CORRECTION: Gran Colombia Gold Reports Second Quarter and First Half 2019 Results; Raises 2019 Production Guidance and On Track to Meet 2019 Cost Guidance

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TORONTO, Aug. 14, 2019 - In a release issued under the same headline earlier today by Gran Colombia Gold (TSX: GCM; OTCQX: TPRFF), the following line in the CEO’s quote had been inadvertently truncated from the second paragraph: “…our operating cash flow was up 7% and our Free Cash Flow was up 3%, all compared to the first half of 2018. With the recent run up in gold prices…”

The corrected release follows:

Gran Colombia Gold 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 and six months ended June 30, 2019. All financial figures contained herein are expressed in U.S. dollars (“USD”) unless otherwise noted.

Lombardo Paredes, Chief Executive Officer of Gran Colombia, commenting on the Company’s latest results, said, “We are pleased with our second quarter 2019 operating and financial results. We have now raised our production guidance for the year and we are on track to meet this year’s cost guidance. For the first half of this year, our revenue was up 16%, our adjusted EBITDA was up 27%, our operating cash flow was up 7% and our Free Cash Flow was up 3%, all compared to the first half of 2018. With the recent run up in gold prices, well above the average for the first half of this year, our second half earnings, cash flows and cash balance are poised to benefit from our leverage to gold prices. We’ve continued to improve our liquidity in the second quarter, bolstering our mid-year cash position to $51.3 million, including the net proceeds of the Convertible Debentures financing completed in April. The recently announced high-grade results from our drilling program at Segovia in the first half of 2019, and the work we are doing to identify and prioritize step out and brownfield drilling targets, increase our confidence in the potential to add mineral reserves and extend mine life at our flagship operation.”

Second Quarter and First Half 2019 Highlights

- *The strength of the Company’s operating performance at its high-grade Segovia Operations in the first half of 2019 has allowed it to raise its annual gold production guidance for 2019 to a range of between 225,000 and 240,000 ounces.* Total gold production of 57,882 ounces in the second quarter of 2019, up 9% over the second quarter last year brought the total for the first half of 2019 to 118,483 ounces, up 12% over the first half last year. With another 18,166 ounces produced in July, the Company’s trailing 12-months’ gold production at the end of July 2019 now stands at 229,776 ounces, up 5% over 2018’s annual production.
- *Revenue* amounted to $77.6 million in the second quarter of 2019, up 13% over the second quarter last year, bringing the total revenue for the first half of 2019 to $155.1 million, up 16% over the first half last year. 2019’s revenue increase has been largely driven by the production growth. Despite a 1% year-over-year decline in spot gold prices to an average of $1,307 per ounce in the first half of 2019, the Company reported a $6 per ounce improvement in realized gold prices to an average of $1,296 per ounce in the first half this year. This was the result of lower charges in a new refining contract that the Company entered into in January 2019 with an international refinery, saving approximately $20 per ounce sold compared with its previous arrangement. With the London P.M. Fix gold price ranging from a low of $1,390 per ounce to a high of $1,506 per ounce thus far in the third quarter, the Company expects to see a significant increase in revenue and operating cash flow in the second half of 2019 compared with the first half of 2019 if spot gold prices remain at the current level.

- *Total cash costs* (1) per ounce, continuing to benefit from solid operating performance at its Segovia Operations, was $655 per ounce in the second quarter of 2019, down from $696 per ounce in the second quarter last year, bringing the average for the first half of 2019 to $638 per ounce, down from $683 per ounce in the first half last year. For 2019, the Company now expects that its total cash costs for the full year will remain below 2018’s annual average of $680 per ounce.
- *All-in sustaining costs (“AISC”)* (1) and *All-in costs* (1) in the second quarter of 2019 were $878 per ounce and $903 per ounce, respectively, both down from $930 per ounce and $937 per ounce, respectively, in the second quarter last year. For the first half of 2019, AISC and All-in costs per ounce were $855 and $873 per ounce, respectively, down from $925 and $929, respectively, in the first half last year. For 2019, the Company expects that its AISC and All-in costs for the full year will remain below $925 per ounce and $950 per ounce, respectively.
- The Company reported *adjusted EBITDA* (1) of $33.2 million for the second quarter of 2019, up 25% over the second quarter last year, bringing the total for the first half of 2019 to $68.5 million, up 27% over the first half last year. The trailing 12-months’ adjusted EBITDA at the end of June 2019 now stands at $116.9 million, up 14% over 2018, driven by production growth and the reduction in total cash costs per ounce sold.
- *Net cash provided by operating activities* in the second quarter of 2019 of $18.2 million brought the total for the first half of 2019 to $38.0 million, up 7% over the first half last year. The Company’s *Free Cash Flow* (1) in the second quarter of 2019 of $7.8 million brought the total for the first half of 2019 to $19.0 million, up 3% over the first half last year.
- On April 4, 2019, the Company closed its *bought deal private placement* of CA$20.0 million of Convertible Debentures due 2024, adding approximately $13.7 million (after financing costs) to its cash position and $14.9 million of principal to its long-term debt. The net proceeds will be used to fund an acceleration of the drilling program at the Segovia Operations over the next two years focused on mineral reserve and resource additions for further production growth and mine life extension.
- The Company’s *balance sheet* benefitted from the first half of 2019’s operating and financial performance and the private placement, increasing its cash and cash equivalents to $51.3 million at June 30, 2019 from $35.6 million at the end of 2018. As of August 14, 2019, the aggregate principal amount of Gold Notes issued and outstanding has been reduced through three quarterly repayments in 2019 to $73.6 million, down from $88.3 million at the end of 2018, and the Convertible Debentures stood at CA$20 million.
- As of August 14, 2019, the total *issued and outstanding common shares* of the Company is 49.0 million and after inclusion of the 2024 Warrants, the Convertible Debentures and stock options, the Company’s fully diluted common shares would total approximately 67.9 million, about 0.1 million lower than last quarter due to the 2024 Warrants repurchased in the market and cancelled over the last couple of months through the Company’s Normal Course Issuer Bid (“NCIB”).
- The Company reported *net income* for the second quarter of 2019 of $0.8 million, or $0.02 per share, compared with a net loss of $30.7 million, or $1.09 per share, in the second quarter last year. For the first half of 2019, net income amounted to $8.7 million, or $0.18 per share, compared with a net loss of $25.4 million, or $1.02 per share, in the first half last year. *Adjusted net income* (1) for the second quarter of 2019 was $14.0 million, or $0.29 per share, up from $8.2 million, or $0.29 per share, in the second quarter last year. For the first half of 2019, adjusted net income amounted to $27.0 million, or $0.56 per share, compared with $18.1 million, or $0.72 per share, in the first half last year. Improved earnings in the second quarter and first half of 2019 compared with the corresponding periods last year continued to reflect the significant contribution of Segovia’s operating performance in 2019 on revenues, total cash costs per ounce, adjusted EBITDA and income from operations.
- On August 13, 2019, the Company reported the final assay results from 115 diamond drill holes (10,783 meters) included in the 2019 underground infill drilling program at the Segovia Operations and also the assay results from nine kick-off holes (2,527 meters) in the ongoing directional drilling program in the deep zone at the El Silencio mine. Infill drilling at each of the three core producing mines has increased the Company’s confidence in the potential to add new mineral reserves and extend mine life at Segovia. The deep zone drilling at El Silencio has generated some very encouraging high grade results so far and the Company expects to complete the first phase of this drilling program by the end of this year. Work to identify and prioritize step out and brownfield drilling targets at Segovia, aided by the application of machine learning by the geologists and data scientists at GoldSpot Discoveries Corp., is progressing well and the Company expects to further expand its drilling campaign, over and above what is already planned, later in the second half of this year.

- In the first half of 2019, the Company spent $2.0 million to increase its equity *investment in [Sandspring Resources Ltd.]* (“Sandspring”) to approximately 20%, excluding subscription receipts and share purchase warrants. In July 2019, Sandspring filed a Preliminary Economic Assessment (“PEA”) for its Toroparu Gold Project in the western Guyana gold district. On August 6, 2019, Sandspring announced a non-brokered private placement of 25,000,000 units at a price of CA$0.20 per unit for gross proceeds of up to CA$5.0 million, the net proceeds of which will be used to commence work on the feasibility study for the Toroparu Gold Project, for additional step out and exploration drilling at its Chicharron project and for general working capital purposes. Subject to Toronto Stock Exchange (“TSX”) approval, the Company will subscribe for CA$1.0 million of the private placement.

Selected Financial Information

	Second Quarter		First Half	
	2019	2018	2019	2018
Operating data				
Gold produced (ounces)	57,582	52,906	118,483	105,578
Gold sold (ounces)	59,568	53,051	118,413	102,661
Average realized gold price ($/oz sold)	1,293	1,286	1,296	1,290
Total cash costs ($/oz sold) (1)	655	696	638	683
AISC ($/oz sold) (1)	878	930	855	925
All-in costs ($/oz sold) (1)	903	937	873	929
Financial data *($000’s, except per share amounts*)				
Revenue	$ 77,610	$ 68,927	$ 155,065	$ 133,713
Adjusted EBITDA (1)	33,208	19,506	68,473	53,949
Net income (loss)	768	(30,742)	8,671	(25,390)
Per share - basic	0.02	(1.09)	0.18	(1.02)
Per share - diluted	0.02	(1.09)	0.18	(1.02)
Adjusted net income (1)	14,836	8,205	26,969	18,051
Per share - basic	0.29	0.29	0.56	0.72
Per share - diluted	0.26	0.13	0.49	0.25
Net cash provided by operating activities	18,223	21,922	38,049	35,649
Free cash flow (1)	7,753	11,866	19,028	18,396
			June 30, 2019	December 31, 2018
Balance sheet ($000’s):				
Cash and cash equivalents			$ 51,317	$ 35,645
Gold Trust Account (2)			5,178	3,210
Gold Notes, including current portion – principal amount outstanding (3)			78,500	88,250

Notes:

(1) Refer to “Non-IFRS Measures” in the Company’s MD&A.

(2) Represents physical gold deposited by the Company into a trust account to be used to fund the next quarterly amortizing payment of the Gold Notes. At June 30, 2019, there were 3,900 ounces accumulated in the Gold Trust Account (December 31, 2018 – 2,600 ounces).

(3) The Gold Notes are recorded in the Financial Statements at fair value. At June 30, 2019 and December 31, 2018, the carrying amount of the Gold Notes outstanding was $74.9 million and $74.1 million, respectively.

Segovia Operations

The Segovia Operations produced a total of 51,625 ounces in the second quarter of 2019, up 10% over the second quarter of 2018. The Company processed an average of 1,173 tpd at its Segovia Operations in the second quarter of 2019, up 16% compared with the second quarter last year. After receiving a boost from a high-grade area at the Providencia mine in the first quarter this year, Segovia’s overall head grade returned to an average of 16.8 g/t in the second quarter of 2019 compared with 17.3 g/t in the second quarter last year. For the first half of 2019, the Segovia Operations produced a total of 106,011 ounces of gold, up 13% over the first half last year. Overall, the Company processed an average of 1,143 tpd in the first half of 2019, up 18% over the first half last year, at an average head grade of 17.8 g/t, up from 16.7 g/t in the first half last year. In July 2019, the Segovia Operations produced a total of 16,100 ounces of gold, slightly lower than June as a result of a scheduled three-day shutdown of the Maria Dama processing plant for maintenance. This brings Segovia’s trailing 12-months’ total gold production at the end of July 2019 to 204,454 ounces, up 6% over 2018’s annual production. The Company has raised its 2019 annual production guidance for Segovia to a range between 201,000 and 214,000 ounces of gold.

Segovia’s total cash costs returned to a more typical level of $600 per ounce in the second quarter of 2019, after reaching a historical low of $570 per ounce in the first quarter of 2019, bringing its average for the first half of 2019 to $585 per ounce, down from $620 per ounce in the first half last year. Segovia’s total cash costs per ounce in the first quarter of 2019 had benefitted from mining some significantly higher-grade material in the Company-operated area of the Providencia mine where the incremental production costs related to the higher grades were much lower than normal.

The Company’s AISC of $855 per ounce for the first half of 2019 included $15.0 million, equivalent to $126 per ounce, of sustaining capital expenditures attributable to the Segovia Operations, the major components of which included (i) $4.6 million for drilling under the Company’s ongoing exploration campaign, (ii) $4.2 million for ongoing mine development, (iii) $3.5 million for the mines including continuation of the ventilation improvements at the El Silencio and Sandra K mines, further infrastructure upgrades at the Providencia mine, and underground equipment and infrastructure improvements at the Sandra K mine, (iv) $1.2 million associated with the expansion of the Maria Dama plant to 1,500 tpd and costs associated with the new filter press, (v) $1.0 million for costs related to the ongoing construction activities at the new El Chocho tailings storage facility, and (vi) $0.5 million associated with upgrading of the Segovia site facilities. The Company’s All-in costs of $873 per ounce in the first half of 2019 included $0.3 million, equivalent to $2 per ounce, of non-sustaining capital expenditures related to various studies being carried out to identify and prioritize drilling targets for the expanded step out and brownfield drilling campaign.

Marmato Operations

At the Marmato Operations, total production for the second quarter of 2019 was 6,257 ounces, up 7% compared with the second quarter of 2018. For the first half of 2019, Marmato produced a total of 12,472 ounces of gold, up 4% over the first half last year. In July 2019, Marmato produced 2,066 ounces of gold bringing its trailing 12-months’ total gold production at the end of July 2019 to 25,322 ounces. The Company is maintaining its 2019 annual production guidance for the Marmato operations of between 24,000 and 26,000 ounces of gold.

Total cash costs per ounce at Marmato decreased to $1,090 per ounce in the second quarter of 2019 bringing its average for the first half of 2019 to $1,107 per ounce, down from an average of $1,176 per ounce in the first half last year.

The Company’s AISC of $855 per ounce for the first half of 2019 included $0.8 million, equivalent to $7 per ounce, primarily related to mine infrastructure and mill improvements. The Company’s All-in costs of $873 per ounce in the first half of 2019 included $1.8 million, equivalent to $16 per ounce, at the Marmato Project in connection with the completion of the 2018 drilling campaign in mid-March and subsequent commencement of the 2019 drilling campaign as the Company continues its evaluation of the underground expansion of the Marmato mining operations to incorporate the Deep mineralization in a PEA expected to be completed in the second half of 2019.

Outlook

Through the first seven months of 2019, the Company has produced a total of 136,649 ounces of gold and its trailing 12-months’ total gold production at the end of July 2019 stands at 229,776 ounces. In light of the first half 2019 production results, the Company raised its gold production guidance for 2019 in July to a range of between 225,000 and 240,000 ounces.

With the higher spot gold price environment thus far in the third quarter, the Company expects that its ongoing operating cash flow and its cash position, which stood at $51.3 million at June 30, 2019, will be more than sufficient to fund its ongoing exploration and capital investment programs in the second half of this year and to meet its debt service obligations as they come due.

The Company’s 20,000 meters drilling campaign planned for its Segovia Operations in 2019 is progressing well with assay results from 10,783 meters of infill drilling at the three core mines and the first 2,257 meters of kick-off holes in the deep zone at El Silencio reported in August 2019. In addition, approximately 3,400 meters of mother holes were completed in the first half of 2019 to facilitate the El Silencio deep zone drilling campaign. There are still about 4,400 meters of kick-off holes remaining to be drilled from the planned deep zone program in the second half of this year. In addition, the Company has added another 3,400 meters of infill drilling at Providencia to be completed by the end of the year to ensure that the 2019 production is replaced and to add new mineral reserves and another approximately 4,000 meters at Sandra K to extend down-plunge the ore shoots located to the north of the main one. Using the net proceeds from the Private Placement, the Company expects to further expand its drilling campaign, over and above what is already planned, later in the second half of this year following completion of technical and other studies currently in process to identify and prioritize step out and brownfield targets in its Segovia mining title.

Capital investment in 2019 at the Segovia Operations, expected to total approximately $30 million (excluding exploration) in 2019, is continuing to focus on ongoing mine development at the Providencia, El Silencio and Sandra K mines, along with ongoing investments in mine infrastructure upgrades, ventilation, health, safety and environmental initiatives, mine equipment and further expansion of the El Chocho tailings storage facility, including commissioning of a filter press. Sustaining capital expenditures at the Marmato mine and processing plant in 2019 are expected to be about $1.5 million.

The Company is advancing its evaluation of the underground mine expansion opportunity at Marmato toward the completion of a PEA later this year. Through the first half of 2019, the Company has completed approximately 7,300 meters of a planned 8,000 meters drilling program to extend the Deeps Zone further along strike and to test the high-grade core of the Deeps Zone up to 600m asl. As the initial drilling results to date have shown the down-plunge continuity of the high-grade core, the Company is planning to increase its planned spending at the Marmato Project to about $4 million in 2019, adding approximately 9,000 meters in the second half of 2019 for an infill drilling program above 550m asl aimed to increase the confidence in the mineralized material to the level of reserves in preparation for the prefeasibility study to be completed in 2020.

The Company’s total cash costs in the first half of 2019 of $638 per ounce sold was better than expected, benefitting from increased gold production at the Segovia Operations. For the full year, the Company is now expecting that total cash costs for the full year will average less than 2018’s total cash costs of $680 per ounce sold. The Company also expects that with its planned capital investment program in 2019, including the ongoing exploration activities at Segovia and Marmato, its AISC for the full year will remain below $925 per ounce and its All-in costs will remain below $950 per ounce.

Second Quarter 2019 Results Webcast

As a reminder, Gran Colombia webcast on Thursday, August 15, 2019 at 9:30 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/3k2pfxzh
International:	1 (514) 841-2157
North America Toll Free:	1 (866) 215-5508
Colombia Toll Free:	01 800 9 156 924
Conference ID:	48822884

A replay of the webcast will be available at www.grancolombiagold.com from Thursday, August 15, 2019 until Friday, September 13, 2019.

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.

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 production guidance and 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.

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