



NEWS RELEASE

GRAN COLOMBIA ANNOUNCES THIRD QUARTER AND FIRST NINE MONTHS 2021 RESULTS

TORONTO, CANADA, Thursday, November 11, 2021 – Gran Colombia Gold Corp. (TSX: GCM; OTCQX: TPRFF) - <https://www.commodity-tv.com/ondemand/companies/profil/gran-colombia-gold-corp/> 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, 2021. All financial figures contained herein are expressed in U.S. dollars ("USD") unless otherwise noted.

Third Quarter and First Nine Months 2021 Highlights

- Gran Colombia is continuing to implement its **strategy to grow through diversification** while returning value to its shareholders through its monthly dividend program.
- On June 4, 2021, Gran Colombia acquired all of the shares of Gold X Mining Corp ("Gold X") it did not already own and then closed a \$300 million offering on August 9, 2021 of 6.875% Senior Unsecured Notes due 2026 (the "Senior Notes") to fund the development of the Toroparu Project in Guyana, to prepay the remaining \$18.0 million balance of its Gold Notes in September and for general corporate purposes. The Company is nearing completion of an updated mineral resource estimate and preliminary economic assessment ("PEA") for the Toroparu Project incorporating the high-grade results from the 2020-2021 drilling program undertaken by Gold X and expects to announce the results in December.
- Gran Colombia's **gold production** from its Segovia Operations totaled 49,848 ounces in the third quarter of 2021 compared with 51,555 ounces in the third quarter of 2020. Total gold production from Segovia for the first nine months of 2021 amounted to 151,104 ounces compared with 146,278 ounces in the first nine months last year. In October 2021, Segovia's gold production was 19,456 ounces bringing the Company's trailing 12-months total gold production from its Segovia Operations at the end of October 2021 to 203,739 ounces, up 4% over 2020. The Company remains on track with its annual production guidance and has narrowed the range to between 203,000 to 210,000 ounces of gold from Segovia in 2021. Including Marmato production up to February 4, 2021, consolidated gold production for the first nine months of 2021 was 153,532 ounces compared with 162,929 ounces in the first nine months last year.
- Gran Colombia is adding revenue diversification at its Segovia Operations through a **new polymetallic recovery plant** that will recover commercial quantities of zinc and lead as well as gold and silver into concentrate from its tailings. The Company completed construction of the plant in the third quarter of 2021 and the plant is currently in the commissioning process with first concentrate production expected in the fourth quarter of this year.
- Consolidated **revenue** amounted to \$90.7 million and \$289.0 million in the third quarter and first nine months of 2021, respectively, compared with \$113.1 million and \$291.2 million in the third quarter and first nine months, respectively, of 2020. Spot gold prices in the third quarter of 2021 were lower than the same quarter a year ago, decreasing the Company's realized gold price ⁽¹⁾ by 5% to an average of \$1,784 per ounce sold in the third quarter of 2021 compared with an average of \$1,875 per ounce sold in the third quarter last year. Revenue in the third quarter and first nine months of 2020 also included \$13.3 million and \$30.2 million, respectively, from the Marmato mining operations.



- At the Segovia Operations, **total cash costs** ⁽¹⁾ averaged \$845 per ounce in the third quarter of 2021, compared with \$722 per ounce in the third quarter of 2020, bringing the average for the first nine months of 2021 to \$812 per ounce compared with \$659 per ounce in the first nine months last year. During the third quarter of 2020, the Company increased the payment rates for material sourced from its contract miner and the small-scale miners in its Segovia title which had not changed since 2017. Segovia's total cash cost per ounce sold in the third quarter of 2021 reflected an increased proportion of its material coming from these higher grade, higher cost sources in response to the scheduled maintenance shutdown at the plant in July. Including the Marmato mining operations, consolidated total cash costs were \$825 per ounce in the first nine months of 2021 compared with \$725 per ounce in the first nine months last year.
- **All-in sustaining costs ("AISC")** ⁽¹⁾ **per ounce sold** for the Segovia Operations were \$1,218 and \$1,145 in the third quarter and first nine months, respectively, of 2021 compared with \$1,031 and \$939 in the third quarter and first nine months, respectively, of 2020. The year-over-year increase in Segovia's AISC in 2021 reflects (i) the increased total cash costs as described above and (ii) an increase in exploration and mine geology, mine development and other sustaining capital expenditures. Sustaining capital expenditures at Segovia amounted to \$30.9 million in the first nine months of 2021, up from \$22.2 million in the first nine months last year which reflected a slowdown in activity in 2020 during the COVID-19 national quarantine in Colombia that delayed many of the Company's initiatives until later in 2020. Including Marmato, consolidated AISC in the first nine months of 2021 was \$1,122 per ounce compared with \$1,014 per ounce in the first nine months last year.
- **Adjusted EBITDA** ⁽¹⁾ amounted to \$39.9 million for the third quarter of 2021 compared with \$56.7 million in the third quarter last year. This brings the total adjusted EBITDA for the first nine months of 2021 to \$134.3 million compared with \$144.7 million in the first nine months of 2020. Adjusted EBITDA in the third quarter and first nine months of 2020 included \$2.4 million and \$4.6 million, respectively, from the Marmato mining operations.
- **Net cash provided by operating activities** in the third quarter of 2021 was \$26.7 million compared with \$68.0 million in the third quarter last year. For the first nine months of 2021, net cash provided by operating activities amounted to \$53.1 million compared with \$106.9 million in the first nine months last year reflecting the increase in income tax payments in 2021, changes in non-cash working capital items, including the impact from the delay in receiving 2021's VAT refund claims, and the reduction in adjusted EBITDA from the Segovia Operations in the current year resulting from the increase in production costs and social programs expenses.
- **Free Cash Flow** ⁽¹⁾ in the third quarter of 2021 was \$12.1 million compared with \$53.7 million in the third quarter of 2020 bringing the total Free Cash Flow for the first nine months of 2021 to \$11.6 million compared with \$67.8 million in the first nine months of 2020. In addition to an increased level of sustaining capital expenditures in the current year, non-sustaining capital expenditures in the first nine months of 2021 included \$6.8 million at its Segovia Operations associated with the Maria Dama plant expansion, construction of the new polymetallic plant and the brownfield exploration program and \$2.4 million to advance the PEA and pre-construction activities at its Toroparu Project.
- The Company's **balance sheet** benefitted from the Senior Notes financing, raising its cash position to \$329.6 million and working capital to \$331.5 million at the end of September 2021. S&P Global Ratings and Fitch Ratings have each issued B+ ratings for the Company's Senior Notes issued in August 2021.



- The Company returned a total of \$11.2 million to shareholders in the first nine months of 2021 with payment of its **monthly dividends** totaling \$8.0 million and the repurchase of 702,000 shares for cancellation at a cost of \$3.2 million. The Company renewed its NCIB in October 2021.
- The Company reported **net income** of \$25.3 million (\$0.26 per share) in the third quarter of 2021 compared with \$18.0 million (\$0.39 per share) in the third quarter of 2020 reflecting an improvement in other income (expense) items and lower income tax expense which more than offset the impact of lower income from operations in the third quarter of 2021. For the first nine months of 2021, net income amounted to \$173.4 million (\$2.32 per share) compared with \$23.7 million (\$0.53 per share) in the first nine months last year. Although net income in the first nine months of 2021 reflected the impact of lower income from operations this year, it benefitted from other income items including the \$56.9 million gain on loss of control of Aris, the \$52.1 million gain on financial instruments (compared with a \$21.3 million loss on financial instruments in the first nine months last year) and the \$8.9 million gain on sale of the Zancudo Project. Net income in the first nine months of 2021 included Aris Transaction costs of \$9.8 million while net income in the first nine months of 2020 included Bluenose RTO Transaction costs of \$16.7 million.
- **Adjusted net income** ⁽¹⁾ for the third quarter of 2021 was \$14.4 million (\$0.15 per share) compared with \$29.5 million (\$0.47 per share) in the third quarter last year. For the first nine months of 2021, adjusted net income totaled \$59.9 million (\$0.78 per share) compared with \$68.2 million (\$1.14 per share) in the first nine months last year. The year-over-year decrease in adjusted net income in the third quarter and first nine months of 2021 largely reflects the impact of the factors noted above regarding revenue and total cash costs per ounce on adjusted EBITDA, partially offset by a decrease in income tax expense.
- The Company added a 27% equity interest in **Denarius** Silver Corp. (“Denarius”) to its portfolio in the first nine months of 2021, giving it exposure to the **Lomero-Poyatos** polymetallic deposit located in Spain, in close proximity to the Matsa JV project in the Iberian Pyrite Belt, and to the Guia Antigua and Zancudo Projects in Colombia. Denarius, fully funded to carry out its current exploration campaigns, commenced drilling at its Guia Antigua Project in mid-2021 and in October, commenced a 23,500 meters drilling campaign at its Lomero Project designed to validate some selected historical holes drilled within the existing mine and then conduct a 50x50 meters in-fill drilling program in the lower levels of the same mine.
- Gran Colombia remains committed to the health and safety of its employees, and through COMFAMA Colombia, was the first mining company in Antioquia to secure **COVID-19 vaccines** to immunize its employees and their families in the third quarter of 2021. Published in June 2021, the Company’s inaugural sustainability report reflects a focused effort on measuring and disclosing its Environmental, Social and Governance (“ESG”) priorities and performance moving forward.



Selected Financial Information

	Third Quarter		Nine Months	
	2021	2020	2021	2020
Operating data				
Gold produced (ounces)	49,848	58,454	153,532	162,929
Gold sold (ounces)	50,171	59,633	158,326	168,412
Average realized gold price (\$/oz sold) ⁽¹⁾	\$ 1,784	\$ 1,875	\$ 1,798	\$ 1,712
Total cash costs (\$/oz sold) ⁽¹⁾	845	796	825	725
AIISC (\$/oz sold) ⁽¹⁾	1,218	1,122	1,160	1,014
Financial data (\$000's, except per share amounts)				
Revenue	\$ 90,716	\$ 113,138	\$ 288,988	\$ 291,248
Adjusted EBITDA ⁽¹⁾	39,937	56,688	134,255	144,688
Net income (loss)	25,258	18,027	173,362	23,704
Per share - basic	0.26	0.39	2.32	0.53
Per share - diluted	0.20	0.17	1.54	0.52
Adjusted net income ⁽¹⁾	14,354	29,503	69,858	68,239
Per share - basic	0.15	0.47	0.78	1.14
Per share - diluted	0.13	0.40	0.68	0.96
Net cash provided by operating activities	26,738	68,024	53,141	106,884
Free cash flow ⁽¹⁾	12,132	53,677	11,645	67,751
			September 30, 2021	December 31, 2020
Balance sheet (\$000's):				
Cash and cash equivalents			\$ 329,567	\$ 122,508
Gold bullion ⁽²⁾			1,743	-
Senior Notes due 2026 – principal amount outstanding ⁽³⁾			300,000	-
Gold Notes, including current portion – principal amount outstanding ⁽⁴⁾			-	35,525
Convertible Debentures – principal amount outstanding ⁽⁵⁾			CA18,000	CA\$20,000

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

(2) Commencing the third quarter of 2021, the Company is maintaining a portion of its liquidity in gold bullion. As at September 30, 2021, the Company had 1,000 ounces in its gold bullion account.

(3) The Senior Notes were issued in August 2021 and are recorded in the Interim Financial Statements at amortized cost. At September 30, 2021, the carrying amount of the Senior Notes outstanding, including accrued interest of \$2.9 million, was \$289.4 million.

(4) The Gold Notes were recorded in the Interim Financial Statements at fair value and were fully redeemed in September 2021. At September 30, 2021 and December 31, 2020, the carrying amounts of the Gold Notes outstanding were \$Nil and \$38.5 million, respectively.

(5) The Convertible Debentures are recorded in the Interim Financial Statements at fair value. At September 30, 2021 and December 31, 2020, the carrying amounts of the Convertible Debentures outstanding were \$18.3 million and \$28.4 million, respectively.

Third Quarter 2021 Results Webcast

As a reminder, Gran Colombia will host a conference call and webcast on Friday, November 12, 2021 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/wyypvtrs>
 Canada Toll / International: 1 (514) 841-2157
 North America Toll Free: 1 (866) 215-5508
 Colombia Toll Free: 01 800 9 156 924
 Conference ID: 50241486

A replay of the webcast will be available at www.grancolombiagold.com from Friday, November 12, 2021 until Friday, December 10, 2021.



About Gran Colombia Gold Corp.

Gran Colombia is a mid-tier gold producer with a proven track record of mine building and operating in Latin America. In Colombia, the Company is currently the largest underground gold and silver producer with several mines in operation at its high-grade Segovia Operations. In Guyana, the Company is advancing the Toroparu Project, one of the largest undeveloped gold projects in Latin Americas. Gran Colombia also owns an approximately 44% equity interest in Aris Gold Corporation (TSX: ARIS) (Colombia – Marmato), an approximately 27% equity interest in Denarius Silver Corp. (TSX-V: DSLV) (Spain – Lomero-Poyatos; Colombia – Guia Antigua and Zancudo) and an approximately 26% equity interest in Western Atlas Resources Inc. (TSX-V: WA) (Nunavut – Meadowbank).

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 the continuation of operations during the COVID-19 situation, production guidance, 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 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 31, 2021 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.

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