

CORRECTION - Gran Colombia Gold Reports Second Quarter and First Half 2020 Results; Announces Quarterly Dividend Program

TORONTO, Aug. 13, 2020 -- Gran Colombia Gold Corp. (TSX: GCM; OTCQX: TPRFF) announced today the release of its unaudited interim condensed consolidated financial statements and accompanying management's discussion and analysis (MD&A) for the three and six months ended June 30, 2020. All financial figures contained herein are expressed in U.S. dollars ("USD") unless otherwise noted.

Gran Colombia also announced today that its Board of Directors has approved the initiation of the Company's quarterly dividend program. The first quarterly dividend of CA\$0.015 per common share will be paid on October 15, 2020 to shareholders of record as of the close of business on September 30, 2020.

Serafino Iacono, Executive Chairman of Gran Colombia, commenting on the Company's latest results, said, "Our management team has done a very commendable job, implementing the protocols required to keep our workers safe during the COVID-19 crisis and to keep our mines in operation during a very challenging situation. We are also pleased to announce the new quarterly dividend program, something we started contemplating when we retired 30% of the gold notes ahead of schedule at the end of March. With our free cash flow strength, we saw an opportunity to use a portion of the savings in debt service costs to begin paying a dividend to our shareholders. However, with the onset of the global pandemic, we waited to see the impact on our operations before making the final decision. Our production level at Segovia has steadied the last three months and with the stronger gold prices so far in the third quarter, our earnings and free cash flow in the second half of 2020 are shaping up nicely and we are comfortable to proceed with the dividend program."

Second Quarter and First Half 2020 Highlights

- Mining operations continued at both Segovia and Marmato during the second quarter of 2020 despite the challenges associated with the **COVID-19 national quarantine in Colombia**. Gran Colombia also supported its local communities in Antioquia and Caldas, providing medical equipment, supplies and sanitation kits to the local hospitals and groceries to families who have been economically affected by the COVID-19 crisis.
- Gran Colombia's **gold production** in the second quarter of 2020 of 48,228 ounces, down from 57,882 ounces in the second quarter last year, reflected the initial adverse impact of the COVID-19 quarantine on Segovia's workforce in the first half of April. Protocols implemented by the Company facilitated increased availability of workers thereafter and production at Segovia returned to about 95% of normal. Gold production at Marmato in the second quarter of 2020 was only 62% of the second quarter last year as the quarantine had a greater impact on worker availability throughout the quarter. With a total of 104,475 ounces of gold produced in the first half of 2020, down from 118,483 ounces in the first half of last year, and another 18,111 ounces in July, the Company has updated its 2020 annual production guidance to a range between 218,000 and 226,000 ounces of gold.
- **Revenue** amounted to \$77.1 million in the second quarter of 2020, almost on par with the second quarter last year, as the 31% year-over-year improvement in spot gold prices increased the Company's realized gold price to an average of \$1,696 per ounce sold and compensated for the 24% lower gold sales volumes attributable to the COVID-19 impact on production. For the first half of 2020, revenue of \$178.1 million was up 15% over the first half last year.
- **Total cash costs** ⁽¹⁾ per ounce averaged \$713 per ounce in the second quarter of 2020 compared with \$655 per ounce in the second quarter last year, reflecting the COVID-19 impact on production which increased fixed production costs on a "per ounce" basis. Higher spot gold prices increased production taxes by approximately \$19 per ounce in the second quarter of 2020 compared with the same period last year and the Company incurred additional costs to implement the COVID-19 protocols required to protect the health and safety of its workers. For the first half of 2020, total cash costs averaged \$686 per ounce compared with \$638 per ounce in the first half last year.
- **All-in sustaining costs ("AISC")** ⁽¹⁾ and **All-in costs** ⁽¹⁾ were \$1,045 per ounce and \$1,114 per ounce, respectively, in the second quarter of 2020 compared with \$878 per ounce and \$903 per ounce, respectively, in the second quarter last year. The year-over year increase in these metrics can largely be attributed to new spending on G&A and social contributions in Caldas Gold and an increased level of non-sustaining capex for the Marmato Project. Similar to total cash costs per ounce, the lower production in the second quarter of 2020 also contributed to an increase in these "per ounce" metrics. For the first half of 2020, AISC and All-in costs averaged \$954 and \$1,034 per ounce, respectively, compared with \$855 and 873 per ounce, respectively, in the first half last year.
- The Company reported **adjusted EBITDA** ⁽¹⁾ of \$37.6 million for the second quarter of 2020, up 13% over the second quarter last year. For the first half of 2020, adjusted EBITDA totalled \$88.0 million, up 29% over the first half last year. The Company's trailing 12-months' adjusted EBITDA at the end of June 2020 was \$166.2 million, up 13% over 2019.
- **Net cash provided by operating activities** in the second quarter of 2020 of \$6.4 million, down from \$18.2 million in the second quarter last year, reflected income tax payments in Colombia totalling \$35.3 million compared with only \$14.1

million in the second quarter last year. For the first half of 2020, net cash provided by operating activities was \$38.2 million, up from \$38.0 million in the first half last year.

- **Free Cash Flow** ⁽¹⁾ in the second quarter of 2020 was also impacted by the increased level of income tax payments compared with the second quarter last year. For the first half of 2020, Free Cash Flow amounted to \$13.5 million, about \$5.6 million lower than the first half last year due to an increased level of non-sustaining capital and exploration expenditures.
- The Company's **balance sheet** remained solid with total cash of \$87.7 million at the end of June 2020 and further reduction in the aggregate principal amount of Gold Notes outstanding to \$41.3 million.
- Non-cash fair value changes in financial instruments totaling \$35.4 million in the second quarter of 2020, largely driven by the Company's 70% share price improvement, contributed to a **net loss** of \$18.9 million (\$0.27 per share) compared with net income of \$0.8 million (\$0.02 per share) in the second quarter last year. For the first half of 2020, the Company reported net income of \$5.7 million (\$0.13 per share) compared with \$8.7 million (\$0.18 per share) in the first half last year. The first half 2020 net income was net of a \$16.7 million charge related to the Caldas Gold RTO Transaction.
- **Adjusted net income** ⁽¹⁾ for the second quarter of 2020 was \$17.5 million (\$0.29 per share), up from \$14.2 million (\$0.29 per share) in the second quarter last year. For the first half of 2020, adjusted net income improved to \$38.7 million (\$0.66 per share) compared with \$27.2 million (\$0.56 per share) in the first half last year. The year-over-year improvement in adjusted net income for the second quarter and first half of 2020 largely reflects the positive impact of higher gold prices in 2020, partially offset by the COVID-19 impact on gold sales volumes in the second quarter of 2020.
- In July 2020, the Company announced high-grade intercepts from the latest 72 diamond drill holes totaling 10,523 meters (approximately 33%) of the 2020 in-mine and near-mine **drilling programs at its Segovia Operations**. At Carla, the Company's fourth mine which is coming into production later this year, drilling intercepted high-grade mineralization down-dip below the existing underground mine development confirming a high-grade intercept from a prior drilling program. Results at Sandra K and El Silencio continue to increase the Company's confidence in the potential to expand mineral resources at Segovia and add to the mine life for this project.
- Caldas Gold is making progress in its action plans to **build Colombia's next major gold mine**. On July 6, 2020, Caldas Gold announced the results of a Preliminary Feasibility Study (the "2020 PFS") for its Marmato Project. On July 29, 2020, Caldas Gold completed a CA\$50 million bought deal private placement of Special Warrants, of which Gran Colombia acquired CA\$20 million to maintain its equity ownership above 50%. Caldas Gold is also finalizing a private placement offering of senior secured gold-linked notes expected to raise between \$80 to \$90 million and completing a \$110 million stream financing with Wheaton Precious Metals International Ltd., all of which will fund the planned expansion of mining operations into the Marmato Deep Zone ("MDZ") commencing in the second half of this year.

Selected Financial Information

	Second Quarter		First Half	
	2020	2019	2020	2019
Operating data				
Gold produced (ounces)	48,228	57,882	104,475	118,483
Gold sold (ounces)	45,078	59,368	108,779	118,413
Average realized gold price (\$/oz sold)	\$ 1,696	\$ 1,293	\$ 1,622	\$ 1,296
Total cash costs (\$/oz sold) ⁽¹⁾	713	655	686	638
AISC (\$/oz sold) ⁽¹⁾	1,045	878	954	855
All-in costs (\$/oz sold) ⁽¹⁾	1,114	903	1,034	873
Financial data (\$000's, except per share amounts)				
Revenue	\$ 77,134	\$ 77,610	\$ 178,110	\$ 155,065
Adjusted EBITDA ⁽¹⁾	37,563	33,198	88,000	68,473
Net (loss) income	(18,578)	768	5,677	8,671
Per share - basic	(0.27)	0.02	0.13	0.18
Per share - diluted	(0.27)	0.02	0.13	0.18
Adjusted net income ⁽¹⁾	17,504	14,164	38,736	27,179
Per share - basic	0.29	0.29	0.66	0.56
Per share - diluted	0.24	0.25	0.56	0.49
Net cash provided by operating activities ⁽⁴⁾	6,431	18,217	38,242	38,035
Free cash flow ^{(1) (4)}	(4,375)	7,751	13,456	19,028
			June 30,	December 31,
			2020	2019

Balance sheet (\$000's):

Cash and cash equivalents	\$	87,749	\$	84,239
Gold Notes, including current portion – principal amount outstanding ⁽²⁾		41,300		68,750
Convertible Debentures – principal amount outstanding ⁽³⁾		CA20,000		CA20,000

1. Refer to "Non-IFRS Measures" in the Company's MD&A.
2. The Gold Notes are recorded in the Interim Financial Statements at fair value. At June 30, 2020 and December 31, 2019, the carrying amounts of the Gold Notes outstanding were \$43.5 and \$69.0 million, respectively.
3. The Convertible Debentures are recorded in the Interim Financial Statements at fair value. At June 30, 2020 and December 31, 2019, the carrying amount of the Convertible Debentures outstanding was \$23.7 million and \$21.1 million, respectively.
4. Net of income taxes paid of \$35.3 million in the second quarter of 2020 (\$14.1 million in the second quarter of 2019) and \$42.6 million in the first half of 2020 (\$30.4 million in the first half of 2019).

Second Quarter and First Half 2020 Results Webcast

As a reminder, Gran Colombia will host a conference call and webcast on Friday, August 14, 2020 at 10:00 a.m. Eastern Time to discuss the results.

Webcast and call-in details are as follows:

Live Event link:	https://edge.media-server.com/mmc/p/oc7986ix
International:	1 (514) 841-2157
North America Toll Free:	1 (866) 215-5508
Colombia Toll Free:	01 800 9 156 924
Conference ID:	49825338

A replay of the webcast will be available at www.grancolombiagold.com from Friday, August 14, 2020 until Friday, September 18, 2020.

About Gran Colombia Gold Corp.

Gran Colombia is a Canadian-based mid-tier gold producer with its primary focus in Colombia where it is currently the largest underground gold and silver producer with several mines in operation at its high-grade Segovia Operations. Gran Colombia owns approximately 57.5% of Caldas Gold Corp., a Canadian mining company currently advancing a prefeasibility study for a major expansion and modernization of its underground mining operations at its Marmato Project in Colombia. Gran Colombia's project pipeline includes its Zancudo Project in Colombia together with an approximately 20% equity interest in Gold X Mining Corp. (TSXV: GLDX) (Guyana – Toroparu) and an approximately 26% equity interest in Western Atlas Resources Inc. ("Western Atlas") (TSX-V: WA) (Nunavut – Meadowbank).

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

Cautionary Statement on Forward-Looking Information:

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

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