operations

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TORONTO, May 15, 2020 - [Gran Colombia Gold Corp.](#) (TSX: GCM; OTCQX: TPRFF) announced today the release of its unaudited interim condensed consolidated financial statements and accompanying management's discussion and analysis (MD&A) for the three months ended March 31, 2020. All financial figures contained herein are expressed in U.S. dollars (ÜUSDÝ) unless otherwise noted.

Serafino Iacono, Executive Chairman of Gran Colombia, commenting on the Company's latest results, said, "Our first quarter results continued to show strength, and that was when gold was more than \$100 an ounce lower than where we are now. Quarterly revenue surpassed \$100 million for the first time leading to adjusted EBITDA of \$50 million. Operating cash flow and Free Cash Flow were up over 50% compared with the first quarter last year. The balance sheet also got stronger as we built up our consolidated cash position to about \$100 million and by the end of April, we had reduced our Gold Notes by 40% since the beginning of the year. We are very pleased that Caldas Gold is up and running now. Drilling results from the Deep Zone at Marmato continue to be impressive and the PFS remains on track for mid-year. I am also very proud of what our Company has been able to do during COVID-19 to help out the communities in which we live and work. These are definitely unprecedented times and our people have done a tremendous job keeping our operations going while ensuring we all do the right thing to keep our workers safe."

First Quarter 2020 Highlights

- Gran Colombia's *gold production* in the first quarter of 2020 was 56,247 ounces produced compared with 60,601 ounces in the first quarter last year. The Company's mines have continued to operate during the national quarantine implemented in Colombia in late March. However, restrictions on movement of people between communities has limited the availability of workers at the mines. Although April's gold production totalled 12,602 ounces, about 65% of the average monthly volume over the last 12 months, the situation has improved and the Segovia Operations have been operating at about 95% of normal since mid-April.
- During the COVID-19 quarantine, the Company has stepped up its efforts to support the local communities in which it operates, providing medical equipment, supplies and sanitation kits to the local hospitals and groceries to families who have been economically affected by the COVID-19 crisis.
- *Revenue* amounted to \$101.0 million in the first quarter of 2020, up 30% over the first quarter last year, getting a boost from the 21% increase in spot gold prices which increased the Company's realized gold price to an average of \$1,570 per ounce sold compared with \$1,298 per ounce sold in the first quarter last year. The volume of gold sales in the first quarter of 2020 was also up 8% over the first quarter last year, benefitting from a reduction in mineral inventories following a build up during the refinery shutdown during the holiday period at the end of 2019.
- *Total cash costs* ⁽¹⁾ per ounce averaged \$667 per ounce in the first quarter of 2020 compared with \$621 per ounce in the first quarter last year. Segovia's total cash costs were \$604 per ounce in the first quarter of 2020 and Marmato's total cash costs of \$1,215 per ounce reflected the impact of additional costs associated with the commencement of mine optimization activities and the adverse impact on production in January of a temporary explosives shortfall.
- *All-in sustaining costs* (ÜAISCÝ) ⁽¹⁾ and *All-in costs* ⁽¹⁾ of \$890 per ounce and \$978 per ounce, respectively, in the first quarter of 2020 reflected increased levels of capital and exploration spending and arbitration-related costs in G&A, compared with \$832 per ounce and \$843 per ounce, respectively, in the first quarter last year.

- The Company reported *adjusted EBITDA* ⁽¹⁾ of \$50.4 million for the first quarter of 2020, up 43% over the first quarter last year, benefitting from the stronger revenue performance in the first quarter of 2020.
- *Net cash provided by operating activities* in the first quarter of 2020 of \$31.8 million was up 60% over the first quarter last year fuelling a 57% increase in the Company's *Free Cash Flow* ⁽¹⁾ in the first quarter of 2020 to \$17.8 million from \$11.3 million in the first quarter last year.
- The Company's *balance sheet* strengthened in the first quarter of 2020 as total cash increased to \$99.7 million at the end of March 2020 from \$84.2 million at the end of 2019. Meanwhile, the Company used \$21.1 million from the net proceeds of a CA\$40 million (\$30.1 million) private placement completed in February to redeem 30% of its Gold Notes ahead of schedule. At April 30, 2020, the aggregate principal amount of Gold Notes outstanding was down to \$41.3 million.
- The Company *completed the spin-out of its Marmato Mining Assets* through a reverse takeover transaction. The Company has a 74.4% interest in the resulting issuer, named Caldas Gold Corp., which commenced trading on the TSX Venture Exchange on February 28, 2020 under the symbol CGC.
- As of May 15, 2020, the total *issued and outstanding common shares* of the Company is 61.3 million and after inclusion of stock options, warrants and the Convertible Debentures, the Company's fully diluted common shares would total approximately 89.4 million.
- The Company reported *net income* for the first quarter of 2020 of \$24.3 million (\$0.42 per share) compared with net income of \$7.9 million (\$0.16 per share) in the first quarter last year. *Adjusted net income* ⁽¹⁾ for the first quarter of 2020 was \$21.2 million (\$0.37 per share), up from \$13.0 million (\$0.27 per share) in the first quarter last year. The year-over-year improvement in adjusted net income for the first quarter of 2020 largely reflects the positive impact of the Company's revenue growth resulting from higher gold prices in 2020 and the increased volume of gold sales in the current period.
- The Company has successfully completed Phase 2 of its 2019 infill *drilling program in the Zona Baja Deep Zone at Marmato* which focused above the 600 meter level and was designed to provide enough tonnes and grade in the Measured and Indicated mineral resource categories within the Main Zone to support the prefeasibility study (PFS) which is currently being carried out and is expected to be finalized by mid-2020. The Company's exploration program was also successful in extending the recently discovered New Zone along strike to more than 400 meters, opening up an opportunity for further mineral resource expansion.
- Gran Colombia recently signed a Letter of Intent with Renenergetica Colombia S.A.S. to acquire, through its Segovia Operations, a solar project with a total installed capacity of 11.2 MW of power called Suarez, to be located in the Tolima Region of Colombia.

Selected Financial Information

	First Quarter	
	2020	2019
Operating data		
Gold produced (ounces)	56,247	60,601
Gold sold (ounces)	63,701	59,045
Average realized gold price (\$/oz sold)	\$ 1,570	\$ 1,298
Total cash costs (\$/oz sold) ⁽¹⁾	667	621
AISC (\$/oz sold) ⁽¹⁾	890	832
All-in costs (\$/oz sold) ⁽¹⁾	978	843
Financial data (\$000's, except per share amounts)		
Revenue	\$ 100,976	\$ 77,455
Adjusted EBITDA ⁽¹⁾	50,437	35,275
Net income	24,255	7,903
Per share - basic	0.42	0.16
Per share - diluted	0.42	0.16
Adjusted net income ⁽¹⁾	21,232	13,015

Per share - basic	0.37	0.27
Per share - diluted	0.31	0.24
Net cash provided by operating activities	31,811	19,818
Free cash flow ⁽¹⁾	17,831	11,277
	March 31, 2020	December 31, 2019
Balance sheet (\$'000):		
Cash and cash equivalents	\$ 99,705	\$ 84,239
Gold Notes, including current portion ⁽²⁾	44,713	68,750
Convertible Debentures ⁽³⁾	CA20,000	CA20,000

(1) Refer to Non-IFRS Measures in the Company's MD&A.

(2) The Gold Notes are recorded in the Interim Financial Statements at fair value. At March 31, 2020 and December 31, 2019, the carrying amounts of the Gold Notes outstanding were \$44.4 and \$69.0 million, respectively.

(3) The Convertible Debentures are recorded in the Interim Financial Statements at fair value. At March 31, 2020 and December 31, 2019, the carrying amount of the Convertible Debentures outstanding was \$15.1 million and \$21.1 million, respectively.

Filing of NI 43-101 Technical Report for the Segovia Operations

Gran Colombia also announced today that it has filed an updated PFS technical report on its Segovia Operations (the "Technical Report") pursuant to *National Instrument 43-101 - Standards of Disclosure for Mineral Projects* (NI 43-101). The Technical Report, which supports the disclosure made by the Company in its March 30, 2020 news release and its 2019 Annual MD&A dated March 30, 2020, was prepared by SRK Consulting (U.S.), Inc. (SRK) and is based on the updated Mineral Reserve and Mineral Resource estimates for the Segovia Operations with an effective date of December 31, 2019.

First Quarter 2020 Results Webcast

As a reminder, Gran Colombia will host a conference call and webcast, together with Caldas Gold Corp., on Tuesday, May 19, 2020 at 9:30 a.m. Eastern Time to discuss the results.

Webcast and call-in details are as follows:

Live Event link: <https://edge.media-server.com/mmc/p/oduhd4fp>
 International: 1 (514) 841-2157
 North America Toll Free: 1 (866) 215-5508
 Colombia Toll Free: 01 800 9 156 924
 Conference ID: 49673039

A replay of the webcast will be available at www.grancolombiagold.com from Tuesday, May 19, 2020 until Friday, June 19, 2020.

About Gran Colombia Gold Corp.

Gran Colombia is a Canadian-based mid-tier gold producer with its primary focus in Colombia where it is currently the largest underground gold and silver producer with several mines in operation at its high-grade Segovia Operations. Gran Colombia owns approximately 74% of Caldas Gold Corp., a Canadian mining company currently advancing a prefeasibility study for a major expansion and modernization of its underground mining operations at its Marmato Project in Colombia. Gran Colombia's project pipeline includes its Zancudo Project in Colombia together with an approximately 21% equity interest in Gold X Mining Corp. (TSXV: GLDX) (Guyana; Toroparu) and an approximately 20% equity interest in [Western Atlas Resources Inc.](#) (Western Atlas) (TSX-V: WA) (Nunavut; Meadowbank).

Additional information on Gran Colombia can be found on its website at www.grancolombiagold.com and by reviewing its profile on SEDAR at www.sedar.com.

Cautionary Statement on Forward-Looking Information:

This news release contains "forward-looking information", which may include, but is not limited to, statements with respect to the continuation of operations during the COVID-19 situation, production guidance and anticipated business plans or strategies. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Gran Colombia to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "Risk Factors" in the Company's Annual Information Form dated as of March 30, 2020 which is available for view on SEDAR at www.sedar.com. Forward-looking statements contained herein are made as of the date of this press release and Gran Colombia disclaims, other than as required by law, any obligation to update any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management's estimates or opinions should change, or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

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