Gran Colombia Gold Completes Private Placement Offering of Subscription Receipts in Connection With Spin-Off of Marmato Assets

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TORONTO, Dec. 19, 2019 - Further to its news release of October 31, 2019, Gran Colombia Gold Corp. (TSX: GCM; OTCQX: TPRFF) (“Gran Colombia” or the “Company”) is pleased to announce that it has closed its previously announced private placement offering (the “Offering”) of subscription receipts (each, a “Subscription Receipt”) of Caldas Finance Corp. (“CFC”) in connection with the Company’s plan to spin off its Marmato Mining Assets in a reverse takeover transaction (the “RTO Transaction”) with Bluenose Gold Corp. (“Bluenose”). On closing of the Offering, CFC issued a total of 3,292,500 Subscription Receipts at a price of CA$2.00 per Subscription Receipt (the “Issue Price”) for gross proceeds of CA$6,585,000. The brokered portion of the Offering was completed by a syndicate, led by Scotiabank, as sole bookrunner, and including Red Cloud Securities (together, the “Agents”).

Gran Colombia is also pleased to announce that in connection with the RTO Transaction, the Company, CFC, Caldas Holding Corp., Bluenose and a wholly-owned subsidiary of Bluenose entered into an amalgamation agreement, effective as of December 13, 2019. Pursuant to the amalgamation agreement, Gran Colombia intends to purchase up to CA$15 million of units at the Issue Price in a non-brokered private placement with CFC immediately prior to the closing of the RTO Transaction.

Commenting on the closing of the Offering, Serafino Iacono, Executive Chairman of Gran Colombia, stated, “We are very pleased to reach this milestone in the spin-out of our Marmato Mining Assets. With the total expected proceeds from the Offering and the Gran Colombia private placement of approximately CA$21.6 million, the new Caldas Gold will be well capitalized following the expected completion of the RTO Transaction in early 2020 to take the Marmato Project forward as it continues drilling the Deep Zone mineralization and completes the prefeasibility study in the first half of 2020.”

Each Subscription Receipt entitles the holder thereof to receive, upon satisfaction of certain escrow release conditions (the “Escrow Release Conditions”) on or before February 28, 2020 (the “Escrow Release Deadline”), and without payment of additional consideration therefor, one common share in the capital of CFC (each, a “Common Share”), subject to standard adjustment provisions, and one Common Share purchase warrant (each, a “Warrant”). Each Warrant shall be exercisable to acquire one Common Share, subject to standard adjustment provisions, at a price of CA$3.00 per Common Share for a period of five (5) years following the closing of the Offering. Upon closing of the RTO Transaction, and in accordance with the amalgamation agreement, the Common Shares and Warrants will automatically be exchanged, without payment of additional consideration therefor, for common shares (the “Resulting Issuer Shares”) in the capital of the Resulting Issuer (as hereinafter defined) and common share purchase warrants (the “Resulting Issuer Warrants”) of the Resulting Issuer. Each Resulting Issuer Warrant shall be exercisable to acquire one Resulting Issuer Share, subject to standard adjustment provisions, at a price of CA$3.00 per Resulting Issuer Share for a period of five (5) years following the closing of the RTO Transaction. Bluenose, as it will exist following the completion of the RTO Transaction, is referred to herein as the “Resulting Issuer”, which is expected to be renamed “Caldas Gold Corp.”

In connection with the Offering, the Agents are entitled to receive a cash fee equal to CA$251,100 (the “Agents’ Commission”) and an aggregate of 125,550 non-transferable broker warrants (“Broker Warrants”). Upon completion of the RTO Transaction, each Broker Warrant will be exchanged for warrants of the Resulting Issuer (the “Resulting Issuer Broker Warrants”) exercisable to purchase units of the Resulting Issuer (each, a “Resulting Issuer Broker Unit”) at a purchase price equal to the Issue Price until the date that is three (3) years following the closing date of the RTO Transaction. Each Resulting Issuer Broker Unit shall be comprised of one Resulting Issuer Share and one Resulting Issuer Warrant, with each Resulting Issuer Warrant being exercisable for one Resulting Issuer Share at an exercise price of CA$3.00 until the date that is five (5) years following the closing date of the

RTO Transaction.

The gross proceeds of the Offering, less 50% of the Agents’ Commission and the expenses of the Agents (the “Escrowed Proceeds”), have been placed in escrow pending satisfaction of the Escrow Release Conditions, which include the satisfaction of all conditions precedent to the completion of the RTO Transaction and the receipt of all required regulatory and third party approvals to the RTO Transaction. Provided that the Escrow Release Conditions have been satisfied on or prior to the Escrow Release Deadline, the Escrowed Proceeds (and accrued interest less the balance of the Agents’ Commission and additional expenses payable to the Agents) will be released to the Resulting Issuer. The net proceeds of the Offering are expected to be used by the Resulting Issuer to fund technical work at Marmato, including the preparation of a prefeasibility study, and further exploration drilling, as well as for general corporate purposes.

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, through a spin out transaction with Bluenose Gold Corp. announced on October 7, 2019, Gran Colombia is 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 Statements:

This news release contains "forward-looking information", which may include, but is not limited to, statements with respect to anticipated business plans or strategies, expected timing to complete the RTO Transaction, expected proceeds from the Gran Colombia private placement, expected name of the resulting issuer and anticipated use of proceeds. 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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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