

Gran Colombia Adapts Previously Proposed Debt Financing in Response to Investor Feedback

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With Focus on Refinancing Its Senior Secured Convertible Debentures Due 2020 and 2024 and Providing Option for Immediate Liquidity on 2018 Debentures

TORONTO, March 22, 2018- [Gran Colombia Gold Corp.](#) (the "Company" or "Gran Colombia") (TSX:GCM) announced today that, in response to feedback from current and potential new investors, it is adapting the previously announced proposed debt financing to focus solely on refinancing its Senior Secured Convertible Debentures due 2020 and 2024 (collectively, the "Senior Debentures") through a private placement led solely by GMP Capital Inc. ("GMP") of up to 95,000 units (the "Units") of the Company for anticipated aggregate gross proceeds of up to US\$95,000,000 (the "Revised Offering"). The Revised Offering is being made on a best efforts basis and is subject to market conditions, necessary approvals and consents, including TSX and shareholder approvals and consent from holders of the Senior Unsecured Convertible Debentures due August 2018 (the "2018 Debentures") as described in further detail below, and there can be no assurance that it will be completed.

As of March 20, 2018, the aggregate principal amounts of the 2020 and 2024 Debentures issued and outstanding were US\$48.0 million and US\$43.4 million, respectively, and the Company had 23.6 million common shares (the "Common Shares") issued and outstanding.

Serafino Iacono, Executive Co-Chairman of Gran Colombia commented, "We have been encouraged by the amount of interest received in the private placement process to-date. Investors have focused positively on the turnaround we have completed over the last two years and on the blue sky potential of our high-grade Segovia Operations, reiterating the need for Gran Colombia to maintain an aggressive exploration program to add reserves and resources for future development and exploitation. Investors have also noted our improved cash flow generation since the debt restructuring in early 2016 and the strides we have made since then to reduce the level of debt on our balance sheet. With maturity of the 2018 Debentures just five months away, current and potential new investors interested in participating in the previously proposed private placement have indicated a strong preference to keep a tighter level of debt on the Company's balance sheet and not to extend the security for the senior debt to include a refinancing of the 2018 Debentures. As a result, the Revised Offering will focus solely on refinancing the Senior Debentures. Concurrently with the 2018 Debentures' consent solicitation process, we are making an offer to the holders of the 2018 Debentures to allow them to convert their debt now into a combination of cash and shares rather than waiting until August. If we get the requisite consent being requested from the 2018 Debenture holders, those holders who elect not to convert their debt now will benefit from an increase in the annual interest rate from 1% to 5% from the closing of the Revised Offering to the maturity date of the 2018 Debentures. Under the Revised Offering, Gran Colombia will have improved liquidity with a lower debt/EBITDA ratio and improved free cash flow resulting from lower debt service costs compared with the previous debt financing proposal. Upon completion, the Revised Offering will maintain our objective of significantly reducing the potential dilution to shareholders compared with the current capital structure."

The key terms of the Revised Offering include:

1. Each Unit will consist of US\$1,000 principal amount of senior secured gold-linked notes (the "Notes") and 124 Common Share purchase warrants (the "Warrants") of the Company. Each Warrant will have an exercise price of CA\$2.21 per warrant and will entitle the holder thereof to purchase one Common Share at any time prior to the maturity of the Notes. It is a condition to closing the Revised Offering that the Notes and the Warrants are conditionally approved for listing on the TSX.
2. The net proceeds of the Revised Offering will be used for the redemption in full, at par, of the Company's Senior Debentures and for general corporate purposes.
3. The Notes will have a six-year term and are non-callable for the first three years.

4. The Notes will represent senior secured obligations of the Company, ranking pari passu with all present and future senior indebtedness and senior to all present and future subordinated indebtedness of the Company.
5. The Notes will bear interest at 8.25% per annum, paid monthly.
6. The Company will set aside an amount of physical gold each month in a trust account (the "Gold Trust Account"). On a quarterly basis, the physical gold in the Gold Trust Account will be sold and the sale proceeds will be used to amortize the principal amount of the Notes based on a guaranteed floor price of \$1,250 per ounce. The scheduled annual number of physical gold ounces to be deposited into the Gold Trust Account will vary by year, representing approximately 10% of the projected annual gold production from the Company's Segovia Operations and ranging from 15,000 ounces in the first year down to 10,000 ounces in the final year of the term of the Notes.
7. There is no mandatory redemption of the Notes prior to maturity, although the Company may be required to make an offer to repurchase the Notes if there is a change of control or following certain asset sale transactions.
8. The Notes will include standard high yield covenants consistent with transactions of this nature, including standard high yield optional redemption provisions.
9. Closing of the Revised Offering will take place following receipt of shareholders' approval for issuance of the Warrants at a special meeting of the shareholders as discussed below and receipt of consent from the holders of the 2018 Debentures as discussed below.

Special Shareholders' Meeting to Approve Issuance of the Warrants

In light of the Revised Offering and its anticipated impact on the potential fully diluted share capital of the Company, Gran Colombia announced today that it has postponed its upcoming special meeting of shareholders from March 26, 2018 to April 19, 2018 in order for the Company to distribute supplemental materials to shareholders.

Consent Solicitation from Holders of the 2018 Debentures to Permit the Revised Offering and Offer to Exchange 2018 Debentures for Cash and Common Shares on Closing of the Revised Offering

The Amended and Restated Indenture dated as of August 11, 2011 (as amended and restated as of January 20, 2016) related to the 2018 Debentures (the "2018 Indenture") includes certain negative covenants that would preclude the Company from refinancing its Senior Debentures. Gran Colombia will seek consent from the holders of the 2018 Debentures to amend the 2018 Indenture to permit the Revised Offering. If Gran Colombia receives the requisite consent from holders representing at least 66 2/3% of the issued and outstanding number of 2018 Debentures, the Company will increase the annual interest rate on the 2018 Debentures from 1% to 5% from the closing of the Revised Offering to the maturity date of the 2018 Debentures.

In addition, Gran Colombia recognizes that certain holders of the 2018 Debentures may wish to convert their debt now rather than wait until such debentures' maturity in August 2018. Concurrent with the consent solicitation, Gran Colombia will be offering holders of the 2018 Debentures the opportunity to exchange their debt at the closing of the Revised Offering for a cash payment equal to 19% of the principal amount of their debt and the remaining 81% of the principal amount will be settled with Common Shares based on the conversion price of US\$1.95 per Common Share. Materials related to the process to obtain debenture holders' consents and the Company's offer to exchange the 2018 Debentures are expected to be distributed by the Company on or about March 30, 2018.

Consent Solicitation to Expedite Early Redemptions of the 2020 Debentures and the 2024 Debentures

Gran Colombia previously announced that it will be seeking consent from the holders of the Senior Debentures to remove the notice period for early redemption of the debt to allow it to expedite the early redemptions of the Senior Debentures following closing of the Revised Offering. Materials related to the process to obtain debenture holders' consents are expected to be distributed by the Company on or about March 30, 2018.

Other Approvals

The completion of the Revised Offering is also subject to the receipt of all necessary regulatory and stock

exchange approvals including the receipt of approval by the TSX. Terms outlined herein may be amended as required to receive such approvals.

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 exploration, expansion and modernization activities at its high-grade Segovia Operations.

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

This press release does not constitute an offer to sell, or a solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such an offer, solicitation, or sale would be unlawful. The Revised Offering remains subject to final acceptance by the TSX.

The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not constitute an offer of securities for sale in the United States, nor may any securities referred to herein be offered or sold in the United States absent registration or an exemption from registration as provided in the U.S. Securities Act of 1933, as amended (the "Securities Act") and the rules and regulations thereunder. The securities referred to herein have not been registered pursuant to the Securities Act and there is no intention to register any of the securities in the United States or to conduct a public offering of securities in the United States.

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 Revised Offering, including the expected timing and receipt of any required regulatory, shareholder and debenture holder approvals, the closing of the Revised Offering, the expected use of proceeds from the Revised Offering, the redemption of the Outstanding Debentures, the anticipated improvement to the Company's capital structure and reduction of potential dilution, 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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