

Gran Colombia Gold Reports Third Quarter and First Nine Months 2018 Results; Increases Cash Position to \$29 Million; Trailing 12-Months' Adjusted EBITDA Reaches \$105 Million

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TORONTO, Nov. 13, 2018 - [Gran Colombia Gold Corp.](#) (TSX: GCM) 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 nine months ended September 30, 2018. All financial figures contained herein are expressed in U.S. dollars ("USD") unless otherwise noted.

Serafino Iacono, Executive Co-Chairman of Gran Colombia, commenting on the Company's results for the first nine months of 2018, said, "We are very pleased with the continuing improvements in our operating and financial results and the strengthening of our financial position we are reporting today. Our senior debt is now down to \$88 million and our cash position increased further in the third quarter to reach \$29 million at the end of September. With our trailing 12-months adjusted EBITDA surpassing the \$100 million level at the end of September, our focus on our high-grade Segovia Operations to drive our cash flow generation is providing the funding required to support our ongoing exploration and capital programs. We are encouraged by the initial exploration results we reported in October from this year's drilling campaigns at each of Segovia, Marmato and Zancudo and we will have further results to report as these program progress."

Third Quarter and First Nine Months 2018 Highlights

- Total *gold production* of 57,163 ounces in the third quarter of 2018, up 54% over the third quarter of 2017, brought the total gold production for the first nine months of 2018 to 162,741 ounces, up 33% over the first nine months last year. The Company followed this up with a further 18,065 ounces of gold produced in October 2018. Fueled by continued growth in the Company's high-grade Segovia Operations, the Company's trailing 12-months' total gold production increased to 215,509 ounces as of October 2018, up 24% over the total for 2017 of 173,821 ounces. The Company expects that it will produce between 214,000 and 220,000 ounces of gold this year.
- *Revenue* increased 56% in the third quarter of 2018 over the third quarter last year to \$66.6 million bringing the first nine months 2018 total revenue to \$200.3 million, up 39% over the first nine months last year, of which 35% was driven by the increased level of gold production this year. The average realized gold price in the first nine months of 2018 was \$1,253 per ounce, up 3% over the first nine months last year. However, most of this improvement occurred in the first half of 2018 as spot gold prices in the third quarter of 2018 fell about 8% compared to the average for the first half of 2018, reducing the Company's realized gold price in the third quarter of 2018 to \$1,186 per ounce compared with \$1,246 per ounce in the third quarter last year.
- The Company continued to hold its *total cash costs*⁽¹⁾ and *all-in sustaining costs* ("AISC") in the third quarter and first nine months of 2018 below its guidance range. For the third quarter of 2018, total cash costs and AISC averaged \$657 per ounce and \$888 per ounce, respectively, bringing the first nine months 2018 averages to \$674 per ounce and \$899 per ounce, respectively. For 2018, the Company continues to expect that its total cash costs and AISC averages for the full year will remain below \$735 per ounce and \$950 per ounce, respectively.
- The Company reported *adjusted EBITDA*⁽¹⁾ of \$24.7 million for the third quarter of 2018, up from \$13.8 million in the third quarter of 2017, bringing the first nine months 2018 adjusted EBITDA to a total of \$78.7 million, up 62% over the first nine months last year. The trailing 12-months adjusted EBITDA at the end of September 2018 stood at \$105.4 million, up 40% over 2017's annual adjusted EBITDA of \$75.5 million, driven by production growth, better realized gold prices and continued efforts to control operating costs.

- The Company *successfully transformed its capital structure in 2018*, eliminating the convertible debentures which exposed shareholders to further dilution and providing the Company with greater access to its internally generated free cash flow to explore, expand and modernize its mining operations. In the process, the Company strengthened its balance sheet by reducing its debt to equity ratio, improving its working capital, and increasing its cash position, which stood at \$29.5 million at September 30, 2018.
- Key to the capital structure transformation was the completion of a *\$98 million Offering of Units* at the end of April 2018, comprising 8.25% senior secured gold-linked notes due 2024 (the “Gold Notes”) and warrants (the “2024 Warrants”), which facilitated the redemption at par of the remaining 2020 and 2024 Debentures in May 2018 and the return of \$9.6 million of cash held in a sinking fund for the debentures. The 2024 Warrants commenced trading on the Toronto Stock Exchange (“TSX”) under the symbol “GCM.WT.B” in early September 2018 and the Gold Notes commenced trading on the TSX under the symbol “GCM.NT.U” in early October 2018. As of October 31, 2018, the aggregate principal amount of Gold Notes issued and outstanding had been reduced through quarterly repayments to \$88.3 million.
- In August 2018, the Company *completed the repayment of its 2018 Debentures*, exercising its option to repay the remaining \$32.1 million aggregate principal amount of the 2018 Debentures outstanding, together with accrued interest, entirely with common shares, increasing the total issued and outstanding common shares of the Company to 48.2 million and recovering \$3.5 million of cash held in a sinking fund for these debentures. Including the 2024 Warrants, the Company’s fully diluted common shares would total approximately 60.3 million.
- On October 29, 2018, the Company announced that *Fitch Ratings* has upgraded it to “B” from “B-” with a Stable Outlook citing the foregoing capital structure improvements and the enhanced mine plan at its Segovia Operations focused on cost reductions and high grade ore bodies which are driving cash flow generation as the key factors leading to the upgrade.
- To facilitate trading of the Company’s common shares in the United States, in early October 2018, the Company upgraded its listing to the *OTCQX® Best Market* where its common shares now trade under the symbol “TPRFF”.
- The Company reported *net income* for the third quarter of 2018 of \$12.4 million, or \$0.31 per share, compared with a net loss of \$1.0 million, or \$0.05 per share, in the third quarter last year. For the first nine months of 2018, the Company reported a net loss of \$13.0 million, or \$0.43 per share, compared with net income of \$32.0 million or \$1.58 per share, in the first nine months last year. The net loss reported for the first nine months of 2018 includes \$22.2 million of losses on financial instruments, primarily triggered by the extinguishment of the 2020 and 2024 Debentures in the second quarter, and a \$7.6 million charge for the costs associated with the Offering completed in the second quarter of 2018. The net earnings in the first nine months of 2017 included a reversal of impairment of the Segovia Operations in the amount of \$45.3 million.
- *Adjusted net income⁽¹⁾* for the third quarter of 2018 was \$9.9 million, or \$0.25 per share, up from \$3.8 million, or \$0.19 per share, in the third quarter last year, bringing the adjusted net income for the first nine months of 2018 to \$28.0 million, or \$0.93 per share, compared with \$13.8 million, or \$0.69 per share, in the first nine months last year. The year-over-year improvement in adjusted EBITDA was the primary driver behind the improved adjusted net earnings in 2018.
- The Company continues to prioritize its *exploration* and development activities to identify avenues to expand its reserves and resources, and ultimately to increase production, from its cash-generating, high-grade Segovia Operations. Through the first nine months of 2018, the Company completed 128 holes representing approximately 81% of the 20,000 meters of drilling planned for Segovia this year. On October 3, 2018, the Company announced that it had identified a new structure at its Sandra K mine, interpreted as a splay off the Techo Vein and termed the 6640 Vein, and in-fill drilling at the Providencia mine was successful in outlining a new high-grade zone to the west of and near the high-grade orebody that is currently in production. Overall, results from the 2018 drilling program thus far are continuing to increase confidence in the mineral resources at the three producing mines and initial results from step-out drilling at the Cristales Vein, one of the other 24 known vein systems in the Segovia title which has the potential to become a future mining operation, have been encouraging. Follow-up directional drilling will be getting underway by the end of this year in the deep zones below the currently delineated resource at El Silencio.
- On October 4, 2018, the Company announced that the early results from the 2018 drilling campaign, which commenced in June 2018, at the *Marmato Project* have outlined two new zones of Deeps-style mineralization and continue to increase confidence in the geological model.
- On October 9, 2018, the Company announced that *drilling carried out by IAMGOLD in 2017 and thus far in 2018 on the Company’s Zancudo Project has identified a new manto structure in the North Zone and a potential ore shoot on both the Manto Antiguo and Manto Inferior structures in the South Zone, all of which merit further evaluation. IAMGOLD has approximately 2,000 meters of drilling to complete for the remainder of this year to confirm the continuity of the new manto structure in the North Zone.*

- In 2018, the Company has acquired an approximately 17% equity investment in [Sandspring Resources Ltd.](#), a Canadian junior mining company currently moving toward a feasibility study for the multi-million-ounce Toroparu Project in the western Guyana gold district. Sandspring concurrently completed the acquisition of a 100% interest in the Chicharron Project located within the Company's mining title at Segovia.

(1) Refer to "Non-IFRS Measures" in the Company's MD&A

Financial and Operating Summary

A summary of the financial and operating results for the third quarter and first nine months of 2018 and 2017 is as follows:

	Third Quarter		First Nine Months	
	2018	2017	2018	2017
Operating data				
Gold produced (ounces)	57,163	37,039	162,741	122,122
Gold sold (ounces)	55,601	33,932	158,262	117,545
Average realized gold price (\$/oz sold)	\$ 1,186	\$ 1,246	\$ 1,253	\$ 1,214
Total cash costs (\$/oz sold) ⁽¹⁾	657	748	674	720
All-in sustaining costs (\$/oz sold) ⁽¹⁾	888	971	899	928
Financial data (\$'000's, except per share amounts)				
Revenue	\$ 66,605	\$ 42,737	\$ 200,318	\$ 144,427
Adjusted EBITDA ⁽¹⁾	24,701	13,844	78,650	48,698
Net income (loss)	12,397	(1,047)	(12,993)	31,952
Per share - basic	0.31	(0.05)	(0.43)	1.58
Per share - diluted	0.19	(0.05)	(0.53)	0.50
Adjusted net income ⁽¹⁾	9,930	3,835	27,981	13,758
Per share - basic	0.25	0.19	0.93	0.69
Per share - diluted	0.21	0.06	0.43	0.19
			September 30, 2018	December 2017
Balance sheet (\$'000's):				
Cash and cash equivalents			\$ 29,540	\$ 3,272
Cash in trust for Senior Debentures ⁽²⁾			-	11,911
Gold Trust Account ⁽³⁾			3,087	-
Gold Notes, including current portion – principal amount outstanding ⁽⁴⁾			93,125	-
Senior Debentures, including current portion – principal amount outstanding ⁽⁵⁾			-	140,811
Other debt, including current portion			218	439

Notes:

1. Refer to "Non-IFRS Measures" in the Company's MD&A.
2. Represents amounts deposited into sinking funds for the 2018, 2020 and 2024 Debentures (collectively, the "Senior Debentures"), net of amounts used for repurchases and partial redemptions. The remaining cash balances in the sinking funds were returned to the Company after the extinguishment of the Senior Debentures in 2018.
3. Represents physical gold deposited by the Company into a trust account to be used to fund the next quarterly Amortization Payment. At September 30, 2018, there were 2,600 ounces accumulated in the Gold Trust Account.
4. The Gold Notes are recorded in the Company's consolidated financial statements at fair value. At September 30, 2018, the carrying amount of the Gold Notes outstanding was \$81.1 million.
5. The Senior Debentures were recorded in the Company's consolidated financial statements at amortized cost and, as such, their carrying amount was at a discount to principal amounts outstanding. At December 31, 2017, the carrying amount of the Senior Debentures outstanding was \$98.7 million.

Segovia Operations

At the Segovia Operations, gold production in the third quarter of 2018 amounted to 50,698 ounces, bringing the total for the first nine months of 2018 to 144,241 ounces, up 40% compared to the first nine months of 2017, which included the adverse impact of the civil disruption on operations in August last year. In October 2018, Segovia's gold production amounted to 16,023 ounces bringing Segovia's trailing 12-months' total gold production as of October 2018 to 190,991 ounces, up 28% from 2017 fuelled by continuing growth in the Company's three operating mines. The Company processed an average of 994 tonnes per day ("tpd") in the first nine months of 2018 with an overall average head grade of 17.1 g/t, continuing to benefit from growth in production from its high-grade Providencia mine. Based on its performance to-date, the Company now expects that the Segovia Operations' annual gold production will surpass 190,000 ounces for 2018.

The increased production level at the Segovia Operations in 2018 continues to have a positive impact on total cash costs, reducing fixed operating costs on a per ounce basis compared with 2017. Segovia's total cash costs per ounce averaged \$618 in the first nine months of 2018, down from an average of \$665 in the first nine months last year. The Company continues to expect that Segovia's total cash costs will remain below an average of \$700 per ounce for 2018.

The Company's AISC of \$899 per ounce for the first nine months of 2018 included \$26.2 million of sustaining capital expenditures, equivalent to \$165 per ounce sold (\$13 per ounce higher than the first nine months of 2017), the major components of which included (i) \$11.5 million for exploration and mine development, including approximately 16,200 meters of the 2018 drilling program, (ii) \$6.1 million for the mines including underground equipment and ventilation improvements at the El Silencio mine, completion of a ventilation shaft and further infrastructure upgrades at the Providencia mine, and underground equipment and infrastructure improvements at the Sandra K mine, (iii) \$3.6 million for further upgrades of equipment in the Maria Dama plant and laboratory together with costs associated with a new filter press and the project to construct the new El Chocho tailings storage facility, (iv) \$0.8 million related to the 44kV connection at the mines (v) \$1.1 million associated with upgrades to minesite buildings and facilities, IT infrastructure and security at Segovia, (vi) \$1.4 million at the Marmato Project, principally the expenditures related to the first nine holes representing 34% of its planned 8,500 meters to be drilled in 2018, and (vii) \$1.7 million of expenditures related to the Marmato underground mine and processing plant.

Marmato Operations

An improvement in head grades helped the Company's Marmato mine increase its production in the third quarter of 2018 to 6,465 ounces of gold, bringing the total for the first nine months of 2018 to 18,500 ounces, about 3% below the first nine months of 2017. In October 2018, Marmato produced 2,042 ounces bringing its trailing 12-months' total gold production as of October 2018 to 24,518 ounces, down 3% from 2017. The Company continues to expect that 2018's annual gold production from Marmato will range between 24,000 and 26,000 ounces.

Total cash costs per ounce at Marmato decreased in the third quarter of 2018 to \$1,052 per ounce bringing the average for the first nine months of 2018 to \$1,138 per ounce compared with \$1,025 per ounce in the first nine months of 2017, reflecting the impact on production of lower head grades in the early part of the second quarter of 2018. By raising the cut-off grade in June 2018, mine management successfully brought the mine's total cash cost per ounce back down below \$1,100 per ounce thereafter and expects to remain at the current level through the balance of 2018.

Outlook

The Company has produced a total of 180,806 ounces of gold production in the first 10 months of 2018, surpassing the total it produced for the full year in 2017. The Company has refined its guidance for 2018 and now expects that it will produce between 214,000 and 220,000 ounces of gold for the full year, up more than 23% over last year. Production growth will continue to be fuelled by the Company's mines at its high-grade Segovia Operations which are expected to produce more than 190,000 ounces in 2018.

The Company's total cash cost per ounce sold and AISC per ounce sold averaged \$674 and \$899,

respectively, in the first nine months of 2018. The Company continues to expect that its total cash cost and AISC average less than \$735 per ounce and \$950 per ounce, respectively, for the full year.

The Company is continuing to deposit 1,300 ounces on a monthly basis into the Gold Trust Account as required for the Gold Notes. As the spot gold price was below \$1,250 per ounce, the Company used a put option at \$1,250 per ounce it had acquired to complete the quarterly repayment on October 31, 2018, reducing the aggregate principal amount of the Gold Notes to \$88.3 million. The next scheduled quarterly repayment will take place on January 31, 2019 and the Company has a put option contract in place at \$1,250 per ounce to protect the guaranteed floor price for this repayment as well as the following one on April 30, 2019.

Webcast

As a reminder, Gran Colombia will host a conference call and webcast on Wednesday, November 14, 2018 at 9:30 a.m. Eastern Time to discuss the results.

Webcast and call-in details are as follows:

Live Event link:	https://edge.media-server.com/m6/p/bsmhpio8
International:	1 (514) 841-2157
North America Toll Free:	1 (866) 215-5508
Colombia Toll Free:	01 800 9 156 924
Conference ID:	47731204

A replay of the webcast will be available at www.grancolombiagold.com from Wednesday, November 14, 2018 until Friday, December 14, 2018.

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 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 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 and Management's Discussion and Analysis dated as of November 13, 2018, both of which are 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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