



Gran Colombia Gold Reports Third Quarter 2017 Results; Raises 2017 Production Guidance

TORONTO, Nov. 13, 2017 -- Gran Colombia Gold Corp. (TSX:GCM) announced today the release of its unaudited interim condensed consolidated financial statements and accompanying management's discussion and analysis (MD&A) for the three and nine months ended September 30, 2017. All financial figures contained herein are expressed in U.S. dollars ("USD") unless otherwise noted.

Lombardo Paredes Arenas, Chief Executive Officer of Gran Colombia, commenting on the Company's results for the first nine months of 2017, said, "In the third quarter we faced some adversity as we dealt with the challenges of the 42-day civil disruption in Segovia. While our third quarter results were adversely impacted by the work slowdown, we demonstrated our resiliency once operations returned to normal in early September, rebounding with two of our best production months this year. We have since signed some new contracts with small mining cooperatives in Segovia and negotiations are continuing with the rest. We now believe our 2017 gold production will total between 165,000 to 170,000 ounces."

Third Quarter and First Half 2017 Highlights

- **Gran Colombia has raised its annual gold production guidance for 2017 to a range from 165,000 to 170,000 ounces** from the previous guidance of 150,000 to 160,000 ounces. Although gold production in the third quarter of 2017 of 37,039 ounces was down 5% from the third quarter last year due to the impact of the 42-day civil disruption on the Segovia Operations, year-to-date gold production of 122,122 ounces is up 12% over the first nine months of 2016. With a further 16,995 ounces produced in October 2017, the trailing 12-months' total gold production as of the end of October 2017 stands at 166,995 ounces, up 11% over 2016's annual production.
- **Revenue** has been positively impacted this year by the increased level of gold production compared with last year and is up 8% in the first nine months of 2017 to \$144.4 million. Gold sales volume in the third quarter of 2017, adversely impacted by the civil disruption at Segovia, and 4% lower spot gold prices in the third quarter of 2017 compared with the third quarter last year, contributed to a 17% year-over-year decline in third quarter revenue to \$42.7 million in 2017. With Segovia's operations back to normal and spot gold prices in October and the first half of November generally above \$1,270 per ounce, Gran Colombia is expecting stronger revenue performance in the fourth quarter of 2017.
- Gran Colombia's **total cash costs** and **all-in sustaining costs ("AISC")** averaged \$748 per ounce and \$970 per ounce, respectively, in the third quarter of 2017, reflecting the adverse impact of the reduced level of production on fixed costs and capital spending on a per ounce basis. This brings the average total cash costs and AISC for the first nine months of 2017 to \$720 per ounce and \$927 per ounce, respectively, compared with \$699 per ounce and \$832 per ounce, respectively, in the first nine months of 2016. Gran Colombia continues to expect that its total cash costs and AISC averages for the full year will remain below \$720 and about \$900 per ounce sold, respectively. See the Company's MD&A for the computation of these non-IFRS measures.
- Gran Colombia's trailing 12-months' **adjusted EBITDA** stood at \$65.1 million at the end of September 2017. Although adjusted EBITDA for the third quarter of 2017 was adversely impacted by the factors that affected revenue and total cash costs per ounce as outlined above, declining to \$13.8 million compared with \$19.7 million in the third quarter last year, the Company's adjusted EBITDA for the first nine months of 2017 totaled \$48.7 million compared with \$49.6 million for the first nine months last year. See the Company's MD&A for the computation of this non-IFRS measure.
- The Company generated \$2.3 million of **Excess Cash Flow** (see the Company's MD&A for the computation in accordance with the indentures for the Senior Debentures) in the third quarter of 2017, bringing the total for the first nine months of 2017 to \$7.8 million. Gran Colombia continues to expect to reach its guidance of \$16 million of Excess Cash Flow for the full year in 2017.
- Gran Colombia continued to execute its strategy in the third quarter of 2017 to **reduce** its **Senior Debentures** ahead of maturity with its Excess Cash Flow, repurchasing and cancelling an additional \$0.7 million of 2020 Debentures at a discount under its Normal Course Issuer Bid ("NCIB") and completing a \$3.0 million partial redemption at par of the 2020 Debentures on July 31, 2017.
- Gran Colombia reported a **net loss** for the third quarter of 2017 of \$1.0 million, or \$0.05 per share, compared with net income of \$8.1 million, or \$0.52 per share, in the third quarter last year, primarily reflecting the reduction in adjusted EBITDA compared with the third quarter last year. For the first nine months of 2017, net income was \$34.3 million, or \$1.70 per share, including a \$35.5 million after-tax reversal (\$1.76 per share) of impairment related to the Segovia Operations. Net income for the first nine months of 2016 was \$19.0 million, or \$1.82 per share, including a \$14.1 million after-tax gain (\$1.35 per share) on financial instruments.
- **Adjusted net income** for the third quarter of 2017 was \$3.8 million, or \$0.19 per share, down from \$8.1 million, or \$0.52 per share, in the third quarter last year, principally due to the lower adjusted EBITDA offset partially by a reduction in adjusted income taxes. For the first nine months of 2017, adjusted net income amounted to \$11.0 million, or \$0.55 per share, compared with \$12.2 million, or \$1.17 per share, in the first nine months last year. See the reconciliation in the Company's MD&A for the computation of this non-IFRS measure.
- On October 4, 2017, Gran Colombia announced an **updated Mineral Resource Estimate** for its **Marmato Project**,

shifting focus for potential future development from the previous open pit concept, and increasing cut-off grades in anticipation of developing an expanded underground mining operation. Measured and Indicated Resources consist of 3.9 million ounces of gold and Inferred Resources are 4.2 million ounces of gold. In 2018, Gran Colombia intends to proceed with a preliminary economic assessment for the Marmato Project and to perform additional drilling on the deep mineralization to understand the deposit's total mineral potential.

Financial and Operating Summary

A summary of the financial and operating results for the third quarter and first nine months of 2017 and 2016 follows:

	Third Quarter		First Nine Months	
	2017	2016	2017	2016
Operating data:				
Gold produced (ounces)	37,039	39,111	122,122	108,829
Gold sold (ounces)	33,932	39,017	117,545	107,605
Average realized gold price (\$/oz sold)	\$ 1,246	\$ 1,296	\$ 1,214	\$ 1,225
Total cash costs (\$/oz sold) (1)	748	728	720	699
All-in sustaining costs (\$/oz sold) (1)	970	884	927	832

Financial data (\$000's, except per share amounts):

Revenue	\$ 42,737	\$ 51,224	\$ 144,427	\$ 133,708
Adjusted EBITDA (1)	13,844	19,712	48,698	49,597
Reversal of impairment charges, net of tax	-	-	35,460	-
Net income	(1,047)	8,072	34,341	18,963
Basic and diluted (loss) income per share (2)	(0.05)	0.52	1.70	1.82
Adjusted net income (1)	3,835	8,103	11,042	12,211
Basic and diluted adjusted income per share (1) (2)	0.19	0.52	0.55	1.17
Excess Cash Flow (1)	2,293	112	7,797	2,411

1. Refer to "Non-IFRS and Additional Financial Measures" in the Company's MD&A.
2. Per share information has been adjusted to reflect the 1:15 consolidation completed on April 25, 2017.

	September 30, 2017	December 31, 2016
Balance sheet (\$000's):		
Cash and cash equivalents	\$ 3,335	\$ 2,783
Cash in trust for Senior Debentures (3)	3,236	537
Senior debt (4)	93,477	84,602
Other debt, including current portion	519	1,652

3. Represents amounts deposited into sinking funds for the Senior Debentures, net of cash used for the NCIBs.
4. Represents carrying amounts, which are at a discount to principal amounts, for the Senior Debentures. At September 30, 2017, the aggregate principal amounts of the 2018 Debentures, 2020 Debentures and 2024 Debentures issued and outstanding were \$46.0 million, \$48.7 million and \$47.0 million, respectively (December 31, 2016 - \$49.7 million, \$101.2 million and Nil, respectively).

Segovia Operations

At the Segovia Operations, production was adversely impacted in the third quarter of 2017 by a 42-day civil disruption commenced in late July by the Mesa Minera, a local mining collective comprised, in its majority, of illegal miners, in response to the increased measures being implemented by the Colombian government to restrict illegal mining, including restrictions on access to mercury and explosives. During the course of the civil disruption which ended in early September, Gran Colombia continued its discussions regarding the financial and operating parameters that will enable it to bring additional mining collectives operating within its title into its contract mining model, under which over 2,500 miners in Segovia and Remedios are already working with the Company. To date, Gran Colombia has signed seven additional new contracts with small mining collectives and over the next few months it will continue to negotiate specific operating contracts with each of the remaining mining collectives based on general terms agreed to between the Ministry of Mines, the Governor of Antioquia, the Mayors of Segovia and Remedios, the Mesa Minera and the Company. The monetary compensation under these new operating contracts is being established for each mining collective individually with Gran Colombia retaining between 10% and 60% of the spot price for each ounce of gold produced. The contracts also require that all ore is to be processed at Gran Colombia's Maria Dama plant.

As a result of the civil disruption, tonnes processed dipped to an average of 490 tpd in the third quarter of 2017 (736 tpd on an adjusted basis to exclude the days during the civil disruption) compared with 790 tpd in the third quarter last year. Head grades in the Company-operated mining areas improved to an average of 17.5 g/t in the third quarter of 2017, up from an average of 3.7 g/t in the third quarter last year, as a result of continuing to mine higher grade stopes in the Providencia mine this year. This brought the overall head grade for the Segovia Operations to an average of 20.7 g/t in the third quarter of 2017 compared with 14.5 g/t in the third quarter last year. Segovia's gold production of 14,420 ounces in the month of September brought the total for the third quarter of 2017 to 30,075 ounces and for the first nine months of 2017 to 103,071 ounces, up 13% over the first nine months last year. With a further 14,860 ounces of gold produced in October 2017 (a new monthly record), the trailing 12-months' total gold production as of the end of October 2017 at Segovia was 141,584 ounces, up 12% over 2016's annual gold production. Consequently, Gran Colombia has increased its annual gold production guidance for 2017 for the Segovia Operations to a range of 140,000 to 145,000 ounces from the previous range of 126,000 to 134,000 ounces.

Segovia's total cash costs increased from \$620 per ounce in the second quarter of 2017 to \$700 per ounce in the third quarter of 2017 reflecting the adverse impact on fixed costs on a per ounce basis of the civil disruption on quarterly gold production. Although certain operating costs are variable in nature, such as the amounts paid to contract miners based on gold production and production taxes, other costs associated with the operation and maintenance of the mines are more fixed in nature and could not be fully reduced to offset the impact on production of the civil disruption. Gran Colombia expects that Segovia's total cash cost per ounce will return to levels similar to the second quarter of 2017 now that operations have returned to normal.

Gran Colombia's AISC for the first nine months of 2017 included \$17.9 million of sustaining capital expenditures, equivalent to \$152 per ounce sold and \$63 per ounce higher than the first nine months of 2016 due to the increased level of exploration, development and capital investment in the Segovia Operations this year. Sustaining capital expenditures in the first nine months of 2017 of \$16.5 million at the Segovia Operations, equivalent to \$140 per ounce sold, included (i) \$6.8 million for exploration and mine development, (ii) \$5.8 million for the mines including completion of a ventilation shaft at the Providencia mine, commencement of ventilation improvements at the El Silencio mine, installation of mine refuge stations, mine equipment and other infrastructure upgrades, (iii) \$2.5 million for further upgrades of equipment in the Maria Dama plant and laboratory and initiation of the project to expand the tailings storage facility, and (iv) \$1.2 million to commence installation of a water treatment plant as part of Gran Colombia's plan to improve the quality of water being discharged into the environment from dewatering of the mines and tailings ponds. It should also be noted that Gran Colombia completed a number of initiatives in the third quarter of 2017 that have eliminated the discharge of excess operational waters to the environment, thereby reducing future environmental discharge fees.

Marmato Operations

At the Marmato Operations, gold production showed improvement in the third quarter of 2017 led by a 14% increase in tonnes processed, compared with the first half of 2017, to an average of 1,100 tpd. Gold production for the third quarter of 2017 of 6,964 ounces, up 25% over the third quarter last year, brought the total for the first nine months of 2017 to 19,051 ounces, up 10% over the same period last year. With a further 2,135 ounces of gold produced in October 2017, this brings Marmato's trailing 12-months' gold production at the end of October 2017 to 25,324 ounces, up 8% over its 2016 annual production. For the full year 2017, Gran Colombia continues to expect Marmato's annual gold production will range between 24,000 and 26,000 ounces.

Total cash costs at the Marmato Operations showed improvement in the third quarter of 2017, decreasing 10% from the first half of 2017 to \$958 per ounce, aided by the positive impact on fixed costs on a per ounce basis of the 15% increase in in gold production in the third quarter of 2017 compared with the quarterly run rate in the first half this year.

Outlook

Gran Colombia has produced a total of 139,117 ounces of gold through the first ten months of 2017 and now believes it will produce a total of 165,000 to 170,000 ounces for the full year compared with the 149,708 ounces produced in 2016. Production growth at Gran Colombia's Segovia Operations has been solid in 2017, even with the impact of a 42-day disruption in operations in the third quarter. With a total of 117,931 ounces of gold produced through the first ten months of 2017, Segovia is on pace to produce between 140,000 and 145,000 ounces this year, up from 126,261 ounces in 2016 and the Marmato

Underground mine is expected to meet its 2017 production guidance range of 24,000 to 26,000 ounces of gold.

Gran Colombia's total cash cost and AISC averaged \$720 and \$927 per ounce sold, respectively, in the first nine months of 2017. These results were adversely impacted by the civil disruption at Segovia in the third quarter of 2017. Despite this, Gran Colombia continues to expect that its fourth quarter 2017 operating and financial performance will bring the total cash cost and AISC averages for the full year 2017 to below \$720 and about \$900 per ounce sold, respectively.

Gran Colombia has deposited a total of \$7.8 million representing its Excess Cash Flow for the first nine months of 2017 into the sinking funds for the Senior Debentures. Provided gold prices remain at least at the current level over the final two months of the year and Segovia's gold production in November and December meets expectations, Gran Colombia expects to generate Excess Cash Flow for the full year in the order of \$16 million and it will continue to consider, as appropriate, additional NCIB purchases and /or partial redemptions, if appropriate, as a means to reduce its 2020 Debentures ahead of maturity.

Webcast

As a reminder, Gran Colombia will host a conference call and webcast on Tuesday, November 14, 2017 at 8:30 a.m. Eastern Time to discuss the results.

Webcast and call-in details are as follows:

Live Event link: <https://edge.media-server.com/m6/p/wyndm7kc>

International: 1 (514) 841-2157

North America Toll Free: 1 (866) 215-5508

Colombia Toll Free: 01 800 9 156 924

Conference ID: 45894608

A replay of the webcast will be available at www.grancolombiagold.com from Tuesday, November 14, 2017 until Thursday, December 14, 2017.

About Gran Colombia Gold Corp.

Gran Colombia is a Canadian-based gold and silver exploration, development and production company with its primary focus in Colombia. Gran Colombia is currently the largest underground gold and silver producer in Colombia with several underground mines in operation at its Segovia and Marmato Operations. Gran Colombia is continuing its expansion and modernization activities at its high-grade Segovia Operations.

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 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, 2017, 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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