

GCM Mining Corp. Announces First Quarter 2022 Results

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TORONTO, May 12, 2022 - [GCM Mining Corp.](#) (TSX: GCM; OTCQX: TPRFF) announced today the release of its unaudited interim condensed consolidated financial statements and accompanying management's discussion and analysis (MD&A) for the three months ended March 31, 2022. All financial figures contained herein are expressed in U.S. dollars ("USD") unless otherwise noted. Non-GAAP financial performance measures in this press release are identified with "NG". For a detailed description of each of the non-GAAP measures used in this press release and a detailed reconciliation to the most directly comparable measure under IFRS, please refer to the Company's MD&A.

Lombardo Paredes, Chief Executive Officer of GCM Mining, commenting on the first quarter results, said, "We have started off 2022 on a positive note, meeting our expectations for production, costs and cash flow in the first quarter. We are on track to once again meet our annual production guidance for 2022. Following the favorable Mineral Reserve and Resource update at Segovia that we announced in March, our exploration and mine geology teams have continued to execute the ongoing drilling campaigns at our four producing mines and the brownfield areas in our mining title. At our Toroparu Project in Guyana, we are advancing the infill drilling and the pre-construction activities. We are also completing the competitive bid process for the contract miner and selection processes for the power plant contractor and main civil works contractor are getting underway. We are on track to finalize the prefeasibility study in the third quarter of 2022, at which point formal construction of the project is expected to commence. The Company is also working with the local governmental agencies to finalize the mining license which is expected to be received in mid-2022."

First Quarter 2022 Highlights

- GCM Mining's gold production from its Segovia Operations totaled 49,951 ounces in the first quarter of 2022, up 2% over the first quarter last year. In April 2022, Segovia produced 18,321 ounces of gold bringing Segovia's trailing 12 months' total gold production as of the end of April 2022 to 208,130 ounces, up 1% over 2021. Expansion of the Company's processing plant at Segovia to 2,000 tpd is proceeding well and is expected to be fully completed by mid-2022. The Company is on track to meet its annual production guidance for 2022 of between 210,000 and 225,000 ounces of gold.
- The new polymetallic recovery plant constructed in 2021 at Segovia produced approximately 252,000 lbs of payable zinc and 338,000 lbs of payable lead in the first quarter of 2022. The concentrate production is currently being stockpiled as the Company finalizes the offtake contract with an international customer for shipments to commence before the end of the second quarter of 2022.
- Consolidated revenue, all of which was sourced from the Segovia Operations in the first quarter of 2022, amounted to \$101.3 million compared with \$101.9 million in the first quarter last year, which included \$5.1 million from Aris Gold Corporation ("Aris") prior to the loss of control of Aris on February 4, 2021. Segovia's revenue in the first quarter of 2022 was up 5% from the first quarter last year reflecting a 2% increase in the volume of gold sold to 53,645 ounces and a 3% increase in realized gold prices to an average of \$1,860 per ounce.
- At the Segovia Operations, total cash costs NG averaged \$817 per ounce in the first quarter of 2022 compared with \$825 per ounce in the first quarter of 2021. Including the Marmato mining operations owned by Aris, consolidated total cash costs were \$862 per ounce in the first quarter last year.
- All-in sustaining costs ("AISC") NG per ounce sold for the Segovia Operations were \$1,187 in the first quarter of 2022 compared with \$1,120 per ounce in the first quarter last year. The year-over-year increase in Segovia's AISC primarily reflects \$3.2 million of fees, equivalent to about \$60 per ounce sold, included in G&A expenses in the first quarter of 2022 related to the Company's ongoing arbitration proceedings with the International Centre for Settlement of Investment Disputes ("ICSID") in respect of its claim against the Republic of Colombia (the "FTA Claim"). Including Marmato, consolidated AISC in the first quarter last year was \$1,164 per ounce.
- GCM Mining maintained its commitment to its exploration drilling campaigns in the first quarter of 2022, completing a total of approximately 8,700 meters of drilling at El Silencio and Sandra K and another

approximately 6,500 meters through its brownfield drilling program at Cristales, Marmajito, Manzanillo and Vera.

- Adjusted EBITDA NG amounted to \$45.2 million for the first quarter of 2022 compared with \$46.3 million in the first quarter last year. This brings the trailing 12 months' total adjusted EBITDA at the end of March 2022 to \$170.5 million compared with \$171.6 million in 2021.

- Net cash provided by operating activities in the first quarter of 2022 was \$24.2 million compared with \$13.6 million in the first quarter last year which was net of \$10.1 million used by Aris prior to the loss of control in early 2021. This brings the trailing 12 months' net cash provided by operating activities at the end of March 2022 to \$91.1 million, up from \$80.6 million in 2021.

- Free Cash Flow NG in the first quarter of 2022 was \$10.7 million compared with \$2.5 million in the first quarter last year bringing the trailing 12 months' Free Cash Flow at the end of March 2022 to \$34.4 million, up from \$26.2 million in 2021.

- GCM Mining's balance sheet remained strong with a cash position of \$315.1 million at March 31, 2022. The Company also has \$138.0 million of funding available for construction of its Toroparu Project in Guyana through a precious metals stream facility with Wheaton Precious Metals (Caymans) Ltd. Other than scheduled interest payments, the Company has no maturities of its long-term debt in the next 12 months.

- The Company returned a total of \$4.6 million to shareholders in the first quarter of 2022 with payment of its monthly dividends totaling \$3.5 million and the repurchase of approximately 0.3 million shares for cancellation at a cost of \$1.1 million. In April 2022, the Company purchased and cancelled an additional 100,000 common shares under its Normal Course Issuer Bid.

- Income from operations in the first quarter of 2022 was \$35.7 million, down from \$39.1 million in the first quarter last year largely due to the increase in G&A, share-based compensation and social programs expenses which more than offset the benefit of the reduction in Segovia's total cash cost NG per ounce sold in the first quarter of 2022 versus the first quarter last year.

- The Company reported net income of \$5.2 million (\$0.05 per share) in the first quarter of 2022 compared with \$118.3 million (\$2.02 per share) in the first quarter last year. Net earnings in the first quarter last year included the benefit of a \$56.9 million gain on loss of control of Aris, the \$42.8 million gain on financial instruments and an \$8.9 million gain on sale of the Zancudo Project, offset partially by \$9.8 million of transaction costs incurred by Aris in connection with the loss of control in early 2021.

- The Company reported adjusted net income NG for the first quarter of 2022 of \$14.8 million (\$0.15 per share) compared with \$21.9 million (\$0.36 per share) in the first quarter last year. The year-over-year decrease in adjusted net income in the first quarter of 2022 largely reflects the \$4.0 million decrease in income from operations as noted above together with a \$2.5 million increase in finance costs resulting from the Senior Notes issued in August 2021 and an increase in income tax expense due to the tax rate increase in Colombia effective in 2022.

Selected Financial Information

	First Quarter 2022	2021
Operating data		
Gold produced (ounces) (1)	49,951	51,486
Gold sold (ounces)	53,645	55,317
Average realized gold price (\$/oz sold) (2)	\$ 1,860	\$ 1,812
Total cash costs (\$/oz sold) (2)	817	862
AISC (\$/oz sold) (2)	1,187	1,164
Financial data (\$000's, except per share amounts)		
Revenue	\$ 101,322	\$ 101,919
Adjusted EBITDA (2)	45,218	46,323
Net income	5,238	118,305
Per share - basic	0.05	2.02
Per share - diluted	0.05	1.28
Adjusted net income (2)	14,781	21,948
Per share - basic (2)	0.15	0.36
Per share - diluted (2)	0.14	0.31
Net cash provided by operating activities	24,209	13,617
Free cash flow (2)	10,688	2,497

(1) Includes production from the Marmato Project up to February 4, 2021, the date of loss of control of Aris.

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

	March 31, 2022	Dec. 31, 2021
Balance sheet (\$000's):		
Cash and cash equivalents	\$ 315,064	\$ 323,565
Gold Bullion (1)	2,688	4,479
Senior Notes due 2026 -		
principal amount outstanding (2)	300,000	300,000
Convertible Debentures due 2024 -		
principal amount outstanding (3)	CA18,000	CA18,000

(1) The Company is maintaining a portion of its liquidity in gold bullion. As at March 31, 2022, the Company had 1,500 ounces in its gold bullion account (December 31, 2021 – 2,500 ounces).

(2) The Senior Notes were issued in August 2021 and are recorded in the Financial Statements at amortized cost. At March 31, 2022, the carrying amount of the Senior Notes outstanding, including accrued interest of \$3.0 million, was \$291.2 million (December 31, 2021 - \$294.8 million, including \$8.1 million of accrued interest).

(3) The Convertible Debentures are recorded in the Financial Statements at fair value. At March 31, 2022, the carrying amount of the Convertible Debentures outstanding was \$20.2 million (December 31, 2021 - \$19.5 million).

First Quarter 2022 Results Webcast

As a reminder, GCM Mining will host a conference call and webcast on Friday, May 13, 2022 at 9:00 a.m. Eastern Time to discuss the results.

Webcast and call-in details are as follows:

Live Event link: <https://edge.media-server.com/mmc/p/d8dyrtvh>

Canada/ International Toll: 1 (647) 484-8332 PIN: 51372134#

Canada Toll Free: 1 (866) 455-3403 PIN: 51372134#

United States Toll: 1 (404) 400-0571 PIN: 51372134#

United States Toll Free: 1 (866) 374-5140 PIN: 51372134#

Colombia Toll: +57 601 485-0348 PIN: 51372134#

Conference ID: EV00134454

A replay of the webcast will be available at www.gcm-mining.com from Friday, May 13, 2022 until Friday, June 10, 2022.

About GCM Mining Corp.

GCM Mining is a mid-tier gold producer with a proven track record of mine building and operating in Latin

America. In Colombia, the Company is the leading high-grade underground gold and silver producer with several mines in operation at Segovia Operations. Segovia produced 206,000 ounces of gold in 2021. In Guyana, the Company is advancing its fully funded Toroparu Project, one of the largest undeveloped gold/copper projects in the Americas, which is expected to commence production of more than 200,000 ounces of gold annually in 2024. GCM Mining pays a monthly dividend to its shareholders and has equity interests in Aris Gold Corporation (44%; TSX: ARIS; Colombia – Marmato), Denarius Metals Corp. (28.6%; TSXV: DSLV; Spain – Lomero-Poyatos and Colombia – Guia Antigua, Zancudo) and Western Atlas Resources Inc. (26%; TSX-V: WA: Nunavut – Meadowbank).

Additional information on GCM Mining can be found on its website at www.gcm-mining.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, the Toroparu Project construction, mining license and technical studies, and other 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 GCM Mining 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 31, 2022 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 GCM Mining 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:

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