



Gran Colombia Gold Corp.

Interim Condensed Consolidated Financial Statements
(Unaudited)

For the three and nine months ended September 30, 2020

Gran Colombia Gold Corp.
Interim Condensed Consolidated Statements of Financial Position
(Unaudited; Expressed in thousands of U.S. dollars)

	Notes	As at September 30, 2020	As at December 31, 2019
ASSETS			
Current			
Cash and cash equivalents		\$ 138,195	\$ 84,239
Subscription Receipts cash in trust	10	77,413	4,837
Gold Trust Account	9a	4,359	5,760
Accounts receivable and other	14a	13,340	15,322
Inventories	5	21,266	24,311
Prepaid expenses and deposits		2,473	2,437
		257,046	136,906
Non-current			
Cash in trust	12c	654	751
Mining interests, plant and equipment	6	248,273	207,485
Investments and other assets	7	17,252	14,278
Total assets		\$ 523,225	\$ 359,420
LIABILITIES AND EQUITY			
Current			
Accounts payable and accrued liabilities	8	\$ 35,309	\$ 29,921
Subscription Receipts payable	10	71,811	5,070
Income tax payable		20,952	28,788
Current portion of long-term debt	9	11,288	18,000
Current portion of lease obligations	11	1,502	701
Current portion of provisions	12	1,446	1,398
Amounts payable related to acquisitions of mining interests	22a	2,099	2,968
		144,407	86,846
Non-current			
Long-term debt	9	52,144	72,015
Lease obligations	11	2,501	1,556
Provisions	12	21,010	23,908
Warrant liabilities issued by the Company	13c	52,443	38,700
Caldas Gold warrant liabilities	13c	9,223	-
Deferred income taxes		15,759	18,747
Total liabilities		297,487	241,772
Equity			
Share capital	13b	471,286	446,015
Contributed surplus		179,984	176,094
Accumulated other comprehensive loss		(137,314)	(109,046)
Deficit		(345,068)	(395,415)
Total equity attributable to shareholders		168,888	117,648
Non-controlling interest	3,20	56,850	-
Total equity		225,738	117,648
Total liabilities and shareholders' equity		\$ 523,225	\$ 359,420
Commitments and Contingencies	(Note 12b, 22)		
Subsequent events	(Notes 7c, 13b, 22b, 23)		

See accompanying notes to the consolidated financial statements.

Gran Colombia Gold Corp.
Interim Condensed Consolidated Statements of Operations
(Unaudited; Expressed in thousands of U.S. dollars, except share amounts)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2020	2019	2020	2019
Revenue	15	\$ 113,138	\$ 82,952	\$ 291,248	\$ 238,017
Costs and expenses					
Cost of sales	16	55,255	46,220	143,456	140,073
General and administrative		4,938	4,865	14,076	11,340
Share-based compensation	13g	702	342	5,466	1,795
Social programs and contributions	8a	2,765	1,767	7,482	4,841
Income from operations		49,478	29,758	120,768	79,968
Other income (expense)					
Finance income		312	328	1,288	966
Finance costs	17	(11,680)	(3,306)	(20,883)	(9,856)
RTO Transaction costs	3	-	-	(16,700)	-
Foreign exchange (loss) gain		(410)	629	2,726	70
Income (loss) from equity accounting in associates	7	200	(134)	(2,017)	(344)
Loss on financial instruments	18	(2,364)	(7,466)	(21,260)	(23,114)
Gain on sale of securities, net	18	-	-	3,099	-
		(13,942)	(9,949)	(53,747)	(32,278)
Income before income tax		35,536	19,809	67,021	47,690
Income tax (expense) recovery					
Current		(18,359)	(12,062)	(43,700)	(32,298)
Deferred		850	1,267	383	2,293
		(17,509)	(10,795)	(43,317)	(30,005)
Net income		\$ 18,027	\$ 9,014	\$ 23,704	\$ 17,685
Attributed to:					
Shareholders of the Company		\$ 24,151	\$ 9,014	\$ 31,872	\$ 17,685
Non-controlling interest		(6,124)	-	(8,168)	-
		\$ 18,027	\$ 9,014	\$ 23,704	\$ 17,685
Net income per share attributed to shareholders of the Company					
Basic		\$ 0.39	\$ 0.18	\$ 0.53	\$ 0.36
Diluted	21	0.17	0.18	0.52	0.36
Basic weighted average number of common shares outstanding		61,901,211	49,282,899	60,377,597	48,622,930

See accompanying notes to the consolidated financial statements.

Gran Colombia Gold Corp.
Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited; Expressed in thousands of U.S. dollars)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2020	2019	2020	2019
Net income		\$ 18,027	\$ 9,014	\$ 23,704	\$ 17,685
Other comprehensive income (loss):					
Items that will not be reclassified to profit in subsequent periods:					
Unrealized gain (loss) on investment in Amilot, net of \$Nil tax (2019 - \$Nil)	7	8	(3)	1	(6)
Unrealized (loss) gain on Gold Notes due to change in credit risk, net of tax ⁽¹⁾	9a	(43)	201	1,223	(3,137)
Unrealized (loss) gain on Convertible Debenture due to change in credit risk, net of tax ⁽²⁾	9b	(39)	116	25	171
Actuarial loss on health plan obligation, net of \$Nil tax (2019 - \$Nil)	12	(131)	-	(131)	-
Unrealized gain on Caldas Subscription Receipts due to changes in credit risk, net of tax ⁽³⁾	10	545	-	545	-
Unrealized gain on Caldas Subscription Receipts due to changes in credit risk, associated with non-controlling interest net of tax ⁽⁴⁾	10	225	-	225	-
Items that may be reclassified to profit in subsequent periods:					
Foreign currency translation adjustment		(6,477)	(24,456)	(29,931)	(20,784)
Foreign currency translation adjustment associated with non-controlling interest		(658)	-	(914)	-
Comprehensive income (loss)		\$ 11,457	\$ (15,128)	\$ (5,253)	\$ (6,071)
Comprehensive income (loss) attributable to:					
Shareholders of the Company		\$ 18,014	\$ (15,128)	\$ 3,604	\$ (6,071)
Non-controlling interest		(6,557)	-	(8,857)	-
Comprehensive income (loss)		\$ 11,457	\$ (15,128)	\$ (5,253)	\$ (6,071)

⁽¹⁾ For the three and nine months ended September 30, 2020, the tax recovery on the Gold Notes credit risk changes was \$Nil and \$Nil, respectively. For the three and nine months ended September 30, 2019, the tax recovery was \$Nil and \$1.0 million, respectively.

⁽²⁾ For the three and nine months ended September 30, 2020, the tax recovery on the convertible debenture credit risk changes was \$Nil and \$Nil, respectively. For the three and nine months ended September 30, 2019, the tax expense was \$Nil and \$Nil million, respectively.

⁽³⁾ For the three and nine months ended September 30, 2020, the tax recovery on Caldas Subscription Receipts due to changes in credit risk was \$0.2 million and \$0.2, respectively.

⁽⁴⁾ For the three and nine months ended September 30, 2020, the tax recovery on Caldas Subscription Receipts due to changes in credit risk for the non-controlling interest was \$0.1 million and \$0.2, respectively.

See accompanying notes to the consolidated financial statements.

Gran Colombia Gold Corp.
Interim Condensed Consolidated Statements of Equity
(Unaudited; Expressed in thousands of U.S. dollars)

	Notes	Nine months ended September 30,	
		2020	2019
Common shares			
Balance, beginning of period	13	\$ 446,015	\$ 434,831
Exercise of options	13	1,463	5,099
Exercise of warrants	13c	4,303	-
Issuance of common shares	13b	21,709	-
Share issue costs	13b	(430)	-
Repurchase of shares	13b	(1,774)	-
Balance, end of period		471,286	439,930
Share purchase warrants – equity classified			
Balance, beginning	13c	-	4,212
Expiry of warrants		-	(4,212)
Balance, end of period		-	-
Contributed surplus			
Balance, beginning of period		176,094	172,596
Exercise of options	13	(355)	(1,215)
Expiry of warrants		-	4,212
Share-based compensation	13g	4,245	767
Balance, end of period		179,984	176,360
Accumulated other comprehensive loss			
Balance, beginning of period		(109,046)	(101,712)
Actuarial gain on health plan obligation, net of Nil tax		(131)	-
Unrealized loss on investment in Amilot, net of Nil tax	7	1	(6)
Unrealized gain (loss) on Gold Notes due to changes in credit risk, net of tax	9a	1,223	(3,137)
Unrealized gain on Convertible Debentures due to changes in credit risk, net of tax	9b	25	171
Unrealized gain on Caldas Subscription Receipts due to changes in credit risk, net of tax	10	545	-
Foreign currency translation adjustment		(29,931)	(20,784)
Balance, end of period		(137,314)	(125,468)
Deficit			
Balance, beginning of period		(395,415)	(264,251)
Dividends declared	13b	(694)	-
Amount related to consideration in RTO Transaction	3	5,055	-
Impact of changes in Caldas Gold ownership	20	14,114	-
Net income attributable to shareholders of the Company		31,872	17,685
Balance, end of period		(345,068)	(246,566)
Non-controlling interest			
RTO Transaction without change of control	3	14,192	-
Impact of changes in Caldas Gold ownership	20	51,515	-
Foreign currency translation adjustment		(914)	-
Change in credit risk adjustment due to Caldas Subscription receipt		225	-
Net loss attributable to non-controlling interest		(8,168)	-
Balance, end of period		56,850	-
Total equity		\$ 225,738	\$ 244,256

See accompanying notes to the consolidated financial statements.

Gran Colombia Gold Corp.
Interim Condensed Consolidated Statements of Cash Flows
(Unaudited; Expressed in thousands of U.S. dollars)

	Notes	Nine months ended September 30,	
		2020	2019
Operating Activities			
Net income		\$ 23,704	\$ 17,685
Adjusted for the following items:			
Depreciation, depletion and amortization	6	18,454	24,305
Share-based compensation	13g	5,466	1,795
RTO transaction	3	16,700	-
Finance income		(1,288)	(966)
Finance costs	17	20,883	9,856
Foreign exchange		80	(169)
Loss on financial instruments	18	21,260	23,114
Loss from equity accounting in associate	7	2,017	344
Provision for environmental fees		17	(736)
Environmental fees paid	12	(4)	(795)
Payments of health obligations	12	(485)	(618)
Payment of rehabilitation obligations		(54)	(14)
Gain on sale of securities	18	(3,862)	-
Deferred and current income tax expense		43,317	30,005
Changes in non-cash operating working capital items	19	5,488	(2,525)
Operating cash flows before taxes		151,693	101,281
Income taxes paid		(45,739)	(32,640)
Net cash provided by operating activities		105,954	68,641
Investing Activities			
Additions to mining interests, plant and equipment	6	(39,133)	(29,983)
Acquisition of SARC net of cash acquired	10	(9,893)	-
Acquisition of shares of Guyana Goldfields	18	(4,012)	-
Proceeds from sale of shares of Guyana Goldfields	18	7,874	-
Acquisitions and investments in associates	7a	(1,107)	(2,794)
Net cash used in investing activities		(46,271)	(32,777)
Financing Activities			
Net proceeds from 2020 Private Placement	13b	29,474	-
Release of cash in trust from Subscription Receipts	3	4,731	-
Share issue cost in connection with RTO	13b	(722)	-
Net proceeds from Convertible Debentures	9b	-	13,653
Repayment of Gold Notes, including Gold Premium	9a	(36,042)	(15,570)
Decrease (increase) in Gold Trust Account	9a	2,026	(2,230)
Premiums paid for commodity hedging contracts related to repayment of the Gold Notes	14e	-	(281)
Net proceeds from Caldas Special Warrants	13c	19,677	-
Net proceeds from Caldas GLN Subscription Receipts	10	66,793	-
Increase in cash in trust from Caldas GLN Subscription Receipts	10	(77,413)	-
Payment of lease obligations	11	(1,418)	(751)
Net interest paid		(2,691)	(5,111)
Exercises of stock options	13d	1,225	3,884
Exercises of warrants	13c	1,402	-
Repurchases of 2024 Warrants		-	(252)
Repurchases of common shares of the Company	13b	(1,774)	-
Acquisition of shares from non-controlling interest	3	(1,796)	-
Net cash provided (used) in financing activities		3,472	(6,658)
Impact of foreign exchange rate changes on cash and cash equivalents		(9,199)	(1,597)
Increase in cash and cash equivalents		53,956	27,609
Cash and cash equivalents, beginning of period		84,239	35,645
Cash and cash equivalents, end of period		\$ 138,195	\$ 63,254

See accompanying notes to the consolidated financial statements.

Gran Colombia Gold Corp.
Notes to the Interim Condensed Consolidated Financial Statements
For the three and nine months ended September 30, 2020
(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

1. NATURE OF OPERATIONS

Gran Colombia Gold Corp. and its subsidiaries (collectively the “Company”) are engaged in the acquisition, exploration, development and operation of gold properties, primarily in Colombia. Since July 2020, through one of its subsidiaries, the Company has participation in an exploration project in Ontario. The Company is incorporated under the laws of the Province of British Columbia. The head office of the Company is located at 401 Bay Street, Suite 2400, PO Box 15, Toronto, Ontario, M5H 2Y4 and its registered office is at 1166 Alberni Street, Suite 1604, Vancouver, British Columbia, V6E 3Z3. The Company also has offices in Medellin and Bogota, Colombia.

2. BASIS OF PRESENTATION

These interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, under International Financial Reporting Standards (“IFRS”).

The interim financial statements have been prepared following the same accounting policies and methods of computation as the audited consolidated financial statements for the fiscal year ended December 31, 2019, except as discussed below.

The interim financial statements do not include all the disclosures included in the annual audited consolidated financial statements and accordingly should be read in conjunction with the annual audited consolidated financial statements and the notes thereto for the year ended December 31, 2019. These interim financial statements were approved by the Audit Committee of the Company for issue on November 11, 2020.

The interim financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, and are presented in U.S. dollars, rounded to the nearest thousand except when otherwise indicated. They have been prepared on a going concern basis assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they come due for the foreseeable future.

Consolidation

These financial statements comprise the financial results of the Company, including its following subsidiaries as at September 30, 2020:

Entity	Property/ function	Registered	Functional currency ⁽¹⁾	Interest as at September 30, 2020
Gran Colombia Gold Corp.	Corporate	Canada	USD	
Gran Colombia Gold, S.A.	Corporate	Panama	USD	100%
Gran Colombia Gold Segovia S.A. Sucursal	Segovia Operations	Colombia	COP	100%
Minerales Andinos de Occidente, S.A.S.	Marmato Zona Alta	Colombia	COP	100%
Minera Croesus S.A.S.	Marmato Zona Alta	Colombia	COP	100%
Gran Colombia Gold Titibi Sucursal (Note 7c)	Zancudo	Colombia	COP	100%
Caldas Gold Corp. (Caldas Gold) ⁽²⁾	Corporate	Canada	USD	53.5%
Caldas Gold Colombia Inc. (“CG Panama”) ⁽³⁾	Corporate	Panama	USD	53.5%
Caldas Gold Marmato S.A.S. (“CG Marmato”) ⁽⁴⁾	Marmato Zona Baja	Colombia	COP	53.5%
South American Resources Corp. (“SARC”) ⁽²⁾	Juby Project	Canada	USD	53.5%

(1) “USD” = U.S. dollar; “COP” = Colombian peso.

(2) Commenced trading on the TSX Venture Exchange (“TSXV”) on February 28, 2020 under the symbol “CGC” and it holds a 100% of ownership of the Marmato Project through its subsidiary Caldas Gold Marmato S.A.S. (“formerly Gran Colombia Marmato S.A.S.”). During the quarter Caldas Gold acquired the Juby Project through the acquisition of South American Resources (“SARC”) (Note 6).

(3) CG Panama was formerly named Medoro Resources Colombia Inc. prior to the RTO Transaction.

(4) CG Marmato was formerly named Gran Colombia Gold Marmato S.A.S. prior to the RTO Transaction.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Accounting policies of subsidiaries and associates have been changed where necessary to ensure consistency with the policies adopted by the Company.

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The consolidated financial statements also include the Company's equity interests, as outlined in Note 6, in Gold X Mining Corp. ("Gold X") and Western Atlas Resources Inc. ("Western Atlas") which are accounted for using the equity method.

New and amended accounting policies

The Company has adopted the following new and revised IFRS standards and amendments, effective January 1, 2020. These changes were made in accordance with the applicable transitional provisions.

IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Estimates and Errors

Effective January 1, 2020, the Company has adopted the amendments in *Definition of Material (amendments to IAS 1 and IAS 8)*. The amendments to IAS 1 and IAS 8 clarify the definition of 'material' and aligns the definition used within the IFRS Standards. The application of the amendments did not have an impact on the Company.

IFRS 3 – Business Combinations

Effective January 1, 2020, the Company has adopted the amendments to IFRS 3 which narrow and clarify the definition of a business and provide for an optional simplified initial assessment of whether an acquired group of assets is a single identifiable group of assets, rather than a business. The application of the amendment has been made on a prospective basis and has not had an impact on the Company.

New accounting standards issued but not effective

IAS 16, Property, Plant and Equipment

The IASB issued an amendment to IAS 16, Property, Plant and Equipment to prohibit the deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The extent of the impact of adoption of this standard has not yet been determined.

IFRS 3 – Business Combinations

The IASB has issued an amendment to IFRS 3 Business Combinations adding an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. This exception specifies that for some assets and liabilities, an entity applying IFRS 3 should instead refer to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

IFRS 9 – Financial Instruments

The IASB has issued an amendment to IFRS 9 Financial Instruments clarifying which fees to include in the test in assessing whether to derecognize a financial liability. Only those fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included.

The amendment is effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

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IAS 1 – Presentation of Financial Statements

The IASB has issued an amendment to IAS 1 Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty.

The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

3. CALDAS GOLD RTO TRANSACTION AND NON-CONTROLLING INTEREST

On December 13, 2019, the Company completed an internal reorganization whereby the Marmato Zona Baja operations were transferred in a common control transaction to Caldas Finance Corp. (“CFC”), a newly incorporated subsidiary. The Marmato Mining Assets principally comprise the existing producing underground gold mine (including the right to mine in the lower portion of the Echandia license area), the existing 1,200 tonnes per day processing plant and the area encompassing the Deeps mineralization, all located within the mining license area referred to as Zona Baja.

On February 24, 2020, CFC was then sold to Bluenose Gold Corp. (“Bluenose”) through a reverse takeover transaction (“RTO”) in a share for share exchange that resulted in Gran Colombia controlling Bluenose after the transaction. On closing of the RTO, CFC was amalgamated with a subsidiary of Bluenose. Bluenose was renamed Caldas Gold Corp. and was approved for listing and commenced trading on the TSX Venture exchange on February 28, 2020. These financial statements refer to “Bluenose” when referencing Bluenose Gold Corp. prior to the RTO, and “Caldas Gold” when referring to the post-RTO entity.

The RTO was completed and Bluenose issued a total of 39,542,600 common shares to the Company on a one-for-one exchange for the outstanding shares of CFC, including common shares issued pursuant to two private placements completed by CFC prior to the RTO Transaction as follows:

- On December 19, 2019, CFC completed a brokered private placement financing of 3,292,500 subscription receipts (the “Subscription Receipts Financing”) at a price of CA\$2.00 per subscription receipt for aggregate gross cash proceeds of \$5.1 million included in Subscription Receipts payable at December 31, 2019. At December 31, 2019, cash in trust of approximately \$4.8 million represented the gross proceeds from the Subscription Receipts Financing (the “Escrowed Proceeds”), net of 50% of the agents’ commission and certain expenses of the agents that were placed in escrow. At the closing of the RTO Transaction, the Subscription Receipts were exchanged for one common share of CFC and one share purchase warrant of CFC (“CGC Unlisted Warrant”), with an exercise price of CA\$3.00 per share expiring December 19, 2024 and the Escrowed Proceeds (and accrued interest less the balance of the agents’ commission and additional expenses payable to the agents) were released to CFC. CFC allocated \$2.2 million of the proceeds to the warrants liability, and the remaining approximately \$2.8 million of the proceeds was allocated to the common shares and recorded as share capital (Note 13c).
- On February 7, 2020 the Company acquired 7,500,000 units of CFC in a non-brokered private placement at a price of CA\$2.00 per unit. Each unit consisted of one common share of CFC, and one share purchase warrant of CFC with an exercise price of CA\$3.00 per share expiring on February 25, 2025. Of the total consideration of \$11.3 million, \$1.8 million was advanced in December 2019 and the remaining amount of \$9.4 million at the closing date. These intercompany transactions have been eliminated in these financial statements.

In the RTO Transaction, although Caldas Gold is the parent of CFC, CFC was deemed to be the accounting acquirer and Caldas Gold was deemed to be the acquiree for accounting purposes. Upon completion of the RTO Transaction, as former single shareholder of CFC, the Company became the controlling shareholder of Caldas Gold.

As CFC was deemed to be the acquirer in the RTO Transaction, the assets and liabilities of CFC have been accounted for at cost, and the Bluenose assets and liabilities have been accounted for at fair value on acquisition. Bluenose operations did not constitute a business, as such the transaction has been accounted

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for as an asset acquisition. Therefore, Bluenose share capital, equity reserve and deficit at the time of the RTO Transaction have been eliminated and the RTO Transaction costs have been expensed.

In the accounting for the reverse takeover, the RTO Transaction consideration was determined by reference to the fair value of the 10,852,841 shares the legal subsidiary, being CFC, would have issued to the former Bluenose shareholders to obtain the same percentage ownership interest of 21.5% in the combined entity.

Caldas Gold recognized the excess of the fair value of the RTO Transaction consideration over the net liability assumed of approximately \$16.4 million and the RTO Transaction costs of approximately \$0.3 million, including a financial advisory fee and the fair value of stock options honoured (Note 13d), as an expense in the statement of operations during the nine months ended September 30, 2020.

Fair value of RTO Transaction consideration for 10,852,841 common shares	\$ 16,346
Fair value of assets and liabilities acquired	
Cash and cash equivalents	33
Accounts receivable	8
Accounts payable and accrued liabilities	(135)
Net liabilities of Bluenose assumed	(94)
Excess of RTO Transaction consideration over net liabilities assumed	\$ 16,440

Non-controlling interest

The RTO transaction gave rise to a non-controlling interest from a reduction in the Company's ownership in Caldas Gold while the Company still retains control. Accordingly, the non-controlling interest is initially measured based on the carrying value of the net identifiable assets and liabilities at the date of the RTO transaction. The fair value of the share consideration received includes the fair value of the RTO and the Subscription Receipts Financing.

The carrying value of Caldas Gold's net assets and liabilities at the RTO closing date were as follows:

	February 24, 2020
Current assets	\$ 24,425
Non-current assets	50,625
Current liabilities	(14,690)
Non-current liabilities	(10,033)
Total	\$ 50,327
Non-controlling interest at the closing date (28.20%)	\$ 14,192

The \$5.1 million excess of the \$19.3 million fair value of the share consideration received in connection with the \$14.2 million non-controlling interest recognized as a result of the Company's decrease in percentage of ownership in Caldas Gold is recognized as a credit to deficit in the Statement of Equity.

Subsequent changes of the Non-controlling interest are described in Note 20.

4. ACQUISITION OF SARC BY CALDAS GOLD

During the quarter, Caldas Gold completed the acquisition of all of the issued and outstanding shares of SARC, the holder of certain advanced exploration-stage mining assets in North-eastern Ontario, including a 100% interest in the Jubu Project and a 25% joint venture interest in certain claims adjoining the Jubu Project.

The acquisition was accounted for as an asset acquisition as the Company has determined that SARC does not constitute a business as defined by IFRS. The acquisition cost, consisting of the fair value of the

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consideration paid and the transaction costs of the acquisition were allocated to the acquired identifiable assets and liabilities of SARC.

The consideration paid and the allocation of the fair value to the assets and liabilities of SARC acquired by the Caldas Gold during the quarter is summarized as follows:

Consideration paid	
Promissory note	\$ 10,000
Fair value of 20,000,000 Caldas Gold common shares issued to SARC shareholders (Note 20)	39,962
Acquisition costs	313
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Total consideration paid	\$ 50,275
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Fair value of assets and liabilities acquired	
Cash and cash equivalents	\$ 420
Accounts receivable	11
E&E assets	49,953
Accounts payable and accrued liabilities	(109)
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Net assets acquired	\$ 50,275

5. INVENTORIES

	September 30, 2020	December 31, 2019
Mineral inventories	\$ 6,174	\$ 10,237
Materials and supplies	15,092	14,074
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	\$ 21,266	\$ 24,311

6. MINING INTERESTS, PLANT AND EQUIPMENT

	Mineral properties	Plant and equipment	ROU plant and equipment	Construction in progress	E&E assets	Total
Nine months ended September 30, 2020						
Opening net book value	\$ 96,348	\$ 51,564	\$ 2,142	\$ 15,252	\$ 42,179	\$ 207,485
Additions ⁽¹⁾	16,960	8,243	3,170	3,966	9,736	42,075
Acquisition of Juby (Note 4)	-	-	-	-	49,953	49,953
Transfers	18	4,153	-	(4,171)	-	-
Increase in decommissioning liability (Note 12)	284	-	-	-	-	284
Depreciation and amortization	(12,668)	(5,094)	(837)	-	-	(18,599)
Exchange difference	(15,074)	(8,145)	(388)	(2,374)	(6,944)	(32,925)
<hr/>						
Closing net book value	\$ 85,868	\$ 50,721	\$ 4,087	\$ 12,673	\$ 94,924	\$ 248,273

(1) Includes \$3.0 million in plant and equipment for the acquisition of agricultural assets in its Segovia mining title related to the Company's social programs.

As at September 30, 2020

Cost	\$ 211,351	\$ 85,070	\$ 5,393	\$ 37,255	\$ 253,342	\$ 592,411
Accumulated depreciation, Amortization and impairment	(125,483)	(34,349)	(1,306)	(24,582)	(158,418)	(344,138)
<hr/>						
Net book value	\$ 85,868	\$ 50,721	\$ 4,087	\$ 12,673	\$ 94,924	\$ 248,273

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A summary of the net book value is as follows:

As at September 30, 2020	ROU					Total
	Mineral properties	Plant and equipment	Plant and equipment	Construction in progress	E&E assets	
Segovia Operations	\$ 85,868	\$ 39,815	\$ 3,951	\$ 12,673	\$ 906	\$ 143,213
Marmato Project	-	10,881	57	-	44,042	54,980
Juby Project (Note 4)	-	-	-	-	49,976	49,976
Corporate	-	25	79	-	-	104
Total	\$ 85,868	\$ 50,721	\$ 4,087	\$ 12,673	\$ 94,924	\$ 248,273

As at December 31, 2019						
Segovia Operations	\$ 96,348	\$ 41,730	\$ 1,916	\$ 15,252	\$ 814	\$ 156,060
Marmato Project	-	9,795	117	-	41,365	51,277
Corporate	-	39	109	-	-	148
Total	\$ 96,348	\$ 51,564	\$ 2,142	\$ 15,252	\$ 42,179	\$ 207,485

A summary of the depreciation recorded during the three and nine months ended September 30, 2020 and 2019 is as follows:

	Three months ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Cost of sales expense	\$ 6,494	\$ 7,481	\$ 18,410	\$ 24,262
General and administrative expenses	14	15	44	43
Total charged to operations	6,508	7,496	18,454	24,305
Decrease in inventories	(13)	(8)	(451)	(45)
Capitalized depreciation	209	257	596	744
	\$ 6,704	7,745	\$ 18,599	\$ 25,004

7. INVESTMENTS

	Gold X			Western Atlas		Amitot	Total
	Common Shares ⁽¹⁾	Warrants	Convertible Debenture	Common Shares ⁽¹⁾	Warrants	Common Shares ⁽²⁾	
As at December 31, 2019	\$ 2,966	\$ 5,160	\$ 5,000	\$ 922	\$ 213	\$ 17	\$ 14,278
Additions	74	-	-	-	1,033	-	1,107
Debentures converted into shares including interest	6,121	-	(5,822)	-	-	-	299
Share of loss	(1,855)	-	-	(162)	-	-	(2,017)
Change in fair value through profit and loss	-	2,592	822	-	(57)	-	3,357
Change in fair value through other comprehensive income	-	-	-	-	-	2	2
Exchange difference	-	206	-	-	20	-	226
As at September 30, 2020	\$ 7,306	\$ 7,958	\$ -	\$ 760	\$ 1,209	\$ 19	\$ 17,252

⁽¹⁾ The investments in common shares of Gold X and Western Atlas are accounted for using the equity method.

⁽²⁾ The investment in Amitot is accounted for as a financial asset and measured at FVOCI.

a) Gold X

At September 30, 2020, the Company holds a 18.2% (December 31, 2019 – 20.7%) equity interest in Gold X, a Canadian junior mining company currently moving toward a feasibility study for its Toroparu Project in the western Guyana gold district. During the three and nine months ended September 30, 2020, the Company

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recorded a gain in its investment in Gold X of \$0.2 million and a loss of \$2.0 million, respectively, (three and nine months ended September 30, 2019 - \$0.1 million and \$0.3 million, respectively).

As at September 30, 2020 and December 31, 2019, the Company owned a total of 9,796,158 and 7,312,500 common shares, respectively, and 4,625,000 share purchase warrants (the "Gold X Warrants") of Gold X. The Gold X Warrants consist of (i) 2,000,000 share purchase warrants exercisable at CA\$3.20 per share that expire on July 20, 2023, (ii) 2,000,000 share purchase warrants exercisable at CA\$1.32 per share that expire on June 12, 2024, and (iii) 625,000 share purchase warrants exercisable at CA\$2.80 per share that expire on August 27, 2024.

During the three and nine months ended September 30, 2020, the Company recorded a loss of \$2.1 million and a gain of \$2.6 million, respectively, representing the total fair value decrease for the Gold X Warrants (three and nine months ended September 30, 2019 a gain of \$3.9 million and \$3.7 million, respectively). The fair value of the Gold X Warrants at September 30, 2020 was \$8.0 million, determined using the Black-Scholes pricing model and level 2 fair value inputs, including expected share price volatilities averaging 83.20%, risk free interest rate of 0.31% and dividend yield of 0%.

On December 24, 2019 the Company invested into a \$5.0 million convertible debenture in Gold X (the "Gold X Convertible Debenture") with conversion price of CA\$3.20 per share maturing on December 24, 2022 and bearing interest at 10% per annum. During the three and nine months ended September 30, 2020, the Company recognized a loss of \$0.7 million and a gain of \$0.8 million, respectively, representing the total fair value increase adjustment for the Gold X Convertible Debenture. On July 16, 2020, the Company received 2,119,843 common shares for the Gold X Convertible Debenture and 113,815 common shares for accrued interest, the equity investment in Gold X increased by the fair value of the convertible debenture of \$5.8 million and the accrued interest of \$0.3 million.

In July, 2020 the Company acquired 25,000 common shares for cash consideration of \$0.1 million. In the nine months ended September 30, 2019, the Company acquired:

- 312,500 common shares for cash consideration of CA\$0.7 million (equivalent to approximately \$0.5 million).
- 1,350,000 units at a price of CA\$1.00 per unit, for total cash consideration of CA\$1.3 million (approximately \$1.0 million). Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional share at CA\$1.32 expiring on June 12, 2024.
- 650,000 subscription receipts at a price of CA\$1.00 per unit for total cash consideration of CA\$0.7 million (approximately \$0.5 million). In November 2019, the subscription receipts were converted into an additional 650,000 common shares and 650,000 share purchase warrants exercisable at CA\$1.32 that expire on June 12, 2024.
- 625,000 units at a price of CA\$1.60 per unit, for total cash consideration of CA\$1.0 million (approximately \$0.8 million). Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional share at CA\$2.80 that expire on August 27, 2024.

During the nine months ended September 30, 2020 the allocation of the fair value of the common shares and warrants at the dates of acquisition was amended resulting in a reclassification of the carrying amounts as follows:

	Gold X Common shares	Gold X Warrants
As at December 31, 2019 reported	\$ 4,796	\$ 3,330
Reclassification of fair values	(1,830)	1,830
As at December 31, 2019 reclassified	\$ 2,966	\$ 5,160

The reclassification above had no effect on loss for the period as previously reported.

b) *Western Atlas*

As at September 30, 2020, the Company holds a 25.81% (December 31, 2019 – 19.89%) equity interest in Western Atlas. During the three and nine months ended September 30, 2020, the Company recognized a loss of \$0.1 million and \$0.2 million related to its share in the results of Western Atlas (three and nine months ended September 30, 2019 \$Nil and \$Nil).

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During the three months ended September 30, 2020 the Company acquired 14,000,000 units of Western Atlas in a non-brokered private placement at a cost of CA\$1.4 million. Each unit consists of one common share and one common share purchase warrant exercisable at CA\$0.15 per share for a period of two years from the closing date.

As at September 30, 2020, the Company owns 29,910,588 common share purchase warrants ("Western Atlas Warrant"). The Western Atlas Warrants consist of: (i) 7,955,294 share purchase warrants exercisable at CA\$0.20 per share that expire on October 2021 and (ii) 14,000,000 share purchase warrants exercisable at CA\$0.15 per share that expire on July, 2022.

The Western Atlas Warrants are derivative instruments and have been designated at FVTPL. During the three and nine months ended September 30, 2020, the Company recorded a loss of \$0.2 million and less than \$0.1 million respectively, (three and nine months ended September 30, 2019 \$Nil and \$Nil) representing the total fair value adjustment for the Western Atlas Warrants. The fair value of the Western Atlas Warrants at September 30, 2020 was approximately \$1.2 million, determined using the Black-Scholes pricing model and level 2 fair value inputs, including expected share price volatility averaging of 128.6%, risk free interest rate of 0.23%, dividend yield of 0%.

Medoro Venezuela Share Purchase Agreement

In October 2019, the Company signed a Share Purchase Agreement to sell all of the outstanding shares of Medoro Resources International Ltd. ("Medoro") in the future to Western Atlas, subject to certain conditions. Medoro is an indirect wholly-owned subsidiary of the Company which held mining rights to the Lo Increible 4A and Lo Increible 4B concessions near the town of El Callao, Bolivar State, Venezuela (the "Increible Project") and is seeking their restitution by the current interim government of Venezuela.

On January 10, 2020, Western Atlas received approval for the transaction from its shareholders. The completion of the transaction remains subject to, among other things, the approval of the TSXV. The sale price for the acquisition of Medoro by Western Atlas will be satisfied by the issuance to the Company of 59,115,555 common shares of Western Atlas.

The closing of the Medoro sale transaction will also be subject to and take place upon the occurrence of (i) the current government of Venezuela being replaced by an internationally recognized and democratically elected government and (ii) completion of the lawful transfer and registration of transfer to Medoro (or to one or more of Medoro's Venezuelan subsidiaries) of the Increible Project by Venezuelan authorities of competent jurisdiction. The closing of the Medoro sale transaction must occur no later than October 9, 2021 (the "Deadline"). Should the closing not occur by the Deadline, the Share Purchase Agreement may be terminated.

c) ESV Resources Ltd. ("ESV") (TSXV: ESV.H)

On September 23, 2020 the Company entered into a letter of intent (LOI) with ESV to spin out its interest in the Zancudo Project to ESV.

Under the terms of the spin out transaction, ESV will issue 27,000,000 common shares to the Company in exchange for its interest in the Zancudo Project. In addition to any escrow restrictions imposed by the policies of the TSX Venture Exchange, all common shares issued to the Company will be subject to a voluntary pooling arrangement from which one-quarter of the shares will be released on each of December 28, 2020, March 27, 2021, June 27, 2021 and September 27, 2021.

As a condition to completing the acquisition of the Zancudo Project, ESV has announced that it intends to complete a non-brokered private placement financing to raise up to CA\$8.4 million through the issuance of subscription receipts. On November 6, 2020 the Company acquired 6,666,666 subscription receipts for a cash consideration of CA\$3.0 million.

In March 2017 the Company signed an option agreement with IAMGOLD Corp. for the exploration and potential purchase of an interest by IAMGOLD in the Zancudo Project, which will remain in place and ESV has also agreed to be bound by the terms of this option agreement.

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8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2020	December 31, 2019
Trade payables related to operating, general and administrative expenses	\$ 22,502	\$ 16,303
Trade payables related to capital expenditures	3,050	4,618
Segovia social contributions payable (a)	2,632	2,134
Other non-income taxes payable	1,281	2,158
DSU and PSU liabilities (Note 13e and 13f)	2,909	1,435
Other provisions and accrued liabilities	2,935	3,273
Total accounts payable and accrued liabilities	\$ 35,309	\$ 29,921

a) *Segovia social contributions*

With respect to Segovia Operations, the Company makes contributions to a trust account to fund local social programs in each quarter in which it produces a minimum of 15,000 ounces of gold. The contribution rate is \$4 per ounce of gold production at the minimum gold price of \$700 per ounce and increases by \$2 per ounce for each \$50 increment in the price of gold. Based on the Company's gold production during the three and nine months ended September 30, 2020, the Company incurred a total expense for social contributions of \$2.8 million and \$7.5 million respectively (2019 – \$1.8 million and \$4.8 million respectively).

9. LONG-TERM DEBT

	Maturity	Currency	Principal Amount	Interest Rate	September 30, 2020	December 31, 2019
Gold Notes	2024	USD	\$ 44,712	8.25%	\$ 41,025	\$ 68,961
Convertible Debentures	2024	CA	20,000	8.00%	22,407	21,054
Total					63,432	90,015
Less: current portion					11,288	18,000
Non-current portion					\$ 52,144	\$ 72,015

a) **Senior Secured Gold-Linked Notes (“Gold Notes”)**

As at September 30, 2020, the aggregate principal amount of the Gold Notes issued and outstanding amounted to \$38.4 million (December 31, 2019 - \$68.8 million).

On March 31, 2020, the Company completed a partial early redemption equal to 30% of the aggregate principal amount outstanding of the Gold Notes. The total redemption amount paid in cash of approximately \$21.1 million included approximately \$19.1 million that was applied to reduce the aggregate principal amount outstanding and approximately \$2.0 million of Applicable Premium as required under the Gold Notes Indenture (Note 17).

In addition, during the nine months ended September 30, 2020, the Company completed three scheduled quarterly amortizing payments of the Gold Notes totaling approximately \$14.9 million (2019 - \$15.5 million) of which approximately \$11.2 million (2019 - \$14.6 million) was applied to reduce the principal amount outstanding and the remaining amount of approximately \$3.7 million (2019 - \$0.9 million) was allocated to Gold Premium (Note 17).

The following table summarizes changes in the number and fair value of the Gold Notes outstanding during the nine months ended September 30, 2020:

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	Number of Gold Notes	Amount
As at December 31, 2019	68,750	\$ 68,961
Change in FVTPL (Note18)	-	3,625
Change in FVOCI due to changes in credit risk	-	(1,223)
Early redemption	(19,162)	(19,162)
Principal repayments	(11,175)	(11,176)
As at September 30, 2020	38,413	41,025
Less: current portion	11,288	11,288
Non-current portion	27,125	\$ 29,737

The fair value of the Gold Notes has been determined based on Monte-Carlo simulations that capture all the features of the Gold Notes, including the holders' right to receive the Gold Premium and the Company's options to early redeem the outstanding Gold Notes prior to maturity, gold price volatility of 20.38% (2019 – 10.59%), and credit spread of 13.57% (2019 – 16.39%). During the three and nine months ended September 30, 2020, the fair value of the Gold Notes increased by \$0.3 million and \$3.6 million, respectively (three and nine months ended September 30, 2019 - \$2.3 million and \$8.5 million, respectively) (Note 18).

Additionally, for the three and nine months ended September 30, 2020, the amount recognized for changes in credit risk in the statement of other comprehensive income represented a loss of \$0.1 million and a gain of \$1.2 million in the three and nine months ended September 30, 2020, respectively, (three and nine months ended September 30, 2019 - a gain of \$0.2 million and a loss \$4.1 million, respectively).

The scheduled future minimum quarterly amortizing payments of the Gold Notes as of September 30, 2020 based on the floor price of \$1,250 per ounce are as follows:

	2020	2021	2022	2023	2024	Total
Gold ounces	2,310	8,820	8,400	7,700	3,500	30,730
Principal repayments	\$ 2,888	\$ 11,025	\$ 10,500	\$ 9,625	\$ 4,375	38,413

Subsequent to September 30, 2020, the Company completed a scheduled Amortizing Payment of the Gold Notes on October 31, 2020 totaling approximately \$4.4 million, of which approximately \$2.9 million was applied to reduce the principal amount outstanding and the remaining amount of approximately \$1.5 million was allocated to Gold Premium.

Gold Trust Account

As at September 30, 2020, there were 2,310 ounces of gold held in the Gold Trust Account with a carrying value of \$4.4 million, being the lower of cost and net realizable value (December 31, 2019 – 3,900 ounces; \$5.8 million). These ounces were sold subsequent to the quarter end to fund the Amortizing Payment of the Gold Notes on October 31, 2020 as noted above.

b) Convertible Debentures

On April 4, 2019, the Company closed a private placement of CA\$20.0 million in aggregate principal amount (equivalent to approximately \$14.9 million) of convertible unsecured subordinated debentures at a price of CA\$1,000 per CA\$1,000 principal amount of debentures (the "Convertible Debentures"). Approximately \$1.3 million was recorded as finance costs in relation to the issuance of the Convertible Debentures, the net proceeds of the private placement amounted to approximately \$13.7 million. The Convertible Debentures mature on April 5, 2024 and bear interest at a rate of 8.00% per annum, payable monthly in cash in arrears.

At the holders' option, the Convertible Debentures may be converted into common shares of the Company at any time and from time to time, up to the maturity date, at a conversion rate of 210.53 common shares per CA\$1,000 principal amount, subject to adjustment in certain circumstances, which equates to a conversion price of CA\$4.75 per share.

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The fair value of the Convertible Debentures at September 30, 2020 has been determined using the binomial pricing model and level 2 fair value inputs that capture all the features of the Convertible Debentures, including the early redemption option, share price volatility of 56.09%, risk free interest rate of 0.65%, dividend yield of 0.98%, and credit spread of 16.91%. During the three and nine months ended September 30, 2020, the fair value of the Convertible Debentures decreased by \$1.9 million and increased by \$1.6 million, respectively (for the three and nine months ended September 30, 2019 – increased by \$2.0 million and \$3.7 million, respectively), recorded in the statements of operations (Note 18).

In addition, for the three and nine months ended September 30, 2020 a loss of \$0.1 million and a less than \$0.1 million, respectively, was recognized in the statement of other comprehensive income related to the change in credit risk (three and nine months ended September 30, 2019 – a gain of \$0.1 million and \$0.2 million, respectively).

	Number of Debentures	Amount
As at December 31, 2019	20,000	\$ 21,054
Change in FVTPL (Note18)	-	1,635
Change in FVOCI due to changes in credit risk	-	(25)
Exchange difference	-	(257)
As at September 30, 2020, non-current	20,000	\$ 22,407

10. CALDAS SUBSCRIPTION RECEIPTS

a) Subscription Receipts Financing in Connection with RTO

As at December 31, 2019, the Subscription Receipts cash in trust represented the net proceeds from the Subscription Receipts Financing in connection with the RTO transaction discussed in Note 3. On February 25, 2020 upon the closing of the RTO Transaction, the Subscription Receipts were exchanged and converted for 3,292,500 common shares of Caldas Gold and 3,292,500 common share purchase warrants (Note 13c) of Caldas Gold.

b) Caldas GLN Subscription Receipts Private Placement of Senior Secured Gold-Linked Notes due 2027

On August 26, 2020, Caldas Gold completed a private placement of 83,066 subscription receipts issued at a price of US\$1,000 per Subscription Receipt (“Caldas GLN Subscription Receipts”) for aggregated proceeds of \$83.1 million. The Company subscribed for 10,000 of the Caldas GLN Subscription Receipts for a payment of \$10.0 million. The intercompany investment is eliminated in these consolidated financial statements

After deducting the agents’ commission and certain expenses of the offering totalling \$5.7 million, the net proceeds of \$77.4 million including the \$10.0 million from the Company’s subscription have been placed in escrow (the “Escrowed Funds”) pending certain escrow release conditions as described further below. Total financing costs recorded in the statement of operations in the three and nine months ended September 30, 2020 related to the Caldas GLN Subscription Receipts amounted to \$6.3 million (Note 17).

On satisfaction of certain conditions contained in the Caldas GLN Subscription Receipt agreement, each Caldas GLN Subscription Receipt shall convert (“Conversion Event”) into one unit comprising one senior secured Caldas gold-linked note in an aggregate principal amount of US\$1,000 (a “Caldas Gold Note”) and 200 common share purchase warrants of Caldas Gold (“CGC Listed Warrants”).

Each CGC Listed Warrant will entitle the holder thereof to acquire one common share of Caldas Gold at a price of CA\$2.75 per CGC Listed Warrant until July 29, 2025, subject to adjustment in certain circumstances set out in the indenture governing the CGC Listed Warrants. Caldas Gold may accelerate the expiry date of the CGC Listed Warrants after July 29, 2023 if the closing price of the Caldas Gold common shares is greater than CA\$2.75 per share for a period of 20 consecutive trading days. In such case, unless exercised by the holders, the CGC Listed Warrants will expire on the 30th day following the date on which such notice is given and press release issued.

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The Caldas Gold Notes will be non-callable throughout their seven-year term except in the event that the current mining license for the Marmato Project, which expires in October 2021, is not renewed for a minimum additional term of 20 years. On the Conversion Event, \$12.3 million of the Escrowed Funds will be transferred to an Interest Escrow Account to be held by the Gold Note Trustee. Once the mining license renewal is received, the balance of the Escrowed Funds will be released to the Caldas Gold. However, if the mining license renewal is not received by August 26, 2021, the Caldas Gold Notes will be automatically redeemed, and the balance of Escrowed Funds and the Interest Escrow Account will be used to fund the redemption of the Caldas GLN.

The key terms of the Caldas Gold Notes are as follows:

- Mature on August 26, 2027.
- Denominated in units of \$1.00.
- Represent senior secured obligations of Caldas Gold, ranking pari passu with all present and future senior indebtedness including the Wheaton stream financing (Note 23) and senior to all present and future subordinated indebtedness of the Caldas Gold and are non-recourse to the Company.
- Bear cash interest at a rate of 7.5% per annum, payable monthly. The first monthly interest payment following the Conversion Event will be equal to the normal monthly interest payment plus a fee equal to the amount of interest that would have been paid on each Caldas Gold Note had interest accrued thereon from August 26, 2020 (“pre-Caldas Gold Note issuance fee”). The first monthly interest payment following the Conversion Event will be equal to a pro rata monthly interest payment from the date of the Conversion Event to the end of the month.
- The Interest Escrow Account to fund the first two years of interest and pre-Caldas Gold Note issuance fee payable to holders.
- Beginning September 2021, an amount of physical gold will be set aside monthly by the Caldas Gold in a trust account (the “Caldas Gold Trust Account”).
- Principal repayments (the “Caldas GLN Amortizing Payments”) will be made quarterly in February, May, August and November of each year with the first principal repayment occurring in November 2021. To facilitate the quarterly Caldas GLN Amortizing Payments, within five business days after the 15th day of each of February, May, August, and November (the “Measurement Dates”), the gold accumulated in the Caldas Gold Trust Account will be sold such that:
 - If the afternoon per ounce London Bullion Market Association Gold Price (the “London PM Fix”) on the Measurement Dates is above \$1,400 per ounce, the Company will make a cash payment to the holders of the Caldas Gold Notes equal to that number of gold ounces sold multiplied by the London PM Fix, representing the sum of the Caldas GLN Amortizing Payment for the applicable quarter and a Gold Premium (“Caldas Gold Premium”). The Caldas Gold Premium is the portion of the gold sales proceeds attributed to the excess of the London PM Fix over \$1,400 per ounce and will not reduce the principal amount of the Gold Notes outstanding.
 - If the London PM Fix is below \$1,400 per ounce of gold, Caldas Gold will make a cash payment to the holders of the Caldas Gold Notes equal to the applicable Caldas GLN Amortizing Payment. Any shortfall in the proceeds from the sale of the gold ounces below \$1,400 per ounce will be paid by the Caldas Gold.

Scheduled Caldas GLN Amortizing Payments of the Caldas GLN at \$1,400 per ounce are as follows:

	2021	2022	2023	2024	2025	2026	2027	Total
Gold ounces	1,083	4,650	6,000	12,000	13,100	13,200	9,300	59,333
Principal repayments	\$1,516	\$6,510	\$8,400	\$16,800	\$18,340	\$18,480	\$13,020	\$83,066

The Caldas GLN Subscription Receipts are a financial liability and have been designated at fair value through profit and loss. The Caldas GLN Subscription Receipts were recorded at fair value at inception and are subsequently remeasured with the change in fair value being recognized in the statement of operations.

On issuance, the Company recorded a liability for the Caldas GLN Subscription Receipts in the amount of \$73.1 million, net of the amount acquired by the Company. At September 30, 2020, the Conversion Event had not yet occurred and the Escrowed Funds remain held in trust. As at September 30, 2020 the fair value of the Caldas GLN Subscription Receipts liability, excluding the Caldas Gold Notes acquired by the Company, was \$71.8 million and has been calculated using valuation pricing models. The significant inputs used in the

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valuation models at September 30, 2020 include a credit spread of 14.2% and an expected volatility of 76%, risk free interest rates, gold future prices and implied volatility of gold prices.

Between the August 26, 2020 date of issuance and September 30, 2020, the fair value of the Caldas GLN Subscription Receipts decreased by \$1.3 million, of which \$1.1 million related to the gain from the estimated change in credit risk has been recognized in the statement of other comprehensive (loss) income, and a gain of \$0.2 million has been recognized in the statement of operations (Note 18)

As at September 30, 2020 the Company acquired 10,000 Caldas GLN Subscription Receipts for a total of \$10.0 million, comprising 10,000 Caldas Gold Notes and 2,000,000 CGC Listed Warrants. These intercompany transactions have been eliminated in these financial statements.

11. LEASE OBLIGATIONS

	Maturity	Currency	Interest rate	September 30, 2020	December 31, 2019
Leases	2021 to 2026	COP	12.93%	\$ 3,919	\$ 2,140
Leases	2021	CAD	6.02%	84	117
Total lease obligations				4,003	2,257
Less: current portion				1,502	701
Non-current portion				\$ 2,501	\$ 1,556

The Company's lease obligations are related primarily to plant and equipment used in mining operations in Colombia and office premises in Canada, with payments made on a monthly basis.

The table below summarizes the changes in lease obligations during the nine months ended September 30, 2020:

	Amount
As at December 31, 2019	\$ 2,257
Additions	3,323
Accretion (Note 17)	246
Lease payments	(1,418)
Exchange difference	(405)
As at September 30, 2020	\$ 4,003

The undiscounted and discounted future lease payments are as follows:

	September 30, 2020	December 31, 2019
Undiscounted contractual payments		
Within one year	\$ 1,920	\$ 953
More than one year	3,025	1,938
Total undiscounted lease obligations	4,945	2,891
Amount representing interest	(942)	(634)
Lease obligations – discounted	\$ 4,003	\$ 2,257

During the three and nine months ended September 30, 2020, the Company recognized total payments in the consolidated statement of cash flows in the amount of \$0.4 million and \$1.4 million, respectively (three and nine months ended September 30, 2019 - \$0.2 million and \$0.8 million, respectively).

Scheduled future undiscounted lease payments, comprising principal and interest, are as follows:

	2020	2021	2022	2023	Thereafter	Total
Total payments	\$ 517	\$ 1,807	\$ 1,321	\$ 620	\$ 680	\$ 4,945

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12. PROVISIONS

A summary of changes to provisions during the nine months ended September 30, 2020 is as follows:

	Decommissioning and rehabilitation	Environmental fees	Health plan obligations	Total
As at December 31, 2019	\$ 7,806	\$ 4,035	\$ 13,465	\$ 25,306
Recognized in the period	-	17	-	17
Effect of changes in estimates	284	-	131	415
Payments in the period	(54)	(4)	(485)	(543)
Accretion of discount (Note 17)	299	120	786	1,205
Exchange difference	(1,205)	(633)	(2,106)	(3,944)
As at September 30, 2020	7,130	3,535	11,791	22,456
Less: current portion	816	42	588	1,446
Non-current portion	\$ 6,314	\$ 3,493	\$ 11,203	\$ 21,010

a) *Decommissioning and rehabilitation provision ("ARO")*

Environmental obligations for the Company's Segovia Operations are governed by an environmental management plan which has been filed with the local environmental authority and is updated periodically. Although the Company is not currently required under its environmental management plan to prepare a comprehensive closure plan for the Segovia Operations, the Company has estimated the undiscounted costs to be incurred with respect to mine closure cost and reclamation activities to be approximately COP 26.9 billion, equivalent to approximately \$6.9 million at the September 30, 2020 exchange rate. In addition the Company recorded a provision of COP 5.3 billion (equivalent to approximately \$1.4 million) associated with its estimated costs to close and rehabilitate the tailings storage facilities in its Segovia Operations of which is expected to be incurred in 2021 and 2022.

The total ARO provision recorded represents management's best estimate of the future reclamation and remediation obligation for its Segovia Operations and its Marmato Project; however, the estimated amount is inherently uncertain and will be revised as further information becomes available. Future reclamation and remediation expenditures at Marmato are expected to be incurred at the end of the current 30-year term of the Zona Baja mining contract which expires in October 2021. The Company is currently in the process of extending the duration of the mining contract. Actual future expenditures and timing may therefore differ materially from the amounts currently provided.

Estimated costs underlying the Company's ARO provision have been discounted to their present value using the following assumptions:

	Expected date of expenditures	Inflation rate	Pre-tax risk free rate	Undiscounted cash flow
Segovia Operations	2020-2026	4.6%	3.1% to 5.8%	\$ 8,307
Marmato Project	2021	5.0%	5.1%	666

b) *Environmental fees*

The Company's mining and exploration activities are subject to Colombian laws and regulations governing the protection of the environment. Colombian regulations provide for fees applicable to entities discharging effluents to river basins.

In July 2013, Corantioquia, the local environmental authority, issued a resolution assessing fees totalling COP 29.5 billion (equivalent to approximately \$7.8 million at the September 30, 2020 exchange rate) for environmental discharges in 2010 and 2011 at tariff rates that significantly exceeded the applicable rates that the Company believes were in effect for those particular periods. In November 2013, after further appeal to Corantioquia to appropriately amend the assessments, the Company initiated proceedings in the Colombian judicial system to seek a reduction in the assessed fees. The matter is currently still in process in the judicial system. At September 30, 2020, the Company has a provision in the amount of COP 13.5 billion

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(approximately \$3.5 million) related to the present value of its best estimate of the potential liability for these fees (December 31, 2019 – COP 13.1 billion or approximately \$4.0 million).

The Company's operations are monitored by Corantioquia in accordance with its environmental management plan and has taken steps to minimize and eliminate these discharges through its capital investments in its gold processing plant and the expansion of its tailings storage facilities, however there can be no such assurance that ongoing or future investigations of its performance under the plan will not result in the assessment of fees and/or fines. In such cases, the Company will review the basis of environmental assessments and file appeals, if deemed appropriate for the circumstances, to reduce or cancel the amounts assessed.

c) Health plan obligations

The Company has an obligation related to its acquisition of the Segovia Operations in 2010 to fund the health plan contributions of certain participants in a Colombian pension plan. The health plan obligation of COP 44.9 billion (approximately \$11.9 million) is based on an actuarial report prepared as at December 31, 2019, with an inflation rate of 3.91% and a discount rate of 8.9%. The Company is currently paying approximately COP 0.2 billion (approximately less than \$0.1 million) monthly to fund the obligatory health plan contributions. At September 30, 2020, non-current cash in trust includes approximately \$0.7 million deposited in a restricted cash account as security against this obligation (December 31, 2019 - \$0.8 million).

13. SHARE CAPITAL

a) Authorized

Unlimited number of common shares with no par value.

b) Issued and fully paid

As at September 30, 2020 the Company had 61,591,229 common shares issued and outstanding (December 31, 2019 – 53,559,007 common shares).

During the nine months ended September 30, 2020, a total of 409,100 common shares were issued in exchange for the exercise of stock options (2019 – 106,666 common shares) and 886,266 common shares were issued for the exercise of 2024 Warrants (2019 – \$Nil).

Repurchases

On September 4, 2020, the Company renewed a normal course issuer bid (the "NCIB") to purchase for cancellation up to 5,934,811 common shares of the Company over a 12-month period, representing 10% of the issued and outstanding common shares in the public float as of August 31, 2020. Daily purchases will be limited to 153,521 common shares, other than block purchase exceptions. During the nine months ended September 30, 2020, the Company purchased a total of 406,000 common shares for cancellation under the current and prior NCIBs at an average price of CA\$5.83 (equivalent to \$4.37 per share; Nil shares purchased in the nine months ended September 30, 2019).

Dividends

On August 13, 2020, the Company declared a dividend of CA\$0.015 per common share. A total of CA\$0.9 million (\$0.7 million) was paid to shareholders on October 15, 2020. The dividends were recorded in deficit in the consolidated statement of equity.

Private Placements

On November 5, 2019, the Company completed a non-brokered private placement (the "2019 Private Placement") receiving gross proceeds of \$11.4 million (CA\$15.0 million) through the issuance of 3,260,870 Units at a price of CA\$4.60 per Unit. Each Unit consists of one common share of the Company and one common share purchase warrant ("2019 PP Warrant"). Each whole 2019 PP Warrant entitles the holder to acquire one common share of the Company at CA\$5.40 per share expiring on November 5, 2023. A total of \$6.3 million was allocated to the 2019 PP Warrants liability based on their fair value determined using the trading price at the date of closing of the transaction and the remaining \$5.1 million of the gross proceeds was allocated to the common shares and recorded as a share capital.

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On February 6, 2020, the Company completed a private placement (the “2020 Private Placement”) receiving gross proceeds of approximately \$30.1 million (CA\$40.0 million) through the issuance of 7,142,857 Units of the Company at a price of CA\$5.60 per Unit. Each Unit consists of one common share and one common share purchase warrant exercisable into a full common share at CA\$6.50 per share expiring February 6, 2023 (“the “2020 PP Warrants”). The gross proceeds were allocated \$8.4 million to the fair value of the 2020 PP Warrants and \$21.7 million to the common shares.

Transaction costs related to 2020 Private Placement amounted to \$0.6 million, of which \$0.1 million was allocated to the 2020 PP Warrants and was recognized as a finance cost in the statement of operations (Note 17). The remaining balance of transaction costs of \$0.4 million was allocated to share capital.

c) **Share purchase warrants**

	Number	September 30, 2020	December 31, 2019
Warrants issued by the Company			
Listed Warrants	11,127,042	\$ 35,506	32,094
Unlisted 2019 PP and 2020 PP Warrants	10,403,727	16,937	6,606
	21,530,769	52,443	\$ 38,700
Caldas Gold Warrant liabilities			
CGC Unlisted Warrants	3,292,500	3,240	-
CGC Listed Warrants	13,333,333	5,983	-
	16,625,833	9,223	-
Total share purchase warrants	38,156,602	\$ 61,666	\$ 38,700

Warrants issued by the Company

The table below summarizes the changes in the number of issued and outstanding warrants and the associated warrant liability for the nine months ended September 30, 2020:

	Listed Warrants		Unlisted 2019 PP Warrants		2020 PP Warrants		Total
	Number	Amount	Number	Amount	Number	Amount	Amount
As at December 31, 2019	12,013,308	\$ 32,094	3,260,870	\$ 6,606	-	\$ -	\$ 38,700
Fair value assigned on issuance	-	-	-	-	7,142,857	8,389	8,389
Warrants exercised during the period	(886,266)	(2,901)	-	-	-	-	(2,901)
Fair value adjustment (Note 18)	-	6,539	-	(429)	-	2,103	8,213
Exchange difference	-	(226)	-	(27)	-	295	42
As at September 30, 2020	11,127,042	\$ 35,506	3,260,870	\$ 6,150	7,142,857	\$ 10,787	\$ 52,443

Listed Warrants (GCM.WT.B)

The Listed Warrants expire on April 30, 2024 and represent a financial liability as the exercise price is denominated in Canadian dollars, different from the Company’s US dollar functional currency. As such, they were recognized at fair value at inception and subsequently they are remeasured with the change in fair value being recognized in the statement of operations. The fair value of the Listed Warrants as at September 30, 2020 was determined based on their last traded price, a level 1 fair value input, of CA\$4.25 (equivalent to approximately \$3.19) per 2024 Warrant.

During the three and nine months ended September 30, 2020, the Company recognized a fair value gain of less of \$0.1 million and \$1.3 million associated with the Listed Warrants exercised (\$Nil for the three and nine months ended September 30, 2019). During the nine months ended September 30, 2020, the Company received \$1.4 million in cash proceeds from exercised Listed Warrants with a corresponding increase in share capital for the total amount of \$4.0 million.

From June 12, 2019 through June 11, 2020, the Company had and NCIB in place for its Listed Warrants (“Listed Warrant NCIB”). During the nine months ended September 30, 2020, the Company did not purchase

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any Listed Warrants for cancellation under the Listed Warrant NCIB (137,100 Listed Warrants for cancellation at an average price of CA\$2.41 per Listed Warrant in the nine months ended September 30, 2019).

Unlisted 2019 PP Warrants and 2020 PP Warrants issued by the Company

The 2019 PP Warrants associated with 2019 Private Placement (Note 13b) and the 2020 PP Warrants associated with the 2020 Private Placement (Note 13b) each represent a financial liability as the exercise price is denominated in Canadian dollars, different from the Company's US dollar functional currency. As such, they were recognized at fair value at inception and, subsequently, they are remeasured with the change in fair value being recognized in the statement of operations.

At September 30, 2020, the fair value was determined using the Black-Scholes option pricing model:

	2020 PP Warrants	2019 PP Warrants
Expected volatility	58.73%	55.60%
Risk free interest rate	0.23%	0.31%
Expected dividend yield	1.11%	1.11%
Remaining life in years	2.4	3.1

Warrants issued by Caldas Gold

The table below summarizes the changes in the number of issued and outstanding warrants issued by Caldas Gold and the associated warrant liability for the nine months ended September 30, 2020:

	CGC Unlisted Warrants		CGC Listed Warrants		Total
	Number	Amount	Number	Amount	Amount
As at December 31, 2019	-	\$ -	-	\$ -	\$ -
Fair value allocated to RTO warrants (Note 3)	3,292,500	2,208	-	-	2,208
Fair value allocated to Listed Warrants issued the time of exchange	-	-	13,333,333	5,983	5,983
Fair value adjustment (Note 18)	-	1,032	-	-	1,032
As at September 30, 2020	3,292,500	\$ 3,240	13,333,333	\$ 5,983	\$ 9,223

CGC Unlisted Warrants

As at September 30, 2020, Caldas Gold had a total of 3,292,500 Unlisted Warrants issued and outstanding. The warrants were issued in connection with the closing of the RTO Transaction (Note 3). The CGC Unlisted Warrants have an exercise price of CA\$3.00 per share and entitle holders to purchase one common share of Caldas Gold for each warrant at any time prior to their expiry on December 19, 2024. The CGC Unlisted Warrants represent a financial liability as the exercise price is denominated in Canadian dollars, different from Caldas Gold's functional currency. As such, they were recognized at fair value at inception and subsequently are remeasured with the change in fair value being recognized in the statement of operations. The fair value of the CGC Unlisted Warrants was determined using the Black-Scholes option pricing model. The level 2 fair value inputs at September 30, 2020 included expected share price volatility of 75%, risk free interest rate of 0.32%, dividend yield of 0% and an expected life of 4.2 years.

CGC Broker Warrants

In connection with CFC's Subscription Receipts Financing described in Note 3, the agents received a cash commission of approximately \$0.2 million and 125,550 non-transferable broker warrants ("CGC Broker Warrants"). Each CGC Broker Warrant, exercisable at a price of CA\$2.00 per CGC Broker Warrant for a period of three years ending December 19, 2022 entitles the agents to purchase one Caldas Gold common share and one CGC Unlisted Warrant with an exercise price of CA\$3.00 per share expiring December 19, 2024. The fair value of the CGC Broker Warrants of approximately \$0.2 million at the time of issuance was determined using the Black-Scholes option pricing model and level 2 fair value inputs, including expected share price volatility of 75%, risk free interest rate of 1.24% and dividend yield of 0%. Approximately \$0.1 million of the

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fair value was allocated to warrants and included in financing costs (Note 18) and the remaining approximately \$0.1 million was allocated to share issue costs.

Caldas Special Warrants ("Caldas SW")

On July 29, 2020 Caldas Gold completed a bought deal financing of 22,222,222 Special Warrants at a price of CA\$2.25 per Caldas SW for aggregate gross proceeds of \$37.4 million. The Company subscribed for 8,888,889 of the Caldas SW for a payment of \$15.0 million. The intercompany investment has been eliminated in these consolidated financial statements. Total proceeds of \$22.4 million was received from 13,333,333 Caldas SW issued to third-party investors. Total financing costs recorded in the statement of operations in the three and nine months ended September 30, 2020 related to the Caldas SW amounted to \$2.8 million (Note 17).

Each Caldas SW entitles the holder thereof to receive one unit of Caldas Gold on the exercise or deemed exercise of the Caldas SW, with each unit comprising one common share of Caldas Gold and one CGC Listed Warrant, subject to adjustment in certain events as set out in the indenture governing the Caldas SW.

The CGC Listed Warrants are exercisable to acquire one Caldas Gold common share until July 29, 2025 at a price of CA\$2.75 per Caldas Gold common share. Caldas Gold may accelerate the expiry date of the CGC Listed Warrants after July 29, 2023 in the event that the closing price of the Caldas Gold common shares on the TSXV (or such other exchange on which the Caldas Gold common shares may principally trade at such time) is greater than CA\$2.75 per share for a period of 20 consecutive trading days. In such case, unless exercised by the holders, the CGC Listed Warrants will expire on the 30th day following the date on which such notice is given and a press release is issued.

Between the July 29, 2020 issuance date and the September 28, 2020 exercise and conversion date, the Company recorded a total loss from the increase in fair value of the Caldas SW amounting to \$10.9 million which was recorded in the statement of operations during the nine months ended September 30, 2020 (Note 18).

On September 28, 2020, the Caldas SW were deemed to be exercised and Caldas Gold issued 13,333,333 Caldas Gold common shares with a fair value of \$27.3 million and 13,333,333 CGC Listed Warrants with a fair value of \$6.0 million to third-party holders. The Company received 8,888,889 Caldas Gold common shares and 8,888,889 CGC Listed Warrants which have been eliminated in these financial statements.

On September 30, 2020 the CGC Listed Warrants began trading on the TSXV under the symbol "CGC.WT" and its fair value was determined using Level 1 fair value inputs, with the closing market price of CA\$0.60 per CGC Listed Warrant.

d) Stock option plans

A summary of the change in the stock options outstanding during the nine months ended September 30, 2020 is as follows:

	Granted by the Company		Granted by Caldas Gold		Total
	Outstanding	Weighted average exercise price per common share (CA\$)	Outstanding	Weighted average exercise price per common share (CA\$)	Outstanding
Balance, December 31, 2019	1,380,765	\$ 3.18	-	\$ -	1,380,765
Balance outstanding at the RTO Transaction date	-	-	330,000	2.10	330,000
Granted and vested during the period	790,000	4.23	2,355,000	2.02	3,145,000
Granted and unvested during the period	-	-	2,555,000	2.07	2,555,000
Exercised during the period	(409,100)	3.68	(75,000)	2.10	(484,100)
Balance, September 30, 2020	1,761,665	\$ 3.54	5,165,000	\$ 2.05	6,926,665

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Stock options granted by the Company

The Company has a “rolling” Stock Option Plan (the “Plan”) whereby the maximum number of common shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares and, to any one option holder, may not exceed 5% of the issued common shares on a yearly basis. The exercise price of each stock option will not be less than the market price of the Company’s stock at the date of grant. Each stock option vesting period and expiry is determined on a grant-by-grant basis. To-date, almost all stock options granted have vested immediately and have a five-year life from the date of grant.

During the nine months ended September 30, 2020, holders exercised 409,100 stock options at a weighted average exercise price of CA\$3.68 per share for total cash proceeds of \$1.2 million (2019 – 1,789,997 stock options at a weighted average exercise price of CA\$2.87 per share for proceeds of \$3.9 million).

On March 30, 2020, the Board approved the grant of a total of 740,000 stock options to executive officers and management of the Company at an exercise price of CA\$4.05. During the quarter, the Board approved a total grant of 50,000 stock options to new employees at an exercise price of CA\$6.88. These options vested immediately and have a term of five years.

A summary of the stock options granted and the share-based compensation expense recorded by the Company for the year period ended September 30, 2020 and 2019, including the inputs used in the determination of the fair values of the stock options using the Black-Scholes option pricing model, is as follows:

	Nine months ended September 30,	
	2020	2019
Number of stock options granted	790,000	855,000
Term	5 years	5 years
Vesting	Immediately	Immediately
Share-based compensation expense (Note 13g)	\$ 776	\$ 767
Grant date fair value per option	CA\$1.39	CA\$1.19
Weighted average Black-Scholes option pricing model inputs		
Market price of the shares at grant date	CA\$4.18	CA\$3.67
Exercise price	CA\$4.23	CA\$3.67
Dividends expected	Nil	Nil
Expected volatility	54.03%	51%
Risk-free interest rate	0.46%	1.6%
Expected life of options	2.5 years	2.5 years

The table below summarizes information about the stock options granted by the Company as at September 30, 2020:

Expiry date	Outstanding and exercisable options	Options vested	Remaining contractual life in years	Exercise price (CA\$/share)
April 1, 2021	83,333	83,333	0.5	\$ 2.55
April 3, 2022	194,999	194,999	1.5	2.55
December 12, 2022	53,333	53,333	2.2	2.55
June 14, 2023	475,000	475,000	2.7	3.16
April 1, 2024	330,000	330,000	3.5	3.67
April 1, 2025	575,000	575,000	4.5	4.05
July 2, 2025	50,000	50,000	4.5	6.88
	1,761,665	1,761,665	3.25	\$ 3.54

Stock options granted by Caldas Gold

Caldas Gold has a rolling stock option plan whereby the maximum number of common shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares and, to any one option holder, may not exceed 5% of the issued common shares on a yearly basis. The exercise price of each stock option will not be less than the market price of the Caldas Gold’s shares at the date of grant. The vesting period and expiry date are determined on a grant-by-grant basis.

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	Outstanding	Weighted average exercise price per common share (CA\$)	Share-based compensation amount (Note 13g)
Balance outstanding at the RTO Transaction date	255,000	\$ 2.10	\$ 109
Granted and vested during the period	2,355,000	2.02	2,055
Granted and unvested during the period	2,555,000	2.07	1,169
Balance, September 30, 2020	5,165,000	\$ 2.05	\$ 3,333

In connection with the RTO Transaction, a total of 330,000 stock options issued and outstanding were honoured by Caldas Gold with an amended expiry date of February 25, 2021. The share-based compensation cost which has been included in RTO Transaction costs in the statement of operations during the nine months ended September 30, 2020 amounted to approximately \$0.1 million.

On March 12, 2020, the Board of Caldas Gold approved the grant of a total of 4,550,000 stock options to executive officers and management of Caldas Gold and an investor relations advisory firm, exercisable at CA\$2.00 per share and expiring on March 1, 2025. The options have a five-year term with 50% of the total options granted vesting immediately and the balance vesting on the first anniversary of the grant date.

On June 26, 2020, the Board of Caldas Gold approved the grant of a total of 160,000 stock options to new employees of the Caldas Gold and a consultant exercisable at CA\$2.50 per share and expiring on June 26, 2025. The options have a five-year term with 50% of the total options granted vesting immediately and the balance vesting on the first anniversary of the grant date.

On September 23, 2020, the Board of Caldas Gold approved the grant of a total of 200,000 stock options exercisable at CA\$2.73 per share to an investor relations advisory firm. The options vest on March 17, 2021 and expire on September 17, 2022.

A summary of the inputs used in the determination of the fair values of the stock options honoured in the RTO Transaction and granted during the three and nine months ended September 30, 2020, using the Black-Scholes option pricing model, is as follows:

	RTO Transaction options honoured	March 12, 2020 grant	June 26, 2020 grant	September 23, 2020 grant
Market price of the shares at grant date	CA\$1.80	CA\$1.98	CA\$2.50	CA\$2.73
Exercise price	CA\$2.10	CA\$2.00	CA\$2.50	CA\$2.73
Dividends expected	Nil	Nil	Nil	Nil
Expected volatility	75%	75%	75%	75%
Risk-free interest rate	1.24%	0.52%	0.26%	0.25%
Expected life of options	1 year	5 years	5 years	2 years

The table below summarizes information about the stock options outstanding and the common shares issuable as at September 30, 2020:

Expiry date	Outstanding	Stock Options Exercisable	Remaining contractual life in years	Exercise price (CA\$/share)
February 25, 2021	255,000	255,000	0.4	\$ 2.10
March 1, 2025	4,550,000	2,275,000	4.4	2.00
June 26, 2025	160,000	80,000	4.7	2.50
September 17, 2022	200,000	-	2.0	2.73
	5,165,000	2,610,000	4.1	\$ 2.05

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e) **Deferred Share Units (“DSU”)**

A summary of changes to the DSU liability during the nine months ended September 30, 2020 is as follows:

	The Company	Caldas Gold	Total
Balance, December 31, 2019	\$ 1,222	\$ -	\$ 1,222
Granted and vested during the period	-	360	360
DSU Forfeited	(63)	-	(63)
DSUs recognized in the period	534	164	698
Change in fair value	183	46	229
Exchange difference	3	-	3
Balance, September 30, 2020	\$ 1,879	\$ 570	\$ 2,449

DSU's granted by the Company

On April 1, 2019, the Company granted \$150,000 of DSUs to each of its nine non-executive directors representing an initial two-year award under the DSU plan, of which 50% vested on the grant date and the other 50% a year later. The total of 327,703 DSUs were granted at a price of CA\$3.67 per share.

On April 1, 2020, the Company granted \$75,000 of DSUs to each of its non-executive directors representing a total of 157,633 DSUs at a price of CA\$4.05 per share which will vest on April 1, 2021.

On August 20, 2020, the Company granted \$230,000 of DSUs to its six non-executive directors, representing a total of 49,576 DSUs at a price of CA\$6.13 per share which will vest on August 1, 2021.

If a director ceases to be a director, other than through a change of control, any unvested DSUs will be forfeited and will not be paid to the director.

The DSU liability at September 30, 2020 was determined based on the Company's closing share price, a level 1 fair value input, of CA\$6.27 (approximately \$4.71) per share.

As at September 30, 2020, the Company had 327,703 vested DSUs, 131,361 DSUs that will vest on April 1, 2021, 46,342 DSUs that will vest on August 1, 2021 and 29,505 DSU were forfeited during the three and nine months ended September 30, 2020

DSU's granted by Caldas Gold

On March 12, 2020, Caldas Gold approved the grant of \$120,000 of DSUs to each of its three non-executive directors representing an initial two-year award under the DSU plan, of which 50% vested on the grant date and the other 50% will vest on March 1, 2021. If a director ceases to be a director, other than through a change of control, prior to the first anniversary of the initial grant, then 50% of the initial grant will be forfeited and will not be paid to the director. A total of 241,722 DSUs were granted on March 12, 2020 at a price of CA\$2.00 per share.

On June 26, 2020, Caldas Gold approved the grant of \$120,000 of DSUs to its two newly elected non-executive directors representing an initial two-year award under the DSU plan, of which 50% vested on the grant date and the other 50% will vest on June 26, 2021. A total of 130,992 DSUs were granted on June 26, 2020 at a price of CA\$2.50 per share.

On September 29, 2020, Caldas Gold approved a grant to its newly elected non-executive director of \$120,000 of DSUs representing an initial two-year award under the DSU plan, of which 50% vested on the grant date and the other 50% will vest on September 29, 2021. A total of 58,590 DSUs were granted on September 29, 2020 at a price of CA\$2.74 per share.

The Caldas Gold DSU liability at September 30, 2020 was determined based on the Caldas Gold closing share price, a level 1 fair value input, of CA\$2.51 (approximately \$1.88) per share.

As at September 30, 2020, Caldas Gold had 215,652 vested DSUs and 215,652 unvested DSUs outstanding.

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f) **Performance Share Units (“PSU”)**

As at September 30, 2020, the Company had 259,227 PSUs outstanding (December 31, 2019 - 117,427). A total of 117,427 PSUs will vest on March 31, 2022 and 141,800 PSUs will vest on March 31, 2023. The fair value of the PSU liability of \$0.5 million (December 31, 2019 - \$0.2 million), or \$5.61 (December 31, 2019 - \$2.98) per PSU, was determined using Monte Carlo simulations that capture all the features of the PSUs and level 2 fair value inputs.

g) **Share-based compensation expense**

	Three months ended		Nine months ended	
	September 30, 2020	2019	September 30, 2020	2019
Stock options (Note 13d)	\$ 602	\$ -	\$ 4,000	\$ 767
DSUs (Note 13e)	108	268	1,224	905
PSUs (Note 13f)	(8)	74	242	123
Total share-based compensation expense	\$ 702	\$ 342	\$ 5,466	\$ 1,795

14. FINANCIAL RISK MANAGEMENT

The nature of the acquisition, exploration, development and operation of gold properties exposes the Company to risks associated with fluctuations in commodity prices, foreign currency exchange rates and credit risk. The Company may at times enter into risk management contracts to mitigate these risks. It is the Company's policy that no speculative trading in derivatives shall be undertaken.

a) **Credit risk**

	September 30, 2020	December 31, 2019
Trade accounts receivable	\$ 1,245	\$ 1,727
VAT receivable	10,182	11,652
Other, net of allowance for doubtful accounts	1,913	1,943
Total accounts receivable and other	\$ 13,340	\$ 15,322

The exposure to credit risk arises through the failure of a third party to meet its contractual obligations to the Company. The Company's exposure to credit risk arises primarily from the Company's cash balances, which are held with highly-rated Canadian and Colombian financial institutions, VAT and accounts receivable. Timing of collection on VAT receivable is in accordance with the Company's bi-monthly filing. As at September 30, 2020, the Company expects to recover the outstanding amount in the next 12 months.

The Company delivers all of its production under a refining agreement with an international customer from whom it receives 99.5% of the sales proceeds upon delivery of its production to an agreed upon transfer point in Colombia and the balance within a short settlement period thereafter. In the event that this new customer is unable to perform under the contractual arrangement, the Company does have other avenues through which it can sell its production.

b) **Foreign currency risk**

The Company is exposed to foreign currency fluctuations. Such exposure arises primarily from:

- translation of foreign currency components that have a functional currency, such as COP, which differ from the USD functional currency of the Company. The impact of such exposure is recorded through Other Comprehensive Income per IAS 21.
- translation of monetary assets and liabilities denominated in foreign currencies, such as the Canadian dollar (“CA”). The impact of such exposure is recorded in the statement of operations.

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The following table summarizes, in USD equivalents, the Company's major currency exposures:

As at September 30, 2020	CA	COP
Cash	\$ 1,285	\$ 63,630
Accounts receivable	280	12,809
Cash in trust	-	654
Warrants in associates	9,168	-
Accounts payable and accrued liabilities, including amounts payable related to acquisitions of mining interests	(3,473)	(32,773)
Income tax payable	-	(20,952)
Convertible Debentures	(22,407)	-
Warrant liabilities	(61,666)	-
Lease obligations	(84)	(3,919)
Net financial (liabilities) assets	\$ (76,897)	\$ 19,449

Based on the net exposure at September 30, 2020, a 10% depreciation or appreciation of the CA against the USD would result in a \$7.7 million increase or decrease in the Company's after-tax net income and a 10% depreciation or appreciation of the COP against the USD would result in a \$1.9 million decrease or increase in the Company's other comprehensive income.

c) Liquidity risk

The Company manages its liquidity risk by continuously monitoring forecast cash flow requirements. The Company's financial obligations currently consist of the following:

- *Accounts payable and accrued liabilities:* These arise during the normal course of business and are paid from operating cash flow, and except under certain exceptions, are usually due within no later than one month. The Company from time to time may also enter into payment plans to pay these amounts over extended periods, typically less than 12 months.
- *Amounts payable for acquisitions of mining interests:* Principally represents compensation agreements with artisanal miners in Zona Alta at Marmato. Payments related to these compensation agreements have been suspended by the Company since 2013 and the Company is currently evaluating its options with respect to these compensation agreements.
- *Lease obligations:* These obligations represent lease payments related to ROU assets over the life of the lease contracts (Note 11).
- *Long-term debt:* The Gold Notes are carried at fair value and are being settled by deposits of physical gold, representing less than 10% of the Company's projected gold production over the term of the Gold Notes, to the Gold Trust Account. The Convertible Debentures are also carried at fair value and no principal repayment is required until the date of maturity on April 5, 2024.

The carrying value of accounts payable and accrued liabilities and amounts payable for acquisitions of mining interests approximates their respective fair values as they are short-term in nature.

d) Impact of COVID-19

Due to the worldwide COVID-19 outbreak, conditions may come into existence in future that could influence the Company's operations and impact the ability to generate operating cash flows and raise capital, if needed. Impacts that COVID-19 may have that could impact the Company include:

- global gold prices;
- demand for gold and the ability to refine and sell gold produced;
- the severity and the length of potential measures taken by governments to manage the spread of the disease and their effect on labour availability and supply lines;
- availability of government supplies, such as water and electricity;
- local currency purchasing power; or
- ability to obtain funding, if needed.

At the date of the approval of these interim condensed consolidated financial statements, Colombia is in a selective isolation stage with respect to the COVID-19 situation. The COVID-19 situation has not fully impeded

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the operation of the business and the Company has implemented its business continuity plan, including enhanced health and safety and other measures to protect its workers. Management believes the business holds, or has access to, sufficient levels of materials and supplies and access to personnel to maintain production without interruption at the present time. There is risk that a reinstatement of a prolonged period of quarantine may adversely impact operating cash flow. Although the Company has cash balances, management is continuing to take steps to manage its discretionary operating and capital expenditures to preserve its liquidity during this unusual situation.

e) **Price risk**

Price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Gold and silver prices can be subject to volatile price movements, which can be material and can occur over short periods of time and are affected by numerous factors, all of which are beyond the Company's control.

The Company may enter into commodity hedging contracts from time to time to reduce its exposure to fluctuations in spot commodity prices. The Company is required under the covenants of the Gold Notes to use commercially reasonable efforts to put in place commodity hedging contracts (put options) which establish a minimum selling price of \$1,250 per ounce for the physical gold being accumulated in the Gold Trust Account (Note 9a) which will be sold in each of the immediately subsequent four quarters to meet the Company's financial obligations for the quarterly amortizing payments on the Gold Notes.

At September 30, 2020, the Company has no outstanding gold commodity hedging contract in place.

The Company has not designated commodity hedging contracts as accounting hedges under IFRS 9. The commodity hedging contracts are carried at their fair value at the end of each reporting period with the change in fair value during the period recorded in gain or loss on financial instruments. During the nine months ended September 30, 2020, the Company recorded an inconsequential amount (2019 – \$0.3million) related to commodity hedging contracts in the statement of operations (Note 18).

f) **Fair value risk**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

IFRS requires an entity to classify financial assets and liabilities that are recognized in the statement of financial position at fair value in a hierarchy that is based on significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing their classification (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The fair values of cash and cash equivalents, cash in trust, accounts receivable, accounts payable and accrued liabilities, and taxes payable, approximate their carrying values due to the short term to maturity of these financial instruments.

The following table summarizes the Company's financial instruments that are carried at fair value in accordance with the classification of fair value input hierarchy in IFRS 13, *Financial Instruments – Disclosures*.

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	Level 1	Level 2	Level 3	Total
As at September 30, 2020				
<i>Financial assets</i>				
Investments and other assets (Note 7)	\$ -	\$ 17,252	\$ -	\$ 17,252
<i>Financial liabilities</i>				
Gold Notes – current and non-current (Note 9a)	\$ -	\$ 41,025	\$ -	\$ 41,025
Caldas GLN Subscription Receipts (Note 10)	-	71,811	-	71,811
Convertible Debentures due 2024 (Note 9b)	-	22,407	-	22,407
2024 Warrants (Note 13c)	35,506	-	-	35,506
2020 and 2019 PP Warrants (Note 13c)	-	16,937	-	16,937
Caldas RTO and Broker Warrants (Note 13c)	-	3,240	-	3,240
DSU liability issued by the Company	1,879	-	-	1,879
DSU liability issued by Caldas Gold	570	-	-	570
PSU liability issued by Company	-	460	-	3,240

g) **Capital management**

The Company's objectives, when managing capital, are to safeguard cash as well as maintain financial liquidity and flexibility in order to preserve its ability to meet financial obligations and deploy capital to develop its mining properties into production and to maintain investor, creditor and market confidence to sustain the future development of the business. The Company considers its capital structure to include equity attributable to its shareholders and non-controlling interest of \$225.7 million (2019 – \$117.6 million) and its debt of \$63.4 million (2019 – \$90.0 million).

The Company's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to business growth opportunities and changes in economic conditions. In order to maintain or adjust its capital structure, the Company may, from time to time, issue new shares, issue new debt (secured, unsecured, convertible and/or other types of debt instruments), acquire or dispose of assets or adjust its capital spending to manage its ability to continue as a going concern. As of September 30, 2020, other than certain restrictive covenants related to incurring additional indebtedness under the terms of the Gold Notes, the Company is not subject to any externally imposed capital requirements.

15. REVENUE

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Gold	\$ 111,826	\$ 82,073	\$ 288,286	\$ 235,512
Silver	1,312	879	2,962	2,505
	\$ 113,138	\$ 82,952	\$ 291,248	\$ 238,017

16. COST OF SALES

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Production costs	\$ 43,711	\$ 36,025	\$ 113,164	\$ 106,920
Production taxes	5,050	3,372	11,882	9,627
Provision for environmental fees (Note 12b)	-	(658)	-	(736)
Depreciation, depletion and amortization (Note 5)	6,494	7,481	18,410	24,262
	\$ 55,255	\$ 46,220	\$ 143,456	\$ 140,073

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17. FINANCE COSTS

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Interest expense, net	\$ 863	\$ 2,137	\$ 3,430	\$ 6,012
Gold X convertible debenture interest earned (Note 7)	-	-	299	-
Gold Premium payment (Note 9a)	1,282	633	3,727	945
Applicable Premium on early redemption of Gold Notes (Note 9a)	-	-	1,977	-
Private placement transaction costs related to warrant liabilities	-	-	960	-
Transaction costs related to Caldas GLN Subscription Receipts (Notes 10)	6,273	-	6,273	-
Transaction costs related to Caldas SW (Notes 13c)	2,766	-	2,766	-
Accretion of lease obligation (Note 11)	92	67	246	194
Accretion of provisions (Note 12)	404	469	1,205	1,440
Debt financing costs	-	-	-	1,265
	\$ 11,680	\$ 3,306	\$ 20,883	\$ 9,856

18. GAIN (LOSS) ON FINANCIAL INSTRUMENTS

The Company has recorded gains (losses) in the period from changes in fair value of the following items recorded at FVTPL:

	Three month ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Assets				
Gold X Warrants (Note 7)	\$ (2,093)	\$ 3,864	\$ 2,592	\$ 3,735
Gold X Debentures (Note 7)	(686)	-	822	-
Western Atlas Warrants (Note 7)	(205)	-	(57)	-
Gain on gold in Gold Trust Account (Note 9a)	(32)	292	626	362
Commodity hedging contracts (Note 13e)	-	(43)	(1)	(318)
	(3,016)	4,113	3,982	3,779
Liabilities				
Gold Notes (Note 9a)	(334)	(2,260)	(3,625)	(8,534)
Convertible Debentures (Note 9b)	1,938	(2,033)	(1,635)	(3,692)
Listed Warrant liability (Note 13c)	4,886	(7,286)	(6,539)	(14,667)
2019 PP Warrant liability (Note 13c)	1,603	-	429	-
2020 PP Warrant liability (Note 13c)	2,986	-	(2,103)	-
CGC Unlisted Warrants (Note 13c)	310	-	(1,032)	-
Caldas SW (Note 13c)	(10,889)	-	(10,889)	-
Caldas GLN Subscription Receipts (Note 10)	152	-	152	-
	652	(11,579)	(25,242)	(26,893)
	\$ (2,364)	\$ (7,466)	\$ (21,260)	\$ (23,114)

Purchase and Sale of Guyana Goldfields' shares

In May 2020, the Company announced that it had signed a definitive agreement to complete a business combination with Gold X and submitted a proposal to Guyana Goldfields Inc. ("Guyana Goldfields") to acquire all of its issued and outstanding common shares. To support this transaction, the Company acquired 8.7 million shares of Guyana Goldfields in the open market at a cost of approximately \$4.0 million.

On May 25, 2020, the Company decided not to pursue the acquisition of the Guyana Goldfields and sold its shares in the open market for proceeds of approximately \$7.9 million. After transaction costs of approximately \$0.8 million, the Company recognized a net gain of \$3.1 million in the second quarter of 2020 and terminated its definitive agreement with Gold X.

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19. CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

	Nine months ended June 30	
	2020	2019
Accounts receivable	\$ (1,197)	\$ (2,370)
Inventories	(825)	(3,730)
Prepaid expenses and deposits	(250)	(340)
Accounts payable and accrued liabilities	7,760	3,915
	\$ 5,488	\$ (2,525)

20. NON-CONTROLLING INTEREST

Subsequent to the Caldas RTO (Note 3), during the nine months ended September 30, 2020 Caldas Gold has entered into several transactions that have impacted the Company's ownership while retaining, such transactions have been accounted for as an equity transactions impacting the deficit of the Company as follows:

		Non-controlling interest		Deficit
		%	Amount	Amount
Acquisition of shares from non-controlling interests	(i)	25.6%	\$ (1,285)	\$ (511)
Impact of private placement in Caldas Gold common shares	(ii)	22.5%	1,143	(1,143)
Impact of Caldas Gold shares issued for SARC acquisition	(iii)	42.5%	27,422	12,540
Impact of conversion of Caldas SW into common shares	(iv)	46.4%	24,235	3,228
Equity transactions associated with changes in Caldas Gold ownership			\$ 51,515	\$ 14,114

- i. In March, 2020 the Company acquired an aggregate of 1,297,000 common shares of Caldas Gold in the open market at a cost of \$1.8 million paid in cash. This resulted in an increase in ownership in the equity of Caldas Gold to 74.4% and a reduction of the non-controlling interest of \$1.3 million with the difference of \$0.5 million being recognized as a credit to deficit in the statement of equity.
- ii. On June 30, 2020 the Company acquired 7,000,000 common shares of Caldas Gold in a non-brokered private placement by Caldas Gold for a total investment of \$10.3 million. This resulted in an increase in the Company's ownership in the equity of Caldas Gold to 77.5% with an amount of \$1.1 million being recognized as an increase in the carrying amount of the non-controlling interest and \$1.1 million as an increase to deficit in the statement of equity.
- iii. On July 2, 2020 in connection with the acquisition of the SARC (Note 4), Caldas Gold issued 20,000,000 common shares (the "SARC Consideration Shares") to the shareholders of SARC. With the issuance of the SARC Consideration Shares, the Company's equity interest in the issued and outstanding shares of the Caldas Gold decreased to 57.5%. The fair value of the net assets of SARC was \$50.3 million, therefore the transaction resulted in an increase in the non-controlling interest of \$27.4 million and \$12.5 million recognized as a decrease to deficit in the statement of equity.
- iv. On July 29, 2020, Caldas Gold completed a bought deal financing of Caldas SW (Note 13c) for aggregate gross proceeds of CA\$50.0 million. A total of 22,222,222 Caldas SW were sold at a price of CA\$2.25 expiring on July 29, 2025. The Company acquired 8,888,889 of the Caldas SW for a total consideration of CA\$20.0 million (approximately \$15.0 million). Each Caldas SW entitled the holder thereof to receive one common share of Caldas Gold and one CGC Listed Warrant (Note 13f).

On September 28, 2020, the Caldas SW were deemed to be exercised and the Company received 8,888,889 Caldas common shares with a fair value of \$18.2 million and 8,888,889 of the Caldas Warrants with a fair value of \$4.0 million, which have been eliminated in these financial statements. This transaction resulted in a decrease of Caldas Gold's ownership to 53.6% and an increase in the non-controlling interest of \$24.2 million recording \$3.2 million as a decrease to deficit in the statement of equity.

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As at September 30, 2020, the Company's subsidiary Caldas Gold has 46.4% of its common shares and voting rights held by non-controlling interests. Selected summarized financial information for Caldas Gold, before any intercompany eliminations, is provided below:

	September 30, 2020
Current assets	\$ 128,058
Non-current assets	87,799
Current liabilities	(90,653)
Non-current liabilities	(24,409)
Net assets	\$ 100,795

	Nine months ended September 30, 2020
Revenue	\$ 30,240
Net loss	(49,730)
Net cash provided by operating activities	4,717
Net cash used in investing activities	(22,007)
Net cash provided from financing activities	58,037
Net increase in cash and cash equivalents	\$ 40,318

21. EARNINGS PER SHARE

The basic weighted earnings per share amounts are calculated by dividing the net income for the period by the weighted average number of shares outstanding during the period.

	Three months ended September 30, 2020		September 30, 2019	
Net income attributed to shareholders of the Company	\$ 24,151	\$ 9,014	\$ 31,872	\$ 17,685
Basic weighted average number of shares	61,901,211	49,282,899	60,377,597	48,622,930
Basic earnings per share	\$ 0.39	\$ 0.18	\$ 0.53	\$ 0.36

Diluted earnings per share amounts are calculated by adjusting the basic earnings per share to take into account the after-tax effect of interest and other finance costs associated with dilutive convertible debentures as if they were converted at the beginning of the period, and the effects of potentially dilutive stock options and share purchase warrants calculated using the treasury stock method. When the impact of potentially dilutive securities increases the earnings per share or decreases the loss per share, they are excluded for purposes of the calculation of diluted earnings per share.

For the nine months ended September 30, 2020, the diluted weighted average number of shares does not include the potential dilution from a total of 11,384,576 shares associated with the Convertible Debentures and the Company's warrants as they would be anti-dilutive. For the three and nine months ended September 30, 2019, the Convertible Debentures, Company's warrants and Stock Options were anti-dilutive.

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The following table sets forth the computation of diluted earnings per share:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Net income	\$ 24,151	\$ 9,014	\$ 31,872	\$ 17,685
Debtures change in fair value & interest	(1,636)	-	-	-
Warrant liability change in fair value	(9,475)	-	-	-
Adjusted net income	\$ 13,040	\$ 9,014	\$ 31,872	\$ 17,685
Weighted average number of shares				
Basic	61,901,211	49,282,899	60,377,597	48,622,930
Increase for assumed exercise of				
Stock options	814,448	623,228	705,370	381,916
Debtures	4,210,526	-	-	-
Warrants	8,022,360	-	-	-
Diluted weighted average number of shares	74,948,545	49,906,127	61,082,967	49,004,846
Diluted earnings per share	\$ 0.17	\$ 0.18	\$ 0.52	\$ 0.36

22. COMMITMENTS AND CONTINGENCIES

a) Marmato Project – Zona Alta and Echandia Commitments

(i) *Mining title contracts – title transfers approved:* As at September 30, 2020, the Company has a total of COP 0.9 billion, equivalent to \$0.2 million (December 31, 2019 – COP 0.9 billion; \$0.3 million), remaining to be paid under agreements to purchase additional mining titles related to the Marmato property which is included in amounts payable for acquisition of mining interests in current liabilities.

(ii) *Mining title contracts – title transfers pending approval:* The Company has three mining title contracts for which the approval for the transfer of title has not yet been obtained from the government authorities. If government approval is not obtained, the Company will no longer be required to make further payments. As at September 30, 2020, the Company has commitments under these contracts to spend an additional COP 14.9 billion (\$4.0 million) (December 31, 2019 – COP 14.9 billion or \$4.5 million) which has not been included in amounts payable for acquisition of mining interests.

(iii) *Amounts payable related to acquisition of mining interests:* As at September 30, 2020, a total of COP 9.3 billion (\$2.5 million) including interest, is included in amounts payable for acquisition of mining interests related to agreements to compensate artisanal miners who would be required to cease mining activities at the Company's Marmato Project (December 31, 2019 – COP 9.7 billion; \$2.9 million). Payments related to these agreements have been suspended since 2013 and the Company is continuing to seek a resolution to the outstanding obligations.

b) Arbitration related to termination of long-term supply agreement

In January 2019, the Company terminated the long-term supply agreement pursuant to which it sold all of its gold and silver production in Colombia. On May 10, 2019, the Company received notice of a request to settle the dispute, as permitted under the supply agreement, under the Rules of Arbitration of the International Chamber of Commerce ("ICC"). On October 15, 2020, the Company received notice from the ICC that it had dismissed the former customer's claims on the basis of breach of the supply agreement, as such, there was no liability to be recognized for damages or costs and expenses by the Company.

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c) Claims

In the ordinary course of business, the Company is involved in and potentially subject to legal actions and proceedings. The Company records provisions for such claims when considered material and an outflow of resources is considered probable. No such provisions have been recorded by the Company.

The Company is subject to tax audits from various tax authorities on an ongoing basis. As a result, from time to time, tax authorities may disagree with the positions and conclusions taken by the Company in its tax filings or legislation could be amended or interpretations of current legislation could change, any of these events could lead to reassessments. The Company records provisions for such claims when an outflow of resources is considered probable. No such provisions have been recorded by the Company.

23. SUBSEQUENT EVENT

Metals Stream with Wheaton Precious Metals

On November 5, 2020, Caldas Gold entered into a definitive Precious Metals Purchase Agreement (the "Precious Metals Stream") with Wheaton Precious Metals International Ltd. ("Wheaton International"), a wholly-owned subsidiary of Wheaton Precious Metals™ Corp., in respect to Caldas Gold's Marmato Project located in Colombia. The Marmato Project comprises an existing operating mine (the "Upper Mine") and the Marmato Deeps Zone ("MDZ") development, both of which are covered by the Precious Metals Stream.

Wheaton International will purchase 6.5% of the gold production and 100% of the silver production from the Marmato Project until 190,000 ounces of gold and 2.15 million ounces of silver have been delivered, after which the stream drops to 3.25% of the gold production and 50% of the silver production for the life of mine. Under the Precious Metals Stream, Wheaton International will make an upfront deposit payment in cash of US\$110 million, US\$38 million of which is payable within six months, subject to customary conditions, and the remaining portion of which is payable during the development and construction of the MDZ project, subject to receipt of required permits and licenses, sufficient financing having been obtained to cover total expected capital expenditures and other customary conditions. In addition, Wheaton International will make ongoing payments equal to 18% of the spot gold and silver prices until the uncredited portion of the upfront payment is reduced to zero, and 22% of the spot gold and silver prices thereafter. The Precious Metals Stream is effective July 1, 2020.

The upfront deposit will be used by Caldas Gold to fund the advancement of the development and construction of the MDZ project.

In connection with the Precious Metals Stream, Caldas Gold and its subsidiaries have provided security in favour of Wheaton International in respect of their obligations under the Precious Metals Stream, including, a first ranking general security agreement over substantially all properties and assets of Caldas Gold and its subsidiaries, security over the mining rights comprising the Marmato Project, and a first ranking share pledge over the shares of each of the subsidiaries of Caldas Gold. The Precious Metals Stream is non-recourse to the Company.