TORONTO, Oct. 04, 2017 (GLOBE NEWSWIRE) -- Gran Colombia Gold Corp. (TSX:GCM) announced today an updated Mineral Resource estimate (“2017 MRE”) for its Marmato Project in Colombia that reflects a change in the focus of the mining style from open pit to underground mining, an increase in cut-off grade for the mineral resource estimate and the addition of new material from the deep mineralization below the existing Mineros Nacionales mine. As summarized in the table below, the 2017 MRE contains a total of 3.9 million ounces of gold and 22.6 million ounces of silver in the Measured and Indicated categories and an additional 4.2 million ounces of gold and 15.0 million ounces of silver in the Inferred category.

Serafino Iacono, Executive Co-Chairman of Gran Colombia, commented: “We are pleased with the progress we have been making at our Segovia Operations and now feel comfortable in turning our attention toward evaluating the potential to generate a return on our investment at the Marmato Project. In the current gold market, we feel it is prudent to change our approach, shifting from a large-scale, low grade open pit operation as previously conceived to a smaller-scale, higher grade underground mining operation. In addition, we intend to implement our contract mining model to incorporate production from the ancestral and artisanal miners working within our titles. We have already commenced some high level scoping analysis for future mining operations and over the next six months we will be preparing a preliminary economic assessment targeting higher grade material with the intention of developing an expanded underground mining operation at Marmato with a minimum 12-year mine life and life-of-mine gold production of more than 1.5 million ounces. The deep mineralization at Marmato remains open along strike and at depth and we expect that our 2018 exploration program will include substantial additional drilling to continue expanding our understanding of the total mineral resource potential of the deposit.”

Category	Quantity	Grade		Metal	
		Au	Ag	Au	Ag
	Mt	g/t	g/t	000's oz	000's oz
Underground Vein**					
Measured	2.6	4.7	21.3	396	1,774
Indicated	10.7	4.6	22.3	1,583	7,660
Measured and Indicated	13.3	4.6	22.1	1,979	9,434
Inferred	9.4	4.2	18.9	1,275	5,722
Underground Porphyry***					
Measured					
Indicated	27.0	2.1	14.9	1,858	12,892
Measured and Indicated	27.0	2.1	14.9	1,858	12,892
Inferred	13.3	1.8	15.4	777	6,655
Underground Deeps Zone***					
Measured					
Indicated	0.9	2.0	8.0	60	235
Measured and Indicated	0.9	2.0	8.0	60	235
Inferred	29.3	2.3	2.8	2,142	2,628
Underground Combined					
Measured	2.6	4.7	21.3	396	1,774
Indicated	38.6	2.8	16.7	3,501	20,787
Measured and Indicated	41.2	2.9	17.0	3,897	22,561
Inferred	52.0	2.5	9.0	4,194	15,005

* Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.
** Vein mineral resources are reported at a cut-off grade of 1.9 g/t. Cut-off grades based on a price of US$1,400 per ounce of gold, suitable benchmarked technical and economic parameters and gold recoveries of 90 percent for underground resources, without considering revenues from other metal.
*** Porphyry and Deeps mineral resources are reported at a cut-off grade of 1.2 g/t. Cut-off grades based on a price of US$1,400 per ounce of gold, suitable benchmarked technical and economic parameters and gold recoveries of 90 percent for underground resources, without considering revenues from other metal.

The 2017 MRE was prepared by SRK Consulting (U.S.), Inc. (“SRK”) and represents a notable change in the defined mineral resource from the previous Mineral Resource estimate dated as of August 7, 2012 (“2012 MRE”) due to the following key factors:

- No open pit Mineral Resources have been declared;
- Increase in the cut-off grades used from 0.3 g/t in the 2012 MRE to 1.2 g/t and 1.9 g/t for the different mineralization styles in the 2017 MRE;
- Change in the classification strategy which previously assumed large bulk mining where local variability in the grades would be more smoothed over annual production periods, compared to the requirement to have sufficient geological and grade confidence within the veins for the definition of stope design;
- Major focus on modelling of the geological continuity in the veins has resulted in reduced tonnages but higher grades;
- Increase in the cut-off grade used to define the mineralized porphyry units, which has resulted in more discrete zones (increasing the average grades from the range from 0.9 to 1.0 g/t in the 2012 MRE to 1.2 to 1.3 g/t in the 2017 MRE); and

- Additional “Deeps Zone” mineralization included for the first time in the 2017 model at depth within the Inferred category.

The broad zones of veinlet mineralization (“grade shells”) modelled initially during the 2012 MRE typically varied from 10 m to 230 m wide, reaching up to 340 m wide in areas of significant veinlet accumulation, whilst extending with good geological continuity for between 200 m and approximately 950 m along strike, and between 100 m and 900 m down dip. SRK has updated these domains during the 2017 MRE using more discrete zones and application of a 0.5 g/t cut-off grade. At depth within the central portion of the deposit, SRK has noted a zone of elevated grades which has been referred to as the higher grade (>2.0 g/t) “Deeps Zone”. This zone is indicated to be continuous along strike for approximately 350 m and has a confirmed down dip extent that reaches up to 500 m, with a thickness that varies between 35 m and 150 m. The Deeps Zone is still open along strike and at depth.

SRK highlights that the current Deeps Zone mineralization represents a notable change in the style of mineralization and considerations for mining methods at the Marmato Project. The Deeps Zone mineralization consists of a network of very thin sulfide veinlets, mainly pyrrhotite±chalcopyrite, hosted by a week argillic alteration style.

SRK has defined the proportions of 2017 MRE to have potential for economic extraction for the mineral resource based on two separate cut-off grades, relating to the different mining methods involved. The initial cut-off is based on the mining of the veins using the current mining processes and assumed costs, with a second method (long-hole) defined for mining the Deeps Zone and potentially areas of wider porphyry mineralization in the upper levels.

The estimation domains have therefore been grouped for the 2017 MRE into veins, porphyry and Deeps Zone mineralization. The veins account for the veins, halos and splay material and have used a 1.9 g/t Au cut-off, while all other domains (grade-shell, deeps, porphyry) have used a lower cut-off of 1.2 g/t to account for the larger bulk mining methods involved.

The effective date of the 2017 MRE is June 16, 2017, which is the last date assays were provided to SRK. The 2017 MRE is based on databases that comprise a combination of historical and recent diamond core and underground channel samples. In total, there are some 1,165 diamond drillholes for a combined length of 240,855 m; plus 13,489 individual underground channel samples, inclusive of current mine sampling contained in the databases. The 2017 MRE has been reported according to Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards and will be supported by a National Instrument 43-101 independent report which will be published and filed on the Company’s website and SEDAR profile within the next 45 days.

Qualified Person

Ben Parsons, Senior Resource Geologist with SRK, prepared the 2017 MRE and is a Qualified Person as defined by NI 43-101. For detailed information on the key assumptions, parameters and methods used to estimate the mineral resources, along with other information about Marmato, please refer to the Technical Report to be filed.

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 Operations and Marmato Project. 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 the Company’s page 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 future financial or operating performance of the Company and future plans for its operations. 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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