

Caldas Gold Announces Closing of US\$83 Million Private Placement of Subscription Receipts

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- With execution of the Wheaton stream anticipated in the next couple of weeks, Caldas Gold will be fully funded with a total of approximately US\$240 million raised to build Colombia's next major gold mine at its Marmato Project.
- The Marmato Project will be the first significant infrastructure project in Colombia following the COVID-19 national quarantine.
- Caldas Gold's investment will increase direct and indirect local jobs to 2,700 and add 900 construction jobs over the next three years in the Department of Caldas, Colombia.

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TORONTO, Aug. 26, 2020 -- [Caldas Gold Corp.](#) (TSX-V: CGC; OTCQX: ALLXF) (the "Company" or "Caldas Gold") is pleased to announce that it has completed its previously announced fully marketed private placement offering of subscription receipts for aggregate gross proceeds of US\$83,066,000 (the "Offering"). A total of 83,066 subscription receipts of the Company ("Subscription Receipts") were sold pursuant to the Offering, at a price of US\$1,000 per Subscription Receipt. The Offering was conducted pursuant to an agency agreement executed today with a syndicate of agents led by Scotiabank and Canaccord Genuity Corp., as co-lead agents (the "Co-Lead Agents"), on behalf of a syndicate of agents including Stifel Nicolaus Canada Inc. and Red Cloud Securities Inc. (collectively with the Co-Lead Agents, the "Agents").

The net proceeds of the Offering will be used for the expansion of the underground mining operations at Caldas Gold's Marmato Project and to pay interest on the Notes (as described below) during the first two years following their issuance.

Serafino Iacono, Chairman and CEO of Caldas Gold, commented, "We are very pleased to have closed this second phase of our financing to build Colombia's next major gold mine at our Marmato Project. We will now focus on the third and final phase, the US\$110 million streaming transaction with [Wheaton Precious Metals Corp.](#) through their wholly owned subsidiary, Wheaton Precious Metals International Ltd. Cumulatively, we will have raised a total of approximately US\$240 million through our financing efforts and we are ready to commence the expansion of our Marmato Project starting in September. This will be the first significant infrastructure project in Colombia following the COVID-19 national quarantine, one that will help the local economy, including doubling the number of direct and indirect jobs in our mining operations and adding about 900 local construction jobs over the next three years. This is the beginning of something special for the community in the Department of Caldas and for our investors."

Upon the satisfaction of certain release conditions (the "Release Conditions", as described in more detail below) contained in the subscription receipt agreement entered into by the Company, the Co-Lead Agents and Odyssey Trust Company, as subscription receipt agent (the "Subscription Receipt Agent"), each Subscription Receipt shall convert (the "Conversion Event") and entitle the holder thereof to receive one unit of Caldas Gold (a "Unit"), with each Unit comprising one senior secured gold-linked note in a principal amount of US\$1,000 (a "Note") and 200 common share purchase warrants of the Company ("Warrants").

Each Warrant will entitle the holder thereof to acquire one common share of the Company (a "Common Share") and, in respect of each Common Share underlying a Warrant, a "Warrant Share"), at a price of CA\$2.75 per Warrant Share until July 29, 2025, subject to

adjustment in certain circumstances set out in the indenture governing the Warrants. Caldas Gold may accelerate the expiry date of the Warrants after July 29, 2023 in the event that the closing price of the Common Shares on the TSX Venture Exchange (or such other exchange on which the Common Shares may principally trade at such time) is greater than CA\$2.75 per share for a period of 20 consecutive trading days, by giving notice to the holders of Warrants of the acceleration of the expiry date and issuing a concurrent press release announcing same and, in such case, the Warrants will expire on the 30th day following the date on which such notice is given and press release issued.

The Notes when issued will be governed by a note indenture (the "Note Indenture") entered into among the Company and TSX Trust Company, in its capacity as trustee (the "Note Trustee"), and TSX Trust Company, in its capacity as collateral agent. Certain material provisions of the Notes include:

1. The Notes have a seven-year term and are non-callable throughout, except in the event that the License Renewal (as defined below) is not obtained.
2. The Notes represent senior secured obligations of the Company, ranking pari passu with all present and future senior indebtedness, including the proposed Wheaton stream financing, and senior to all present and future subordinated indebtedness of the Company.
3. The Notes bear interest at 7.5% per annum, paid monthly. The first monthly payment following the Conversion Event will be equal to the normal monthly interest payment, plus a fee equal to the amount of interest that would have been paid on each Note had interest accrued thereon from the Closing Date.
4. A portion of the gross proceeds of the Offering (approximately US\$12.3 million) will be placed into an escrow account (the "Pre-Expansion Interest Account") to fund the first two years of interest and pre-Note issuance fee payable to holders while the Marmato Project is under expansion.
5. The Company has agreed to pay a floor price of US\$1,400 per ounce of gold as a minimum price (the "Floor Price") to be realized in calculating the value of the gold in the Gold Trust Account (as defined below); the Company has also agreed to use commercially reasonable efforts to hedge the Floor Price on a rolling four quarters basis.
6. Commencing in 2021 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 US\$1,400 per ounce. At any realized gold price below the Floor Price, the amortization will be based upon the Floor Price, but at any realized gold price above the Floor Price, the Notes will be amortized at a premium to par, so that the outstanding principal balance of the Notes will decline according to the schedule described below using the Floor Price and the difference being received by the investor as a premium. The scheduled annual number of physical gold ounces to be deposited (the "Deposited Ounces") into the Gold Trust Account will vary by year. The schedule of Deposited Ounces will range from none in the first year, to 4,233 Deposited Ounces in the second year (an equivalent principal amount of Notes of US\$5.9 million), 6,000 Deposited Ounces in the third year (an equivalent principal amount of Notes of US\$8.4 million), 10,500 Deposited Ounces in the fourth year (an equivalent principal amount of Notes of US\$14.7 million), 12,800 Deposited Ounces in the fifth year (an equivalent principal amount of Notes of US\$17.9 million), 13,200 Deposited Ounces in the sixth year (an equivalent principal amount of Notes of US\$18.5 million), and 12,600 Deposited Ounces in the seventh year (an equivalent principal amount of Notes of US\$17.7 million) for a total of 59,333 Deposited Ounces (an equivalent principal amount of US\$83.1 million).
7. The Note Indenture contains standard high yield covenants consistent with transactions of this nature.
8. Subject to minimum listing requirements, the Company will use commercially reasonable efforts to list the Notes and Warrants. There can be no assurance that a listing for the Notes or the Warrants will be obtained.

The gross proceeds from the Offering, less the Agents' commission and the Agents' expenses, have been placed in escrow with the Subscription Receipt Agent, pending satisfaction of the following Release Conditions:

- either (a) four months and one day shall have passed following the Closing Date; or (b) a receipt (the "Receipt") shall have been issued for a (final) prospectus (the "Final Qualification Prospectus") by the securities regulatory authorities in each of the provinces of Canada, excluding Quebec, qualifying for distribution the Notes and Warrants issuable upon the conversion of the Subscription Receipts;
- the perfection of a first-ranking security interest, subject only to permitted liens and certain limited exceptions, in favour of the holders of the Notes over the assets of the Company and its subsidiaries as contemplated by the Note Indenture; and

- the execution and delivery of the Note Indenture, security and related documents specified in the Subscription Receipt Agreement to secure the assets of the Marmato Project and other assets of Caldas Gold.

The current mining license to operate the Marmato Project expires in October 2021, and the Company has applied for a renewal of that license for a minimum of 20 years (the "License Renewal"). The Company expects it will receive the renewal in the coming months. It is a condition of the Note Indenture that upon the Conversion Event, the net proceeds of the Offering to be released pursuant to the Subscription Receipt Agreement (the "Escrowed Funds") will be released directly to the Company if the License Renewal has been obtained. However, if the License Renewal has not been obtained, the Escrowed Funds will be deposited into escrow with the Note Trustee, pending the receipt of the License Renewal. The only permitted withdrawal from the Escrowed Funds will be for the payment of interest on the Notes. Upon obtaining the License Renewal, the Escrowed Funds, net of the amount that is required to fund the Pre-Expansion Interest Account, will be released to Caldas Gold. If the License Renewal is not received by August 26, 2021, the Notes will be automatically redeemed, and the Escrowed Funds will be used for the redemption of the Notes.

Until a Receipt is issued for the Final Qualification Prospectus by the applicable securities regulatory authorities, the Subscription Receipts and the underlying Notes, Warrants and Warrant Shares will be subject to a hold period under Canadian securities laws expiring on December 27, 2020.

The Agents received a cash commission equal to 6.0% of the gross proceeds from the sale of the Subscription Receipts pursuant to the Offering.

Multilateral Instrument 61-101

Certain directors of the Company and [Gran Colombia Gold Corp.](#) (collectively, the "Insiders") purchased an aggregate of 14,600 Subscription Receipts pursuant to the Offering. Participation by each Insider in the Offering constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the participation by the Insiders in the Offering in reliance on sections 5.5(a) and 5.7(1)(a) of MI 61-101. A material change report with respect to the closing of the Offering and the participation of Insiders in the Offering will be filed shortly, which is less than 21 days in advance of the closing of the Offering; the Company deemed this abbreviated period reasonable in the circumstances so as to be able to complete the Offering in an expeditious manner.

About Caldas Gold

Caldas Gold is a Canadian junior mining company currently advancing a major expansion and modernization of its underground mining operations at its Marmato Project in the Department of Caldas, Colombia. Caldas Gold also owns 100% of the Juby Project, an advanced exploration-stage gold project located within the Shining Tree area in the southern part of the Abitibi greenstone belt about 100 km south-southeast of the Timmins gold camp.

Additional information on Caldas Gold can be found on its website at www.caldasgold.ca and by reviewing its profile on SEDAR at www.sedar.com.

Forward-Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation concerning the business, operations and financial performance of Caldas Gold. Forward-looking statements in this press release, which are all statements other than statements of historical fact, include, but are not limited to: the satisfaction of the escrow release conditions attaching to the Subscription Receipts; the issuance of the Notes and Warrants; the entering into, and timing of execution, of definitive documentation for the streaming transaction with Wheaton; and the expected use of proceeds of the Offering. 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 Caldas Gold 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 include the other risk factors as described under the caption "Risk Factors" in the Company's annual information form for the financial year ended December 31, 2019 dated as of August 17, 2020 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 Caldas Gold 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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