Gran Colombia Gold Announces Intention to Spin Off Marmato to Carry Out Proposed Expansion of Underground Mining Operations

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TORONTO, Sept. 16, 2019 - Gran Colombia Gold Corp. (TSX: GCM; OTCQX: TPRFF) announced today that it intends to spin off its Marmato mining assets into a separate listed special purpose vehicle. Through the spin off, Gran Colombia will retain a major stake in the new company while leveraging the capital markets to provide the funding required for ongoing exploration and the development of the underground mining assets at Marmato, including the expansion of operations to incorporate the Deeps mineralization and the construction of a new processing plant and additional tailings storage facilities to support the increased level of production.

Serafino Iacono, Executive Chairman of Gran Colombia, stated, “We are nearing completion of the underground mine expansion study at Marmato. We expect to file a preliminary economic assessment before the end of the year and immediately thereafter proceed with the prefeasibility study. We are excited to be in a position to see a path forward to develop this world class deposit and to begin to get a return on investment for our shareholders. The proposed mine plan envisions the optimization of mining activities in the upper existing mine, similar to what we did in the early stages of the turnaround at Segovia, that will increase production and reduce cash costs starting in 2020. Concurrently, we will begin development of the Deeps mineralization in a modern, mechanized mining operation. In evaluating our options to fund the development of the Deeps mineralization and construct the facilities required to support the expanded mining operations, we have carefully considered the potential impact of any proposed financing on our current capital structure and balance sheet. We have heard from many of our shareholders that they would not be in favour of a highly dilutive equity issue. In addition, after working so hard the last few years to strengthen our financial liquidity, we are reluctant to add a significant amount of debt back onto our balance sheet. We want to focus the use of our free cash flow and cash balances to further the exploration and development of our high-grade Segovia Operations which have been the key catalyst to our successful turnaround and this year’s share price appreciation. For these reasons, we feel a spin off of the Marmato mining assets into a separate listed special purpose vehicle allows us to retain a major stake in the Marmato Project without having an adverse impact on either our capital structure or our balance sheet. We are in the preliminary stages of identifying the listed vehicle for this initiative and we will provide further updates and information as it becomes available.”

Located in the Caldas department in the heart of the Middle Cauca gold district, the Marmato Project contains 40.7 million tonnes at a grade of 2.9 g/t totalling 3.8 million ounces of gold in Measured and Indicated Resources and 52.0 million tonnes at a grade of 2.5 g/t totalling 4.2 million ounces of gold in Inferred Resources. The existing Marmato underground mine, located in the Zona Baja area of the Marmato mountain, is on track to produce between 24,000 and 26,000 ounces of gold in 2019. The Marmato Project has excellent infrastructure, being located by the Pan American Highway with access to Medellin to the north and Manizales to the south, and has access to the national electricity grid which runs near the property.

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 and progressing toward a major expansion and modernization of its underground mining operations at the Marmato Project.

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, 2019 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