

Gran Colombia Reports Third Quarter and First Nine Months 2020 Results; Announces Tripling of Its Dividend and Changing Payment Frequency to Monthly

TORONTO, Nov. 11, 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 and nine months ended September 30, 2020. All financial figures contained herein are expressed in U.S. dollars ("USD") unless otherwise noted.

Gran Colombia also announced today that its Board of Directors has approved an increase in its dividend and the Company is changing the payment frequency from quarterly to monthly. The first monthly dividend of CA\$0.015 per common share will be paid on December 15, 2020 to shareholders of record as of the close of business on November 30, 2020.

Serafino Iacono, Executive Chairman of Gran Colombia, commenting on the Company's latest results, said, "Our third quarter results were impressive. The higher spot gold prices helped fuel new highs in quarterly revenue, adjusted EBITDA, adjusted net income, operating cash flow and Free Cash Flow. After the first nine months of 2020, adjusted EBITDA, operating cash flow and Free Cash Flow are already equal to or better than our full year totals in 2019. In light of these results and our confidence in our high-grade Segovia Operations, we are also pleased to announce a significant increase in our dividend rate, from CA1.5 cents per share on a quarterly basis to CA1.5 cents per share on a monthly basis. That represents almost a 3% dividend yield and places us in the top quartile of dividend-paying gold stocks. Moreover, we are only one of two gold companies that are paying a dividend on a monthly basis. With the strength in our balance sheet and Free Cash Flow, we welcome this opportunity to enhance our shareholders return on their investment in our Company."

Third Quarter and First Nine Months 2020 Highlights

- Gran Colombia has announced that it is **tripling its dividend** to the equivalent of CA\$0.18 per share per annum and changing the payment frequency to **monthly**. The first monthly dividend of CA\$0.015 per common share will be paid on December 15, 2020 to shareholders of record as of the close of business on November 30, 2020.
- The Company **continued to support the local communities** surrounding the Segovia Operations and Marmato Project during the third quarter of 2020, providing groceries to families who have been economically affected by the COVID-19 crisis in addition to donations of medical equipment, supplies and sanitation kits to the local hospitals and masks to the communities.
- Gran Colombia's consolidated **gold production** in the third quarter of 2020 was 58,454 ounces, up 4% from the third quarter last year. The third quarter 2020 production reflects a 21% improvement over the second quarter of 2020 which had been adversely impacted by the COVID-19 national quarantine invoked in Colombia in late March. With a total of 162,929 ounces of gold produced in the first nine months of 2020, down from 174,754 ounces in the first nine months last year, and another 19,391 ounces in October, the Company is on track to meet its 2020 annual production guidance of a range between 218,000 and 226,000 ounces of gold.
- **Revenue** reached a new quarterly record of \$113.1 million in the third quarter of 2020, up 36% from the third quarter last year, as the 30% year-over-year improvement in spot gold prices increased the Company's realized gold price to an average of \$1,875 per ounce sold. For the first nine months of 2020, revenue of \$291.2 million was up 22% over the first nine months last year.
- **Total cash costs** ⁽¹⁾ per ounce averaged \$796 per ounce in the third quarter of 2020 compared with \$684 per ounce in the third quarter last year. Higher spot gold prices increased production taxes by approximately \$25 per ounce in the third quarter of 2020 compared with the same period last year. Other factors increasing total cash costs in the third quarter of 2020 included an increase in contractor and artisanal mining rates which had last been adjusted in 2017, an increased level of operating development costs at Marmato associated with the preparation of Levels 21 and 22 (the Transition Zone) for expansion of mining activities and additional costs being incurred to maintain the COVID-19 protocols required to protect the health and safety of workers. For the first nine months of 2020, total cash costs averaged \$725 per ounce compared with \$653 per ounce in the first nine months last year.
- **All-in sustaining costs ("AISC")** ⁽¹⁾ and **All-in costs** ⁽¹⁾ were \$1,122 per ounce and \$1,190 per ounce, respectively, in the third quarter of 2020 compared with \$951 per ounce and \$991 per ounce, respectively, in the third quarter last year. The year-over-year increase in these metrics can largely be attributed to the increase in total cash costs, new spending on G&A and social contributions in Caldas Gold, and an increased level of sustaining and non-sustaining capex for the Marmato Project. For the first nine months of 2020, AISC and All-in costs averaged \$1,014 and \$1,089 per ounce, respectively, compared with \$886 and \$911 per ounce, respectively, in the first nine months last year.
- The Company reported record quarterly **adjusted EBITDA** ⁽¹⁾ of \$56.7 million for the third quarter of 2020, up 51% over the third quarter last year. For the first nine months of 2020, adjusted EBITDA totalled \$144.7 million, up 36% over the first nine months last year. The Company's trailing 12-months' adjusted EBITDA at the end of September 2020 was \$185.3 million, up 26% over 2019.
- **Net cash provided by operating activities** in the third quarter of 2020 was \$67.7 million compared with \$30.6 million in the third quarter last year. For the first nine months of 2020, net cash provided by operating activities was \$106.0 million, up from \$68.7 million in the first nine months last year. The Company's trailing 12-months' net cash provided by operating activities at the end of September 2020 was \$140.6 million, up 36% over 2019.

- Record quarterly **Free Cash Flow** ⁽¹⁾ in the third quarter of 2020 was \$53.4 million compared with \$19.6 million in the third quarter last year. For the first nine months of 2020, Free Cash Flow amounted to \$66.8 million, up \$28.2 million over the first nine months last year. The Company's trailing 12-months' Free Cash Flow at the end of September 2020 was \$88.8 million, up 46% over 2019.
- The Company's **balance sheet** remained solid with total cash of \$138.2 million at the end of September 2020, including \$43.0 million in Caldas Gold, of which \$34.7 million represents the net proceeds of Caldas Gold's Special Warrant financing completed in the third quarter of 2020 that will be used as part of the funding for its Marmato Deep Zone ("MDZ") project.
- The aggregate principal amount of Gold Notes outstanding is currently \$35.5 million. In October, **Fitch Ratings upgraded** the Company from B to B+ Stable Outlook.
- The Company reported **net income** of \$18.0 million (\$0.39 per share) compared with \$9.0 million (\$0.18 per share) in the third quarter last year. For the first nine months of 2020, the Company reported net income of \$23.7 million (\$0.53 per share) compared with \$17.7 million (\$0.36 per share) in the first nine months last year.
- Adjusted net income** ⁽¹⁾ for the third quarter of 2020 was \$29.5 million (\$0.47 per share), up from \$16.0 million (\$0.33 per share) in the third quarter last year. For the first nine months of 2020, adjusted net income improved to \$68.2 million (\$1.14 per share) compared with \$43.0 million (\$0.88 per share) in the first nine months last year. The year-over-year improvement in adjusted net income for the third quarter and first nine months of 2020 largely reflects the positive impact of higher gold prices in 2020, partially offset by the COVID-19 impact on gold sales volumes in the second quarter of 2020.
- The Company currently has six **diamond drill rigs** in operation at its Segovia Operations, with four rigs operating underground carrying out resource definition of the Providencia, Sandra K and El Silencio mines, one rig operating from Level 3 of the Sandra K mine targeting the down-plunge extension of the southern ore-shoot of the El Silencio mine and one rig on surface testing the easternmost end of the Providencia mine. In October 2020, the Company commenced its regional exploration campaign, delayed from earlier this year due to COVID-19 restrictions, with two additional rigs operating from surface in a 3,500m drilling program at the brownfield Vera vein located east of the Sandra K-Cogote vein system expected to be completed by the end of 2020. The regional exploration program, which will continue in 2021, represents a large diamond drilling campaign focused on the most prospective brownfield exploration targets within the 24 known veins at its Segovia Operations which are not currently being mined.
- 53.5%-owned Caldas Gold continues to advance its plan to **build Colombia's next major gold mine**. Following the release of its Preliminary Feasibility Study for its Marmato Project in early July, Caldas Gold completed a CA\$50 million bought deal private placement of Special Warrants in late July, of which Gran Colombia acquired CA\$20 million to maintain its equity ownership above 50%. In late August, Caldas Gold finalized an \$83.1 million private placement offering of Subscription Receipts, exchangeable into senior secured gold-linked notes and warrants of Caldas Gold, including \$10 million acquired by Gran Colombia. On November 5, 2020, Caldas Gold announced it had entered into a \$110 million stream financing agreement with Wheaton Precious Metals International Ltd. The net proceeds from these three financings will be used by Caldas Gold to fund the planned expansion of mining operations into the MDZ. Caldas Gold is also continuing its drilling campaign at Marmato and recently announced it has extended the Main Zone by 300m along strike and it remains open.

Selected Financial Information

	Third Quarter		Nine Months	
	2020	2019	2020	2019
Operating data				
Gold produced (ounces) ⁽⁴⁾	58,454	56,271	162,929	174,754
Gold sold (ounces) ⁽⁴⁾	59,633	56,284	168,412	174,697
Average realized gold price (\$/oz sold)	\$ 1,875	\$ 1,458	\$ 1,712	\$ 1,348
Total cash costs (\$/oz sold) ⁽¹⁾	796	684	725	653
AISC (\$/oz sold) ⁽¹⁾	1,122	951	1,014	886
All-in costs (\$/oz sold) ⁽¹⁾	1,190	991	1,089	911
Financial data (\$000's, except per share amounts)				
Revenue	\$ 113,138	\$ 82,952	\$ 291,248	\$ 238,017
Adjusted EBITDA ⁽¹⁾	56,688	37,595	144,688	106,068
Net income	18,027	9,014	23,704	17,685
Per share - basic	0.39	0.18	0.53	0.36
Per share - diluted	0.17	0.18	0.52	0.36
Adjusted net income ⁽¹⁾	29,503	16,034	68,239	43,003
Per share - basic	0.47	0.33	1.14	0.89
Per share - diluted	0.40	0.27	0.96	0.77
Net cash provided by operating activities	67,712	30,606	105,954	68,655
Free cash flow ⁽¹⁾	53,365	19,630	66,821	38,658

	September 30, 2020	December 31, 2019
Balance sheet (\$000's):		
Cash and cash equivalents	\$ 138,195	\$ 84,239
Gold Notes, including current portion – principal amount outstanding ⁽²⁾	38,413	68,750
Convertible Debentures – principal amount outstanding ⁽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 September 30, 2020 and December 31, 2019, the carrying amounts of the Gold Notes outstanding were \$41.0 and \$69.0 million, respectively.

(3) The Convertible Debentures are recorded in the Interim Financial Statements at fair value. At September 30, 2020 and December 31, 2019, the carrying amount of the Convertible Debentures outstanding was \$22.4 million and \$21.1 million, respectively.

(4) Includes 100% of Caldas Gold production and sales.

Third Quarter 2020 Results Webcast

As a reminder, Gran Colombia will host a conference call and webcast on Thursday, November 12, 2020 at 10:00 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/c5ejtedn>

Canada Toll /
International: 1 (514) 841-2157

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

Colombia Toll
Free: 01 800 9 156 924

Conference ID: 49986279

A replay of the webcast will be available at www.grancolombiagold.com from Thursday, November 12, 2020 until Thursday, December 17, 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 53.5% of Caldas Gold Corp. (TSX-V: CGC; OTCQX: ALLXF), a Canadian mining company currently advancing 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 18% equity interest in Gold X Mining Corp. (TSXV: GLDX) (Guyana – Toroparu Project) and an approximately 26% equity interest in Western Atlas Resources Inc. (“Western Atlas”) (TSXV: WA) (Nunavut – Meadowbank Project).

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 respect to the continuation of operations during the COVID-19 situation, production guidance, dividend payments 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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