

GRAN COLOMBIA GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 MARCH 31, 2021

The following discussion and analysis of the results of operations and financial condition ("MD&A") for Gran Colombia Gold Corp. (the "Company" or "Gran Colombia") should be read in conjunction with the audited consolidated financial statements and related notes thereto for the year ended December 31, 2020 (the "Financial Statements"), which are available on the Company's web site at www.grancolombiagold.com and on www.sedar.com. Readers are encouraged to read the Cautionary Note Regarding Forward Looking Information included on page 39 of this MD&A and the Company's Annual Information Form dated as of March 31, 2021, also available on the Company's website and SEDAR. The financial information in this MD&A is derived from the Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Reference should also be made to pages 33-37 for information about non-IFRS measures referred to in this MD&A. **All figures contained herein are expressed in United States dollars ("USD"), except for production, share data or as otherwise stated.**

Fourth Quarter and Full Year 2020 Highlights

- Gran Colombia **achieved its annual production guidance** for the fifth consecutive year in 2020. For the full year, gold production of 220,194 ounces in 2020 was within the expected range of 218,000 to 226,000 ounces, compared with 239,991 ounces of gold in 2019. Gold production in the fourth quarter of 2020, which reflected the expected reduction in head grades at Segovia in 2020, totaled 57,265 ounces compared with 65,237 ounces in the fourth quarter of 2019.
- Gran Colombia successfully brought its spin out of the Marmato Mining Assets to a successful conclusion in early 2021, one in which the Company has a continuing equity ownership of 44.3% in the new, fully financed, Aris Gold Corporation ("Aris"). In March 2021, the Company set its sights on the creation of a new, Latin American-focused growth platform with its bid to acquire all the shares of Gold X Mining Corp. ("Gold X") it does not already own in a friendly share-for-share exchange, with the multi-million ounce Toroparu Project in Guyana joining Segovia to become the Company's second cornerstone asset. Subject to shareholder and regulatory approval, the companies are working towards closing the transaction in late May/ early June 2021.
- The Company's ongoing drilling program in Segovia continues to provide encouraging results, reaffirming confidence in the high-grade nature of the Segovia gold deposits and replacing Mineral Resources mined in 2020. The **updated Mineral Resource estimate** as of December 31, 2020 reflects an upgrade of Mineral Resources with 4.0 million tonnes at a grade of 11.2 g/t totalling 1.43 million ounces of gold in Measured and Indicated Resources and 3.7 million tonnes at a grade of 10.3 g/t totalling 1.21 million ounces of gold in Inferred Resources. The Company also reported an updated Mineral Reserve for Segovia with a total of 2.2 million tonnes at an average grade of 9.0 g/t representing approximately 633,000 proven and probable ounces of gold as of December 31, 2020. The Company expects to carry out approximately 60,000 meters of drilling in 2021, of which approximately 40,000 meters will continue to focus on step-out and infill drilling in proximity to the Company's four mining operations and approximately 20,000 meters will be dedicated to exploration on the high priority brownfield targets in the Segovia mining title.
- The Company, long known for its attention to ESG matters at the local level in its Colombian operations, added an ESG sub-committee of the Board in early 2020 to support its ongoing commitment to ESG

(1) Refer to "Non-IFRS" Measures on pages 33-37.

initiatives. In 2020, the Company's ESG programs continued to focus on education, health, environment and community programs, including support to the local communities surrounding the Segovia Operations and Marmato Project affected by the COVID-19 crisis.

- **Revenue** amounted to \$99.7 million in the fourth quarter of 2020, up 13% from the fourth quarter of 2019, reflecting an increase in the Company's realized gold price to an average of \$1,875 per ounce sold from \$1,480 in the fourth quarter of 2019, partially offset by lower gold sales volume this year. For the full year, revenue reached a new record of \$390.9 million in 2020, up 20% over 2019.
- At the Segovia Operations, **total cash costs** ⁽¹⁾ averaged \$830 per ounce in the fourth quarter of 2020, up from \$637 per ounce in the fourth quarter of 2019, reflecting (i) an increase in contractor and artisanal mining payment rates (which had not changed since 2017) implemented in the third quarter of 2020 in response to the current gold market conditions, (ii) higher spot gold prices which increased production taxes on a per ounce basis, (iii) additional costs to maintain the necessary COVID-19 protocols required to protect the health and safety of Segovia's workers and the local communities, and (iv) the impact of the lower production in 2020 on fixed operating costs per ounce. Total cash costs, including Marmato, averaged \$904 per ounce in the fourth quarter of 2020 compared with \$685 per ounce in the fourth quarter of 2019. For the full year, Segovia's total cash costs averaged \$699 per ounce, up from \$607 per ounce in 2019, with similar causal factors as those noted in the fourth quarter. Total cash costs, including Marmato, averaged \$768 per ounce in 2020 compared with \$661 per ounce in 2019.
- **All-in sustaining costs ("AISC")** ⁽¹⁾ for the Segovia Operations were \$1,266 per ounce in the fourth quarter of 2020, up from \$967 per ounce in the fourth quarter of 2019, reflecting (i) the increased total cash costs, (ii) an uptick in capital expenditures on programs that had been delayed from earlier in 2020 due to COVID-19 restrictions, and (iii) the impact of lower gold sales volume of AISC on a per ounce basis. Including Marmato, consolidated AISC in the fourth quarter of 2020 was \$1,382 per ounce compared with \$1,003 per ounce in the fourth quarter last year. For the full year, Segovia's AISC averaged \$1,015 per ounce, up from \$878 per ounce in 2019, reflecting (i) the increase in its total cash costs, (ii) an increase in sustaining capital expenditures, and (iii) the impact of lower gold sales volume on its AISC on a per ounce basis. For the full year, consolidated AISC averaged \$1,101 per ounce in 2020, up from \$916 per ounce in 2019.
- **Adjusted EBITDA** ⁽¹⁾ amounted to \$43.1 million for the fourth quarter of 2020, up 6% over the fourth quarter last year. For the full year, adjusted EBITDA reached a new annual record of \$187.8 million, up 28% over 2019.
- **Net cash provided by operating activities** in the fourth quarter of 2020 was \$30.4 million compared with \$35.7 million in the fourth quarter last year and reflected a delay in receiving \$7.9 million of VAT refunds in Colombia due to the impact of COVID-19 on the government's processing of claims. For the full year, net cash provided by operating activities reached a new high of \$136.4 million, up 31% over 2019.
- **Free Cash Flow** ⁽¹⁾ in the fourth quarter of 2020 amounted to \$6.8 million compared with \$23.0 million in the fourth quarter of 2019, reflecting the impact of the delayed VAT refunds noted above and an increase in capital expenditures at both Segovia and Marmato to a total of \$23.7 million in the fourth quarter of 2020 from \$12.7 million in the fourth quarter of 2019. For the full year, Free Cash Flow amounted to \$73.6 million, up 19% over 2019. Total capital expenditures in 2020 increased to \$62.8 million from \$42.7 million in 2019.
- The Company's **balance sheet** remained solid with total cash of \$122.5 million at the end of 2020, including \$33.0 million in Aris, and a 48% reduction in 2020 in the aggregate principal amount of Gold Notes outstanding to \$35.5 million at the end of the year. In October, Fitch Ratings upgraded the Company to B+ Stable Outlook. The Company has announced it will complete early partial redemptions in 2021 of 10% of the Convertible Debentures in April and 33.6% of the Gold Notes in May.

(1) Refer to "Non-IFRS" Measures on pages 33-37.

- The Company returned a total of \$5.4 million to shareholders in 2020 with the repurchase of 890,100 shares at a cost of \$4.0 million and payment of its first two dividends totaling \$1.4 million. The Company has continued to pay its monthly dividend of CA\$0.015 per share in 2021 and in the first quarter of 2021 has repurchased an additional 702,000 shares at an average price of CA\$5.69 per share.
- The Company reported a **net loss** of \$51.3 million (\$0.59 per share) in the fourth quarter of 2020 compared with a net loss of \$148.8 million (\$2.86 per share) in the fourth quarter of 2019. For the full year, the Company reported a net loss of \$27.6 million (\$0.08 per share) compared with a net loss of \$131.2 million (\$2.65 per share) in 2019. The net loss in 2020 included \$72.9 million of non-cash fair value losses on derivative financial instruments, Aris financing fees and expenses of \$13.9 million, a \$16.7 million charge related to the Bluenose RTO Transaction and an \$8.9 million provision for withholding taxes on accumulated earnings to be repatriated from Colombia. The net loss in 2019 includes the after-tax impairment charge for the Marmato Project of \$153.6 million.
- **Adjusted net income** ⁽¹⁾ for the fourth quarter of 2020 was \$7.7 million (\$0.15 per share) compared with \$17.1 million (\$0.33 per share) in the fourth quarter last year. For the full year, adjusted net income improved to \$75.9 million (\$1.28 per share) compared with \$60.5 million (\$1.22 per share) in 2019. The year-over-year improvement in adjusted net income in 2020 largely reflects the positive impact of higher gold prices in 2020, partially offset by the COVID-19 impact on gold production and operating costs, increased G&A expenses, share-based compensation and social contributions in Aris, increased interest expense and gold premiums, and increased income tax expense.

Selected Financial Information

	Fourth Quarter		Year		
	2020	2019	2020	2019	2018
Operating data					
Gold produced (ounces)	57,265	65,237	220,194	239,991	218,001
Gold sold (ounces)	52,478	59,169	220,890	233,866	214,622
Average realized gold price (\$/oz sold)	\$ 1,875	\$ 1,480	\$ 1,751	\$ 1,381	\$ 1,239
Total cash costs (\$/oz sold) ⁽¹⁾	904	685	768	661	680
AISC (\$/oz sold) ⁽¹⁾	1,382	1,003	1,101	916	919
Financial data (\$000's, except per share amounts)					
Revenue	\$ 99,673	\$ 88,463	\$ 390,921	\$ 326,480	\$ 268,525
Adjusted EBITDA ⁽¹⁾	43,076	40,607	187,764	146,675	102,386
Impairment charge	-	(175,989)	-	(175,989)	-
Net (loss) income	(51,275)	(148,849)	(27,571)	(131,164)	(3,379)
Per share - basic	(0.59)	(2.86)	(0.08)	(2.65)	(0.10)
Per share - diluted	(0.59)	(2.86)	(0.08)	(2.65)	(0.11)
Adjusted net income ⁽¹⁾	7,703	17,113	75,942	60,460	42,498
Per share - basic	0.15	0.33	1.28	1.22	1.23
Per share - diluted	0.13	0.27	1.09	1.04	0.59
Net cash provided by operating activities	30,424	35,699	136,378	104,340	80,504
Free cash flow ⁽¹⁾	6,758	23,017	73,579	61,675	44,901
December 31,					
Balance sheet (\$000's):					
Cash and cash equivalents			\$ 122,508	\$ 84,239	\$ 35,645
Gold Notes, including current portion – principal amount outstanding ⁽²⁾			35,525	68,750	88,250
Convertible Debentures – principal amount outstanding ⁽³⁾			CA20,000	CA20,000	-
Aris Gold Notes, including current portion – principal amount outstanding ⁽⁴⁾			73,066	-	-

(1) Refer to "Non-IFRS Measures" on pages 33-37.

(2) The Gold Notes were issued in 2018 and are recorded in the Financial Statements at fair value. At December 31, 2020, 2019 and 2018, the carrying amounts of the Gold Notes outstanding were \$38.5 million, \$69.0 million and \$74.1 million, respectively.

- (3) The Convertible Debentures were issued in 2019 and are recorded in the Financial Statements at fair value. At December 31, 2020 and 2019, the carrying amounts of the Convertible Debentures outstanding were \$28.4 million and \$21.1 million, respectively.
- (4) The Aris Gold Notes were issued in 2020 and are recorded in the Financial Statements at fair value. At December 31, 2020, the carrying amount of the Aris Gold Notes outstanding was \$73.2 million.

Description of Business

The Company is incorporated under the laws of the Province of British Columbia and 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 high-grade Segovia Operations. The head office of the Company is located at 401 Bay Street, Suite 2400, PO Box 15, Toronto, Ontario, M5H 2Y4 and its registered office is located at 1166 Alberni Street, Suite 1604, Vancouver, British Columbia, V6E 3Z3. The Company also has an office in Medellin, Colombia. As of the date of this MD&A, the Company owns 44.3% of Aris Gold Corporation, a Canadian mining company currently advancing a major expansion and modernization of its underground mining operations at its Marmato Mining Assets in Colombia. The Company's project pipeline includes an approximately 18% equity interest in Gold X Mining Corp. (TSXV: GLDX) (Guyana – Toroparu), an approximately 27% equity interest in Denarius Silver Corp. (TSX-V: DSLV) (Colombia – Guia Antigua and Zancudo) and an approximately 26% equity interest in Western Atlas Resources Inc. (TSX-V: WA) (Nunavut – Meadowbank).

Outlook

With the closing of the Aris Transaction (page 9) with Caldas Gold at the beginning of February 2021, Gran Colombia has successfully brought its spin out of the Marmato Mining Assets to a successful conclusion, one in which the Company continues to hold an equity ownership of 44.3% in the new, fully financed, Aris. Starting in 2021, Gran Colombia will equity account for its investment in Aris and will no longer include the Marmato mine in its production reporting.

Gran Colombia's focus in 2021 will center on the exploration and continuing development of its high-grade Segovia Operations, the epicentre of its Free Cash Flow generation. In February, the Company provided its annual production guidance for the coming year and expects to produce between 200,000 and 220,000 ounces of gold at Segovia. Over the last 10 years, the Company has produced a total of approximately 1.3 million ounces of gold from its Segovia Operations at an average head grade of 13.8 g/t. In 2021, the Company expects that head grades will continue to average between 13 to 15 g/t over the course of the year. The next phase of plant expansion at Segovia to 2,000 tpd is proceeding well and should be completed in the second half of this year. In February, the Company paid \$7.0 million related to the construction of a new recovery plant at Segovia that will come on stream later this year and allow it to recover commercial quantities of zinc, lead, gold and silver into concentrate from its tailings. This not only represents an additional source of cash flow from mining operations, it further improves the environmental impact of the Segovia Operations by eliminating these minerals from the tailings going into the El Chocho storage facility.

The Company plans to drill a total of approximately 60,000 meters at its Segovia Operations in 2021 at a total cost of approximately \$14 million to carry out its ongoing in-mine and near-mine drill program at its four operating mines and ramping up its exploration program aimed at testing its highest priority brownfield targets. The 2021 in-mine and near-mine drill program, which is already underway, will total approximately 40,000 meters of step-out and in-fill diamond drilling at a cost of approximately \$10 million from purpose-built underground and surface drilling stations at the Company's four operating mines, focused on replacing the 2021 mining production and organic growth through resource and reserve expansion. The 2021 brownfield exploration program comprises a multi-phase fieldwork program for each of the high-priority exploration

targets, namely: Vera (ongoing), Cristales, Marmajito and San Nicolas. Planned exploration work includes Unmanned Aerial System magnetic and radiometric surveys, underground and surface mapping, and possibly induced polarization surveying. A total of approximately 20,000 meters of exploration and step-out drilling has been planned at a total cost of approximately \$4 million. Fieldwork, including drilling, will be spread throughout the year with Cristales expected to begin in the second quarter of 2021 and Marmajito and San Nicolas to follow in the second half of the year.

The Company currently holds an 18.15% equity interest in Gold X, a Canadian junior mining company which owns the Toroparu Project in the western Guyana gold district. On March 15, 2021, the Company announced that it has entered into a definitive arrangement agreement pursuant to which it proposes to acquire all of the issued and outstanding common shares of Gold X it does not already own by way of a statutory plan of arrangement, subject to the approval of the shareholders of both companies and regulatory approval. Pursuant to the definitive agreement, the Company would acquire the shares of Gold X on the basis of 0.6948 of a Gran Colombia share for each Gold X share (the “Exchange Ratio”). The Exchange Ratio implies consideration of CA\$4.10 per Gold X share based on the 20-day volume weighted average price of the Gran Colombia shares on the Toronto Stock Exchange (“TSX”) as of the market close on March 12, 2021 for total consideration of approximately CA\$315 million on a 100% and fully diluted in-the-money basis. Through the creation of a new, Latin American-focused growth platform, Gran Colombia believes that the combined company will consist of a complementary asset portfolio including the world-class, Free Cash Flow generating Segovia Operations located in Colombia, as well as the large, high-growth and substantially de-risked Toroparu Project in Guyana that boasts 4.5 million ounces of LOM gold production over a 24-year mine life. The companies are working towards closing the transaction in late May/ early June 2021.

The Company intends to continue to take steps in 2021 to strengthen its balance sheet, including the recently announced early partial redemptions of 10% of the Convertible Debentures in April and 33.6% of the Gold Notes in May, bringing the aggregate principal amounts of the Convertible Debentures and Gold Notes down to CA\$18.0 million and \$19.75 million, respectively, after the redemptions.

Through the first quarter of 2021, the Company has continued to return cash to its shareholders, repurchasing a total of 702,000 common shares under its NCIB at a cost of approximately CA\$4.0 million and payment of dividends of approximately CA\$0.9 million each month. The Company is committed to its dividend program at the current monthly rate of CA\$0.015 per share and expects to continue to repurchase common shares, within certain price ranges, for cancellation under its NCIB to support continued value creation for its shareholders.

Issued and Outstanding Securities

At March 31, 2021, the Company had the following securities issued and outstanding:

Securities	TSX Symbol	Number	Shares Issuable	Exercise price per share	Expiry or maturity date
Common shares	GCM	61,143,744			
Stock options		1,598,332	1,598,332	CA\$2.55 to CA\$6.88	2022 to 2025
Warrants	GCM.WT.B	10,551,760	10,551,760	CA\$2.21	April 30, 2024
	Unlisted	3,260,870	3,260,870	CA\$5.40	November 5, 2023
	Unlisted	7,142,857	7,142,857	CA\$6.50	February 6, 2023
Convertible Debentures	Unlisted	CA\$20,000,000	4,210,526	CA\$4.75	April 5, 2024
Gold Notes	GCM.NT.U	\$32,637,500	N/A	N/A	April 30, 2024

Normal Course Issuer Bid (“NCIB”) for the Company’s Common Shares

The Company renewed the NCIB for its common shares on September 4, 2020 that will terminate on September 3, 2021, or such earlier date on which purchases under the NCIB have been completed. Purchases of Shares under the NCIB will be made through the facilities of the TSX or other alternative Canadian trading systems at the market price of the shares at the time of acquisition. Daily purchases will be limited to 153,521 shares, other than block purchase exceptions. Shares purchased under the NCIB will be cancelled. The NCIB allows the Company to purchase for cancellation up to 5,934,811 shares of the Company over a 12-month period. In 2020, the Company purchased a total of 834,100 shares for cancellation under its NCIB at an average price of CA\$6.13 per share. In March 2021, the Company purchased an additional 702,000 shares for cancellation under its NCIB at an average price of CA\$5.69 per share bringing the cumulative purchases under the NCIB to a total of 1,536,100 at an average price of CA\$5.93 per share.

Under the Company’s previous NCIB, which expired on June 11, 2020, the Company had purchased a total of 56,000 common shares for cancellation in March 2020 at an average price of CA\$3.42 per share.

2020 Private Placement; Early Redemption of 30% of Gold Notes

On February 6, 2020, the Company completed the 2020 Private Placement receiving gross proceeds of CA\$40.0 million (equivalent to approximately \$30.1 million) through the issuance of 7,142,857 units at a price of CA\$5.60 per unit. Each unit consists of one common share and one common share purchase warrant (“2020 PP Warrant”) exercisable into a full common share at CA\$6.50 per share expiring on February 6, 2023.

The Company used a portion of the net proceeds of the 2020 Private Placement to redeem 30% of the aggregate principal amount of the Gold Notes outstanding, equivalent to approximately \$19.2 million, on March 31, 2020, reducing the aggregate principal amount outstanding to approximately \$44.7 million. The redemption price was equal to 100% of the aggregate principal amount of the Gold Notes redeemed plus the Applicable Premium calculated in accordance with the provisions of the Gold Notes Indenture of approximately 10.32%.

Subsequent Event - Early Redemption of CA\$2 Million of Convertible Debentures in April 2021

On March 4, 2021, the Company gave written notice to the holders that it will redeem CA\$2.0 million aggregate principal amount of the Convertible Debentures (“Redemption Amount”) in cash on April 5, 2021. The redemption price of CA\$1,000.876712 for each CA\$1,000 is equal to the Redemption Amount plus accrued and unpaid interest. If at the holders’ option the full Redemption Amount is settled with shares, the Company will issue a total of 421,052 common shares to holders of the Convertible Debentures. Following the redemption, there will be CA\$18.0 million aggregate principal amount of Convertible Debentures issued and outstanding.

Subsequent Event - Early Redemption of \$10 Million of Gold Notes in May 2021

In March 2021, the Company announced that it will complete an early optional redemption of \$10.0 million aggregate principal amount of Gold Notes on or about May 10, 2021. The redemption price will be equal to 104.13% of the aggregate principal amount of the Gold Notes redeemed plus accrued interest.

Bluenose RTO Transaction and Investments in Aris in 2020

In December 2019, the Company transferred the Marmato Mining Assets in a common control transaction to Caldas Finance Corp. (“CFC”), a newly incorporated subsidiary of the Company. The Marmato Mining Assets principally comprise the existing producing underground gold mine, including the right to mine in the lower portion of the Echandia license area, the existing 1,200 tonnes per day processing plant and the area encompassing the Marmato Deep Zone (“MDZ”), all located within the mining license area referred to as Zona Baja.

On February 24, 2020, the Company completed the Bluenose RTO Transaction in which it sold CFC to Bluenose Gold Corp. (“Bluenose”) in a share for share exchange that resulted in Gran Colombia controlling Bluenose after the transaction. Bluenose was renamed Caldas Gold Corp. (“CGC”) on closing of the RTO. On February 4, 2021, CGC changed its name to Aris Gold Corporation (“Aris”).

Immediately subsequent to the completion of the Bluenose RTO Transaction, the CFC Subscription Receipt Financing and the Gran Colombia Private Placement (both financings as further described below), the shares held by the Company through its subsidiary, Caldas Holdings Corp. (“GC Holdco”) represented approximately 71.8% of Aris.

In the Bluenose RTO Transaction, although Aris is the legal parent of CFC, CFC was deemed to be the accounting acquirer and Aris was deemed to be the acquiree for accounting purposes. Upon completion of the Bluenose RTO Transaction, as former single shareholder of CFC, the Company became the controlling shareholder of Aris.

As CFC was deemed to be the acquirer in the Bluenose RTO Transaction, the assets and liabilities of CFC have been accounted for at cost, and the Bluenose assets and liabilities have been accounted for at fair value on acquisition. Bluenose operations did not constitute a business, as such the transaction has been accounted for as an asset acquisition. Therefore, Bluenose share capital, equity reserve and deficit at the time of the Bluenose RTO Transaction have been eliminated and the Bluenose RTO Transaction costs have been expensed.

In the accounting for the reverse takeover, the Bluenose RTO Transaction consideration was determined by reference to the fair value of the 10,852,841 shares the legal subsidiary, being CFC, would have issued to the former Bluenose shareholders to obtain the same percentage ownership interest in the combined entity. Aris recognized the \$16.4 million excess of the fair value of the Bluenose RTO Transaction consideration over the net liability assumed and the Bluenose RTO Transaction costs of approximately \$0.3 million, including a financial advisory fee and the fair value of stock options honoured, in the statement of operations during the year ended December 31, 2020.

2019 CFC Subscription Receipt Financing

At closing of the Bluenose RTO Transaction, the net proceeds of approximately \$4.7 million from the 2019 CFC Subscription Receipt Financing completed by CFC in December 2019 were released from escrow to Aris. Concurrently, the CFC Subscription Receipts were exchanged for one common share of Aris and one common share purchase warrant of Aris with an exercise price of CA\$3.00 per share expiring December 19, 2024.

February 2020 Gran Colombia Private Placement

In February 2020, prior to the Bluenose RTO Transaction, CFC closed the Gran Colombia Private Placement pursuant to which the Company purchased 7,500,000 units of CFC in a non-brokered private placement basis at a price of CA\$2.00 per unit, for gross cash proceeds of CA\$15.0 million (approximately \$11.3 million), of which CA\$2.4 million (equivalent to \$1.8 million) was advanced in December 2019. At the closing of the Bluenose RTO Transaction, each unit issued under the Gran Colombia Private Placement was exchanged for one common share of Aris and one share purchase warrant of Aris with an exercise price of CA\$3.00 per share expiring December 19, 2024. Gran Colombia's equity interest in Aris at the closing of the Bluenose RTO Transaction was 71.8%.

Open Market Purchases of Aris Common Shares by Gran Colombia in 2020

The Company, through GC Holdco, acquired an aggregate of 1,295,100 common shares of Aris at an average price of CA\$1.89 per share in the open market during the period from February 28, 2020 through March 16, 2020, inclusive, for an aggregate amount of CA\$2.4 million (approximately \$1.8 million), increasing Gran Colombia's equity interest in Aris to 74.4%.

Gran Colombia Private Placement in June 2020 to Fund SARC Acquisition by Aris

On June 30, 2020, the Company acquired 7,000,000 common shares of Aris in a CA\$14 million (approximately \$10.3 million) private placement. Aris used \$10 million of the proceeds from the private placement to fund the cash portion of the acquisition of South American Resources Corp. ("SARC") completed on July 2, 2020. SARC had acquired a 100% interest in the Juby Project and a 25% interest in certain claims adjoining the Juby Project on June 30, 2020. The Juby Project is an advanced exploration-stage gold project located in Northeastern Ontario within the Shining Tree area in the southern part of the Abitibi greenstone belt. In connection with the SARC acquisition, Aris also issued 20,000,000 common shares to the shareholders of SARC, diluting the Company's equity interest in Aris to approximately 57.5% as of July 2, 2020.

Gran Colombia Participation in July 2020 Bought Deal Financing of Aris Special Warrants

On July 29, 2020, Aris completed a CA\$50 million bought deal financing of Aris Special Warrants at a price of CA\$2.25 per Aris Special Warrant. Each Aris Special Warrant entitled the holder to receive one common share and one common share purchase warrant (the "Aris Listed Warrants") exercisable at CA\$2.75 per share for a period of five years, subject to an acceleration clause if certain conditions are met after the third year. The Company purchased 8,888,889 Aris Special Warrants for a total purchase price of CA\$20 million (approximately \$15 million). On September 28, 2020, the Aris Special Warrants were exercised and Aris issued 22,222,222 common shares and 22,222,222 Aris Listed Warrants that are currently listed on the TSX under the symbol ARIS.WT. The Company's equity interest in Aris after the exercise of the Aris Special Warrants decreased to 53.5%.

Gran Colombia Participation in Aris Gold-Linked Notes Subscription Receipts Financing in August 2020

On August 26, 2020, Aris completed an \$83.1 million brokered private placement of 83,066 subscription receipts (the "Aris GLN Subscription Receipts") at a price of \$1,000 per Aris GLN Subscription Receipt. On November 17, 2020, on satisfaction of certain conditions contained in the Aris GLN Subscription Receipt

agreement, the Aris GLN Subscription Receipts were exchanged for units of Aris, with each unit comprising senior secured gold-linked notes (the “Aris Gold Notes”) in an aggregate principal amount of \$1,000 and 200 Aris Listed Warrants that were added to the existing listing on the TSXV. The Company acquired 10,000 Aris Gold Notes and 2,000,000 Aris Listed Warrants for a total of \$10.0 million. The Aris Gold Notes represent senior secured obligations of Aris, ranking pari passu with all present and future senior indebtedness of Aris, including the Aris Precious Metals Stream (see page 29), senior to all present and future subordinated indebtedness of Aris, and are non-recourse to Gran Colombia.

Gran Colombia Participation in the Aris Transaction in December 2020

On December 3, 2020, Aris completed a non-brokered private placement (the “Aris Transaction”) of 37,777,778 subscription receipts (“Aris Subscription Receipts”) at a price of CA\$2.25 per Aris Subscription Receipt for aggregate gross proceeds of CA\$85.0 million (equivalent to US\$66.8 million at the December 31, 2020 exchange rate). The proceeds of the Aris Transaction were placed in escrow pending certain release conditions. Gran Colombia acquired 7,555,556 Aris Subscription Receipts for a total of CA\$17.0 million (approximately \$13.2 million). Each Aris Subscription Receipt entitled the holder to receive one common share of Aris and one Aris Listed Warrant having the same terms and conditions as the Aris Listed Warrants issued pursuant to the Aris Special Warrants.

Subsequent to December 31, 2020, the escrow release conditions for the Aris Transaction were satisfied and, on February 4, 2021, the Aris Transaction closed with Aris issuing 37,777,778 common shares and 37,777,778 Aris Listed Warrants to the holders. On closing of the Aris Transaction, the executive officers and a majority of the Board of Directors of Aris changed pursuant to mutual agreement between Gran Colombia and a new investor group. In addition, Gran Colombia’s equity interest in Aris decreased from 53.5% to 44.3%. As a result, commencing in the first quarter of 2021, Gran Colombia will cease consolidating Aris in its financial statements and will begin equity accounting for its investment in Aris.

As a condition to the Aris Transaction, on closing Gran Colombia entered into an investor agreement with Aris, which, subject to certain ownership thresholds, provides Gran Colombia with the right to nominate two directors to the Board of Aris and to maintain its equity interest in Aris in the event that Aris issues securities in connection with an equity financing or non-cash transaction. The investor agreement also requires that for a period of two years following closing of the Aris Transaction, Gran Colombia will have certain voting obligations related to its equity interest in Aris and is precluded from selling its common shares or warrants of Aris to a third party without prior consent from Aris.

Reserves and Resources

Segovia Mineral Resource Estimate Update Effective December 31, 2020

The Company has completed an updated Mineral Resource estimate (“MRE”) for its Segovia Operations prepared in accordance with the Canadian Institute of Mining Metallurgy and Petroleum (“CIM”) Definition Standards incorporated by reference in National Instrument 43-101 (“NI 43-101”) with an effective date of December 31, 2020. Highlights of the December 31, 2020 MRE update include:

- Total Measured & Indicated Resources increased to 4.0 million tonnes at a grade of 11.2 g/t totalling 1.43 million ounces of gold, up 5% from last year.
- Total Inferred Resources decreased to 3.7 million tonnes at a grade of 10.3 g/t totalling 1.21 million

ounces of gold, down 4% compared to last year.

- The Company replaced Mineral Resources mined in 2020 and upgraded approximately 69,000 ounces of gold from Inferred to Measured & Indicated resources.
- The updated MRE continues to reaffirm confidence in the high-grade nature of the Segovia gold deposits.
- The commencement of the brownfield exploration program was delayed by COVID-19 until the fourth quarter of 2020. As such, the updated MRE does not include any results from the 2020 brownfield exploration program. In addition, the MRE for Las Verticales has not been updated as no new information is currently available and the previous estimate for this project remains valid.

The following table summarizes the MRE for the Segovia Operations as of December 31, 2020 and changes by category in tonnes, grade and ounces of gold compared with the previous total MRE as of December 31, 2019:

Project	Deposit	Type	Measured			Indicated			Measured & Indicated			Inferred		
			Tonnes (kt)	Grade (g/t)	Au Metal (koz)	Tonnes (kt)	Grade (g/t)	Au Metal (koz)	Tonnes (kt)	Grade (g/t)	Au Metal (koz)	Tonnes (kt)	Grade (g/t)	Au Metal (koz)
Segovia	Providencia	LTR	218	18.5	130	237	14.9	114	455	16.6	243	171	9.9	55
		Pillars	109	22.3	78	99	10.2	32	208	16.5	110	384	19.8	245
	Sandra K	LTR				413	10.0	132	413	10.0	132	384	9.9	122
		Pillars				156	11.1	56	156	11.1	56	17	27.5	15
	El Silencio	LTR				1,277	9.8	404	1,277	9.8	404	1,279	9.0	371
		Pillars				1,326	10.6	454	1,326	10.6	454	395	11.4	145
	Verticales	LTR										771	7.1	176
	Subtotal Segovia Project	LTR	218	18.5	130	1,927	10.5	650	2,145	11.3	780	2,605	8.6	724
		Pillars	109	22.3	78	1,581	10.7	542	1,690	11.4	620	796	15.8	405
	Carla	Subtotal Carla Project	LTR				132	6.0	25	132	6.0	25	260	9.7
December 31, 2020 (1)			327	19.8	208	3,639	10.4	1,217	3,967	11.2	1,425	3,661	10.3	1,209
December 31, 2019 (2)			226	20.8	151	3,385	11.1	1,205	3,611	11.7	1,356	4,098	9.6	1,265
% Change vs previous			45%	-5%	38%	8%	-6%	1%	10%	-4%	5%	-11%	7%	-4%

(1) The Mineral Resources are reported at an in situ cut-off grade of 2.9 g/t Au over a 1.0 m mining width, which has been derived using a gold price of US\$1,700 per ounce and suitable benchmarked technical and economic parameters for the existing underground mining (mining = US\$85.0/t, processing = US\$24.0/t, G&A = US\$24.0/t, Royalties = US\$11.1/t) and conventional gold mineralized material processing (90.5%). Each of the mining areas have been sub-divided into Pillar areas ("Pillars"), which represent the areas within the current mining development, and long-term resources ("LTR"), which lie along strike or down dip of the current mining development. Mineral Resources are reported inclusive of the Mineral Reserve. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

(2) Sourced from the NI 43-101 Technical Report, Prefeasibility Study Update, Segovia Project, Colombia dated May 14, 2020 and effective as of December 31, 2019, prepared by SRK Consulting (US) Inc. ("SRK"). Some production at Segovia is sourced from mining areas that are not currently included in the Company's MRE.

During 2020, Gran Colombia continued its in-mine and near-mine drilling campaign designed to increase the Company's confidence in the potential to add new mineral reserves and extend mine life. The results of the 2020 drilling program were included in press releases issued by the Company on July 20, 2020 and December 21, 2020, including (i) the discovery of a third high-grade vein at depth in the El Silencio mine, (ii) the discovery of a new orebody at Level 14 in the Providencia mine which is being developed and remains open at depth, (iii) drilling at the northernmost end of the Sandra K mine showed that the mineralization is

still open along strike and at depth and (iv) drilling at the Carla mine has intercepted additional high-grade mineralization well below the existing underground mine development. The results of the 2020 drilling have identified potential targets to increase the Mineral Resources at Segovia, all of which will be followed up in the 2021 drilling program.

The updated MRE for the Segovia Operations incorporates assay results from an additional 467 diamond drillholes totalling 64,030 meters of sampling information in the databases compared to the previous model, inclusive of the 2019 drilling program and the ongoing validation exercises of historical information being completed by the Company's geologists. All diamond core has been logged and sent for preparation at the SGS laboratories in Medellin, with associated Quality Control Programs. In addition to the drilling, a total of 9,806 channel samples totalling some 7,815 meters in length were completed in 2020.

The MRE was prepared using a block model constrained with 3D wireframes of the principal veins, which have been sub-domained using high-grade mineralisation wireframes to constrain the influence of higher grade material. Assays are capped prior to compositing. Values were interpolated using ordinary kriging for well informed areas and inverse distance squared methodology for smaller veins with limited data. All models have been depleted using projections of the mining faces through the entire width of the veins. Classification has been applied based on a combination of data quality, confidence in the spatial location, and confidence in the mining depletion shapes. Only material reporting above a cut-off of 2.9 g/t over a minimum stope width of 1.0 m has been included in the MRE. The MRE for Las Verticales has not been updated as no new information is currently available and the previous estimate for this project remain valid.

Ben Parsons, Principal Consultant (Resource Geology) with SRK, prepared the Segovia MRE according to CIM Definition Standards and will be supported by a NI 43-101 independent report which will be published and filed on the Company's website and SEDAR profile within 45 days. Mr. Parsons is a Qualified Person as defined by NI 43-101. The NI 43-101 independent report will include detailed information on the key assumptions, parameters and methods used to estimate the mineral resources.

Segovia's Life-of-Mine ("LOM") Mineable Gold Reserves Total Approximately 633,000 Contained Ounces Effective December 31, 2020

SRK has also completed preliminary results of an updated Preliminary Feasibility Study ("Segovia PFS") for the Segovia Operations effective December 31, 2020 and is currently finalizing the technical report. At December 31, 2020, Segovia's reported Mineral Reserve totaled approximately 633,000 proven and probable ounces of gold, based on 2.2 million tonnes of material at an average head grade of 9.0 g/t, compared with approximately 670,000 ounces at the end of 2019 based on 2.0 million tonnes of material at an average head grade of 10.5 g/t.

For the Segovia PFS, SRK included the geological and resource modelling of the various deposits and mining areas that comprise the operating mine site of the Segovia Operations. A mining study and schedule was prepared by both SRK's and the Company's technical professionals to create a LOM production schedule, including both Company-operated areas and contractor-operated areas within the Company's Providencia, El Silencio, Sandra K and Carla mines. The Segovia PFS production schedule includes only Proven and Probable Reserves, and as such, the annualized level of production over the seven-year projected mine life in the Segovia PFS may be lower than the Company's current expectations. This is largely due to the exclusion of Inferred Resources in the LOM production schedule in the Segovia PFS which the Company currently mines and intends to continue mining in the future. In addition, the material

processed under operating contracts at the Company's Maria Dama plant from the small artisanal mines located in the Company's mining title is not included in the LOM production schedule in the Segovia PFS as it falls outside the Company's mines and is therefore not included in the Company's MRE or Mineral Reserves.

The following table shows a breakdown of the Mineral Reserve as of December 31, 2020 by area and category compared with the total Mineral Reserve as of December 31, 2019:

Area	Category	Tonnes (kt)	Grade (g/t)	Au Metal (koz)
Providencia	Proven	187	13.9	83
Providencia	Probable	176	10.4	59
Sandra K	Probable	273	9.1	79
El Silencio	Probable	1,472	8.3	394
Carla	Probable	88	6.3	18
December 31, 2020 (1)	Total	2,196	9.0	633
December 31, 2019 (2)	Total	1,985	10.5	670
% Change vs previous		11%	-14%	-6%

- (1) Ore reserves are reported using a gold cutoff grade ranging from 3.11 to 3.86 g/t depending on mining area and mining method. The cutoff grade calculations assume a \$1,600/oz Au price, 90.5% metallurgical recovery, \$6/oz smelting and refining charges, \$24/t G&A, \$24/t processing cost, and projected LOM mining costs ranging from \$85/t to \$110/t. The reserves are valid as of December 31, 2020. Mining dilution is applied to a minimum mining height and estimated overbreak (values differ by area/mining method) using a zero grade. Reserves are inclusive of Mineral Resources. All figures are rounded to reflect the relative accuracy of the estimates. Totals may not sum due to rounding. Mineral Reserves have been stated on the basis of a mine design, mine plan, and economic model. There are potential survey unknowns in some of the mining areas and lower extractions have been used to account for these unknowns. The Mineral Reserves were estimated by Fernando Rodrigues, BS Mining, MBA, MMSAQP #01405, MAusIMM #304726 of SRK, a Qualified Person.
- (2) Sourced from the NI 43-101 Technical Report, Prefeasibility Study Update, Segovia Project, Colombia dated May 14, 2020 and effective as of December 31, 2019, prepared by SRK.

A summary of the key LoM operating and financial parameters of the current Segovia PFS dated as of December 31, 2020 compared with the previous Segovia PFS prepared as of December 31, 2019 is as follows:

	December 31, 2020	December 31, 2019 ⁽¹⁾
Operating data:		
Ore milled (tonnes)	2,196,000	1,985,000
Gold produced (ozs)	573,000	607,000
Financial data (U.S. dollars):		
Expected long-term gold price	\$1,600/oz	\$1,350/oz
LOM gold revenue	\$916 million	\$819 million
Total cash cost, including refining	\$796/oz	\$711/oz
LOM sustaining capex, including exploration	\$134 million	\$150 million
Mine-level AISC	\$1,030/oz	\$958/oz
Undiscounted after-tax free cash flow	\$226 million	\$151 million
NPV after-tax free cash flow @ 5%	\$209 million	\$139 million

- (1) Sourced from the NI 43-101 Technical Report, Prefeasibility Study Update, Segovia Project, Colombia dated May 14, 2020 and effective as of December 31, 2019, prepared by SRK.

Fernando Rodrigues, BS Mining, MBA, MAusIMM, MMSAQP Practice Leader/Principal Consultant (Mining Engineer) with SRK, prepared the Segovia Mineable Reserve according to CIM Definition Standards and will be supported by a NI 43-101 independent report which will be published and filed on the Company's website and SEDAR profile within 45 days. Mr. Rodrigues is a Qualified Person as defined by NI 43-101. The NI 43-101 independent report will include detailed information on the key assumptions, parameters and methods

used to estimate the mineable reserve.

Mineral Resource and Reserve Estimates for the Marmato Mining Assets Owned by Aris

On August 17, 2020, Aris announced that it had filed a preliminary feasibility study (“Marmato PFS”) technical report on its Marmato Mining Assets (the “Marmato Technical Report”) pursuant to National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”). The Marmato Technical Report included an updated MRE for its Marmato Mining Assets prepared by SRK in accordance with the Canadian Institute of Mining Metallurgy and Petroleum (“CIM”) Definition Standards incorporated by reference in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) with an effective date of March 17, 2020 (the “2020 MRE”).

The following table summarizes the 2020 MRE for the Marmato Mining Assets and changes by category in tonnes, grade and ounces of gold compared with the previous MRE as of July 31, 2019 (the “2019 MRE”):

	Measured			Indicated			Measured & Indicated			Inferred		
	Tonnes (Mt)	Grade (g/t)	Oz Au (000s)	Tonnes (Mt)	Grade (g/t)	Oz Au (000s)	Tonnes (Mt)	Grade (g/t)	Oz Au (000s)	Tonnes (Mt)	Grade (g/t)	Oz Au (000s)
2020 MRE	2.1	5.6	387	37.3	3.1	3,699	39.4	3.2	4,086	26.4	2.6	2,172
2019 MRE	2.1	4.9	325	15.2	3.5	1,714	17.3	3.7	2,039	44.9	2.3	3,312
Change	-	0.7	62 +19%	22.1	(0.4)	1,985 +116%	22.1	(0.5)	2,047 +100%	(18.5)	0.3	(1,140) (34%)

(1) Mineral resources are inclusive of mineral reserves and do not have demonstrated economic viability.

The Marmato Technical Report also includes Aris’ first Mineral Reserve estimate for the Marmato Mining Assets summarized as follows:

	Category	Tonnes (kt)	Grade (g/t)		Contained (kozs)	
			Au	Ag	Au	Ag
Total	Proven	802	5.14	22.11	133	569
	Probable	18,898	3.11	6.22	1,888	3,780
	Total	19,701	3.19	6.87	2,020	4,348

The Marmato Technical Report includes a mining study and schedule prepared by SRK’s technical professionals to create a LOM production schedule for the expanded underground mining operations at Marmato that will ultimately comprise two distinct operations, the existing Upper Mine and the new MDZ operation which sits directly below the Upper Mine vein system. The initial 30-year contract related to Zona Baja was awarded to Aris’ wholly-owned subsidiary, Caldas Gold Marmato S.A.S. (formerly Mineros Nacionales S.A.S.) in October 1991 and, in February 2021, has been extended for another 30 years until October 2051.

The LOM production schedule in the Marmato Technical Report foresees a total of 19.7 million tonnes of mineralized material being processed over a 14-year mine life resulting in a total of 1.9 million ounces of gold produced at an average LOM total cash cost of US\$778 per ounce and an average LOM AISC of US\$880 per ounce. The initial capital cost, to be incurred between 2020 and 2023, required for the MDZ mining operation is estimated to total US\$269.4 million. At an expected long-term gold price of \$1,400 per ounce, total LOM undiscounted after-tax project cash flow from mining operations amounts to US\$490.9 million. At a 5% discount rate, the net present value of the total LOM after-tax project cash flow amounts to US\$256.1

million. Before financing, the project has a 19.5% after-tax internal rate of return and payback by 2026.

Results of Operations and Overall Performance

Gold production

(Ounces)	Fourth Quarter		Year	
	2020	2019	2020	2019
Segovia Operations				
Company mines ⁽¹⁾				
El Silencio	20,755	24,805	72,531	86,154
Providencia	18,222	24,320	85,759	98,640
Sandra K	3,161	4,260	15,217	12,801
Carla	38	-	38	-
Total Company mines	42,176	53,385	173,545	197,595
Other contract mines ⁽²⁾	7,908	4,795	22,817	16,646
Total Segovia Operations	50,084	58,180	196,362	214,241
Marmato Operations	7,181	7,057	23,832	25,750
Total	57,265	65,237	220,194	239,991

(1) Includes Company-operated and contractor-operated areas within the mines. Production from the mines is included in the Company's Mineral Reserve and Resource estimates.

(2) Comprises other small mining operations within the Company's mining title that are operated by miners under contract to deliver the ore mined to the Company's Maria Dama plant for processing. Production from these sources is not included in the Company's Mineral Reserve and Resource estimates.

The Segovia Operations processed an average of 1,343 tpd in the fourth quarter of 2020 with an average head grade of 14.0 g/t resulting in gold production of 50,084 ounces compared with 58,180 ounces in the fourth quarter of 2019. The Carla mine, the Company's fourth mine, commenced mining operations in December. Although Carla's contribution to gold production in the fourth quarter of 2020 reflected the processing of only a portion of its material, Carla is expected to ramp up further during the first half of 2021. For the full year, the Segovia Operations produced a total of 196,362 ounces of gold in 2020 which was within the Company's revised annual guidance range of between 195,000 and 200,000 ounces. Segovia produced 214,241 ounces of gold in 2019 and 2020's production was adversely impacted by restrictions associated with the COVID-19 national quarantine, particularly in the early stages of the pandemic in the second quarter of 2020. For the full year, the Segovia Operations processed an average of 1,280 tpd in 2020 compared with 1,237 tpd in the previous year. Head grades in 2020 averaged 14.5 g/t, within the Company's expected range of 13 g/t to 15 g/t for the year, and down from 2019's average head grade of 16.4 g/t. Gold production from the four Company mines represented approximately 88% of Segovia's total production in 2020. The other 12% of Segovia's gold production in 2020 was sourced from the small mines operating in the regional area within the Segovia mining title under contract with the Company as part of its ESG initiatives. The Company currently has 56 small mines under contract and, in 2020, the Company saw a 10% increase in material from the small mines. In addition, head grades in 2020 in the material from the small mines also improved to an average of 8.5 g/t, up from 6.8 g/t last year, reaching an average of 11.8 g/t in the fourth quarter of 2020, driven by material from a small mine operating near the Cristales vein, an area the Company will commence drilling in 2021 as part of its brownfield drilling campaign, which delivered approximately 1,300 tonnes of material at an average head grade of 47 g/t.

At the Marmato mine owned and operated by Aris, the plant processed an average of 909 tpd in the fourth

quarter of 2020 at an average head grade of 3.0 g/t resulting in gold production of 7,181 ounces compared with 7,057 ounces in the fourth quarter last year. For the full year, Marmato produced 23,832 ounces of gold in 2020 which was within its annual guidance range of between 23,000 and 26,000 ounces. The Marmato mine produced 25,750 ounces in 2019. The 7% decrease in 2020's full year production compared with 2019 was primarily due to the impact of the COVID-19 national quarantine in Colombia beginning on March 25, 2020. During the COVID-19 national quarantine, restrictions on movement of people between communities adversely impacted the Marmato mine's access to workers, many of whom come from neighbouring communities outside the Municipality of Marmato. In response to the pandemic, the Marmato mine implemented its business continuity program and adapted operating procedures to ensure its workers remained healthy and safe. In the third and fourth quarters of 2020, the Marmato mine saw significant improvement in tonnes milled, head grade, recovery and production as compared to the second quarter of 2020, which had been significantly impacted by the COVID-19 restrictions.

Quarterly production data by operation for the trailing eight quarters is as follows:

	2020					2019				
	Year	4 th Qtr	3 rd Qtr	2 nd Qtr	1 st Qtr	Year	4 th Qtr	3 rd Qtr	2 nd Qtr	1 st Qtr
Segovia Operations										
Company mines ⁽¹⁾										
Tonnes milled	375,419	100,306	92,689	86,810	95,614	367,136	99,815	98,892	85,444	82,985
Head grade (g/t)	15.99	14.56	16.98	15.77	16.71	18.61	18.39	16.07	19.19	21.28
Gold produced (ozs) ⁽²⁾	173,545	42,176	45,526	39,553	46,290	197,595	53,385	45,936	47,254	51,020
Other contract mines ⁽³⁾										
Tonnes milled	93,179	23,211	25,364	23,385	21,219	84,313	23,921	21,966	21,298	17,128
Head grade (g/t)	8.46	11.77	8.21	7.13	6.60	6.82	6.92	6.47	7.09	6.79
Gold produced (ozs)	22,817	7,908	6,029	4,824	4,056	16,646	4,795	4,114	4,371	3,366
Total Segovia Operations										
Tonnes milled	468,598	123,517	118,053	110,195	116,833	451,449	123,736	120,858	106,742	100,113
Tonnes per day (tpd)	1,280	1,343	1,283	1,211	1,284	1,237	1,345	1,314	1,173	1,112
Head grade (g/t)	14.49	14.04	15.10	13.94	14.87	16.40	16.17	14.32	16.78	18.80
Mill recovery	90.0%	89.8%	90.0%	89.9%	90.1%	90.0%	90.4%	89.9%	89.7%	89.9%
Gold produced (ozs) ⁽²⁾	196,362	50,084	51,555	44,377	50,346	214,241	58,180	50,050	51,625	54,386
Silver produced (ozs)	186,122	51,302	47,560	41,342	45,918	187,820	50,398	44,505	46,826	46,091
Marmato Operations										
Tonnes milled	308,576	83,626	86,715	53,610	84,625	370,494	92,832	95,862	90,411	91,389
Tonnes per day (tpd)	843	909	943	589	930	1,015	1,009	1,042	994	1,015
Head grade (g/t)	2.70	2.99	2.77	2.51	2.45	2.48	2.71	2.32	2.45	2.44
Mill recovery	89.1%	89.3%	89.4%	88.9%	88.6%	87.1%	87.1%	86.9%	87.8%	86.6%
Gold produced (ozs)	23,832	7,181	6,899	3,851	5,901	25,750	7,057	6,221	6,257	6,215
Silver produced (ozs)	34,092	10,688	9,287	5,105	9,012	39,559	10,423	9,219	10,078	9,839
Total Company										
Gold produced (ozs)	220,194	57,265	58,454	48,228	56,247	239,991	65,237	56,271	57,882	60,601
Silver produced (ozs)	220,214	61,990	56,847	46,447	54,930	227,379	60,821	53,724	56,904	55,930

(1) Comprises the El Silencio, Providencia, Sandra K and Carla mines. Includes Company-operated and contractor-operated areas within the mines. Production from these mines is included in the Company's Mineral Reserve and Mineral Resource estimates.

(2) Gold production may include additional ounces recovered from the mill circuit during the period. Tonnes milled, head grade and mill recovery statistics do not include any data related to these additional gold ounces produced.

(3) Comprises other small mining operations within the Company's mining title that are operated by miners under contract to deliver the ore mined to the Company's Maria Dama plant for processing. Production from these sources is not included in the Company's Mineral Reserve and Mineral Resource estimates.

Revenues

(\$000's except ounce and \$/oz data)	Fourth Quarter		Year	
	2020	2019	2020	2019
Gold				
Ounces sold	52,478	59,169	220,890	233,866
Average realized price (\$/oz)	1,875	1,480	1,751	1,381
Silver				
Ounces sold	54,943	55,957	217,421	222,309
Average realized price (\$/oz)	23	16	19	15
Revenues				
Gold	\$ 98,396	\$ 87,545	\$ 386,682	\$ 323,057
Silver	1,277	918	4,239	3,423
	\$ 99,673	\$ 88,463	\$ 390,921	\$ 326,480

Revenue of \$99.7 million in the fourth quarter of 2020 was up 13% over the fourth quarter last year. A 27% increase in spot gold prices improved the Company's realized gold price in the fourth quarter of 2020 to an average of \$1,875 per ounce sold compared with \$1,480 per ounce sold in the fourth quarter last year. This was partially offset by an 11% decrease in the volume of gold sales in the fourth quarter of 2020 compared to the fourth quarter of 2019 due to the lower fourth quarter 2020 gold production at Segovia. For the full year, 2020's revenue totaled \$390.9 million, up 20% over last year, primarily driven by the 27% year-over year increase in spot gold prices in 2020.

Cost of sales

	Fourth Quarter		Year	
	2020	2019	2020	2019
Production costs	\$ 44,672	\$ 37,576	\$ 157,836	\$ 144,496
Production taxes	4,056	3,845	15,938	13,472
Environmental fees (recovery)	-	15	-	(721)
Depreciation, depletion and amortization ("DD&A")	6,537	8,050	24,947	32,312
Total cost of sales	\$ 55,265	\$ 49,486	\$ 198,721	\$ 189,559
Total cash costs per ounce ⁽¹⁾				
Production costs	\$ 851	\$ 635	\$ 715	\$ 618
Production taxes	77	65	72	58
By-product credits (silver)	(24)	(15)	(19)	(15)
	\$ 904	\$ 685	\$ 768	\$ 661

(1) See "Non-IFRS Measures" on pages 33-37.

The Company's total cash costs per ounce averaged \$904 in the fourth quarter of 2020 compared with \$685 in the fourth quarter of 2019. At the Segovia Operations, which account for almost 90% of total gold sales, total cash costs averaged \$830 per ounce in the fourth quarter of 2020, up from \$637 per ounce in the fourth quarter of 2019, reflecting an increase in contractor and artisanal mining rates (which had not changed since 2017) implemented in the third quarter of 2020 in response to the current gold market conditions, higher spot gold prices which increased production taxes on a per ounce basis and additional costs to maintain the necessary COVID-19 protocols required to protect the health and safety of Segovia's workers. At the Marmato Operations, total cash costs averaged \$1,421 per ounce in the fourth quarter of 2020, up from

\$1,063 per ounce in the fourth quarter last year, reflecting the increased level of operating development costs in the Upper Zone mine associated with the preparation of the Transition Zone for expansion of mining activities, additional costs being incurred to maintain the COVID-19 safety protocols and the impact of higher spot gold prices in 2020 on production taxes on a per ounce basis.

The total cash costs per ounce sold over the trailing eight quarters were as follows:

	2020					2019				
	Year ⁽¹⁾	4 th Qtr ⁽¹⁾	3 rd Qtr	2 nd Qtr	1 st Qtr	Year ⁽¹⁾	4 th Qtr ⁽¹⁾	3 rd Qtr	2 nd Qtr	1 st Qtr
Segovia Operations	\$ 699	\$ 830	\$ 722	\$ 654	\$ 604	\$ 607	\$ 637	\$ 621	\$ 600	\$ 570
Marmato Operations ⁽²⁾	1,336	1,421	1,353	1,366	1,215	1,108	1,063	1,156	1,090	1,128
Company average	\$ 768	\$ 904	\$ 796	\$ 713	\$ 667	\$ 661	\$ 685	\$ 684	\$ 655	\$ 621

(1) See "Non-IFRS Measures" on pages 33-37.

(2) The methodology used to calculate total cash cost per oz reflects the Company's approach and differs in certain aspects with Aris' approach.

DD&A in 2020 of \$24.9 million reflects a decrease in the DD&A rate to an average of \$113 per ounce sold from \$138 per ounce sold in 2019 reflecting the impact of additional resources added to the depletion base at Segovia through exploration in 2019 and the impact of COP/USD devaluation in the current year compared with 2019.

Social programs and contributions

(\$000's)	Fourth Quarter		Year	
	2020	2019	2020	2019
Segovia Operations	\$ 2,707	\$ 2,096	\$ 9,706	\$ 6,937
Marmato Operations	448	-	931	-
	\$ 3,155	\$ 2,096	\$ 10,637	\$ 6,937

From its inception in 2010, the Company has been committed to responsible mining and supporting the local communities in which it operates. In 2020, the Company formed an Environmental, Social and Governance ("ESG") committee of the Board and hired a Corporate ESG Manager to work with the local ESG team in Colombia to support the Company's ongoing commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability and other public policy matters. The Company, with assistance from external consultants, is preparing its inaugural sustainability report that is expected to be published in the second quarter of 2021.

At its Segovia Operations, the Company makes contributions to a trust account to fund social programs with the amount of the quarterly contributions determined by a formula based on gold production and tied to the spot price of gold. The increase in the total amount of the Segovia social contributions in the fourth quarter and full year in 2020 over the corresponding periods in the previous year was primarily driven by an increase in the contribution rates as a result of the higher spot gold prices in 2020. In 2020, the programs funded by the Segovia social contributions have included a number of COVID-19 relief measures in the local communities surrounding the Segovia Operations.

Similarly, in the fourth quarter and full year in 2020, the Marmato Operations incurred \$0.4 million and \$0.9 million, respectively, of funding to support the local communities surrounding the Marmato Mining Assets through social programs that included meals for vulnerable families, hospital supplies, cleaning kits and

masks. In the fourth quarter of 2020, the social contributions also include a \$0.3 million donation to a local foundation to fund the construction of a community centre in the Municipality of Marmato.

Other items

(\$000's)	Fourth Quarter		Year	
	2020	2019	2020	2019
G&A expenses	\$ 4,731	\$ 4,339	\$ 18,807	\$ 15,679
Impairment charge	-	175,989	-	175,989
Share-based compensation expense	2,345	362	7,811	2,157
Finance costs	9,397	3,253	30,280	13,109
RTO Transaction costs	-	-	16,700	-
Loss on financial instruments	51,609	9,425	72,869	32,539
Gain on sale of securities, net	-	-	3,099	-
Income tax expense (recovery)	22,299	(10,627)	65,616	19,378

G&A expenses in the fourth quarter of 2020 amounted to \$4.7 million, up slightly from the fourth quarter last year, and included an incremental \$1.7 million of G&A expenses incurred by Aris now that it is a separate standalone public company. For the full year, G&A expenses totalled \$18.8 million in 2020, including \$4.0 million of Aris G&A expenses, compared with \$15.7 million in 2019. For the full year, G&A expenses included total of \$3.8 million in 2020, down from \$4.8 million in 2019, related to two separate arbitration matters involving the Company. The first one is Company's request for institution of arbitration proceedings with the International Centre for Settlement of Investment Disputes ("ICSID") in respect of the Company's claim against the Republic of Colombia (the "FTA Claim") as described below. The second one is the arbitration related to the Company's termination of a long-term refinery contract in early 2019 which was ultimately settled in the Company's favor in October 2020.

In May 2018, the Company had initiated the FTA Claim referred to above seeking compensation for breaches of the investment protection provisions of the Canada Colombia Free Trade Agreement ("FTA"), stemming from the Colombian government's failure to safeguard the Company's investment in gold and silver mines in its Marmato Project and Segovia Operations. Because illegal miners have both impeded the Company's mining operations in these areas and also curtailed access to them, the Company has no exploration operations at the Zona Alta property or Echandía property at Marmato and has not been able to undertake its own mining operations in these areas, including in certain areas of its Segovia Operations. The arbitration proceedings center on claims against Colombia for its non-compliance with the obligations under the FTA, which effectively continues to preclude the Company from establishing operations at the Zona Alta property, the Echandía property and some areas of the Segovia Operations. Colombia objected to the international tribunal's jurisdiction, which led the parties to a jurisdictional hearing in September 2020. An ICSID arbitration tribunal rejected Colombia's objection to jurisdiction and the case has moved forward on the merits. However, a final decision on the matter is expected to be more than 12 months away. In light of the factors underlying the FTA Claim, and the spin-out of the Marmato Mining Assets through the Bluenose RTO Transaction, the Company recorded an **impairment charge** in the amount of \$176.0 million (\$153.6 million net of tax) related to its Marmato Project during the fourth quarter of 2019. There have been no indicators of impairment or reversal of impairment in 2020.

Share-based compensation expense represents the fair value of the long-term incentive program ("LTIP") compensation granted to directors, executives and managers of the Company and its subsidiary, Aris. The LTIP comprises deferred share units ("DSUs") for non-executive directors and stock options and

performance share units (“PSUs”) for executive officers and managers. Share-based compensation expense is summarized as follows:

(\$000's)	Fourth Quarter		Year	
	2020	2019	2020	2019
Stock options granted by the Company	\$ -	\$ -	\$ 777	\$ 767
Stock options granted by Aris	597	-	3,821	-
DSUs granted by the Company	1,128	276	1,781	1,181
DSUs granted by Aris	111	-	681	-
PSUs granted by the Company	509	86	751	209
	\$ 2,345	\$ 362	\$ 7,811	\$ 2,157

Finance costs include recurring items related to debt service and financial obligations, such as interest expense, gold premiums and non-cash accretion, in addition to fees and expenses associated with financing transactions. Finance costs in the current and prior year periods are summarized as follows:

(\$000's)	Fourth Quarter		Year	
	2020	2019	2020	2019
Interest expense				
Gold Notes	\$ 753	\$ 1,451	\$ 3,791	\$ 6,409
Convertible Debentures	308	303	1,192	889
Aris Gold Notes & GLN Subscription Receipts	1,883	-	1,883	-
Other	40	98	97	566
Gold Premiums on Gold Notes	1,482	928	5,209	1,873
Applicable Premium on early redemption of Gold Notes	-	-	1,977	-
Non-cash accretion of lease and other financial obligations	487	517	1,938	2,151
Reversal of interest accrued on amounts payable for mineral interests	-	(199)	(250)	(199)
Subtotal before the following	4,953	3,098	15,837	11,689
Transaction fees and expenses				
Financings completed by the Company				
Private placements	28	155	588	1,420
Financings completed by Aris				
CFC Subscription Receipts	-	-	400	-
Aris GLN Subscription Receipts	227	-	6,500	-
Aris Special Warrants	21	-	2,787	-
Aris Subscription Receipts	2,363	-	2,363	-
Aris Precious Metals Stream	1,805	-	1,805	-
	\$ 9,397	\$ 3,253	\$ 30,280	\$ 13,109

Interest expense on the Gold Notes in 2020 has decreased as a result of the quarterly principal repayments and the early optional redemption completed at the end of March 2020. Aris completed the issuance of \$73.1 million of Aris Gold Notes to third party investors in November 2020 and paid a total of \$1.9 million of interest in respect of the period from August 26, 2020 when the Aris GLN Subscription Receipts were issued through the end of the year. Gold Premiums on the Company’s Gold Notes were higher in 2020 as a result of the increased spot gold prices. In 2020, Aris completed four major financings to raise the funds required for the expansion and development of the Marmato Mining Assets. Transaction fees and expenses of \$4.4 million in

the fourth quarter of 2020 brought the total of the Aris financing costs for the full year related to these financings to \$13.9 million.

In 2020, the Company recorded a charge in the amount of \$16.7 million in connection with the Bluenose RTO Transaction as outlined on page 7 of this MD&A.

The Company has a number of financial instruments for which changes in fair value from quarter to quarter are recognized at fair value through profit and loss. In 2020, the Company recorded a **loss on financial instruments** in the fourth quarter and full year of \$51.6 million and \$72.9 million, respectively, compared with a loss on financial instruments in corresponding comparative periods in 2019 in the amount of \$9.4 million and \$32.5 million, respectively. The major components of the loss on financial instruments include:

- A total fair value loss on derivative financial liabilities of \$50.0 million in the fourth quarter of 2020 bringing the total fair value loss for the 2020 full year to \$75.3 million compared to fair value losses of \$6.8 million and \$33.7 million in the respective comparative periods in 2019. The key drivers behind the 2020 fair value losses include:
 - Largely driven by the improvement in spot gold prices and the Company's share price toward the end of 2020, the Company recorded fair value losses on its Gold Notes, Convertible Debentures, Listed and Unlisted Warrants totaling \$26.3 million in the fourth quarter of 2020 bringing the total for the 2020 full year to \$39.7 million, and
 - Aris recorded fair value losses in the fourth quarter and full year of 2020 amounting to \$23.8 million and \$35.5 million, respectively, related to the derivative financial liabilities associated with its financing transactions including the Aris Special Warrants, the Aris Subscription Receipts and the warrants issued by Aris.
- A total fair value loss of \$1.6 million and a total fair value gain of \$2.4 million in the fourth quarter and full year of 2020, respectively, related to its derivative financial assets including the Gold X Warrants and Gold X Debentures, the Western Atlas Warrants and the commodity hedging contracts. In the fourth quarter and full year of 2019, the Company had recorded a fair value loss of \$2.3 million and a fair value gain of \$1.2 million, respectively, on these financial instruments.

In May 2020, the Company announced that it had signed a definitive agreement to complete a business combination with Gold X Mining and submitted a proposal to Guyana Goldfields Inc. ("Guyana Goldfields") to acquire all of its issued and outstanding common shares. To support this transaction, the Company acquired 8.7 million shares of Guyana Goldfields in the open market. Ultimately, the Company decided not to pursue the acquisition of Guyana Goldfields and sold its shares in the open market, realizing a gain on sale of \$3.1 million, net of transaction costs, in 2020. The definitive agreement entered into with Gold X in connection with this proposal was also mutually terminated.

The Company recorded **income tax expense** in the fourth quarter of 2020 of \$22.3 million compared with a recovery of \$10.6 million in the fourth quarter of 2019. The income tax recovery in the fourth quarter of 2019 included a deferred income tax recovery of \$22.4 million related to the Marmato impairment charge recorded in the period. For the full year, the total income tax expense for 2020 amounted to \$60.6 million compared with \$19.4 million in 2019 (which was also net of the \$22.4 million income tax recovery related to the impairment charge). The effective income tax rate on the Company's reported pre-tax income or loss will ordinarily vary from the expected income tax expense based on the 26.5% combined statutory tax rate in Canada as a result of differences in tax rates in Colombia (which decreased from 33% in 2019 to 32% in 2020) and other foreign jurisdictions, non-deductible expenses (such as the loss on financial instruments and

the Bluenose RTO Transaction costs), losses incurred in jurisdictions outside Colombia for which deferred tax assets are not recognized and other less individually significant items. The increased level of income from operations in 2020 as a result of the increase in realized gold prices was a significant driver behind the increase in current income tax expense in 2020 compared with 2019. In addition, the current income tax expense in the fourth quarter and full year of 2020 includes \$3.9 million in respect of a 10% withholding tax on the repatriation of earnings in 2020 from the Segovia Operations used to fund the Company's activities outside of Colombia and an additional deferred income tax expense of \$5.0 million in respect of the estimated withholding taxes the Company expects are probable to be applicable in connection with further repatriation of accumulated earnings from Colombia to fund its activities outside Colombia during the foreseeable future.

Net income and adjusted net income

The Company reported a **net loss** of \$51.3 million (\$0.59 per share) compared with a net loss of \$148.8 million (\$2.86 per share) in the fourth quarter of 2019. Income from operations improved to \$34.2 million in the fourth quarter of 2020 compared with a loss from operations of \$143.8 million in the fourth quarter of 2019 which included the \$176.0 million impairment charge related to the Marmato Project. The net loss in the fourth quarter on 2020 included \$51.6 million of fair value losses on financial instruments, \$4.4 million of transaction fees and expenses related to the Aris financings for Marmato, \$1.9 million of interest expense on the Aris Gold Notes which were issued in 2020 and an \$8.9 million provision for Colombian withholding taxes.

For the full year, the Company reported a net loss of \$27.6 million (\$0.08 per share) compared with \$131.2 million (\$2.65 per share) in 2019. The net loss in 2020 was net of \$72.9 million of non-cash fair value losses on derivative financial instruments, Aris financing fees and expenses of \$13.9 million, a \$16.7 million charge related to the Bluenose RTO Transaction and increased income tax expense. The net loss in 2019 includes the after-tax impairment charge for the Marmato Project of \$153.6 million.

The Company computes **adjusted net income** reflecting the after-tax adjustments to exclude the loss on financial instruments, the gain on sale of securities, debt financing costs, foreign exchange losses, losses from equity accounting in associates and the 2019 impairment charge, all as set out in the reconciliation of this non-IFRS measure on page 36 of this MD&A. Adjusted net income for the fourth quarter of 2020 was \$7.7 million (\$0.15 per share) compared with \$17.1 million (\$0.33 per share) in the fourth quarter of 2019. Although improved spot gold prices helped to increase adjusted income from operations to \$34.2 million in the fourth quarter of 2020 compared to \$32.2 million in the fourth quarter of 2019, the additional \$1.9 million of interest expense on the Aris GLN Subscription Receipts and Aris Gold Notes and the impact on income taxes in the fourth quarter of 2020 associated with the Colombian withholding taxes were the key contributors to the quarter-over-quarter decrease in adjusted net earnings.

For the full year, adjusted net income improved to \$75.9 million (\$1.28 per share) compared with \$60.5 million (\$1.22 per share) in 2019. The year-over-year improvement in adjusted net income in 2020 largely reflects the positive impact of higher gold prices in 2020, partially offset by the COVID-19 impact on gold production and operating costs, increased G&A expenses, share-based compensation and social contributions in Aris, increased interest expense and gold premiums, and increased income tax expense.

Summary of Quarterly Results

\$000's except ounce, per ounce and per share data	2020				2019			
	4 th Qtr	3 rd Qtr	2 nd Qtr	1 st Qtr	4 th Qtr	3 rd Qtr	2 nd Qtr	1 st Qtr
Operating data:								
Gold produced (ounces)	57,265	58,454	48,228	56,247	65,237	56,271	57,882	60,601
Gold sold (ounces)	52,478	59,633	45,078	63,701	59,169	56,284	59,368	59,045
Average realized gold price (1)	\$ 1,875	\$ 1,875	\$ 1,696	\$ 1,570	\$ 1,480	\$ 1,458	\$ 1,293	\$ 1,298
Silver sold (ounces)	54,943	57,917	43,281	61,280	55,957	53,578	58,062	54,712
Average realized silver price (1)	\$ 23	\$ 23	\$ 15	\$ 16	\$ 16	\$ 16	\$ 14	\$ 15
Total cash costs (1, 2)	904	796	713	667	685	684	655	621
All-in sustaining costs (1, 2)	1,382	1,122	1,045	890	1,003	951	878	832
Financial data:								
Revenue								
Gold	\$ 98,396	\$ 111,826	\$ 76,465	\$ 99,995	\$ 87,545	\$ 82,073	\$ 76,783	\$ 76,656
Silver	1,277	1,312	669	981	918	879	827	799
Total	99,673	113,138	77,134	100,976	88,463	82,952	77,610	77,455
Cost of sales								
G&A	55,265	55,255	37,942	50,259	49,486	46,220	47,227	46,626
Impairment charge (3)	4,731	4,938	4,248	4,890	4,339	4,865	3,146	3,329
Share-based compensation	-	-	-	-	175,989	-	-	-
Social programs and contributions	2,345	702	1,999	2,765	362	342	686	767
	3,155	2,765	2,515	2,202	2,096	1,767	1,666	1,408
Income (loss) from operations	34,177	49,478	30,430	40,860	(143,809)	29,758	24,885	25,325
Finance costs, net of income	(9,192)	(11,368)	(2,379)	(5,848)	(3,155)	(2,978)	(3,476)	(2,436)
Bluenose RTO Transaction costs	-	-	-	(16,700)	(273)	-	-	-
(Loss) gain on financial instruments	(51,609)	(2,364)	(35,403)	16,507	(9,425)	(7,466)	(11,057)	(4,591)
Gain on sale of securities, net	-	-	3,099	-	-	-	-	-
Foreign exchange	(4,690)	(410)	(2,648)	5,784	(1,143)	629	(427)	(132)
Equity-accounted gain (loss)	2,338	200	(1,497)	(720)	(1,671)	(134)	(128)	(82)
(Loss) income before taxes	(28,976)	35,536	(8,398)	39,883	(159,476)	19,809	9,797	18,084
Income tax (expense) recovery	(22,299)	(17,509)	(10,180)	(15,628)	10,627	(10,795)	(9,029)	(10,181)
Net (loss) income	(51,275)	18,027	(18,578)	24,255	(148,849)	9,014	768	7,903
Per share								
Basic	(0.59)	0.39	(0.27)	0.42	(2.65)	0.18	0.02	0.16
Diluted	(0.59)	0.17	(0.27)	0.42	(2.65)	0.18	0.02	0.16
Adjusted EBITDA (2)	43,076	56,688	37,563	50,437	40,607	37,595	33,198	35,275
Adjusted net income (2)	7,703	29,503	17,504	21,232	17,113	16,168	14,164	13,015
Adjusted per share (2)								
Basic	0.15	0.47	0.29	0.37	0.33	0.33	0.29	0.27
Diluted	0.13	0.40	0.24	0.32	0.27	0.27	0.25	0.24
Net cash provided by operating activities	30,424	67,712	6,431	31,811	34,635	30,606	18,217	19,818
Free Cash Flow (2)	6,758	53,365	(4,375)	17,831	21,953	19,630	7,751	11,277

(1) Per ounce sold.

(2) Refer to "Non-IFRS Measures" on pages 33-37.

(3) The Company recorded an impairment charge in the fourth quarter of 2019 related to Zona Alta at its Marmato Project.

Liquidity and Capital Resources

The Company's management of its operations in 2020, particularly in light of the COVID-19 situation, and the more robust gold price environment, enabled it to continue to strengthen its financial position. For the full year, consolidated Free Cash Flow for 2020 (refer to computation on page 34) increased to \$72.1 million compared with \$60.6 million in 2019. The Company's consolidated cash position increased to \$122.5 million at December 31, 2020, up from \$84.2 million at the end of 2019. The aggregate principal amount of the Gold Notes was further reduced through quarterly amortization payments and a 30% early optional redemption in 2020 to \$35.5 million as of December 31, 2020, down from \$68.8 million at the end of 2019.

The Company's strong balance sheet and Free Cash Flow enabled it to implement a dividend policy in August 2020 and to renew its common share NCIB in September 2020. Over the period from September 2020 to March 2021, the Company has returned a total of CA\$13.7 million to shareholders through the repurchase and cancellation of 1.5 million common shares at a cost of CA\$9.1 million and through five dividend payments totaling CA\$4.6 million. The Company is currently paying a monthly dividend equivalent to CA\$0.18 per share per annum.

The Company successfully completed the spin out of the Marmato Mining Assets in early 2020 through the Bluenose RTO Transaction, a move that was taken to create shareholder value in this world class mining asset without directly impacting the balance sheet or capital structure of Gran Colombia to fully finance the Marmato expansion project. In 2020, the new company, initially named Caldas Gold and since renamed Aris, successfully closed several financings to fund the expansion and development of its Marmato Mining Assets and the acquisition of the Jubu Project, raising approximately \$323 million, including Gran Colombia's total participation of approximately \$60 million in the Aris financings and \$110 million to come from the Aris Precious Metals Stream. As Gran Colombia owned more than 50% of Aris in 2020, the financial position and results described herein include Aris on a consolidated basis. With the closing of the Aris Transaction (page 9) in February 2021, the Company now has a 44.3% equity interest in Aris and will equity account for its investment in Aris commencing in 2021.

The Company's consolidated working capital increased to \$150.3 million at December 31, 2020 from \$50.1 million at the end of 2019. Key components of the Company's consolidated working capital at December 31, 2020 include:

- *Cash and cash equivalents - \$122.5 million*, up from \$84.2 million at the end of 2019. The consolidated total at the end of 2020 includes \$90.5 million in Gran Colombia and another \$33.0 million in Aris that will be used as part of the funding for its expansion project at Marmato.
- *Cash in escrow - \$144.4 million*, up from \$4.8 million at the end of 2019. The balance at the end of 2020 includes \$131.9 million of net proceeds from two Aris financings in 2020 for which there were certain release conditions pending at the end of 2020. These release conditions, including the extension of the Marmato mining title, were ultimately satisfied and the escrowed funds were released to Aris at the beginning of February 2021. The cash in escrow at the end of 2020 also includes \$10.2 million held in escrow to fund the monthly interest payments on the Aris Gold Notes through August 2022 and \$2.3 million related to the Company's subscription in the Guia Antigua Private Placement (see page 27) that also closed in February 2021. The \$4.8 million cash in escrow at the end of 2019 related to the December 2019 CFC Subscription Receipts Financing which was released on closing of the Bluenose RTO Transaction in February 2020.
- *Gold Trust Account - \$4.4 million associated with 2,310 ounces on deposit*, compared with \$5.8 million

associated with 3,900 ounces on deposit at the end of 2019. This represents the physical gold the Company has deposited in accordance with the terms of the Gold Notes to meet the quarterly Amortizing Payments. As noted on page 6, the Company redeemed 30% of the aggregate principal amount of the Gold Notes on March 31, 2020 and this has reduced the number of ounces required to be set aside in the Gold Trust to fulfill the future Amortizing Payments. The 2,310 ounces held in the Gold Trust Account at the end of 2020 were subsequently sold on January 15, 2021 to fund the quarterly Amortizing Payment of the Gold Notes at the end of January 2021.

- *Accounts receivable* – \$24.2 million, up from \$15.3 million at the end of 2019. As a result of the impact of COVID-19 on government operations in 2020, the Company has experienced delays in receiving the requisite documentation required to complete claims for its VAT refunds. Consequently, approximately \$7.9 million of VAT refunds that ordinarily would have been received in the fourth quarter of 2020 are now expected to be received in the second quarter of 2021, contributing to the increase in accounts receivable in 2020 and impacting its Free Cash Flow for 2020.
- *Inventories* - \$30.4 million, up from \$24.3 million at the end of 2019. At the Segovia Operations, inventory increased by approximately \$3.2 million, the majority of which stemmed from the timing of dore shipments of around the end of the year. At Marmato, inventories increased by approximately \$2.9 million due to the timing of dore shipments around the end of the year and an increase in materials and supplies inventory resulting from the ramp-up in activities related to the MDZ expansion project.
- *Accounts payable and accrued liabilities* - \$48.5 million, up from \$29.9 million at the end of 2019. The increase in 2020 reflects a policy change implemented early in the third quarter of 2020 adopting the general convention of a 60 days' payment term for suppliers in Colombia. Other factors contributing to the increased level of accounts payable at the end of 2020 included an increased level of capital expenditures at the Segovia Operations in the fourth quarter of 2020 as reduced COVID-19 restrictions facilitated activity on a number of projects that had been delayed, an increase in the DSU and PSU liabilities and the inclusion of the new monthly dividend of \$0.7 million declared in December that was subsequently paid on January 15, 2021.
- *Subscription Receipts payable* - \$74.1 million, up from \$5.1 million at the end of 2019. The balance at the end of 2020 represents the fair value of the Aris Subscription receipts that were subsequently exchanged for Aris common shares and Aris Listed Warrants on February 4, 2021 (see page 9). The balance at the end of 2019 was associated with the CFC Subscription Receipts Financing that closed in connection with the Bluenose RTO Transaction (see page 7).
- *Income tax payable* - \$38.0 million, up from \$28.8 million at the end of 2019. The change in 2020 principally reflects an increase of \$61.0 million for the current provision for income taxes recorded against earnings for the year, primarily associated with the Company's Colombian mining operations and inclusive of \$3.9 million of withholding taxes subsequently paid in January 2021, net of \$49.3 million of income taxes paid in Colombia related to the balance owing from 2019 and prepayments for 2020 and the balance of the decrease primarily due to the impact of foreign exchange revaluation in 2020.
- *Current portion of long-term debt* - \$12.4 million, down from \$18.0 million at the end of 2019, primarily reflects the early redemption of 30% of the Gold Notes on March 31, 2020 which has proportionately reduced the schedule of future quarterly Amortizing Payments of the Gold Notes. The balance at the end of 2020 includes \$1.3 million for the Aris Gold Notes which begin to be repaid starting in November 2021.
- *Current portion of lease obligations* - \$2.0 million, up from \$0.7 million at the end of 2019, representing lease payments to be made over the next 12 months, which increased in 2020 as a result of the new Medellin office lease for the Company's Colombian management team.
- *Current portion of provisions* - \$1.2 million, up from \$1.4 million at the end of 2019. The 2020 balance includes \$0.7 million for the next 12 monthly payments to fund the ongoing health plan obligations at the Segovia Operations and \$0.5 million of expected rehabilitation costs and environmental fees to be paid

- over the next 12 months related to the closure of tailings storage facilities at the Segovia Operations.
- *Amounts payable for acquisitions of mining interests* - \$2.3 million related to Zona Alta at the Marmato Project, down from \$3.0 million from the end of 2019 primarily reflecting a \$0.2 million decrease due to foreign exchange revaluation, \$0.4 million of payments and a net reduction of \$0.1 million of interest payable in 2020. The Company is continuing to seek a resolution to its obligations under the other remaining compensation agreements, which amount to approximately \$2.0 million, including accumulated interest, of the total obligation at the end of 2020.

Colombia implemented a national quarantine in 2020 from late March through the end of August and since then has been in a selective isolation stage. Although COVID-19 had an adverse impact on production levels at Segovia in the early stages of the national quarantine, overall it has not had as significant an impact on Segovia's production or product shipments in 2020 as might be expected under the circumstances due to management's effective response to the situation, implementing the requisite health and safety protocols to protect its workers. At Marmato, COVID-19 had a more significant impact on production in 2020 due to restrictions on movement affecting the ability of workers to get to the mine site. The Company activated its business continuity program at both of the mine sites in Colombia very early on in the COVID-19 crisis and took steps to manage its discretionary operating and capital expenditures to preserve its liquidity during this unusual situation. The Company is maintaining its vigorous health and safety protocols and, to the extent possible, expects that its mines will continue to operate during the COVID-19 situation in Colombia. The Company is continuing to monitor the situation and at this point in time, is continuing to take remedial action as required. The Company's cash balances are sufficient to meet its debt service and other financial obligations over the next year. In the event more stringent COVID-19 restrictions are reinstated in Colombia or other circumstances disrupt the Company's operations for a prolonged period, the Company may have to take further actions to reduce non-discretionary spending in order to preserve liquidity.

Operating activities

Net cash provided by operating activities in 2020 amounted to \$134.9 million, well above the \$103.3 million generated in 2019. Higher realized gold prices in 2020, particularly in the second half of the year, made a significant contribution to the year-over-year increase in operating cash flow despite the adverse impact of COVID-19 on gold production, operating costs and VAT refunds, and the increased level of income tax payments in the 2020 compared with the same period last year.

Investing activities

Net cash used in investing activities in 2020 of \$72.3 million, up from \$51.6 million in 2019, comprised the following:

- additions to mining interests, plant and equipment of \$62.8 million, up from \$42.7 million in 2019;
- \$10.0 million paid by Aris in connection with the acquisition of SARC (as described on page 7);
- net proceeds of \$3.9 million from the purchase and sale of Guyana Goldfields' shares;
- \$2.3 million spent to subscribe for subscription receipts in Denarius (as described on page 27); and,
- \$1.1 million spent 2020 to increase the Company's investments in Western Atlas and Gold X Mining. In 2019, the Company spent a total of \$8.9 million for additional investments in these companies.

Additions to mining interests, plant and equipment in the consolidated statements of cash flow can be broken down as follows:

	Fourth Quarter		Year	
	2020	2019	2020	2019
Sustaining capital and E&E costs				
Segovia	\$ 13,484	\$ 10,581	\$ 35,656	\$ 33,874
Marmato	2,864	1,504	6,362	2,775
Total sustaining capital and E&E costs	16,348	12,085	42,018	36,649
Non-sustaining capital and E&E costs:				
Segovia ESG initiative	-	-	3,000	-
Segovia exploration	1,607	85	1,823	814
Segovia plant expansion	874	-	874	-
Medellin office leasehold improvements	860	-	860	-
Marmato expansion project	6,028	2,575	15,525	6,261
Juby Project	8	-	31	-
Change in accounts payable and accrued liabilities related to capital expenditures	(2,189)	(2,140)	(1,738)	(1,207)
Change in amounts payable for acquisitions of mining interests	130	77	406	148
Additions to mining interests, plant and equipment	\$ 23,666	\$ 12,682	\$ 62,799	\$ 42,665

Sustaining capital expenditures of \$35.7 million at the Segovia Operations in 2020 included (i) \$7.5 million for drilling under the Company's ongoing exploration campaign at its four existing mines, (ii) \$10.6 million for ongoing mine development, (iii) \$11.6 million for the mines including additional underground equipment, construction of underground drilling platforms and further infrastructure improvements and expansion at all four mines, including Carla, (iv) \$1.6 million for costs related to the ongoing construction activities at the El Chocho tailings storage facility, (v) \$0.3 million for hydrological studies within the Segovia mining area and (vi) \$4.1 million associated with upgrades at the Maria Dama plant and the Segovia site facilities.

At Marmato, sustaining capital expenditures for 2020 totalled \$6.4 million and included \$4.0 million related to mine infrastructure improvements and equipment, including mining equipment associated with the extension of operations into the Transitional Zone, \$0.9 million of capital development in the Transitional Zone, \$0.9 million associated with mill and tailings storage facility improvements and \$0.6 million on other sustaining capital expenditures.

Non-sustaining capital expenditures at the Segovia Operations in 2020 included (i) a \$3.0 million acquisition of an agricultural operation within the Segovia mining title that will form an integral part of the Company's ESG initiatives to create sustainable sources of food and employment within the local community, (ii) \$1.8 million for the brownfield exploration program, including the initial drill holes at the Vera vein, (iii) \$0.9 million related to the project to expand the capacity of the Maria Dama processing plant from 1,500 tpd to 2,000 tpd to be completed in the second half of 2021, and (iv) \$0.9 million for leasehold improvement construction at the Company's new management office in Medellin.

Aris incurred a total of \$15.6 million of non-sustaining capital expenditures in 2020 at its Marmato Mining assets, including \$5.7 million related to the MDZ drilling campaign and \$7.9 million related to various technical studies in support of the 2020 Marmato PFS and other costs related to the MDZ expansion project. The remaining \$2.0 million was spent on the plant modernisation and expansion in the Upper Zone.

Letter of Intent with Renenergetica Colombia S.A.S to invest in a solar project in Colombia.

On April 29, 2020, the Company entered into a letter of intent with Renenergetica Colombia S.A.S. (“Renenergetica”), a subsidiary of Renenergetica S.p.A., to acquire through its Segovia Operations, a solar project in the Tolima Region, Colombia (the “Suarez Project”). The Suarez Project will connect to the Colombian National Electric System and will become operational later in 2020. The capital cost of the Suarez Project, expected to total approximately \$8.0 million, may be financed by up to 70% through local banks involved in “green financing” and will benefit from special tax incentives in Colombia on investments in renewable energy. The Company is currently in the process of obtaining permits and financing related to the project and expects construction will commence in 2021 and operations to begin before the end of 2021.

Spin out of Zancudo Project to ESV Resources and ESV Private Placement

On November 20, 2020, the Company, and its subsidiaries GCG Panama and GCG Titiribi, entered into a definitive Share Purchase Agreement (“SPA”) with ESV Resources Ltd. (“ESV”), a company listed on the TSXV, whereby ESV agreed to acquire all of the issued and outstanding shares of GCG Titiribi, owner of the Zancudo Project, in exchange for 27,000,000 common shares of ESV. ESV also agreed to be bound by the terms of the IAMGOLD Option Agreement.

In addition, ESV concurrently entered into an amalgamation agreement with 1255269 B.C. Ltd. (the “Guia Antigua Vendor”), which owns the rights for exploration, mining and processing operations and the commercialization of mineral products from the Guia Antigua Project located within the Company’s Segovia mining title. Pursuant to the amalgamation agreement, in exchange for all of the outstanding shares of the Guia Antigua Vendor, ESV issued 15,000,000 common shares to the former shareholders of the Guia Antigua Vendor and paid a financial advisory fee to a third party equal to 300,000 common shares.

In connection with these transactions, on November 9, 2020, the Guia Antigua Vendor completed the Guia Antigua Private Placement for gross proceeds of approximately CA\$8.4 million by issuing 18,675,053 Guia Antigua Subscription Receipts at a price of CA\$0.45 per Guia Antigua Subscription Receipt. The Company subscribed for 6,666,666 Guia Antigua Subscription Receipts amounting to CA\$3.0 million (equivalent to \$2.3 million).

Subsequent to December 31, 2020, the amalgamation agreement with the Guia Antigua Vendor and the SPA closed on February 19, 2021. Immediately prior to closing of the amalgamation agreement, the Guia Antigua Subscription Receipts automatically converted into the equivalent number of common shares of the Guia Antigua Vendor for no additional consideration and were immediately exchanged for common shares of ESV on a one-for-one basis. In addition, ESV changed its name to Denarius. On March 8, 2021, Denarius commenced trading on the TSXV under the symbol “DSL.V”.

The 33,666,666 common shares of Denarius issued to the Company in 2021 in the foregoing transactions, representing approximately 36.15% of the issued and outstanding shares of Denarius as of February 19, 2021, are subject to a voluntary pooling arrangement from which one-quarter of the shares will be released on each of March 27, 2021, June 27, 2021, September 27, 2021 and December 28, 2021.

The above transactions result in the Company having significant influence over Denarius as of February 19, 2021. As such, the Company will equity account for its investment in Denarius after February 19, 2021.

In March 2021, the Company acquired 22,222,223 units of Denarius by participating in a private placement at a price of CA\$0.45 per unit for a total cash consideration of CA\$10.0 million. Each unit was comprised of one common share and one share purchase warrant entitling the holder to purchase one additional share at CA\$0.80 until March 17, 2026. On closing of the private placement on March 17, 2021, the Company's equity interest in Denarius decreased to 27.31%.

Financing activities

In 2020, net cash used in financing activities was \$22.1 million, compared with \$3.0 million used in 2019, including:

- the Company generated net proceeds of \$29.5 million through the 2020 Private Placement in February 2020. In 2019, the Company generated net proceeds of \$11.1 million through the 2019 Private Placement and another \$13.7 million through the issuance of the Convertible Debentures;
- the Company used \$21.1 million of the 2020 Private Placement proceeds to fund a partial early redemption of 30% of the aggregate principal amount of the Gold Notes on March 31, 2020, including approximately \$2.0 of Applicable Premium;
- following the partial early redemption, the schedule for the future quarterly amortizing payments was adjusted to reflect the lower aggregate principal amount of Gold Notes outstanding, resulting in a 30% reduction in the quantity of physical gold required to be deposited in the Gold Trust and improving the Company's cash flow by \$1.9 million;
- the Company completed four quarterly Amortizing Payments on the Gold Notes totaling approximately \$19.3 million, including approximately \$5.2 million of Gold Premiums, compared with \$21.4 million of quarterly Amortizing Payments in 2019, including approximately \$1.9 million of Gold Premiums;
- the closing of the Bluenose RTO Transaction triggered the release of \$4.7 million of funds held in escrow from the CFC Subscription Receipts Financing and a total of \$0.4 million of share issue costs associated with the private placements in Aris were incurred;
- the Company paid \$2.3 million of lease obligations, up from \$1.0 million in 2019;
- the Company paid net interest totaling \$3.2 million, down from \$6.9 million in 2019 to the reduction in the Company's debt;
- the Company received approximately \$3.9 million from exercises of stock options and warrants compared with \$4.2 million from stock option exercises in 2019;
- the Company used approximately \$4.0 million to repurchase 890,100 common shares under the NCIB for cancellation in 2020. In 2019, the Company used \$0.3 million under an NCIB to repurchase 137,100 of its 2024 Warrants for cancellation;
- the Company used \$1.8 million to acquire additional common shares of Aris in the open market;
- the Company implemented a dividend policy in August 2020 and paid a total of \$1.4 million through two dividend payments before the end of 2020; and
- in connection with the funding for the planned expansion of the Marmato Mining Assets, Aris raised US\$19.6 million of net proceeds from third party investors in the Aris Special Warrants private placement and paid \$5.0 million of financing costs associated with the Aris Gold Notes, the Aris Subscription receipts and the Aris Precious Metals Stream. As of December 31, 2020, the net proceeds of the Aris Gold Notes and the Aris Subscription Receipts financings remained in escrow and were subsequently released to Aris in early February 2021 when the escrow release conditions were met. Financing activities in 2020 included a \$23.2 million reduction in cash related to the Company's participation in the Aris financings and the transfer of funds to cash in escrow.

Fitch Rating Upgrade

On October 15, 2020, Fitch Ratings announced that it had upgraded the Company's rating to 'B+' from 'B' with a Stable Outlook. In its commentary regarding the rating action, Fitch Ratings stated that the upgrade reflects the improvement in the Company's capital structure due to strong free cash flow and capital raising that has led to substantial debt repayment. Fitch Ratings noted several key rating drivers including (i) positive strategic decisions over the past 12 months that have given it a stronger balance sheet and have lowered risk, including the spin out of Marmato to Aris and the planned spin out of Zancudo to ESV Resources (now Denarius), (ii) turnaround in the Company's net cash position, (iii) solid free cash flow, (iv) single-asset risk and (v) competitive cost structure. Additional information with respect to this rating may be found at www.fitchratings.com.

Aris Precious Metals Stream

On November 5, 2020, Aris entered into a definitive Precious Metals Purchase Agreement (the "Aris Precious Metals Stream") with Wheaton Precious Metals International Ltd. ("Wheaton International"), a wholly-owned subsidiary of Wheaton Precious Metals™ Corp., in respect to the Marmato Mining Assets and covering both the existing Upper Mine operations and the MDZ development.

Wheaton International will purchase 6.5% of the gold production and 100% of the silver production from the Marmato Project until 190,000 ounces of gold and 2.15 million ounces of silver have been delivered, after which the stream drops to 3.25% of the gold production and 50% of the silver production for the life of mine. Under the Aris Precious Metals Stream, Wheaton International will make an upfront deposit payment in cash of \$110 million, \$38 million of which is payable within six months, subject to customary conditions, and the remaining portion of which is payable during the development and construction of the MDZ project, subject to receipt of required permits and licenses, sufficient financing having been obtained to cover total expected capital expenditures and other customary conditions. In addition, Wheaton International will make ongoing payments equal to 18% of the spot gold and silver prices until the uncredited portion of the upfront payment is reduced to zero, and 22% of the spot gold and silver prices thereafter. The Aris Precious Metals Stream is effective as of July 1, 2020.

The upfront deposit will be used by Aris to fund the advancement of the development and construction of the MDZ project.

In connection with the Aris Precious Metals Stream, Aris and its subsidiaries have provided security in favour of Wheaton International in respect of their obligations under the Aris Precious Metals Stream, including, a first ranking general security agreement over substantially all properties and assets of Aris and its subsidiaries, security over the mining rights comprising the Marmato Mining Assets, and a first ranking share pledge over the shares of each of the subsidiaries of Aris. The Aris Precious Metals Stream is non-recourse to Gran Colombia.

Financial Instruments

The fair values of cash and cash equivalents, cash in trust, accounts receivable and accounts payable and accrued liabilities (including amounts payable for acquisitions of mining interests), approximate their carrying values due to the short term to maturity of these financial instruments. The Gold X Mining warrants, Gold X Convertible Debentures, DSU and PSU liabilities, Gold Notes, Convertible Debentures, Listed Warrants,

Unlisted Warrants, Aris Gold Notes, Aris Listed and RTO Warrants and Aris Subscription Receipts are all carried at fair value through profit and loss ("FVTPL"). The \$38.5 million estimated fair value of the Gold Notes at December 31, 2020 has been determined based on their last traded price. The amount of trading in the Aris Gold Notes is not considered to constitute an active market, and therefore, the \$73.2 million fair value of the Aris Gold Notes at December 31, 2020 has been determined based on a pricing model that captures all the features of the Aris Gold Notes, including the holders' right to receive the Aris Gold Premium, forward gold prices, gold price volatility of 18.7%, and credit spread of 8.9%.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Accounting Policy Changes

There were no accounting policy changes during the three and nine months ended December 31, 2020 that had a significant impact on the Company's financial statements.

Critical Accounting Estimates

The preparation of the consolidated financial statements requires management to make significant estimates and assumptions in determining carrying values. Estimates are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ significantly from the amounts included in the consolidated financial statements. The critical estimates applied in the preparation of the Company's Financial Statements are consistent with those applied and disclosed in Note 4 to the Financial Statements.

Valuation of long-lived assets

The carrying amounts of property, plant and equipment and E&E assets are assessed for any impairment triggers such as events or changes in circumstances which indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount.

The Company considers both internal and external sources of information in assessing whether there are any indications that long-lived assets are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its long-lived assets. Internal sources of information the Company considers include the manner in which property, plant and equipment are being used or are expected to be used, and in respect of E&E assets, the right to explore in the specific area has or will expire in the future and is not expected to be renewed, substantive E&E expenditures are neither budgeted or planned, exploration has not led to the discovery of commercially viable quantities of mineral resources or sufficient data exists that although development of a specific area is likely to proceed, the carrying amount of the E&E assets is unlikely to be recovered.

Provision for decommissioning

The Company assesses its provision for decommissioning when new material information becomes

available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the decommissioning work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. Future changes to environmental laws and regulations could also change the extent of reclamation and remediation work required to be performed by the Company. Changes in future costs could materially impact the amounts charged to operations for such obligations and to mineral properties. The provision represents management's best estimate of the present value of the future decommissioning obligation. Actual future expenditures may differ from the amounts currently provided.

Fair values of financial assets and liabilities

As noted under "Financial Instruments" on pages 29-30, the Company has several financial assets and liabilities recorded at FVTPL. Fair values of many of these financial assets liabilities, as described in more detail in the Financial Statements, have been determined based on a valuation methodology that captures all of the features in a set of partial differential equations that are then solved numerically to arrive at the value of these financial instruments. The fair value estimates are based on numerous assumptions including, but not limited to, commodity prices, time value, volatility factors, risk-free rates and credit spreads. The fair value estimates may differ from actual fair values and these differences may be significant and could have a material impact on the Company's financial position and results of operations. The fair value of the Gold Notes and listed warrants of the Company and Aris are determined using quoted prices in an active market.

Recent Accounting Pronouncements

New and Amended Accounting Policies

The Company has adopted the following new and revised IFRS standards and amendments, effective January 1, 2020. These changes were made in accordance with the applicable transitional provisions.

IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Estimates and Errors

Effective January 1, 2020, the Company has adopted the amendments in *Definition of Material (amendments to IAS 1 and IAS 8)*. The amendments to IAS 1 and IAS 8 clarify the definition of 'material' and aligns the definition used within the IFRS Standards. The application of the amendments did not have an impact on the Company.

IFRS 3 – Business Combinations

Effective January 1, 2020, the Company has adopted the amendments to IFRS 3 which narrow and clarify the definition of a business and provide for an optional simplified initial assessment of whether an acquired group of assets is a single identifiable group of assets, rather than a business. The application of the amendment has been made on a prospective basis and has not had an impact on the Company.

Accounting Standards Not Yet Adopted

IAS 16, Property, Plant and Equipment

The IASB issued an amendment to IAS 16 to prohibit the deduction from property, plant and equipment of amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The extent of the impact of adoption of this standard has not yet been determined.

IFRS 3 – Business Combinations

The IASB has issued an amendment to IFRS 3 Business Combinations adding an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. This exception specifies that for some assets and liabilities, an entity applying IFRS 3 should instead refer to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

IFRS 9 – Financial Instruments

The IASB has issued an amendment to IFRS 9 Financial Instruments clarifying which fees to include in the test in assessing whether to derecognize a financial liability. Only those fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included.

The amendment is effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

IAS 1 – Presentation of Financial Statements

The IASB has issued an amendment to IAS 1 Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty.

The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Disclosure controls and procedures and internal controls over financial reporting have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for evaluating the disclosure controls and procedures and internal controls over financial reporting. In making its assessment of internal controls, management used the Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures and internal controls over financial reporting were effective as at December 31, 2020. There have been no changes in the Company's internal controls over financial reporting during the three months ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believes that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed and operated, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

Non-IFRS Measures

The Company has included non-IFRS measures in this MD&A such as Free Cash Flow, total cash costs (by-product) and AISC and those costs on a per ounce basis, EBITDA, adjusted EBITDA, adjusted net income and. These non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to other issuers. The Company reports total cash costs and AISC on a sales basis. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's underlying performance of its core operations and its ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Non-IFRS measures referred to in this MD&A are defined as follows:

- **“Free Cash Flow”** is a common performance measure in the gold mining industry with no standardized meaning. The Company calculates free cash flow by deducting additions to mining interests from net cash provided by operating activities. The Company discloses free cash flow as it believes the measure assists investors and analysts in evaluating the Company's ability to generate cash flow after capital investments to service its debt obligations, pay dividends and build the cash resources of the Company.
- **“Total cash costs per ounce sold”** on a by-product basis is calculated by deducting revenues from silver sales from production cash costs and production taxes and dividing the sum by the number of gold

ounces sold. Production cash costs include mining, milling, mine site security and mine site administration costs.

- **“AISC per ounce sold”** includes total cash costs (as defined above) and adds the sum of G&A, social contributions related to current operations, sustaining capital and certain exploration and evaluation (“E&E”) costs, sustaining lease payments, provision for environmental fees, if applicable, and rehabilitation costs paid, all divided by the number of ounces sold. As this measure seeks to reflect the full cost of gold production from current operations, capital and E&E costs related to expansion or growth projects are not included in the calculation of AISC per ounce. Additionally, certain other cash expenditures, including income and other tax payments, financing costs and debt repayments, are not included in AISC per ounce.
- **“Adjusted EBITDA”** represents earnings before interest (including non-cash accretion of financial obligations and lease obligations), income taxes and depreciation, depletion and amortization (“EBITDA”), adjusted to exclude impairment charges and reversals, gains or losses on asset dispositions, share-based compensation, gains/losses on financial instruments, gains or losses from equity accounting in investees and foreign exchange gains/losses.
- **“Adjusted net income or loss”** excludes gains/losses and other costs incurred for acquisitions and disposals of mining interests, impairment charges and reversals, debt financing costs, unrealized and non-cash gains/losses on financial instruments, foreign exchange gains/losses and gains or losses from equity accounting in associates as well as other significant non-cash, non-recurring items.

The following table provides a reconciliation of **Free Cash Flow** to the consolidated statements of cash flows in the Financial Statements:

	Fourth Quarter		Year	
	2020	2019	2020	2019
Net cash provided by operating activities	\$ 30,424	\$ 34,635	\$ 136,378	\$ 104,340
Additions to mining interests	(23,666)	(12,682)	(62,799)	(42,665)
Free Cash Flow	\$ 6,758	\$ 21,953	\$ 73,579	\$ 61,675

The following table reconciles **total cash costs and AISC per ounce sold** as disclosed in this MD&A to the Financial Statements:

(\$000's except ounces and per ounce data)	Fourth Quarter			Year		
	Segovia Operations	Marmato Operations	Total	Segovia Operations	Marmato Operations	Total
Periods ended December 31, 2020						
Gold sales (ounces)	45,889	6,589	52,478	197,060	23,830	220,890
Total cash costs						
Production costs	\$ 36,290	\$ 8,382	\$ 44,672	\$ 129,320	\$ 28,516	\$ 157,836
Production taxes	2,851	1,205	4,056	11,944	3,994	15,938
Silver revenues	(1,050)	(227)	(1,277)	(3,565)	(674)	(4,239)
Total cash costs on a by-product basis	\$ 38,091	\$ 9,360	\$ 47,451	\$ 137,699	\$ 31,836	\$ 169,535
Total cash costs per ounce sold	\$ 830	\$ 1,421	\$ 904	\$ 699	\$ 1,336	\$ 768
AISC						
Total cash costs on a by-product basis	\$ 38,091	\$ 9,360	\$ 47,451	\$ 137,699	\$ 31,836	\$ 169,535
G&A, excluding DD&A	3,010	1,704	4,714	14,762	3,984	18,746
Social programs and contributions	2,707	448	3,155	9,706	931	10,637
Sustaining capital and E&E costs	13,484	2,864	16,348	35,656	6,362	42,018
Payment of rehabilitation obligations	(1)	-	(1)	53	-	53
Sustaining lease payments	786	71	857	2,152	123	2,275
Total	\$ 58,077	\$ 14,447	\$ 72,524	\$ 200,028	\$ 43,236	\$ 243,264
AISC per ounce sold	\$ 1,266	\$ 2,193	\$ 1,382	\$ 1,015	\$ 1,814	\$ 1,101
Periods ended December 31, 2019						
Gold sales (ounces)	52,546	6,623	59,169	208,589	25,277	233,866
Total cash costs						
Production costs	\$ 31,210	\$ 6,366	\$ 37,576	\$ 119,026	\$ 25,470	\$ 144,496
Production taxes	3,008	837	3,845	10,327	3,145	13,472
Silver revenues	(756)	(162)	(918)	(2,823)	(600)	(3,423)
Total cash costs on a by-product basis	\$ 33,462	\$ 7,041	\$ 40,503	\$ 126,530	\$ 28,015	\$ 154,545
Total cash costs per ounce sold	\$ 637	\$ 1,063	\$ 685	\$ 607	\$ 1,108	\$ 661
AISC						
Total cash costs on a by-product basis	\$ 33,462	\$ 7,041	\$ 40,503	\$ 126,530	\$ 28,015	\$ 154,545
Environmental fees (recovery)	15	-	15	(721)	-	(721)
G&A, excluding DD&A	4,273	51	4,324	15,404	217	15,621
Social programs and contributions	2,096	-	2,096	6,937	-	6,937
Sustaining capital and E&E costs	10,625	1,460	12,085	33,919	2,730	36,649
Payment of rehabilitation obligations	100	-	100	114	-	114
Sustaining lease payments	217	20	237	923	65	988
Total	\$ 50,788	\$ 8,572	\$ 59,360	\$ 183,106	\$ 31,027	\$ 214,133
AISC per ounce sold	\$ 967	\$ 1,294	\$ 1,003	\$ 878	\$ 1,227	\$ 916

(1) The methodology used to calculate total cash cost per oz and AISC per oz for the Marmato Operations reflects the Company's approach and differs in certain aspects with Aris' approach.

The following table provides a reconciliation of **adjusted EBITDA** to the Financial Statements:

	Fourth Quarter		Year	
	2020	2019	2020	2019
Net loss	\$ (51,275)	\$ (148,849)	\$ (27,571)	\$ (131,164)
Income tax expense (recovery)	22,299	(10,627)	65,616	19,378
Finance costs, net of finance income	9,192	3,155	28,787	12,045
Depreciation and amortization	6,554	8,065	25,008	32,370
EBITDA	(13,230)	(148,256)	91,840	(67,371)
Impairment charge	-	175,989	-	175,989
Share-based compensation	2,345	362	7,811	2,157
Bluenose RTO Transaction costs	-	273	16,700	273
Loss on financial instruments	51,609	9,425	72,869	32,539
Gain on sale of securities, net	-	-	(3,099)	-
(Gain) loss from equity accounting in associates	(2,338)	1,671	(321)	2,015
Foreign exchange loss (gain)	4,690	1,143	1,964	1,073
Adjusted EBITDA	\$ 43,076	\$ 40,607	\$ 187,764	\$ 146,675

The following table provides details of the primary components of **adjusted EBITDA**:

	Fourth Quarter		Year	
	2020	2019	2020	2019
Revenue	\$ 99,673	\$ 88,463	\$ 390,921	\$ 326,480
Cost of sales, excluding DD&A	(48,728)	(41,436)	(173,774)	(157,247)
G&A, excluding DD&A	(4,714)	(4,324)	(18,746)	(15,621)
Social programs and contributions	(3,155)	(2,096)	(10,637)	(6,937)
Adjusted EBITDA	\$ 43,076	\$ 40,607	\$ 187,764	\$ 146,675

The following table provides a reconciliation of **adjusted net income** to the Financial Statements:

	Fourth Quarter		Year	
	2020	2019	2020	2019
Net loss	\$ (51,275)	\$ (148,849)	\$ (27,571)	\$ (131,164)
Impairment charge	-	175,989	-	175,989
Bluenose RTO Transaction costs	-	273	16,700	273
Loss on financial instruments	51,609	9,425	72,869	32,539
Gain on sale of securities, net	-	-	(3,099)	-
Debt financing costs	4,366	155	14,365	1,420
Foreign exchange loss	4,690	1,143	1,964	1,073
(Gain) loss from equity accounting in associates	(2,338)	1,671	(321)	2,015
Income tax effect on adjustments	651	(22,694)	1,035	(21,685)
Adjusted net income	\$ 7,703	\$ 17,113	\$ 75,942	\$ 60,460

The following table provides a reconciliation of **adjusted basic and diluted earnings per share**:

	Fourth Quarter		Year	
	2020	2019	2020	2019
Adjusted net income	\$ 7,703	\$ 17,113	\$ 75,942	\$ 60,460
Adjusted non-controlling interest	1,787	-	2,023	-
Adjusted net income attributable to shareholders	9,490	17,113	77,965	60,460
Add: Interest expense on Convertible Debentures, net of tax	308	302	1,192	888
Adjusted net income for fully diluted computation	\$ 9,798	\$ 17,415	\$ 79,157	\$ 61,348
Weighted average number of shares (000's)				
Basic	61,672	52,003	60,700	49,475
Add: Impact of stock options and warrants	8,203	7,200	7,612	6,252
Add: Impact of conversions of Convertible Debentures	4,211	4,211	4,211	3,126
Fully diluted	74,086	63,414	72,523	58,853
Adjusted earnings per share				
Basic	\$ 0.15	\$ 0.33	\$ 1.28	\$ 1.22
Diluted	0.13	0.27	1.09	1.04

Risks and Uncertainties

Exploration, development and mining of precious metals involve numerous inherent risks as a result of the economic conditions in the various areas of operation. As such, the Company is subject to several financial, operational and political risks that could have a significant impact on its profitability and levels of operating cash flows. Although the Company assesses and minimizes these risks by applying high operating standards, including careful management and planning of its facilities, hiring qualified personnel and developing their skills through training and development programs, these risks cannot be eliminated.

Such risks include:

- Liquidity risks;
- Metal price volatility;
- Future production rates;
- Financing risks;
- Indebtedness of the Company;
- Servicing indebtedness;
- Indebtedness – restrictive covenants;
- Current global markets and economic conditions;
- Availability and cost of supplies;
- Exploration, development and operations;
- Risks with title to mineral properties;
- Changes in environmental laws;
- Mining risks and insurance risks;
- Additional indebtedness;
- Risks related to the Gold Notes:
 - Ranking of the Gold Notes; Collateral; Voiding the Gold Notes or Guarantees; Bankruptcy and Insolvency Laws; Subordinated Collateral; Reduction of Pool of Assets Securing the

Gold Notes; Release of Collateral for the Gold Notes; Perfecting Security Interests of the Gold Notes; Financing the Change of Control Provision in the Gold Notes; and No Guarantee of Public Market for the Gold Notes;

- Price risk;
- Currency risk;
- Regulatory approvals;
- Environmental permits;
- Changes in legislation;
- Corruption;
- Labour matters and employee relations;
- Economic and political factors:
 - Colombia:
 - Emerging market country; economic and political developments; exchange controls; decline in economic growth; seizure or expropriation of assets; protection of mining rights; local legal and regulatory systems; Colombia – less developed country; sanctions by the United States government; and guerilla and other criminal activity;
 - Venezuela;
- Use of and reliance on experts outside Canada;
- Integration risks;
- Governmental regulation and permitting;
- Decommissioning liabilities;
- Shortage of experienced personnel and equipment;
- Potential conflicts of interest;
- Possible volatility of stock price;
- Repatriation of earnings;
- Enforcement of civil liabilities;
- Forward-looking information may prove inaccurate;
- Infrastructure;
- Joint ventures;
- Competition;
- Dividends;
- Service of process and enforcement of judgments outside Canada;
- COVID-19 Virus; and
- Other risks.

If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently aware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the prices of the Company's securities could decline and investors may lose all or part of their investment.

Readers are encouraged to read and consider the risk factors listed above, which are more specifically described in the Company's Annual Information Form dated as of March 30, 2020 which is available at www.sedar.com. Such risk factors could materially affect the future operating results of the Company and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Cautionary Note Regarding Forward Looking Statements

Certain statements in this MD&A constitute forward-looking information. Often, but not always, forward-looking statements use words or phrases such as: "expects", "does not expect" or "is expected", "anticipates" or "does not anticipate", "plans" or "planned", "estimates" or "estimated", "projects" or "projected", "forecasts" or "forecasted", "believes", "intends", "likely", "possible", "probable", "scheduled", "positioned", "goal", "objective" or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements, including but not limited to statements with respect to anticipated business plans or strategies, gold production, total cash costs, AISC and All-in costs per ounce sold, capital expenditures and quarterly amortizing payments of the Gold Notes, involve known and unknown risks, uncertainties and other factors which may cause the actual actions, events and results to be materially different from estimated actions, events or results expressed or implied by such forward-looking statements. The Company believes the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. 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 review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.