



GRANCOLOMBIAGOLD

The leading high-grade gold producer in Colombia

Q1 2016 Results

May 13, 2016



Lombardo Paredes Arenas, CEO
Mike Davies, CFO

TSX: GCM
OTC: TPRFF
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RESULTS

Highlights

	1 st Quarter	
	2016	2015
Gold production (ozs)	31,489	23,973
Gold sales (ozs)	29,686	25,332
Realized gold price (\$/oz)	\$1,144	\$1,193
Cash cost (\$/oz)	\$685	\$824
AISC (\$/oz)	\$790	\$938
Revenue	\$34.5M	\$30.7M
Adjusted EBITDA ⁽¹⁾	\$11.6M	\$7.1M
Adjusted net income (loss) ⁽¹⁾	\$0.3M	(\$1.8M)
Per share	\$0.00	(\$0.08)

RESULTS

Production

	1 st Quarter	
	2016	2015
Gold (ozs)		
Segovia		
Company-operated	5,089	2,317
Contract miners	<u>20,910</u>	<u>16,211</u>
	25,999	18,528
Marmato	<u>5,490</u>	<u>5,445</u>
Total Company	<u>31,489</u>	<u>23,973</u>
Silver (ozs)	38,426	25,345

Segovia

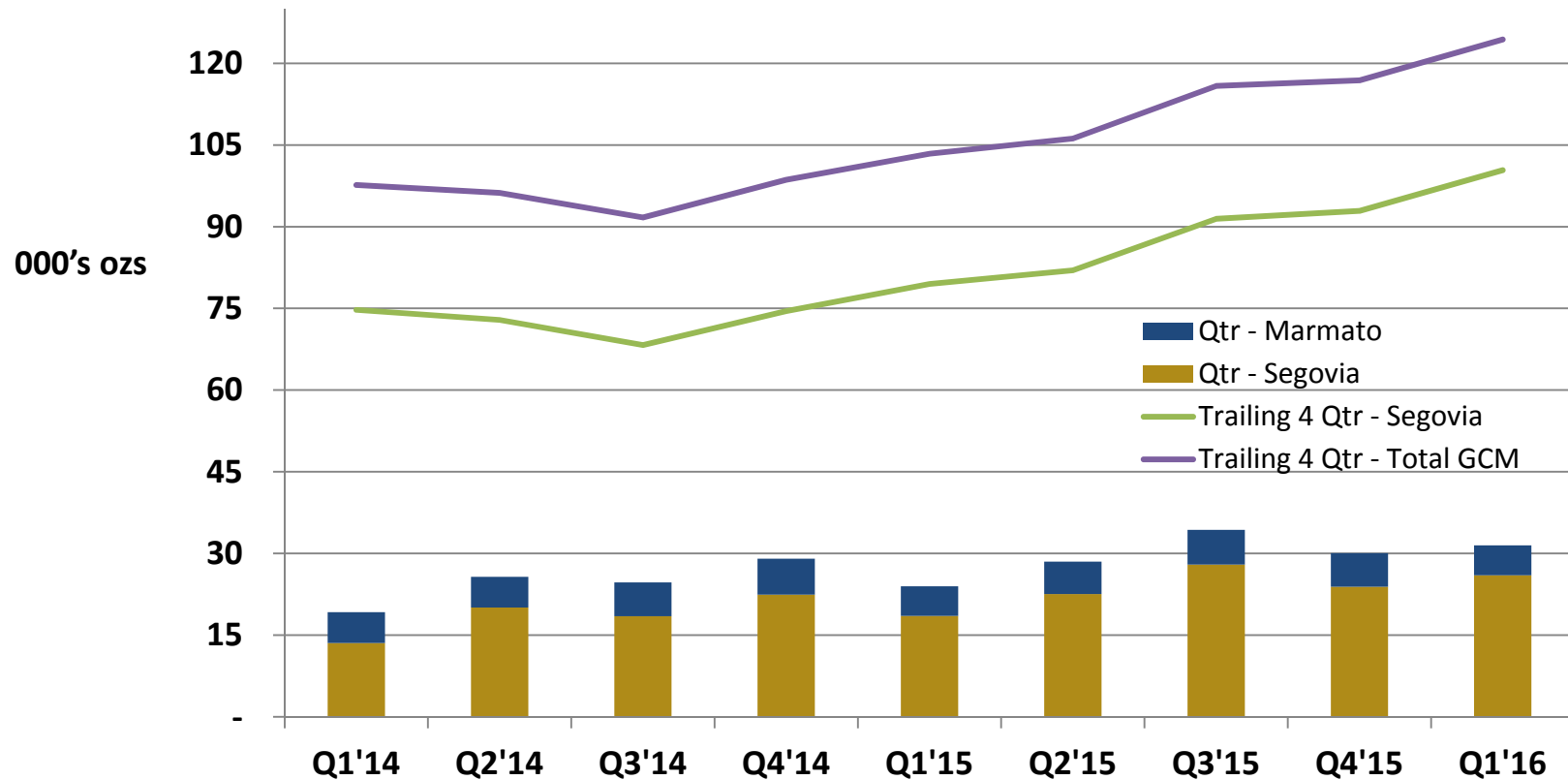
- Q1-2016 up 40% over Q1-2015...increased volume of higher grade material from contract miners this year; processed 730 tpd at average head grade of 12.9 g/t this quarter vs 500 tpd at 14.1 g/t in Q1 last year.

Marmato

- Processed 820 tpd at average head grade of 2.6 g/t this quarter, similar to Q1 last year.

RESULTS

Total Gold Production



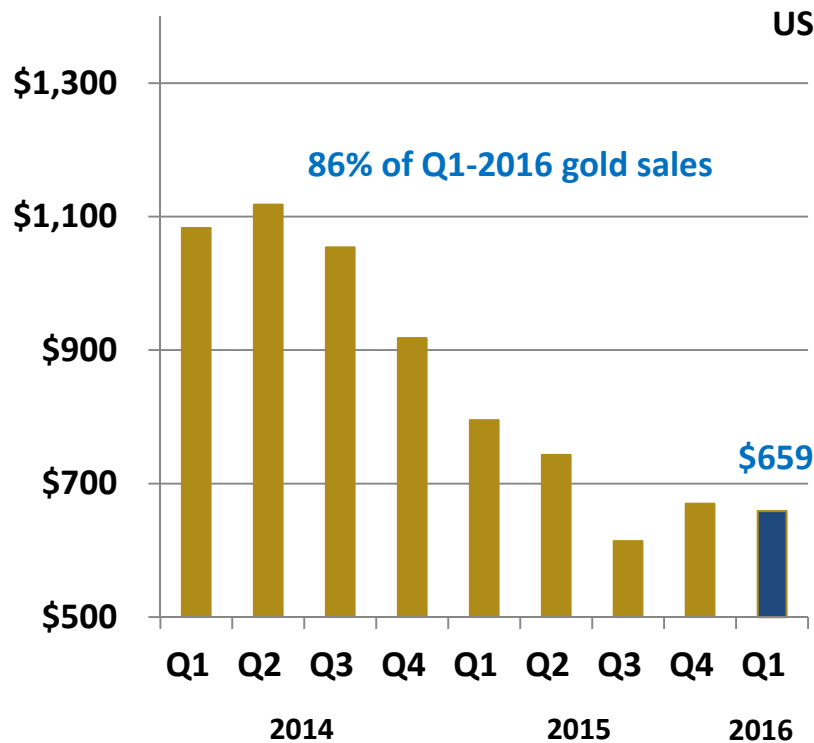
Over the last 6 quarters, GCM has realized **growth in its Trailing 4 Quarters total gold production** driven by growth from the Segovia's Operations. Marmato has been steady.

Continuing to implement the optimized mine plan in 2016.

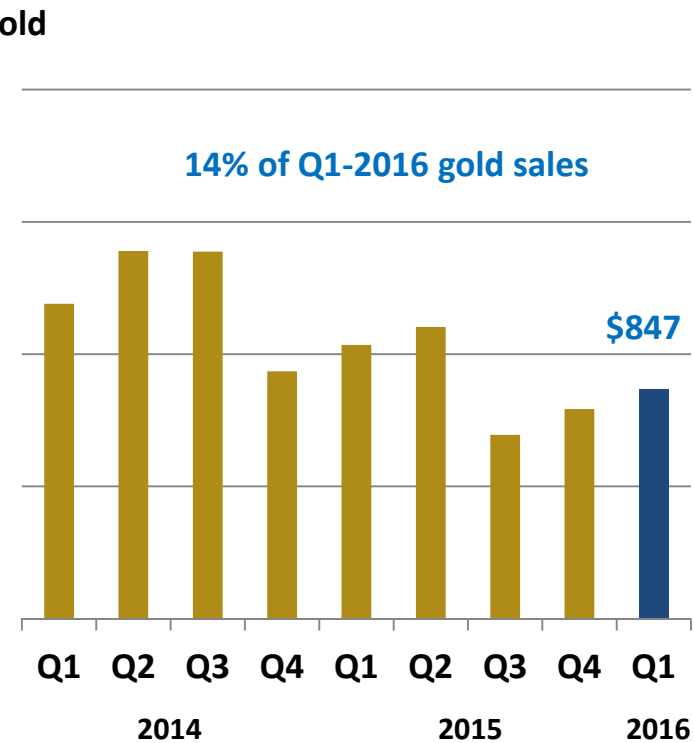
RESULTS

Total Cash Cost Per Ounce

Segovia



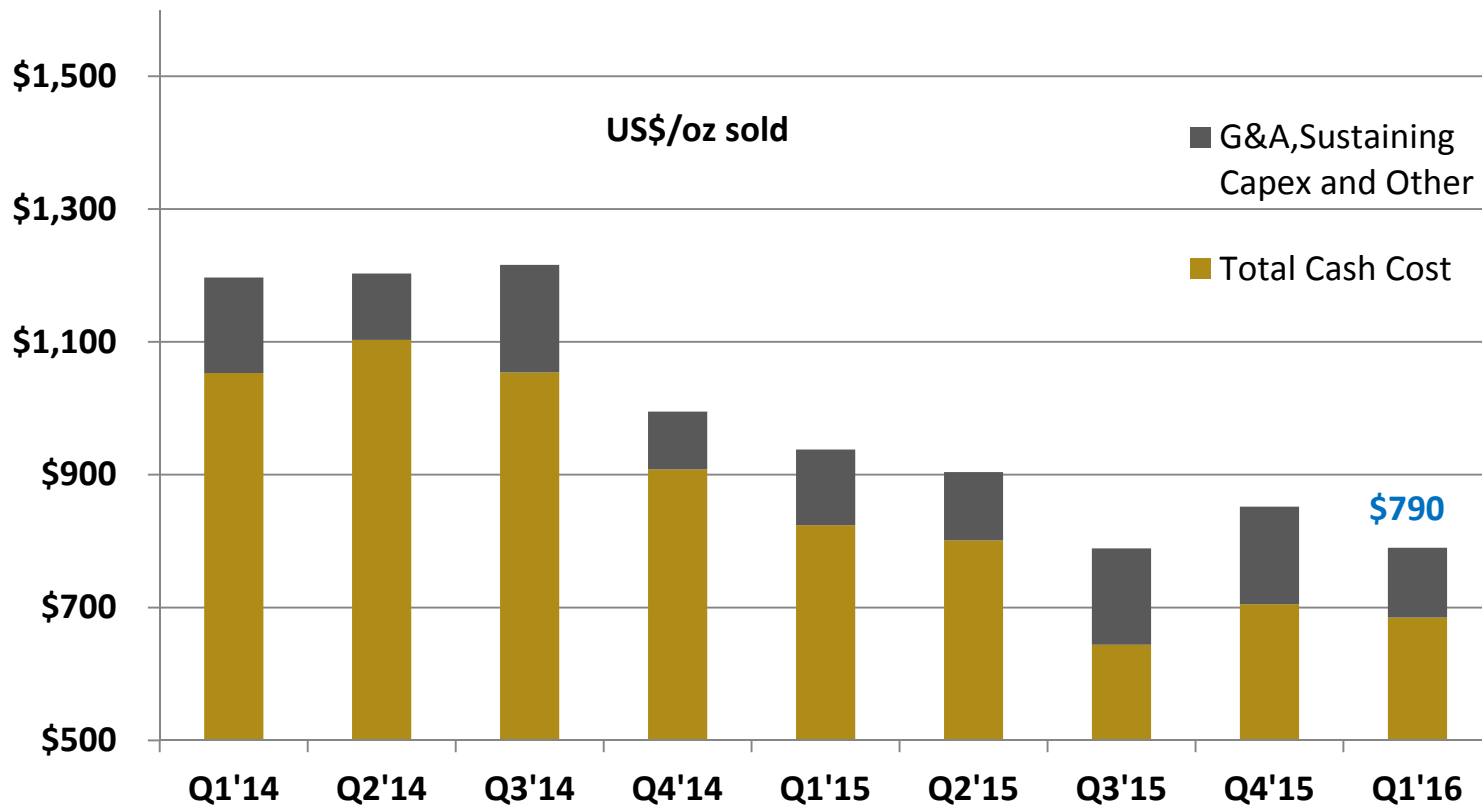
Marmato



- Q1-2016 total cash cost for the Company was **\$685/oz**, down 17% from Q1 last year.
- 2015 trend continued so far in 2016 - Colombian peso devaluation, improved production reducing fixed costs on a per ounce basis and cost savings have been the key drivers to improvements total cash cost per ounce.

RESULTS

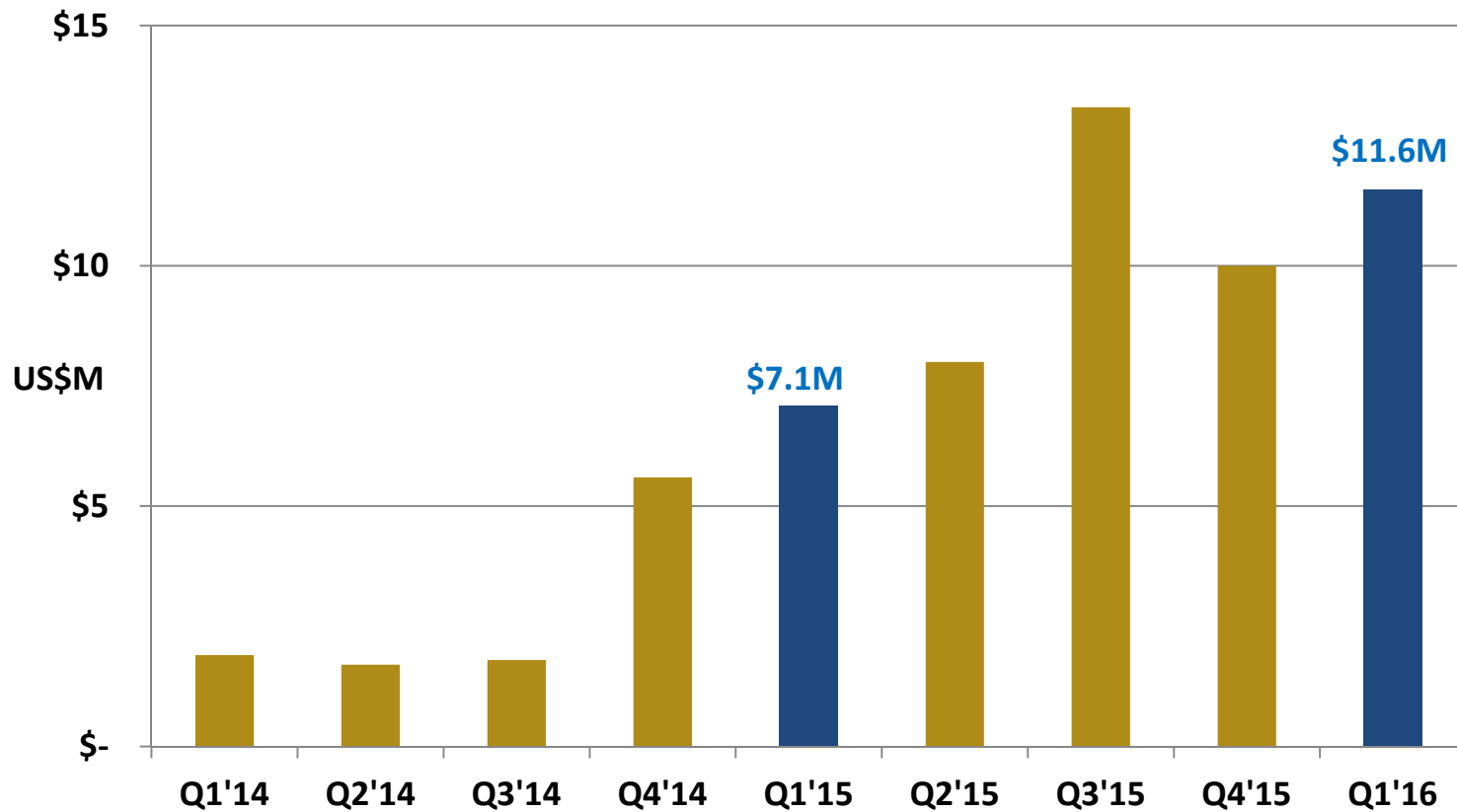
All-In Sustaining Costs



Reductions in total cash costs and **G&A** have been the key to our success in reducing AISC to the current level. Anticipate 2016 full year average AISC of \$850 to \$950, reflecting expected increase in Segovia capex in H2-2016.

RESULTS

Adjusted EBITDA ⁽¹⁾



Improved production together with reductions in total cash costs and G&A have been the key to our success in increasing quarterly EBITDA since Q4-2014.

RESULTS

Excess Cash Flow

In US\$000's

Q1-2016

Adjusted EBITDA as reported	\$11,586
Repayment of local long-term debt and increase in cash in trust for debt service	(434)
Interest paid, net of finance income	(2,191)
Debt restructuring costs paid	(1,399)
Capital, development and exploration expenditures	(2,061)
Payments for Marmato titles and compensation agreements	(226)
Equity, wealth and income tax payments	(1,428)
Frontino health plan payments	(225)
Segovia environmental discharge fees paid	(316)
Changes in non-cash working capital	(3,283)
Excess Cash Flow *	\$23
To be deposited to 2018 Debentures sinking fund (25%)	\$6
To be deposited to 2020 Debentures sinking fund (75%)	\$17

* As defined in Indentures (available on the Company's web site) for the 2018 and 2020 Debentures

RESULTS

Balance Sheet

	March 2016	December 2015
Adjusted working capital deficit *		
Cash	\$3.0M	\$3.0M
Accounts receivable	\$6.9M	\$6.2M
Accounts payable and accrued liabilities	(\$24.4M)	(\$25.3M)
Equity and wealth taxes payable	(\$7.6M)	(\$5.5M)
Mining titles and compensation agreements payable	(\$11.6M)	(\$11.5M)
Inventories and other items, net	\$7.8M	\$8.0M
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	(\$25.9M)	(\$25.1M)
Total short and long-term debt		
Colombian bank debt due 2017	\$1.9M	\$2.1M
Finance leases due 2018	\$0.9M	\$0.9M
2018 and 2020 Debentures **	\$78.4M	-
Gold and Silver Notes ***	-	\$100.7M
	<hr/>	<hr/>
	\$81.2M	\$103.7M

* Excludes current portion of short and long-term debt ** Principal amounts less unamortized discount *** At fair value plus accrued and unpaid interest

RESULTS

Capital Structure

	TSX Symbol	Exercise Price	December 31, 2015	January 20, 2016	May 12, 2016
Common shares	GCM		23,703,281	113,568,310	137,074,520
Gold notes *	Unlisted		\$100,000,000	Nil	Nil
2020 Debentures *	GCM.DB.V	US\$0.13	N/A	\$103,992,350	\$103,294,350
Silver notes *	GCM.NT.U		\$78,632,000	Nil	Nil
2018 Debentures *	GCM.DB.U	US\$0.13	N/A	\$71,168,174	\$68,810,366
Warrants	GCM.WT.A Unlisted	CA\$3.25 CA\$18.75	4,211,918 1,000,000	4,211,918 1,000,000	4,211,918 1,000,000
Options		CA\$0.17 to CA\$18.25	896,936	896,936	12,730,536

* Amounts shown above for Notes and Debentures are at Face Value.

2016 OUTLOOK

Maintaining Guidance

Priorities

1. Monthly interest payments on 2018 and 2020 Debentures
2. Continue implementation of optimized mine plan at Segovia
Primary focus on development and mechanization at Providencia
Secondary focus on development and mechanization at El Silencio
3. Improve balance sheet by reducing working capital deficit
4. Excess free cash flow → sinking fund for 2018/2020 Debentures

Targets

Total gold production – 120,000 to 138,000 ozs

Segovia – 96,000 to 110,000 ozs

Marmato – 24,000 to 28,000 ozs

Cash cost - \$700 to \$750 per oz


G&A - \$5.5M to \$6M = \$40 to \$50 per oz


Sustaining capex - \$125 to \$170 per oz

Environmental fee - \$6 per oz

AISC - \$850 to \$950 per oz



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