TORONTO, ON--(Marketwired - June 13, 2017) - Gran Colombia Gold Corp. (TSX: GCM) announced today that it will complete a partial redemption of its Senior Secured Convertible Debentures due 2020 (the "2020 Debentures") (TSX: GCM.DB.V) pursuant to the terms of the underlying amended and restated indenture.

Notice will be provided to holders that, on July 31, 2017, the Company will use its Excess Cash Flow accumulated through the first half of 2017 to complete a redemption of an aggregate principal amount of US$3,000,000 of the 2020 Debentures outstanding, applied on a pro-rata basis. With the current outstanding principal amount of US$52,471,786, holders of 2020 Debentures will receive payment based on a redemption price of approximately US$0.057 for each US$1.00 principal amount of 2020 Debentures. The redemption price will be increased to account for any conversion, or purchase by the Company, of any 2020 Debentures prior to July 31, 2017. No accrued interest is included in the redemption price as all accrued and unpaid interest on the 2020 Debentures (including those called for redemption) will be paid to holders on July 31, 2017. The redemption of US$3,000,000 principal amount represents a reduction of approximately 1,538,461 common shares potentially issuable through conversions of 2020 Debentures, equivalent to approximately 1.6% of total shares on a fully diluted basis (excluding stock options and warrants). Pursuant to the indenture, the partial redemption is not applicable to Senior Secured Convertible Debentures due 2024.

The 2020 Debentures trade in the book-based system of CDS Clearing and Depository Services Inc. and accordingly, holders need not take any action in order to receive their pro-rata redemption price.

Commenting on the redemption, Serafino Iacono, Executive Co-Chairman of Gran Colombia said, "The Company remains very focused on both short- and long-term return on strategic capital investments in our operations as well our commitment to generating excess cash flow from operations to systematically reduce our issued and outstanding senior secured debt. We are pleased to be in a position to redeem a portion of 2020 Debentures well in advance of maturity, saving both future interest costs for the Company and potential dilution to our shareholders through future conversions."

Production Update

Gran Colombia also announced today that it produced a total of 15,444 ounces of gold in the month of May, representing a new monthly record and bringing the total for the first five months of 2017 to 68,783 ounces, up 21% over the first five months last year. The trailing 12 months' total gold production as of the end of May 2017 now stands at 161,809 ounces, up 8% over 2016's annual gold production and above the Company's production guidance for the 2017 calendar year of a total of 150,000 to 160,000 ounces.

At the Segovia Operations, improved head grades in the Company-operated mining areas, principally in the Providencia mine, have been integral in improving production so far in the second quarter of 2017 and will benefit total cash costs per ounce compared to the first quarter of 2017. Segovia's gold production of 13,621 ounces in the month of May, also a new monthly record, brought the total for the first five months of 2017 to 58,711 ounces, up 25% over the same period last year. The trailing 12 months' total gold production as of the end of May 2017 at Segovia was 137,997 ounces, up 9% over 2016's annual gold production and above the Company's production guidance range for the 2017 calendar year at Segovia of 126,000 to 134,000 ounces.

At the Marmato Operations, gold production continued to be steady with 1,823 ounces produced in the month of May, bringing the total for the first five months of 2017 to 10,072 ounces, up 4% over the same period last year. This brings Marmato's trailing 12 months' gold production at the end of May 2017 to 23,812 ounces, up 2% over its 2016 annual production. The Company expects Marmato's annual gold production for 2017 will range between 24,000 and 26,000 ounces.

About Gran Colombia Gold Corp.

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

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

Cautionary Statement on Forward-Looking Information:

This news release contains "forward-looking information", which may include, but is not limited to, statements with respect to the anticipated partial redemption of 2020 Debentures, 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, 2017, which is available for view on SEDAR at www.sedar.com. Forward-looking statements contained herein are made as of the date of this press release and Gran Colombia disclaims, other than as required by law, any obligation to update any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management's estimates or opinions should change, or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.*

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