Gran Colombia Gold Announces it Will Settle 100% of its 2018 Debentures at Maturity With Common Shares

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Expanding 2018 Drill Program to Test Extensions of High-Grade Discovery at Depth in its El Silencio Mine

TORONTO, Aug. 07, 2018 - Gran Colombia Gold Corp. (TSX:GCM) announced today that it gave notice on August 3, 2018 to the trustee (the “Trustee”) for its Senior Unsecured Convertible Debentures due 2018 (the “2018 Debentures”) that on maturity on August 11, 2018 (the “Maturity Date”), pursuant to the provisions of the underlying indenture (the “Indenture”), the Company has elected to satisfy its obligation to repay 100% of the outstanding principal amount of its 2018 Debentures, and all accrued and unpaid interest thereon (collectively, the “Outstanding Balance”), by issuing and delivering common shares. The volume weighted average trading price of the Company’s common shares on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days before the Maturity Date exceeded US$1.95 per share. Therefore, any elections received by the Trustee from holders of 2018 Debentures electing to receive cash and shares on the Conversion Date (as defined herein) shall be null and void.

Location of El Silencio Mine Deep Channel Sampling Program and Planned Drill Holes

As of August 3, 2018, the aggregate principal amount of the 2018 Debentures issued and outstanding was approximately US$33.0 million, and as such, the Company expects that it will be issuing a total of approximately 17.0 million common shares on August 13, 2018 (the “Conversion Date”) to settle the Outstanding Balance, bringing its total issued and outstanding common shares as of the Conversion Date to approximately 48.2 million. Holders of the 2018 Debentures maintain their right to transfer or convert their 2018 Debentures prior to the close of business on August 10, 2018.

Serafino Iacono, Executive Co-Chairman of Gran Colombia, commented, “We are pleased to conclude this final chapter of our effort to simplify our capital structure and improve our ratio of debt to equity. With increasing awareness of our under-valued equity, we hope that this increase in shares outstanding will enhance liquidity in the market for our stock. At the end of June 2018, our cash position stood at approximately US$25 million and the return of the 2018 Debentures’ sinking fund will add another US$3.5 million of unrestricted cash back into our treasury.

Our primary focus continues to center on exploring and developing our cash-generating Segovia Operations, recently acknowledged as one of the top five high-grade underground gold operations globally in 2017. On June 18, 2018, we announced that the ongoing channel sampling program at the deepest levels of the El Silencio mine was successful in identifying high-grade veins within the current mineral reserve and resource envelope and is playing a key role in the definition of veins that will be incorporated into updated mineral reserve and resource estimates planned for early next year. We are now ready to commit an additional US$2.3 million toward additional drilling through the balance of 2018 to follow up on this discovery to incorporate it into our future development and production plan.”

El Silencio, the oldest and deepest mine in the Segovia district, has 45 levels descending to a depth of over 800 meters. As previously announced, a total of 424 channels were sampled in the down-plunge extensions of the north and south ore-shoots. Of this total, 291 channels, or 69%, averaged over 10 g/t Au and 163 channels, or 38%, averaged over 30 g/t Au. This additional drilling will aim to extend the north, middle and south ore-shoots down-plunge with the objective of testing extensions another 200 meters below the currently delineated resource. The drilling program, expected to commence in September, will be a combination of conventional drilling with 50 meter by 50 meter nominal center spacing on the north ore-shoot and directional drilling on the middle and south ore-shoots.

Please refer to Attachment 1 to this press release for an image related to the additional drilling program at El Silencio which shows the outline of the area in which the channel sampling program was undertaken and the location of the planned drill holes to intercept and test the three ore-shoots, a copy of which is also available on the Company's website at www.grancolombiagold.com.

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 to focus on exploration, 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 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 27, 2018, 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.

For Further Information, Contact:
Mike Davies
Chief Financial Officer
(416) 360-4653
investorrelations@grancolombiagold.com

A photo accompanying this announcement is available at
http://www.globenewswire.com/NewsRoom/AttachmentNg/07eaca51-9da0-464b-8559-ce87c2464171