CALDAS GOLD CORP.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2019

DATED: AUGUST 17, 2020

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ITEM 1. GENERAL PROVISIONS

1.1 Glossary of Terms

Except as otherwise defined herein, the following terms used but not otherwise defined in this Annual Information Form have the meanings set out below. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**2019 Marmato Technical Report**" means the NI 43-101 compliant technical report, prepared for the Company, relating to the Marmato Project bearing an effective date of July 31, 2019 entitled "NI 43-101 Technical Report Preliminary Economic Assessment Marmato Project Colombia" and prepared by Benjamin Parsons, MSc, MAusIMM (CP), Cristian Pereira Farias, SME-RM, David Bird, PG, SME-RM, David Hoekstra, Bs, PE, NCEES, SME-RM, Eric J. Olin, MSc Metallurgy, MBA, SME-RM, MAusIMM, Fernando Rodrigues, BS Mining, MBA, MAusIMM, MMSAQP, Jeff Osborn, BEng Mining, MMSAQP, Joanna Poeck, BEng, Mining, SME-RM, MMSAQP, John Tinucci, PhD, PE, ISRM, Mark Allan Willow, MSc, CEM, SME-RM and Joshua Sames, BSc Civil, PE, each of whom is a "qualified person" for the purposes of NI 43-101, and filed on SEDAR on February 28, 2020.

"**2020 Marmato Technical Report**" means the NI 43-101 compliant technical report relating to the Marmato Project bearing an effective date of March 17, 2020 entitled "NI 43-101 Technical Report Pre-Feasibility Study Marmato Project Colombia" and prepared by Ben Parsons, MSc, MAusIMM (CP), Eric J. Olin, MSc Metallurgy, MBA, SME-RM, MAusIMM, Fernando Rodrigues, BS Mining, MBA, MAusIMM, MMSAQP, Jeff Osborn, BEng Mining, MMSAQP, Joanna Poeck, BEng Mining, SME-RM, MMSAQP, Fredy Henriquez MS Eng, SME, ISRM, Breese Burnley P.E., Cristian A Pereira Farias, SME-RM, David Hoekstra, BS, PE, NCEES, SME-RM, David Bird, PG, SME-RM, Mark Allan Willow, MSc, CEM, SME-R and Tommaso Roberto Raponi, P.Eng, each of whom is a "qualified person" for the purposes of NI 43-101, and filed on SEDAR on August 17, 2020.

"**2020 Non-Brokered Private Placement**" means the private placement of 7,000,000 Common Shares at a price of $2.00 per share for aggregate gross proceeds of $14,000,000 that closed on June 30, 2020.

"**2020 Special Warrant Private Placement**" means the bought deal private placement of 22,222,222 Special Warrants at a price of $2.25 per Special Warrant for aggregate gross proceeds of approximately $50,000,000 that closed on July 29, 2020.

"**2020 Subscription Receipt Private Placement**" has the meaning given thereto in "*General Development of the Business – Subsequent Developments – 2020 Subscription Receipt Private Placement*".

"**2022 Broker Warrants**" means the 125,550 broker warrants issued in connection with the Brokered RTO Financing, which are each exercisable into one unit of the Company, comprising one Common Share and one 2024 Warrant, at an exercise price of $2.00 per unit until December 19, 2022.

"**2024 Warrants**" means the Common Share purchase warrants issued in connection with the Brokered RTO Financing and the Non-Brokered RTO Financing or which may become issuable upon the exercise of the 2022 Broker Warrants, which are each exercisable into one Common Share at an exercise price of $3.00 per Common Share until December 19, 2024.

"**2025 Warrant Indenture**" means the warrant indenture entered into between the Company and Odyssey Trust Company dated July 29, 2020 pursuant to which the 2025 Warrants underlying the 2020 Special Warrants will be issued.

"**2025 Warrants**" means the Common Share purchase warrants underlying the Special Warrants issued pursuant to the 2025 Warrant Indenture in connection with the 2020 Special Warrant Private Placement, each of which will be exercisable into one Common Share at an exercise price of $2.75 per Common Share until July 29, 2025, subject to the terms and conditions contained in the 2025 Warrant Indenture.

“**Amalco**” means the wholly-owned subsidiary of the Company created upon the Amalgamation and existing under the BCBCA, originally named 1241868 B.C. Ltd., a wholly owned subsidiary of the Company, and which subsequently amalgamated with South American Resources Corp. (a pre-existing entity to SARC), to form SARC.

“**Amalgamation**” means the amalgamation of BN Subco and Caldas Finance to form Amalco pursuant to Section 269 of the BCBCA on the terms and conditions set forth in the Amalgamation Agreement.

“**Amalgamation Agreement**” means the amalgamation agreement dated effective December 13, 2019 among Gran Colombia, Caldas Holding, Caldas Finance, Bluenose and BN Subco, together with the schedules attached thereto, as amended, restated or supplemented from time to time, pursuant to which the Amalgamation was effected.

“**Annual Information Form**” means this Annual Information Form dated August 17, 2020 in respect of the fiscal year ended December 31, 2019.

“**BCBCA**” means the *Business Corporations Act* (British Columbia).

“**Bluenose**” means the Company prior to the completion of the RTO Transaction.

“**Bluenose Shares**” means the Common Shares prior to the completion of the RTO Transaction.

“**BN Subco**” means 1233316 B.C. Ltd., a wholly-owned subsidiary of Bluenose created under the BCBCA for the purpose of effecting the Amalgamation.

“**Board**” means the board of directors of the Company.

“**Brokered RTO Financing**” means the offering of subscription receipts of Caldas Finance for $2.00 per subscription receipt for aggregate proceeds of $6,585,000 that closed on December 19, 2019.

“**Caldas Finance**” means Caldas Finance Corp., a corporation existing under the laws of the Province of British Colombia and a wholly-owned subsidiary of Caldas Holding created for the purpose of effecting the Amalgamation, the Brokered RTO Financing and the Non-Brokered RTO Financing.

“**Caldas Finance Share**” means a common share in the capital of Caldas Finance.

“**Caldas Finance Warrant**” means the Caldas Finance Share purchase warrants issued pursuant to the Brokered RTO Financing and the Non-Brokered RTO Financing.

“**Caldas Gold Colombia**” means Caldas Gold Colombia Inc., a wholly-owned subsidiary of the Company existing under the laws of Panama.

“**Caldas Gold Marmato**” means Caldas Gold Marmato S.A.S., an indirect, wholly-owned subsidiary of the Company existing under the laws of Colombia.

“**Caldas Holding**” means Caldas Holding Corp., a corporation existing under the laws of the Province of British Columbia and a wholly-owned subsidiary of Gran Colombia created for the purpose of facilitating the RTO Transaction.

“**Caldas Marmato Project**” means the gold-silver project owned by Caldas Gold Marmato, comprised of the Mineros Nacionales Mine, the existing 1,200 tonnes per day (tpd) processing plant and the area encompassing the MDZ, all located within the mining license area referred to as the Zona Baja Property, as well as the right to mine in the lower portion of the Echandia Property granted by Minera Croesus, S.A.S., an indirect, wholly-owned subsidiary of Gran Colombia, pursuant to the Croesus Operating Agreement.

"**Caldas Marmato Project Purchase Price**" has the meaning set forth in Item 12 – *Promoters*.

"**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum.

"**Common Shares**" means the common shares in the capital of the Company.

"**Company**" or "**Caldas Gold**" means Caldas Gold Corp.

"**COP**" means Colombian pesos.

"**Croesus Operating Agreement**" means the operating agreement dated September 15, 2017, as amended on July 24, 2020 (and as may be further amended from time to time), between Caldas Gold Marmato and Minera Croesus S.A.S., an indirect, wholly-owned subsidiary of Gran Colombia, relating to the right to mine in the lower portion of the Echandia Property;

"**Delegated Authority**" has the meaning given to such term under the heading entitled "*Audit Committee Information – Pre-Approval Policies and Procedures".*

"**deposit**" means a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures. Such a deposit does not qualify as mineral resources, a commercially mineable ore body or as containing mineral reserves until final legal, technical, and economic factors have been resolved.

"**Echandia Property**" means the area of approximately 59.4 hectares covered by a contract awarded by the National Mining Agency of Colombia to Minera Croesus S.A.S., a wholly-owned subsidiary of Gran Colombia, under contract registration number RPP_357 in Marmato, Caldas Department, Colombia.

"**ESG Committee**" mean the Environmental, Social and Governance Committee of the Board.

"**Final Qualification Prospectus**" means the final prospectus qualifying the distribution of the Common Shares and the 2025 Warrants issuable upon the exercise or deemed exercise of the Special Warrants.

"**g/t**" means grams per metric tonne.

"**GCM Marmato Technical Report**" means the NI 43-101 compliant technical report, prepared for Gran Colombia, relating to the Marmato Project bearing an effective date of July 31, 2019 entitled "NI 43-101 Technical Report Preliminary Economic Assessment Marmato Project Colombia" and prepared by Benjamin Parsons, MSc, MAusIMM (CP), Cristian Pereira Farias, SME-RM, David Bird, PG, SME-RM, David Hoekstra, Bs, PE, NCEES, SME-RE, Eric J. Olin, MSc Metallurgy, MBA, SME-RM, MAusIMM, Fernando Rodrigues, BS Mining, MBA, MAusIMM, MMSAQP, Jeff Osborn, BEng Mining, MMSAQP, Joanna Poeck, BEng, Mining, SME-RE MMSAQP, John Tinucci, PhD, PE, ISRM, Mark Allan Willow, MSc, CEM, SME-RM and Joshua Sames, BSc Civil, PE, each of whom is a "qualified person" for the purposes of NI 43-101 and filed on SEDAR on November 28, 2019.

"**Gran Colombia**" means Gran Colombia Gold Corp., a corporation existing under the laws of the Province of British Columbia.

"**Indicated Mineral Resource**" or "**Indicated**" means that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

“**Inferred Mineral Resource**” or “**Inferred**” means that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

“**Juby Acquisition**” means the acquisition by the Company of all of the issued and outstanding shares of South American Resources Corp. (a pre-existing entity to SARC) by way of a three-corned amalgamation completed pursuant to the Juby Project Amalgamation Agreement on July 2, 2020.

“**Juby Project**” means the advanced exploration-stage gold project located approximately 15 km west-southwest of the town of Gowganda and 100 km south-southeast of the Timmins gold camp within the Shining Tree area in the southern part of the Abitibi greenstone belt in Ontario, Canada.

“**Juby Project Amalgamation Agreement**” means the amalgamation agreement between the Company, South American Resources Corp. (a pre-existing entity to SARC), and Amalco dated May 20, 2020, pursuant to which the Company completed the Juby Acquisition.

“**Knight JV**” means the joint venture with Lake Shore Gold Corporation relating to certain claims adjoining the properties comprising the Juby Project.

“**m**” means metres.

“**Marmato Project**” means the gold-silver project of Gran Colombia at Marmato, Caldas Department, Colombia, prior to the completion of the RTO Transaction, which comprised three contiguous areas: the Zona Alta Property, Zona Baja Property and Echandia Property, as more particularly described in the 2019 Marmato Technical Report, and which included, but was not limited to, the Caldas Marmato Project.

“**MDZ**” means the currently undeveloped Marmato Deeps Zone, located at the Zona Baja Property, consisting of porphyry material below 950 m elevation.

“**Measured Mineral Resource**” or “**Measured**” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

“**MI 61-101**” means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* issued by the Canadian Securities Administrators.

“**Mineral Resource**” or “**mineral resource**” means a concentration or occurrence of diamonds, natural, solid inorganic material, or natural fossilized organic material including base and precious metals, coal and industrial minerals, in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. The terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” used in this Annual Information Form are Canadian mining terms as defined in accordance with NI 43-101 under the guidelines set out in the CIM Definition Standards for Mineral Resources and Reserves adopted by the CIM Council on May 19, 2014.

“**Mineros Nacionales Mine**” means the Company’s underground producing mine located at the Caldas Marmato Project.

"**msl**" means mean sea level.

"**MVPR Supply Agreement**" means the supply agreement for gold, silver and other minerals and derivative services for the exploitation thereof, as amended, entered into between Gran Colombia, Zandor Capital S.A. Colombia (renamed Gran Colombia Gold Segovia Sucursal Colombia), Caldas Gold Marmato S.A.S. (then called "Gran Colombia Gold Marmato S.A.S.") and Sun Valley Company DMCC (which thereafter assigned all of its rights under the Supply Agreement to MVPR International Inc.) dated October 3, 2014.

"**MZ**" means the main zone located in the MDZ.

"**NEX Board**" means the NEX trading board of the TSX-V.

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* issued by the Canadian Securities Administrators.

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations* issued by the Canadian Securities Administrators.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees* issued by the Canadian Securities Administrators.

"**Non-Brokered RTO Financing**" means the non-brokered private placement of units of Caldas Finance at a price of $2.00 per unit for aggregate gross proceeds of $15,000,000 that closed on February 7, 2020, with each unit consisting of one Caldas Finance Share and one Caldas Finance Warrant.

"**NZ**" means the new zone discovered in the MDZ.

"**NZ2**" mean the second new zone discovered south of the MDZ.

"**Option**" means a stock option granted by the Company to purchase Common Shares pursuant to the Company's incentive stock option plan adopted by the Board on March 12, 2020 and approved by Shareholders on June 25, 2020.

"**OTCQX**" means the OTCQX® Best Market in the United States.

"**PEA**" means the preliminary economic assessment dated July 31, 2019 included in the 2019 Marmato Technical Report and the GCM Technical Report.

"**Prefeasibility Study**" means the prefeasibility study dated March 17, 2020 included in the 2020 Marmato Technical Report.

"**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, governmental authority, and where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

"**Precious Metals Stream**" has the meaning given to such term in "*General Development of the Business; Subsequent Developments – US$110,000,000 Precious Metals Stream with WPMI*".

"**Preferred Shares**" means preferred shares in the capital of the Company.

"**Qualified Person**" has the meaning given to such term under NI 43-101, section 1.1, "*Definitions and Interpretations".*

"**RTO Escrow Agreement**" means the escrow agreement between the Company, Odyssey Trust Company and certain Shareholders of the Company dated February 24, 2020.

"**RTO Transaction**" means the arm's length reverse takeover completed on February 24, 2020, whereby Bluenose acquired all of the issued and outstanding shares of Caldas Finance by way of a three-cornered amalgamation pursuant to the Amalgamation Agreement.

"**RTO Warrant Indenture**" means the warrant indenture entered into between Caldas Finance and Odyssey Trust Company dated December 19, 2019, as supplemented by the supplemental warrant indenture entered into between Amalco, the Company and Odyssey Trust Company dated February 24, 2020, pursuant to which the 2024 Warrants were issued upon completion of the RTO Transaction or may become issuable in connection with the exercise of the 2022 Broker Warrants.

"**SARC**" means South American Resources Corp., a wholly owned subsidiary of the Company.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval available at www.sedar.com.

"**Share Consolidation**" means the consolidation of outstanding Bluenose Shares on the basis of ten (10) pre-consolidation Bluenose Shares for each one (1) post-consolidation Bluenose Share (10:1), which occurred on February 24, 2020, immediately prior to the completion of the RTO Transaction.

"**Shareholder**" means a holder of Common Shares.

"**Special Warrant Indenture**" means the warrant indenture entered into between the Company and Odyssey Trust Company dated July 29, 2020, pursuant to which the Special Warrants were issued in connection with the 2020 Special Warrant Private Placement.

"**Special Warrants**" means the special warrants issued pursuant to the Special Warrant Indenture in connection with the 2020 Special Warrant Private Placement, each of which is exercisable, for no additional consideration, into one Special Warrant Unit, subject to adjustment in certain circumstances in accordance with the terms of the Special Warrant Indenture.

"**Special Warrant Unit**" means the units underlying the Special Warrants, which each comprise one Common Share and one 2025 Warrant.

"**SRK**" means SRK Consulting (U.S.), Inc.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Total Cash Cost**" stated per ounce on a by-product basis is calculated by deducting by-product silver sales revenues from production cash costs, production taxes and certain other operating costs, such as workforce reduction costs and allowance for doubtful accounts, 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.

"**tpd**" means tonnes per day.

"**Transition Zone**" means the mining of the MDZ above an elevation of 950 m above msl accessed from the current operations using a modified longhole stoping method.

"**TSX-V**" means the TSX Venture Exchange.

"**Underwriting Agreement**" means the underwriting agreement among the Company, Scotia Capital Inc., Canaccord Genuity Corp., Stifel Nicolaus Canada Inc. and Red Cloud Securities Inc. dated July 29, 2020, pursuant to which the Company completed the 2020 Special Warrant Private Placement.

"**Wheaton**" mean WPMI Precious Metals™ Corp., the parent corporation of WPMI.

"**WPMI**" means WPMI Precious Metals International Ltd., a wholly-owned subsidiary of Wheaton.

"**Zona Alta Property**" means the area 1,340 m above msl made up of various licenses that have been consolidated by Gran Colombia located at the Marmato Project.

"**Zona Baja Property**" means the area covered by an exploration and mining contract for gold and silver (*contrato en virtud de aporte)* dated April 4, 1989, entered into between the *Empresa Colombiana de Minas* (later denominated *Empresa Nacional Minera Ltda*.) and *Dominguez Saieh Compañia Ltda.* and later assigned to *Mineros Nacionales S.A.* (now Caldas Gold Marmato), under contract registration number 014-89M and mining title registration number GAFL-11 in the Municipality of Marmato, Caldas Department, Colombia, acquired by the Company in connection with the RTO Transaction.

1.2 Forward-Looking Information

This Annual Information Form may contain or incorporate by reference information that constitutes "forward-looking information" or "forward-looking statements" (collectively, "**forward-looking information**") within the meaning of the applicable securities legislation. All statements, other than statements of historical fact, contained or incorporated by reference in this Annual Information Form including, but not limited to, any information as to the future financial or operating performance of the Company, constitutes forward-looking information. Forward-looking information involves known and unknown risks, uncertainties, and other factors that may cause the actual results, performance or achievements of the Company to be materially different from the forward-looking information contained herein. When used in this Annual Information Form, such information uses words such as "plans", "expects" "does not expect", "is expected", "budget", "scheduled", "estimates", "targets", "forecasts", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved" and any other similar terminology.

The forward-looking information contained herein reflects current expectations regarding future events and operating performance and speaks only as of the date of this Annual Information Form. Generally, forward-looking information involves significant risks and uncertainties; therefore, it should not be read as a guarantee of future performance or results and will not necessarily be an accurate indication of whether or not such results will be achieved. Undue reliance should not be placed on such statements. A number of factors could cause the actual results to differ materially from the results discussed in the forward-looking information, including but not limited to, the factors discussed under the heading entitled "Risk Factors" herein. Although the forward-looking information is based on what management of the Company believes are reasonable assumptions, the Company cannot assure readers that actual results will be consistent with the forward-looking information.

This Annual Information Form includes forward-looking information pertaining to, among other factors, the following:

- obtaining a receipt for the Final Qualification Prospectus on or prior to September 21, 2020;
- the completion of the 2020 Subscription Receipt Private Placement and the completion of the Precious Metals Stream;
- the size of the Company's mineral reserves and resources;
- the realization of the Company's mineral reserves and resources;
- the timing of development of undeveloped mineral reserves;
- the costs related to the development and production of the Company's projects;
- the results of future production;
- supply and demand for gold and silver;
- expectations regarding the ability to raise capital and to continually add to reserves through acquisitions, exploration and development;
- treatment under governmental regulatory regimes, labour environment and tax laws;

- capital expenditure programs and the timing and method of financing thereof; and
- limitations on the Company's access to sources of financing or competitive terms which are in compliance with existing debt covenants.

Forward-looking information is based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. With respect to forward-looking information contained herein, the assumptions made by the Company include but are not limited to:

- the completion of the 2020 Subscription Receipt Private Placement and the Precious Metals Stream on the terms and conditions currently contemplated;
- the granting of an extension of the primary mining title comprising the Caldas Marmato Project which is currently set to expire on October 14, 2021;
- that regulatory requirements will be maintained;
- future prices for gold and silver;
- future currency and interest rates;
- future prices for natural gas, fuel oil, electricity and other key supplies;
- the Company's ability to generate sufficient cash flow from operations and capital markets to meet its future obligations and continue as a going concern;
- there not being any significant disruption affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise;
- the Company's ability to obtain the necessary permits, including but not limited to, environmental and governmental permits to properly develop, operate and expand current and future projects;
- political developments in any jurisdiction in which the Company operates being consistent with the Company's current expectations;
- the viability, economically and otherwise, of maintaining and developing the Caldas Marmato Project; and
- the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Company's demand.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks which could cause the actual results to vary and in some instances to differ materially from those described in the forward-looking information contained in this Annual Information Form. These material risks include, but are not limited to:

- the 2020 Subscription Receipt Private Placement and the Precious Metals Stream may not be completed on the terms and conditions currently contemplated or at all;
- uncertainties relating to operations during the COVID-19 outbreak;
- volatility in the spot and forward price of gold, silver or certain other commodities relevant to the Company's operation, such as diesel fuel and electricity;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- changes in the gold or silver lease rates which could impact the mark-to-market value of outstanding derivative instruments and ongoing payments/receipts under any interest rate swaps and variable rate debt obligations;
- risks associated with holding derivative instruments (such as credit risks, market liquidity risk and mark-to-market risk);
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada or Colombia, or other countries in which the Company does business or may carry on business in the future;
- competition for, among other things, capital, acquisition of mining property, undeveloped lands and skilled personnel;
- operational and technical problems;
- delays in obtaining required environmental and other licenses;
- uncertainties and hazards associated with gold exploration, development and mining, including but

not limited to, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses; and
- other factors further discussed under the heading entitled “Risk Factors”.

Readers are cautioned that the foregoing lists of factors are not exhaustive. There can be no assurances that forward-looking information will prove to be accurate. Forward-looking information is provided for the purpose of providing information about management’s expectations and plans relating to the future. The forward-looking information included in this Annual Information Form is qualified by these cautionary statements and those made in the Company’s other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the “Risks and Uncertainties” section of the Company’s most recently filed Management’s Discussion and Analysis.

The forward-looking information contained herein is made as of the date of this Annual Information Form and the Company assumes no obligations to update or revise it to reflect new events or circumstances, other than as required by applicable securities laws.

1.3 General Matters

This Annual Information Form is for the year ended December 31, 2019. All information in this Annual Information Form is as of December 31, 2019, unless otherwise indicated.

In this Annual Information Form, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “$” are to Canadian dollars. All financial information in this Annual Information Form has been prepared in accordance with International Financial Reporting Standards unless otherwise expressly indicated.

The industry and other statistical data presented in this Annual Information Form, except where otherwise noted, have been compiled from sources and participants which, although not independently verified by the Company, are considered by the Company to be reliable sources of information. References in this Annual Information Form to research reports or articles should not be construed as depicting the complete findings of the entire referenced report or article and such report or article is expressly not incorporated by reference into this Annual Information Form.

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

To Convert from Imperial	**To Metric**	**Multiply by**
Acres	Hectares	0.404686
Feet	Metres	0.30480
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)/ton	Grams/tonne	34.2857
Ounces	Grams	31.1035

Imperial Measurement	**Metric**
1 mile =	1.609 kilometres
1 yard =	0.9144 metre
1 acre =	0.405 hectare
2,204 pounds =	1 tonne (metric)
2,000 pounds/1 short ton =	0.907 tonnes

1.3.1 *Incorporation by Reference*

The 2020 Marmato Technical Report relating to the Caldas Marmato Project bearing an effective date of March 17, 2020 entitled “NI 43-101 Technical Report Preliminary Feasibility Study Marmato Project

Colombia" which has been prepared and filed in accordance with NI 43-101, is incorporated by reference into and forms part of this Annual Information Form. This document may be accessed under the Company's profile on SEDAR at www.sedar.com.

1.3.2 *Exchange Rate Information*

1.3.2.1 United States Exchange Rate Information

The following table sets out: the rate of exchange for one Canadian dollar in U.S. dollars in effect at the end of each of the periods set out immediately below; the high and low rate of exchange during those periods; and the average rate of exchange for those periods, each based on the noon spot rate as published on the Bank of Canada's website. On August 14, 2020 the exchange rate for one Canadian dollar in U.S. dollars as published by the Bank of Canada was $1.00 = US$0.7547.

	High	Low	Average	End of Period
Year ended December 31				
2019	0.7699	0.7353	0.7357	0.7699
2018	0.8138	0.7330	0.7721	0.7330
2017	0.8245	0.7276	0.7784	0.7971

1.3.2.2 Colombia Exchange Rate Information

The following table sets out: the rate of exchange for one US dollar in COP in effect at the end of each of the periods set out immediately below; the high and low rate of exchange during those periods; and the average rate of exchange for those periods, each based on the rates as published on the Bank of the Republic of Colombia's website. On August 14, 2020 the exchange rate for one US dollar in COP as published by the Bank of the Republic of Colombia was US$1.00 = COP 3,767.05.

	High	Low	Average	End of Period
Year ended December 31				
2019	3,522.48	3,072.01	3,281.09	3,277.14
2018	3,289.69	2,705.34	2,956.43	3,249.75
2017	3,092.65	2,837.90	2,951.32	2,984.00

1.3.3 *Special Note to Reader*

References in this Annual Information Form to "Bluenose" refer to the Company prior to the completion of RTO Transaction and references to "the Company" refer to the Company following the completion the RTO Transaction.

This Annual Information Form makes reference to the "Marmato Project" as it existed prior to the completion of the RTO Transaction. At such time, the Marmato Project included the Caldas Marmato Project and was owned by Gran Colombia. The Company has included this information in order to provide readers with information about the Caldas Marmato Project, being the principal business of the Company, prior to the completion of the RTO Transaction. More information about the differences between the Marmato Project and the Caldas Marmato Project can be found under their definitions in the "Glossary of Terms".

ITEM 2. CORPORATE STRUCTURE

2.1 Name, Address and Incorporation

The full corporate name of the Company is Caldas Gold Corp. 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 offices in Medellin, Colombia.

The Company was incorporated under the *Business Corporations Act* (Yukon) on June 12, 1997 under the name “Alliance Pacific Gold Corp.” The Company changed its name to “International Alliance Resources Inc.” on September 9, 1998 and changed its name again to “Bluenose Gold Corp.” on July 18, 2012. Bluenose was continued into British Columbia on February 7, 2019.

On February 6, 2018, Bluenose completed a share capital restructuring whereby the Bluenose Shares were consolidated on a one for 500 basis and immediately thereafter subdivided on a 500 for one basis. Following the completion of such consolidation and share split, there were 148,398,187 Bluenose Shares outstanding.

On November 2, 2018, Bluenose consolidated the Bluenose Shares on a two for three basis. Following the completion of such consolidation, there were approximately 105,028,791 Bluenose Shares outstanding.

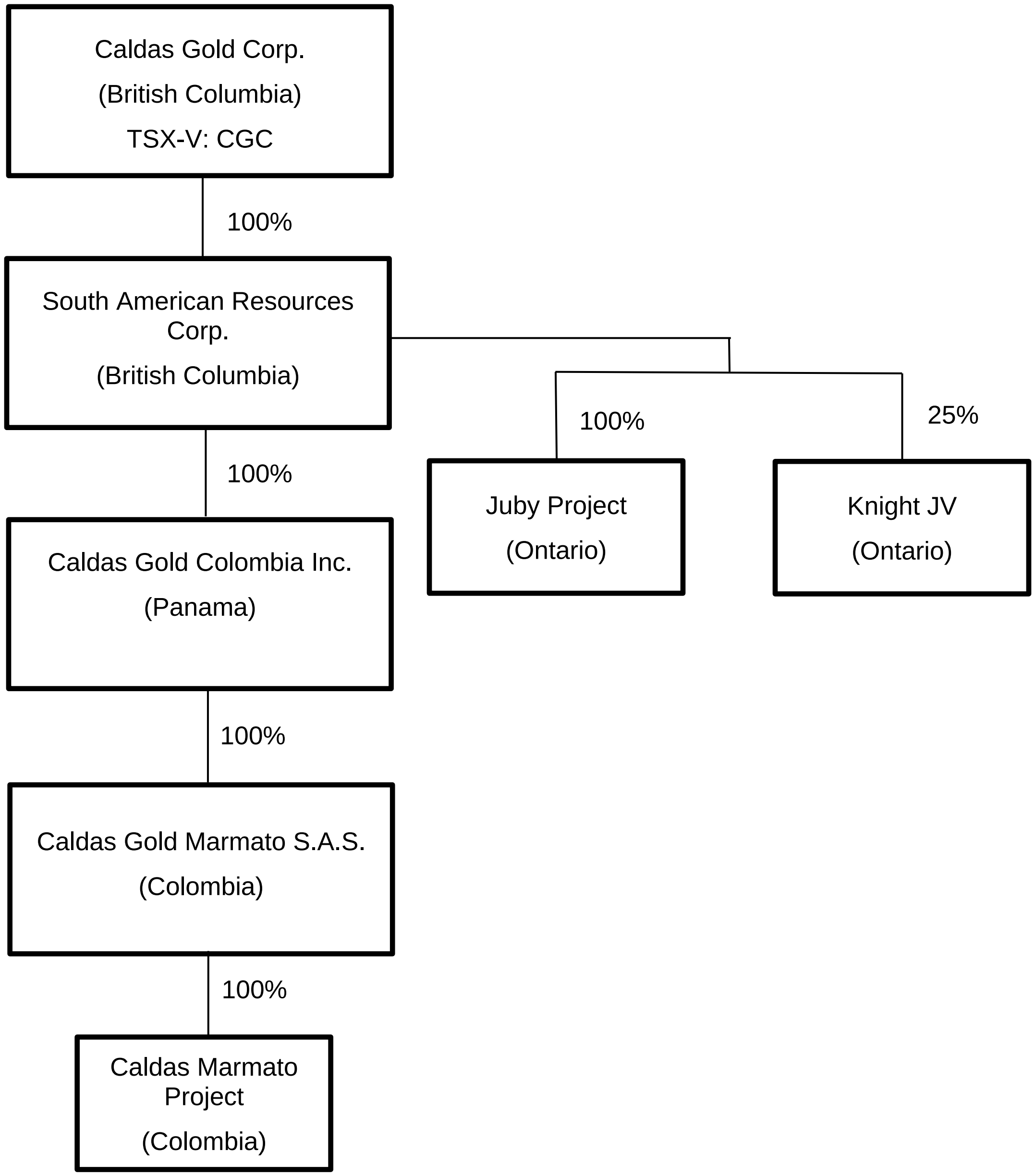
On February 24, 2020, the Company completed the RTO Transaction pursuant to the Amalgamation Agreement dated December 13, 2019 among Bluenose, BN Subco, Gran Colombia, Caldas Finance and Caldas Holding. Pursuant to the Amalgamation Agreement, Bluenose acquired all of the issued and outstanding shares of Caldas Finance from Caldas Holding, a wholly-owned subsidiary of Gran Colombia, by way of a three-cornered amalgamation under the BCBCA in exchange for the issuance of 28,750,100 Common Shares at a deemed issue price of $2.00 per Common Share or $57,500,200 in total. Concurrently, the Company issued an aggregate of 10,792,500 Common Shares and 10,792,500 2024 Warrants to participants in the Brokered RTO Financing and to Caldas Holding in its capacity as a subscriber in the Non-Brokered RTO Financing, respectively. As a result of the RTO Transaction, Caldas Finance amalgamated with BN Subco to become Amalco, a wholly-owned subsidiary of the Company, and the Company acquired the Caldas Marmato Project from Gran Colombia.

Immediately prior to the completion of the RTO Transaction, Bluenose changed its name to “Caldas Gold Corp.” and completed the Share Consolidation.

2.2 Intercorporate Relationships

Through the Company’s wholly owned subsidiary, SARC, the Company indirectly owns all of the issued and outstanding shares of Caldas Gold Colombia Inc., a corporation existing under the laws of Panama. Caldas Gold Colombia holds all of the issued and outstanding shares of Caldas Gold Marmato, which, in turn, holds the Caldas Marmato Project. The Company also holds, indirectly through SARC, the Juby Project and 25% of the Knight JV.

The following chart illustrates the material subsidiaries of the Company, together with the jurisdiction of incorporation of each company and the percentage of voting securities beneficially owned or over which control or direction is exercised, directly or indirectly, by the Company as at the date hereof.



ITEM 3. GENERAL DEVELOPMENT OF THE BUSINESS

Prior to the completion of the RTO Transaction, Bluenose was in the business of exploring resource properties located in Canada, primarily in the Yukon Territory and Ontario. As a result of the completion of the RTO Transaction, the Caldas Marmato Project became the principal business of the Company. The following is a three-year summary of certain material developments in the business of the Company as well as of the Caldas Marmato Project, owned by Gran Colombia prior to the completion of the RTO Transaction.

3.1 2017

Bluenose

Private Placement

On March 17, 2017, Bluenose announced that it had closed a private placement financing of 29,000,000 flow-through units at $0.02 per unit for aggregate gross proceeds of $580,000. Each unit consisted of one Bluenose Share and one transferable warrant entitling the holder to purchase one additional Bluenose Share at a price of $0.05 per Bluenose Share for a period of one year from the closing date.

The Caldas Marmato Project

On October 4, 2017, Gran Colombia announced that it had completed an updated Mineral Resource estimate for the Marmato Project (which at that time included the Caldas Marmato Project) that reflected a change in the focus of the mining style from open pit to underground mining, an increase in cut-off grade for the Mineral Resource estimate and the addition of new material from the MDZ below the existing Mineros Nacionales Mine. The Mineral Resource estimate contained a total of 3,900,000 ounces of gold and 22,600,000 ounces of silver in the Measured Mineral Resource and Indicated Mineral Resource categories and an additional 4,200,000 ounces of gold and 15,000,000 ounces of silver in the Inferred Mineral Resource category.

3.2 2018

Bluenose

Consolidation/Split Proceeding

On February 6, 2018, Bluenose completed a share capital restructuring whereby the Bluenose Shares were consolidated on a one for 500 basis and immediately thereafter subdivided on a 500 for one basis. Following the completion of such consolidation and share split, there were 148,398,187 Bluenose Shares outstanding.

On November 2, 2018, Bluenose consolidated the Bluenose Shares on a two for three basis. Following the completion of such consolidation, there were approximately 105,028,791 Bluenose Shares outstanding.

Advisory Service Agreement with Fiore Management & Advisory Corp.

On November 2, 2018, Bluenose announced that it had entered into a mandate agreement with Fiore Management & Advisory Corp. to provide financial advice and corporate administration.

Private Placement

On November 26, 2018, Bluenose announced that it closed a private placement of 1,000,000 Bluenose Shares for gross proceeds of $200,000.

Disposal of the Hess River Project and the West Graphite Project

During the six-month period ended December 31, 2018, Bluenose disposed of certain mining claims in the Hess River Region in the Mayo Mining Division, Yukon Territory and the West Graphite Project located in the Porcupine Mining Division in Ontario to Whistler Minerals Corp. for nil consideration.

The Caldas Marmato Project

On October 4, 2018, Gran Colombia announced initial results from its drilling campaign undertaken to obtain additional information required for technical studies and evaluations focused on the potential underground expansion of mining operations at the Marmato Project (which then included the Caldas Marmato Project) to incorporate the MDZ below the existing mining operation.

On December 14, 2018, Gran Colombia confirmed and announced an extension of the high-grade zone in the MDZ to more than 300 vertical metres below the deepest level of the then existing mining operations at the Marmato Project based on additional drilling results.

3.3 2019

Bluenose

The RTO Transaction Letter of Intent

On October 4, 2019, Bluenose entered into a letter of intent with Gran Colombia in respect of the RTO Transaction and the acquisition of the Caldas Marmato Project. Following the entering into of such letter of intent, trading of the Bluenose Shares was halted on the NEX Board.

The Caldas Marmato Project

On November 28, 2019, Gran Colombia announced that it had filed the GCM Marmato Technical Report relating to the Marmato Project, prepared in accordance with NI 43-101. Such technical report is a distinct and separate document, filed by Gran Colombia, from the 2019 Marmato Technical Report, and which provided an updated Mineral Resource estimate for the Marmato Project (including the Caldas Marmato Project) with an effective date of July 31, 2019.

Brokered RTO Financing

On December 19, 2019, Caldas Finance completed the Brokered RTO Financing of 3,292,500 subscription receipts at a price of $2.00 per subscription receipt for aggregate gross proceeds of $6,585,000. Each subscription receipt entitled the holder thereof to receive, upon satisfaction of certain escrow release conditions, and without payment of additional consideration therefor, one Caldas Finance Share and one Caldas Finance Warrant. Immediately upon the closing of the RTO Transaction, and in accordance with the Amalgamation Agreement, the Caldas Finance Shares and Caldas Finance Warrants underlying the subscription receipts were automatically exchanged for an equivalent number of Common Shares and 2024 Warrants, respectively. On closing of the RTO Transaction, the net proceeds from the Brokered RTO Financing were released to the Company.

In connection with the Brokered RTO Financing, among other consideration, the Company issued an aggregate of 125,550 2022 Broker Warrants to the agents - Scotiabank and Red Cloud Securities.

3.4 Subsequent Developments

Completion of 2019 Drilling Campaign at the Caldas Marmato Project

On February 3, 2020, Gran Colombia announced additional higher-grade gold intercepts over broad widths from the final eight diamond drill holes (3,744 meters) drilled in the MDZ completing its 2019 drilling campaign at the Marmato Project. The 2019 drilling campaign was split into two phases, of which the results of the phase 1 drilling campaign were included in the updated Mineral Resource estimate with an effective date of July 31, 2019 and the PEA for the Marmato Project, both of which were included in the GCM Marmato Technical Report filed on SEDAR on November 28, 2019 and subsequently in the 2019 Marmato Technical Report. The subsequent phase 2 infill drilling, above the 600 meter level, was designed to provide enough tonnes and grade in the Measured Mineral Resource and Indicated Mineral Resource categories within the MZ to support the 2020 Marmato Technical Report.

High-grade mineralization was also encountered in a new zone in the footwall of the MDZ in hole MT-IU-050 and is anticipated to be accretive to overall global resource growth as this mineralization lies either outside the boundary of the current Mineral Resource estimate block model for the MZ or in areas that were previously estimated to be below the cut-off grade due to lack of information.

The 2019 drilling campaign started in March 2019 and was completed in November 2019 with three contractor diamond drill rigs, one of which was added to the phase 2 drilling campaign in early September 2019, operating from four purpose-built underground drill stations. The 2019 drilling campaign comprised a total of 30 drill holes totaling approximately 16,299 meters, of which 4,600 meters were completed in seven drill holes in the phase 1 drilling campaign and 11,699 meters were completed in 23 drill holes in the phase 2 drilling campaign.

Non-Brokered RTO Financing

On February 7, 2020, Caldas Finance completed the Non-Brokered RTO Financing of units. Each unit comprised one Caldas Finance Share and one Caldas Finance Warrant. Gran Colombia, indirectly through Caldas Holding, subscribed for an aggregate of 7,500,000 units at a price of $2.00 per unit for aggregate gross proceeds of $15,000,000. Immediately upon the closing of the RTO Transaction, and in accordance with the Amalgamation Agreement, the Caldas Finance Shares and Caldas Finance Warrants underlying the subscription receipts were automatically exchanged for an equivalent number of Common Shares and 2024 Warrants, respectively.

The RTO Transaction

On February 24, 2020, the Company completed the RTO Transaction pursuant to the Amalgamation Agreement, whereby Bluenose acquired all of the issued and outstanding shares of Caldas Finance from Caldas Holding, a wholly-owned subsidiary of Gran Colombia, by way of a three-cornered amalgamation under the BCBCA in exchange for the issuance of 28,750,100 Common Shares at a deemed issue price of $2.00 per Common Share or $57,500,200 in total. Concurrently, the Company issued an aggregate of 10,792,500 Common Shares and 10,792,500 2024 Warrants to participants in the Brokered RTO Financing and to Caldas Holding in its capacity as a subscriber in the Non-Brokered RTO Financing, respectively. As a result of the RTO Transaction, Caldas Finance amalgamated with BN Subco to become Amalco, a wholly-owned subsidiary of the Company, and the Company acquired the Caldas Marmato Project from Gran Colombia.

Immediately prior to the closing of the RTO Transaction, Bluenose completed the Share Consolidation and changed its name to “Caldas Gold Corp.”

Immediately following the completion of the RTO Transaction, there were: (i) 50,495,440 Common Shares issued and outstanding (on a non-diluted basis); (ii) 10,792,500 2024 Warrants outstanding; (iii) 330,000 Options outstanding; and (iv) 125,550 2022 Broker Warrants outstanding. Gran Colombia, the Company’s principal shareholder, owned, or exercised direction or control over, directly or indirectly, a total of 365,250,100 Common Shares, representing approximately 71.8% of the Company’s total issued and outstanding Common Shares on a non-diluted basis. For more information about Gran Colombia’s relationship with the Company, see “*Promoters”.*

On February 28, 2020 the Company received final listing approval from the TSX-V and resumed trading on that exchange as a Tier 1 Mining Issuer under the symbol “CGC”.

Filing of 2019 Marmato Technical Report

The Company filed the 2019 Marmato Technical Report on February 28, 2020.

Additional Drilling Results at the Caldas Marmato Project

On March 2, 2020 the Company announced that drill hole MT-IU-053A was successful in extending the recently discovered NZ down-plunge by more than 200 meters at the Caldas Marmato Project. This drill hole, part of phase 2 of the 2019 drilling campaign, was initially planned to 600 meters depth and was extended to 800 meters depth to test the down-dip continuity of the high-grade intersection intercepted by drill hole MT-IU-050.

On May 13, 2020 the Company announced additional higher-grade gold intercepts over broad widths from the final ten diamond drill holes (7,120 meters) drilled in the MDZ, completing the extension of the phase 2 drilling campaign at the Caldas Marmato Project. This latest drilling, which was successful in extending the recently discovered NZ along strike to more than 400 meters, was designed to test the strike extension of the NZ to the southeast and the down plunge extension of the MZ below the 600 meters level that was set as the bottom of the Indicated Mineral Resources for the Prefeasibility Study contained in the 2020 Marmato Technical Report.

High-grade mineralization over a broad width was also intercepted in hole MT-IU-062, representing a potential NZ2 south of the MDZ. The NZ2 is anticipated to be accretive to overall global resource growth as the mineralization lies either outside the boundary of the current mineral resource estimate block model for the MZ or in areas that were previously estimated to be below the cut-off grade due to lack of information.

This extension phase of drilling started in late November 2019 and was completed in mid-March 2020 with two contractor diamond drill rigs operating from three purpose-built underground drill stations. It comprised a total of 10 drill holes totaling approximately 7,120 meters, of which 175 meters were drilled to deepen drill hole MT-IU-045 in order to fully intersect the NZ.

2020 Gold Production at the Caldas Marmato Project

On July 17, 2020 the Company announced that it produced a total of 1,435 ounces of gold in June 2020 bringing the total for the second quarter of 2020 to 3,851 ounces compared with 6,257 ounces in the second quarter of 2019. For the first half of 2020, the Company produced a total of 9,752 ounces of gold compared with 12,472 ounces in the first half of 2019. The second quarter and first half 2020 production results reflect the impact on the Company's operations of the COVID-19 national quarantine in Colombia invoked on March 25, 2020 and which remains in effect as of the date hereof. Please see "*Risk Factors – COVID-19 Virus*" for details.

In June, the Company processed an average of 682 tpd, up about 26% from April and May's average daily rate as the operations started to see an increase in workers, bringing the daily processing rate to an average of 589 tpd in the second quarter of 2020, down from 994 tpd in the second quarter of 2019. Head grades averaged 2.51 g/t in the second quarter of 2020, slightly better than the second quarter of 2019. For the first half of 2020, the Company processed 760 tpd at an average head grade of 2.47 g/t compared with 1,004 tpd at an average head grade of 2.45 g/t in the first half of 2019.

US$110,000,000 Precious Metals Stream

On June 22, 2020, the Company announced that it signed a non-binding term sheet to receive total cash consideration of US$110,000,000 pursuant to a precious metals purchase agreement to be entered into with WPMI, a wholly-owned subsidiary of Wheaton (the "**Precious Metals Stream**"). The proceeds from the Precious Metals Stream will be used solely to fund the expansion of the Company's mining operations in the MDZ at the Caldas Marmato Project.

Upon entering into the Precious Metals Stream, WPMI will purchase 6.5% of the gold production and 100% of the silver production until 190,000 ounces of gold and 2,150,000 ounces 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 the Caldas Marmato Project. Under the proposed Precious Metals Stream, WPMI will pay total cash consideration of US$110,000,000, US$38,000,000 of which is payable upon closing and the remaining portion of which is payable during the construction of the MDZ expansion 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, WPMI will make ongoing payments equal to 18% of the spot gold and silver price until the uncredited portion of the upfront payment is reduced to nil, and 22% of the spot gold and silver price thereafter.

Entering into the Precious Metals Stream remains subject to, among other matters, the negotiation and completion of definitive documentation, including a definitive purchase agreement.

As part of the Precious Metals Stream, the Company has undertaken to Wheaton that it will provide funding through its environmental, social and governance initiatives to support the local communities around the Caldas Marmato Project.

2020 Subscription Receipt Private Placement

On June 22, 2020, the Company announced that it would offer for sale, on a best efforts private placement basis, up to 150,000 units of the Company for anticipated aggregate gross proceeds of up to US$150,000,000. Subsequently, the Company determined that aggregate gross proceeds would be in the range of US$80,000,000 to US$90,000,000 and to offer subscription receipts for sale instead of units, each of which will entitle the holder thereof to receive one unit of the Company without any payment of any additional consideration or further action on the part of the holder thereof, upon the satisfaction or waiver (to the extent such waiver is permitted) of certain release conditions in accordance with the terms of a subscription receipt agreement to be entered into between the Company, Scotiabank, Canaccord Genuity Corp. and Odyssey Trust Company (the "**2020 Subscription Receipt Private Placement**"). Each unit will consist of: (i) one senior secured gold-linked note of the Company in a principal amount of US$1,000.00; and (ii) 200 Common Share purchase warrants of the Company. Scotiabank and Canaccord Genuity Corp. will act as co-lead agents in connection with the offering.

The net proceeds of the 2020 Subscription Receipt Private Placement are expected to be used (i) for the expansion of the underground mining operations at the Caldas Marmato Project, including development of the MDZ, construction of an additional 4,000 tpd processing plant and additional tailings storage facilities, and (ii) to escrow funds for the payment of interest during the first two years on the gold-linked notes.

OTCQX Market Listing

The Common Shares commenced trading on the OTCQX under the symbol "ALLXF" on June 23, 2020.

$14,000,000 Private Placement to Fund Juby Acquisition

On June 30, 2020, the Company announced that it completed the 2020 Non-Brokered Private Placement, pursuant to which Gran Colombia purchased 7,000,000 Common Shares at a price of $2.00 per share for aggregate proceeds of $14,000,000. The proceeds were used by the Company to complete the acquisition of SARC on July 2, 2020, as further described below.

Completion of Juby Acquisition

On July 2, 2020, the Company completed the Juby Acquisition through its acquisition of SARC, which holds certain mining assets in Northeastern Ontario, including a 100% interest in the Juby Project and a 25% interest in the Knight JV. Over 14,000 acres are controlled through the patented claims of the Juby Project covering 10 km strike length on the mineralized trend. At the time of closing, SARC also had working capital of approximately US$300,000.

The Company acquired all of the issued and outstanding shares of SARC by way of a three-cornered amalgamation between the Company, SARC and 1241868 B.C. Ltd., a wholly-owned subsidiary of the Company, pursuant to the Juby Project Amalgamation Agreement. Pursuant to the Juby Project Amalgamation Agreement, the Company issued 20,000,000 Common Shares at a deemed price of $2.00

per share for aggregate consideration of $40,000,000 to the shareholders of SARC and funded SARC's US$10,000,000 acquisition of the Juby Project and interest in the Knight JV. Certain shareholders of SARC entered into voluntary lock-up agreements with the Company pursuant to which such security holders, holding approximately 87% of the Common Shares issued pursuant to the Juby Project Amalgamation Agreement, have agreed to voluntarily lock-up such shares until July 2, 2022.

2020 Special Warrant Private Placement

On July 29, 2020, the Company completed the 2020 Special Warrant Private Placement, pursuant to which the Company issued 22,222,222 Special Warrants at a price of $2.25 per Special Warrant for aggregate gross proceeds of approximately $50,000,000. Gran Colombia purchased 8,888,889 of the Special Warrants. The 2020 Special Warrant Private Placement was co-led by Scotia Capital Inc. and Canaccord Genuity Corp., which acted on behalf of a syndicate of underwriters, pursuant to the Underwriting Agreement.

The net proceeds from the 2020 Special Warrant Private Placement will be used for the expansion of the underground mining operations at the Caldas Marmato Project.

For details regarding the Special Warrants, see "*Description of Capital Structure – Special Warrants*".

3.5 2020 Outlook

On March 11, 2020, the World Health Organization declared COVID-19 to be a pandemic. Since then, actions taken globally in response to COVID-19 have interrupted business activities and supply chains; disrupted travel; contributed to significant volatility in the financial markets, impacted social conditions and adversely impacted local, regional, national and international economic conditions, as well as the labour market. In response, on March 25, 2020, the Colombian government implemented a national quarantine, which continues to remain in effect at this time. The Company immediately activated its business continuity program at the Caldas Marmato Project and implemented additional procedures to protect the health and safety of its workers. Employees in the Company's Toronto and Medellin offices have been working remotely since March 2020. The Company also responded to the needs of the local communities surrounding the Caldas Marmato Project by providing food, medical and sanitation supplies and masks.

Despite the challenges associated with the COVID-19 national quarantine in Colombia during the second quarter of 2020, the Company has continued to operate the Mineros Nacionales Mine, now owned by the Company, albeit at a reduced production rate compared to normal. The national quarantine has restricted the movement of workers who live in the local communities outside the Municipality of Marmato and therefore limited the availability of workers at its operations. While the Company is beginning to see some improvement in access to workers, the availability of workers is being governed by the local municipalities in response to the ongoing COVID-19 situation. Through the end of July 2020, the Company has produced a total of 11,405 ounces of gold. In February 2020, the Company had provided its initial guidance for 2020 with the expectation of producing between 32,000 and 37,000 ounces of gold. In light of its performance to date and the continuing COVID-19 situation, the Company has adjusted its 2020 annual production guidance to a range of 23,000 to 26,000 ounces of gold.

In July 2020, the Company completed the Prefeasibility Study for the expansion of operations at the Caldas Marmato Project which includes the optimization of operations in the existing Mineros Nacionales Mine, expansion of the existing processing plant from 1,200 tpd to 1,500 tpd and expansion of mining operations into the MDZ. Activities to optimize the existing mining operations commenced earlier this year and will continue in the second half of 2020, focused on the development and mining of the Transition Zone, development and mining of the Echandia Property over level 16 of the mine, changes in mining method to reduce dilution, and ongoing health and safety initiatives. The expansion of the existing processing plant will commence in the second half of 2020 with the installation of a new ball mill, Knelson gravity concentrator, thickener, new power substation and new fresh water supply system, all of which will be completed in the first half of 2021. The expansion of mining operations in the MDZ will also commence in the second half of 2020 focused on development and implementation of the project execution plan and schedule, awarding of the engineering, procurement and construction management contract, hiring of construction staff, preparation of the modifications of the environmental management plan to incorporate the new processing plant and continuation of the infill drilling program to upgrade additional mineral resources.

The Company expects to conclude its financing for the MDZ expansion in August 2020, closing the 2020 Subscription Receipt Private Placement for total proceeds of between US$80,000,000 and US$90,000,0000 and executing the Precious Metal Stream with US$110,000,000 of upfront cash consideration. Together with the approximately US$35,000,000 net proceeds raised in the recently completed 2020 Special Warrants Private Placement, the Company believes it will have sufficient liquidity, including additional sources of funding such as operating cash flow from existing operations, lease financing and proceeds from the potential exercise of warrants, to fund the MDZ expansion.

ITEM 4. DESCRIPTION OF THE BUSINESS

The Company is a Canadian-based public company engaged in the acquisition, exploration, development and operation of gold properties in Colombia and Canada. The Company's principal operations consist of the Caldas Marmato Project, including the operation of the underground Mineros Nacionales Mine, and the Juby Project. The Company also recently completed the Prefeasibility Study for a major expansion and modernization of its underground mining operations in the MDZ of the Zona Baja Property, located at the Caldas Marmato Project. The Company is committed to implementing its development and production strategy with a comprehensive environmental, safety and community program, meeting international standards of best practice.

The Company's business activities are directed from its offices in Toronto, Ontario (401 Bay Street, Suite 2400) and Medellin, Colombia.

4.1 Production

The Company's principal product is gold. In addition to gold, the Company also produces silver. It has one producing asset: the Caldas Marmato Project.

4.1.1 *Caldas Marmato Project Operations*

Croesus Operating Agreement

On September 15, 2017, Caldas Gold Marmato (then owned by Gran Colombia) entered into the Croesus Operating Agreement with Minera Croesus S.A.S., an indirect, wholly-owned subsidiary of Gran Colombia. Pursuant to the Croesus Operating Agreement, as the holder of mining title for gold and other minerals under contract registration number RPP_357, Minera Croesus S.A.S. granted to Caldas Gold Marmato the right to conduct exploration, mining and processing activities in the lower portion of the Echandia Property as well as the right to appropriate any minerals recovered from such activities. In exchange, Caldas Gold Marmato must pay a 4% royalty on such mineral production to Minera Croesus S.A.S. and must also pay any royalties and direct taxes due on such mineral production to the Colombian State. The Croesus Operating Agreement has a term of 20 years from its original execution date and can be extended by agreement of the parties.

Refining Agreement

In January 2019, Gran Colombia entered into a three-year refining agreement with an international refinery to sell all of its gold production in Colombia; Caldas Gold Marmato is also a signatory to the agreement. As a result, and pursuant to such agreement, Caldas Gold Marmato receives 99.5% of the sales proceeds upon delivery of its production to an agreed upon transfer point in Colombia and the balance within a short settlement period thereafter.

2019

For the year ended December 31, 2019, Gran Colombia produced 25,750 ounces of gold and 39,559 ounces of silver at the Mineros Nacionales Mine, now owned by the Company. During the same period, Gran Colombia sold 25,277 ounces of gold and 38,826 ounces of silver for the Mineros Nacionales Mine at an average realized price of approximately US$1,387 per ounce and approximately US$15 per ounce, respectively. Total Cash Cost (on a by-product basis) averaged US$1,111 per ounce of gold sold for the full year. Production for the year ended December 31, 2019 was within Gran Colombia's production guidance of 24,000 to 26,000 ounces of gold for the Mineros Nacionales Mine.

2018

For the year ended December 31, 2018, Gran Colombia produced 24,951 ounces of gold and 37,580 ounces of silver at the Mineros Nacionales Mine, now owned by the Company. During the same period, Gran Colombia sold 24,207 ounces of gold and 36,778 ounces of silver from the Mineros Nacionales Mine at an average realized price of approximately US$1,236 per ounce and approximately US$13 per ounce, respectively. Total Cash Cost (on a by-product basis) averaged US$1,136 per ounce of gold sold for the full year. Production for the year ended December 31, 2018 was within Gran Colombia's production guidance for the Mineros Nacionales Mine of 24,000 to 26,000 ounces of gold.

4.2 Exploration

The Company conducts exploration at the Zona Baja Property in Marmato, Caldas Department, Colombia. On July 2, 2020, the Company acquired the Juby Project, which is an advanced exploration-stage gold project located approximately 15 km west-southwest of the town of Gowganda and 100 km south-southeast of the Timmins gold camp within the Shining Tree area in the southern part of the Abitibi greenstone belt in Ontario, Canada. The Company has not yet conducted any exploration activities on the Juby Project and is in the process of developing an exploration program for it.

With more than 125,000 meters of historical drilling in Zona Baja, discovery of the MDZ has opened the opportunity to expand underground mining operations to incorporate the MZ. The MDZ remains open at depth and to the east and the latest drilling results have confirmed the discovery of a NZ. The 2019 drilling campaign was designed to provide enough tonnes and grade in the Measured and Indicated mineral resource categories within the MZ to support the Prefeasibility Study contained in the 2020 Marmato Technical Report. In 2020, Caldas Gold plans to drill up to 15,000 meters, including approximately 10,000 meters of infill drilling which is designed to convert Inferred Mineral Resources to the Indicated category and to add additional mineral resources by stepping out along the southeast extension of the MZ. Another approximately 5,000 meters of exploration drilling will focus on broad mineralized zone targets outside the MZ. See "Material Mineral Property".

4.3 Employees

As at the date of this Annual Information Form, the Company and its subsidiaries have six employees at its office in Toronto, Ontario, no employees in northern Ontario in respect of the Juby Project and 1,387 employees in Colombia.

4.4 Specialized Skill and Knowledge

Operations in the gold exploration and development industry mean that the Company requires professionals with skills and knowledge in diverse fields of expertise. In the course of its exploration, development and operations, the Company requires the expertise of drilling engineers, exploration geophysicists and geologists and employs such persons directly and indirectly. To date, the Company has not experienced any difficulties in hiring and retaining the professionals and experts it requires for its operations and has found that it can locate and retain such employees and consultants and believes it will continue to be able to do so. Further information is provided under the heading entitled "Risk Factors – Key Personnel".

4.5 Competitive Conditions

The precious metal mineral exploration and mining business is a competitive business. The Company competes with numerous other companies and individuals in the search for and the acquisition of attractive precious metal mineral properties. The ability of the Company to acquire precious metal mineral properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for precious metal development or mineral exploration. Further information is provided under the heading entitled "Risk Factors – Competition".

4.6 Foreign Operations

The Company's material property interests are located in Colombia and the Company also has property interests in Canada. The Company's activities in foreign jurisdictions may be affected by possible political or economic instability and government regulations relating to the mining industry and foreign investors therein. The risks created by this potential political and economic instability include, but are not limited to, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in exploration or investment policies or shifts in political attitude in such jurisdictions may adversely affect the Company's business. Mineral exploration and mining activities may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of property, environmental legislation, land use, land claims of local people, water use and property safety. The effect of these factors on the Company cannot be accurately predicted. Further information is provided under the heading entitled "Risk Factors".

4.7 Business Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. The Company's operations are related and sensitive to the market price of gold and, to a lesser degree, to other metal prices such as silver. Metal prices fluctuate widely and are affected by numerous factors such as global supply, demand, inflation, exchange rates, interest rates, forward selling by producers, central bank sales and purchases, production, global or regional political, economic or financial situations and other factors beyond the control of the Company. Further information is provided under the heading entitled "Risk Factors – Commodity Prices".

4.8 Environmental Protection

The mining industry in Canada and Colombia is subject to environmental laws and regulations under various governmental legislation relating to the protection of the environment, including requirements for closure and reclamation of mining properties. Compliance with such obligations and requirements can mean significant expenditures and may constrain the Company's operations in the country. Breach of environmental obligations could lead to suspension or revocation of requisite environmental licenses and permits, civil liability for damages caused and possible fines and penalties, all of which may significantly and negatively impact the Company's position and competitiveness. Further information is provided under the heading entitled "Risk Factors – Changes to Environmental Matters".

The financial and operational effects of environmental protection requirements of the Company's projects currently in the exploration stage are currently difficult to gauge. The environmental assessments include the measures and activities proposed by the Company for the control and mitigation of environmental risks and impacts based on technical studies, thus providing a reliable estimate of the environmental costs for the operation of the Caldas Marmato Project.

4.9 Social or Environmental Policies

The Company has established guidelines and management systems to comply with the laws and regulations of Colombia and other countries in which it may operate. The Company has dedicated employees responsible for all matters affecting the environment and local municipalities. While the Company endeavours to meet all of its environmental obligations, it cannot guarantee that it has been and will be in compliance at all times. Nonetheless, management believes that operations are in substantial compliance with all material Colombian environmental laws and regulations.

In addition, the Company has instituted social awareness and responsibility programs, specific to the areas in which it operates, which are carried out by employees in Colombia. The Company's social workers visit the various municipalities where it operates to determine a community's needs and formulate programs specific to those municipalities. In addition, the Company is implementing human rights policies for the Caldas Marmato Project in accordance with the Free Trade Agreement signed between Canada and Colombia. The policies are currently in the process of being implemented.

Gran Colombia has continually re-affirmed its commitment to social responsibility initiatives in Marmato, and the Company intends to follow suit. In 2011, Gran Colombia contributed approximately US$2,000,000 to the town and its surrounding area, used to fund Phase II construction of the El Llano Hospital. The funds donated by Gran Colombia have also helped the construction of a new school and the acquisition of new equipment and supplies for the hospital.

Gran Colombia is a member of the Colombian Mining Association (ACM is its acronym in Spanish) whose fundamental objective is the promotion of responsible mining that contributes to Colombia's sustainable and equitable development. While the Company is not currently a member of ACM, as an indirect subsidiary of Gran Colombia, it currently receives the same information and benefits and the Company intends to become a member. Companies linked with ACM are committed to Colombia's economic and social development and in particular, that of the communities where mining operations take place. In this respect, the Company seeks to incorporate internationally recognized best practices within the framework of responsible and sustainable mining. Gran Colombia also entered into an agreement in February 2013 with several other mining companies with operations in Colombia in an effort to improve the living conditions of those who are in a state of extreme poverty in Colombia.

On April 6, 2020, during the COVID-19 pandemic, the Company announced that it had partnered with local community leaders, Gran Colombia and Angelitos de Luz, a local charitable foundation, to provide much needed support to vulnerable low-income families in the local mining communities of Marmato, Supia and Riosucio in Marmato, and of Segovia and Remedios in Antioquia, during the national quarantine in Colombia as the country fights to contain the spread of COVID-19, including:

- the donation of food by the Company for 10,000 families in Marmato, Supia and Riosucio;
- the supply of 3,000 kits including face masks, liquid soap and antibacterial gel to security forces, formalized miners, vulnerable families and the city halls of the municipalities of Segovia, Remedios and Marmato;
- the donation and distribution by the Company of 100,000 face masks in Marmato, Supia and Riosucio which were purchased locally, thereby generating income to 330 families; and
- the donation of medical supplies to Hospital San Juan de Dios in Riosucio including stretchers, health monitors and personal protective equipment for medical personnel.

Through the Mineros Nacionales Mine, now owned by the Company, Gran Colombia paid production taxes of approximately 4% to the national government and a 6% special contractual fee for certain of its mining titles, totaling approximately US$3,100,000 for Gran Colombia's financial year ended December 31, 2019.

ITEM 5. RISK FACTORS

The business and operations of the Company are subject to a number of risks. The Company considers the risks set out below to be the most significant to existing and potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware 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 price of the Company's securities could decline and investors may lose all or part of their investment.

Liquidity Risks

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due. To the extent that the Company does not believe it will have sufficient liquidity to meet these obligations, management will consider securing additional funds through equity or debt transactions. The Company manages its liquidity risk by continuously monitoring forecasted cash flow requirements.

Dependence on the Caldas Marmato Project

The Caldas Marmato Project is currently the only material property of the Company. Therefore, although the operations of the Company include an operating mine, the Company's success will likely be dependent on further developing the Caldas Marmato Project, which may never develop into the commercially viable ore body that the Company believes it will. Any adverse development affecting the Caldas Marmato Project will have a material adverse effect on the Company's business, prospects, financial performance and results of operations.

Exploration and Development Risk

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of mineral properties, including unusual and unexpected geologic formations, seismic activity, explosions, rock bursts, cave-ins, flooding, pit wall failure and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, delays in mining, monetary losses and possible legal liability.

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines and no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or that funds required for development can be obtained on a timely basis. Mineral exploration involves many risks and uncertainties, and success in exploration is dependent on a number of factors, including the quality of management, quality and availability of geological expertise and the availability of exploration capital. Substantial expenditures are required to establish mineral resources and mineral reserves, complete drilling and to develop processes to extract the minerals, develop mining and processing facilities and suitable infrastructure at any site chosen for mining, and establish commercial operations. Also, substantial expenses may be incurred on exploration projects which are subsequently abandoned due to poor exploration results or the inability to define reserves which can be mined economically. Even if an exploration program is successful and economically recoverable minerals are found, it can take a number of years from the initial phases of drilling and identification of the mineralization until production is possible, during which time the economic feasibility of extraction may change and the minerals that were economically recoverable at the time of discovery cease to be economically recoverable. There can be no assurance that the minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale operations.

The commercial viability of the Caldas Marmato Project, the Juby Project and other properties in which the Company may acquire an interest in the future depends upon on a number of factors, all of which are beyond the control of the Company, including, but not limited to: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; silver and gold prices, which are highly cyclical; general and local labour market conditions; the proximity and capacity of milling facilities; local, provincial, federal and international government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; ongoing costs of production; and availability and cost of additional funding. The exact effect of these factors, either alone or in combination, cannot be accurately predicted and their impact may result in the Company not being able to economically extract minerals from any identified mineral resource or mineral reserve which, in turn, could have a material and adverse impact on the Company's cash flows, earnings, results of operations and financial condition and prospects. The Company cannot provide any certainty that the exploration or development programs planned by the Company will result in a profitable commercial mining operation in respect of the expansion of the Caldas Marmato Project or other properties in which the Company has or may acquire an interest in the future.

Limited Operating History and Financial Resources

The Company has a limited operating history as a stand-alone company and expects that, due to the anticipated expansion of the Caldas Marmato Project, its losses will continue for the foreseeable future. Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration and development of the mineral properties that the Company plans to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration and development of mineral claims may not result in the discovery of mineral deposits.

Problems such as unusual or unexpected formations of rock or land and other conditions are involved in mineral exploration and often result in unsuccessful exploration efforts. If the results of future exploration programs do not reveal viable commercial mineralization, the Company may decide to abandon its claims and acquire new claims for new exploration or cease operations.

There can be no assurance that the Company will ever be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Caldas Marmato Project, the Juby Project, or any other properties that the Company may acquire are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control.

Uncertainty of Resource Estimates

No assurance can be given that any tonnages and grades will be achieved or that any level of recovery will be realized. The grade of mineralization recovered may differ materially and adversely from the estimated average grades in any current or future resource estimates. Future production could differ dramatically from resource estimates for, among others, the following reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- increases in operating mining costs and processing costs could adversely affect mineral resources;

- the grade of the mineral resources may vary significantly from time to time and there is no assurance that any particular grade may be recovered from the mineral resources; and
- declines in the market price of minerals may render the mining of some or all the mineral resources uneconomic.

Any of these factors may require the Company to reduce its mineral resources estimates or increase its cost estimates. Short-term factors, such as the need for the additional development of a deposit or the processing of new different grades, may impair the Company's profitability. Should the market price of minerals fall, the Company could be required to materially write down its investment in mining properties or delay or discontinue production or the development of new projects.

Mineral Reserves

The 2020 Marmato Technical Report has identified approximately 2.0 million proven and probable ounces of gold; however, there can be no assurance that additional mineral reserves will be added at the Caldas Marmato Project or that the mineral resources under exploration contain commercial quantities of any minerals; as well, even if commercial quantities of minerals are identified, there can be no assurance that the Company will be able to exploit the resources or, if the Company is able to exploit them, that it will do so on a profitable basis. Substantial expenditures may be, and at the Caldas Marmato Project, will be, required to locate and establish mineral reserves, to develop extraction processes and to construct mining and processing facilities at a site, and substantial additional financing may be required. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend on the results of exploration programs and feasibility studies, and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: (i) the attributes of the deposit, such as size, grade and proximity to infrastructure; (ii) mineral prices, which are highly cyclical; (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; (iv) ongoing costs of production; and (v) availability and cost of additional funding. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Operational Risks

Mineral exploration and mining involve many risks, which even a combination of experience, knowledge and careful evaluation the Company may not be able to overcome. These hazards include unusual or unexpected formations, formation pressures, inclement weather conditions, seismic activity, fires, power outages, industrial accidents, flooding, explosions, rock bursts, cave-ins or pit wall failures and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, catastrophic damage to property or loss of life, labour disruptions, technological failure of mining methods, equipment failure or the inability to obtain suitable or adequate machinery, equipment or labour. Operations in which the Company will have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. Although the Company intends to maintain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition.

Title to Property

The Company does not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to property will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to the Caldas Marmato Project. There is also a risk that indigenous peoples may dispute the title to a property held by the Company, including the Juby Project, or the property may be subject to prior unregistered agreements, liens, transfers or land claims by indigenous peoples. The possibility also exists that title to the existing property or future prospective properties may be lost due to an omission in the claim of title or prior activities of the Company which affect the Company's title.

The primary mining title comprising the Caldas Marmato Project has a remaining duration which is shorter than the term required to develop and execute the mining project described in the 2020 Marmato Technical Report. Mining titles generally allow for renewals and the Company has no reason to expect that a renewal will not be granted in the normal course; however, the Company cannot give assurances that title to its mining titles will be renewed, as required to complete the Caldas Marmato Project. The current Caldas Marmato Project mining title expires on October 14, 2021 and an application to renew title for another 20-year term has been made. The renewal process is continuing and additional information has been filed in response to requests from the Colombian National Mining Agency.

The Colombian National Mining Agency is in charge of legal and technical audits of all exploration and exploitation mineral rights in Colombia. Mining titles may be cancelled or fines may be imposed if audits show that applicable laws and regulations have not been or are not being complied with by mining companies. Although the Company believes that it is in substantial compliance in all material respects with applicable material laws and regulations in Colombia, the Company cannot assure that the results of a future audit will not result in further inquiry or actions taken by the Colombian National Mining Agency or other Colombian authorities.

Commodity Prices

The profitability of the Company's operations is dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. These factors include interest rates, the rate of inflation or deflation, global and regional supply and demand, consumption patterns, forward sales by producers, currency exchange fluctuations, speculative activities and increased production due to improved mining and production methods. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political and economic developments in major silver and gold-producing countries throughout the world. The prices of mineral commodities have fluctuated widely in recent years. For example, the afternoon fix price for gold on the London Bullion Market (the "**London P.M. Fix**") in 2011 reached as high as US$1,895.00 per ounce and has declined as low as US$1,049.40 per ounce since that time. The London P.M. Fix at December 31, 2019 was US$1,514.75 and at August 14, 2020 was US$1,944.75. Current and future price declines could cause commercial production to be impracticable.

The Company's future revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of silver and gold. The prices of these commodities are affected by numerous factors beyond the Company's control.

Future Production Rates

The figures for future production are estimates based on interpretation and assumptions and actual production may be less than is currently estimated. The Company cannot give any assurance that it will achieve production estimates. The failure of the Company to achieve production estimates could have a material and adverse effect on any or all of its future cash flows, profitability, results of operations and financial condition. The Company's mineral properties' ability to demonstrate sufficient economic returns will also affect the availability and cost of financing. These production estimates are dependent on, among other things, the accuracy of mineral reserve estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions, physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics and the accuracy of estimated rates and costs of mining and processing.

Actual production may vary from estimates for a variety of reasons, including, but not limited to: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for operation, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; labour shortages or strikes; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the regulatory environments. Such occurrences could result in damage to mineral properties, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities. It is not unusual in new mining operations to experience unexpected problems during the start-up phase. Depending on the price of gold, silver or other minerals, the Company may determine that it is impractical to commence or, if commenced, to continue commercial production at a particular site.

Negative Cash Flow from Operations

Although the Company generated cash flow from operations during the three and six months period ended June 30, 2020, future operating cash flow may be affected by factors outside of the Company's control, such as any prolonged or worsening effects of the COVID-19 pandemic having a negative impact on production and operations, in which case a portion of the net proceeds from the Special Warrant Financing may be required to fund the operating cash flow deficit.

Dependence on Future Financings

The Company requires significant capital and operating expenditures in connection with the development of the Caldas Marmato Project, for which purpose it has completed the Special Warrant Financing and anticipates completing the Precious Metals Stream and the 2020 Subscription Receipt Private Placement. There can be no assurance that the Company will be successful in obtaining the required financing as and when needed. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which an impact on the amount of additional capital will have that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to Shareholders. Failure to obtain additional financing for the Company's projects, if required, on a timely basis or on favourable terms, could cause the Company to reduce or delay its proposed operations. The Company will require additional financing to fund its operations until positive cash flow is achieved; see "*Risk Factors – Negative Cash Flow from Operations*" above.

The Company will incur additional indebtedness in the future in relation to, among other things, the Precious Metals Stream and the 2020 Subscription Receipt Private Placement, and may incur additional indebtedness in the future, including by way of debentures, additional notes or credit facilities. A portion of the cash flow generated by properties owned by the Company will be devoted to servicing such debt and there can be no assurance that the Company will generate sufficient cash flow from operations to meet the required interest and principal payments on the debt.

Dilution upon a Failure to Qualify the Securities Underlying the Special Warrants

If the Company fails to obtain a receipt for the Final Qualification Prospectus from the securities regulatory authorities in each of the Provinces of Canada, except Quebec, by September 21, 2020, the holders of Special Warrants will be entitled to receive an additional number of Special Warrant Units equal to 10% of the number of Special Warrant Units issuable upon the exercise or deemed exercise of the Special

Warrants, resulting in each Special Warrant being exercisable into 1.1 Special Warrant Units. The issuance of such additional Special Warrant Units would be dilutive to existing Shareholders.

Share Price Volatility

The market price for the Common Shares cannot be assured. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The trading price of the Common Shares may be subject to large fluctuations. For the same reason, the value of any of the Company's securities convertible into, or exchangeable for, Common Shares may also fluctuate significantly, which may result in losses to investors. The price of the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. Factors that may contribute to volatility in the securities of the Company include macroeconomic developments globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in mineral prices or in its financial condition or results of operations.

Other factors unrelated to the Company's performance that may have an effect on the price of the Common Shares include the following: lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of the Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares to be delisted from the exchange on which they trade, further reducing market liquidity. The market price for the Common Shares may also be affected by the Company's ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of the Common Shares.

In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could materially and adversely harm the Company and its financial position.

Current Global Markets and Economic Conditions

Global financial conditions over the past decade have been characterized by volatility in both commodities prices and otherwise. Several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by many factors. This may impact the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company. Additionally, global economic conditions may cause decreases in asset values that are deemed to be other than temporary, which may result in further impairment losses. If such volatility and market turmoil continue, the Company's operations and financial condition could be adversely impacted.

To the extent the Company relies on the capital markets for necessary capital expenditures, the businesses, financial conditions and operations of the Company could be adversely affected by: (i) continued disruption and volatility in financial markets; (ii) continued capital and liquidity concerns regarding financial institutions generally and hindering the Company's counterparties specifically; (iii) limitations resulting from governmental action in an effort to stabilize or provide additional regulation of the financial system; or (iv) recessionary conditions that are deeper or last longer than currently anticipated.

Availability and Costs of Supplies

The Company, as with other companies in the industry, requires raw materials and supplies in connection with operations. These supplies and materials may be significantly affected by changes in market price, exchange rates and availability. Some of these supplies may be obtained from a limited group of suppliers or may become difficult to obtain at a price satisfactory to the Company. As the global mining industry fluctuates, increased activity in the sector would cause a similar increase in demand for the materials and supplies, as well as labour. Although the Company can monitor the market and attempt to anticipate future needs, the market cost of such supplies and materials is outside of the control of the Company. Operating costs of the Company could be significantly impacted by the ability of the Company to obtain necessary materials and supplies at the predicted price. Increases in the price of necessary supplies would impact the costs of production and predicted expenses.

Government Regulation

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing environmental protection, natural resources prospecting, development, production, post-closure reclamation, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. The costs associated with compliance with such laws and regulations are substantial. Although the Company believes that its mining and processing operations and exploration and development activities are carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be interpreted and applied in a manner which could cause additional expense, capital expenditures, restrictions on or suspension of the Company’s operations and delays in the development of the Caldas Marmato Project, the Juby Project and other properties in which the Company has or may acquire an interest. Moreover, governmental authorities and private parties may bring lawsuits based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of the Company’s future operations, which could lead to the imposition of substantial fines, penalties and other civil and criminal sanctions. Substantial costs and liabilities, including bonding, reclamation funding, or other requirements for restoring the environment after the closure of mines, will be inherent in the development of the Caldas Marmato Project. There can be no assurance that any such law, regulation, enforcement or private claim, or any changes thereto, will not have a material adverse effect on the Company’s business, financial condition or results of operations.

Permits and Licenses

The mining and exploration activities of the Company require permits from various governmental authorities and such operations are, and will be, governed by laws and regulations governing exploration, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety, mine permitting and other matters. Companies engaged in mining and exploration activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. While the Company believes that it has all permits and licences necessary to carry on activities on the Caldas Marmato Project and the Juby Project, a substantial number of additional permits and licenses may be required in the future. Additionally, the current Caldas Marmato Project mining title expires on October 14, 2021 and an application to renew title for another 20-year term has been made. The Company anticipates that it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licenses and permits; however, there can be no assurance that all permits that the Company may require for mining and exploration will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that the Company may undertake. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. However, there may be unforeseen environmental liabilities of the Company resulting from exploration and mining activities and these may be costly to remedy.

Rights of Indigenous Peoples

Various national and provincial laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples, including the First Nations and Metis in Canada and the Cartama in Colombia. The Company has interests in areas presently or previously inhabited or used by indigenous peoples. Many of these laws, codes, resolutions, conventions, guidelines, and other materials impose obligations on governments to respect the rights of indigenous peoples. Some mandate that governments consult with indigenous peoples regarding government actions which may affect indigenous peoples, including actions to approve or grant mining rights or permits. The obligations of governments and private parties under the various laws, codes, resolutions, conventions, guidelines, and other materials pertaining to indigenous peoples continue to evolve and be defined. While the Company has existing agreements with indigenous peoples regarding the Juby Property, its current and future operations are subject to a risk that one or more groups of indigenous peoples may oppose further development or new development of the Juby Project. With respect to the Caldas Marmato Project, it is likely that the MDZ project will require a process of prior consultation with the Cartama and it is possible that the Cartama will oppose further development or new development by the Company. Opposition by such indigenous peoples may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities. Opposition by indigenous peoples to the Company's operations may require modification of, or preclude operation or development of, the Juby Project or the Caldas Marmato Project or may require the Company to enter into additional or different agreements with indigenous peoples with respect to the Juby Project.

Health and Safety Risk

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer. Failure to comply with applicable health and safety laws may result in injunctions, damages, suspension or revocation of licences or permits and the imposition of penalties. There can be no assurance that the Company will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future health and safety laws and permits will not adversely affect the Company's business, results of operations, financial condition or prospects. The Company has rigorous procedures in place to manage health and safety protocols in order to reduce the risk of occurrence and the severity of any accident and will continually invest time and resources to enhance health and safety at all operations. The Company has insurance policies in place to cover accidents and regularly monitors the adequacy of such policies.

Environmental Matters

The Company's operations are subject to laws and regulations regarding environmental matters, the use or abstraction of water, and the discharge of mining wastes and materials. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Operations of the Caldas Marmato Project and Juby Project may be subject to environmental permits and authorizations in addition to those that are currently in place. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations. Environmental laws and regulations change frequently, and the implementation of new, or the modification of existing, laws or regulations could harm the Company. The Company cannot predict how agencies or courts in Canada, Colombia or other foreign countries will interpret existing laws and regulations or the effect that these adoptions and interpretations may have on the Company 's business or financial condition.

The Company may be required to make significant expenditures to comply with governmental laws and regulations. Any significant mining operations will have some environmental impact, including land and habitat impact, arising from the use of land for mining and related activities, and certain impact on water resources near the project sites, resulting from water use, rock disposal and drainage run-off. No assurances can be given that such environmental issues will not have a material adverse effect on the Company's operations in the future. Environmental hazards may exist for the Caldas Marmato Project which are unknown to the Company at the present time and which have been caused by previous or existing owners or operators of the properties. While the Company believes that the properties comprising the Caldas Marmato Project do not currently have any material unsatisfied environmental obligations, exploration activities may give rise in the future to significant liabilities on the Company’s part to the government and third parties and may require the Company to incur substantial costs of remediation.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Additionally, the Company does not intend to maintain insurance against environmental risks. As a result, any claims against the Company may result in liabilities the Company will not be able to afford, resulting in the failure of the Company’s business. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation of existing laws, could have a material adverse impact on the Company and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new exploration properties.

Tailings

Mining companies face inherent risks in their operations due to the creation, storage and disposal of tailings. Tailings are the process waste generated once grinding and extraction of gold from the ore is completed in the milling process and are deposited as slurry in large storage facilities specifically designed for this purpose. The volume of the tailings is normally far in excess of the extracted gold and this waste must be disposed of in an appropriate manner so as not to cause environmental damage. Expansion of the Caldas Marmato Project will require construction of a new tailings storage facility, the location of which may be a challenge for the Company due to the mountainous region of Marmato and the presence of inhabited adjacent communities. An incident at the Company’s tailings storage facilities could result, among other things, in enforcement, obligations to remediate environmental contamination, negative press coverage, and claims for property or natural resources damages and personal injury by adjacent communities.

Corruption

The Company’s operations are governed by the laws of many jurisdictions, which generally prohibit bribery and other forms of corruption. The Company has policies in place to prevent any form of corruption or bribery, which includes enforcement of policies against giving or accepting money or gifts in certain circumstances. Despite the policies, it is possible that the Company, or some of its employees or contractors, could be charged with bribery or corruption as a result of the unauthorized actions of its employees or contractors. If the Company is found guilty of such a violation, which could include a failure to take effective steps to prevent or address corruption by its employees or contractors, the Company could be subject to onerous penalties and reputational damage. A mere investigation itself could lead to significant corporate disruption, high legal costs and forced settlements (such as the imposition of an internal monitor). In addition, bribery allegations or bribery or corruption convictions could impair the Company’s ability to work with governments or non-governmental organizations. Such convictions or allegations could result in the formal exclusion of the Company from a country or area, national or international lawsuits, government sanctions or fines, project suspension or delays, reduced market capitalization and increased investor concern.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important factors affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Competition

The mining industry is intensely competitive in all of its phases, and the Company will compete with other exploration companies that may have greater financial resources and technical facilities for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other persons to carry out its mineral exploration and development activities. Recent increases in base and precious metal prices have encouraged increases in mining exploration, development and construction activities, which have resulted in increased demand for, and cost of, exploration, development and construction services and equipment. Increased demand for services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increase potential scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays, or both.

Acquisitions and Integration

From time to time, the Company may pursue opportunities to acquire additional mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities will depend on its ability to identify suitable acquisition candidates that fit its business strategy, negotiate acceptable terms for any such acquisition, obtain approvals from regulatory authorities in the jurisdiction of the business or property to be acquired, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and, to the extent that the Company makes an acquisition outside of markets in which it has previously operated, the Company may have difficulty conducting and managing operations in a new operating environment.

Acquiring additional businesses or properties could place increased pressure on the Company's cash flow if such acquisitions involve a cash consideration. If the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing Shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. The integration of the Company's existing operations with any acquired business will require significant expenditures of time, attention and funds. Achievement of the benefits expected from consolidation would require the Company to incur significant costs in connection with, among other things, implementing financial and planning systems. The Company may not be able to integrate the operations of a recently acquired business or restructure the Company's previously existing business operations without encountering difficulties and delays. In addition, this integration may require significant attention from the Company's management team, which may detract attention from the Company's day-to-day operations. Over the short-term, difficulties associated with integration could have a material adverse effect on the Company's business. In addition, the acquisition of mineral properties may subject the Company to unforeseen liabilities, including environmental liabilities, which could have a material adverse effect on the Company. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from management time and effort and the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's business, prospects, financial position, results of operations or the Company's property development.

Key Personnel

Locating and developing mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration, development and production personnel involved. The success of the Company is largely dependent on the performance of its key personnel. The Company's success is also largely dependent on its ability to hire and retain other highly qualified personnel. This is particularly true in highly technical businesses such as mineral exploration. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for this workforce is intense. As the Company's business activity grows, the Company will require additional key executive, financial, operational, administrative and mining personnel. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. These individuals are in high demand and the Company may not be able to attract the personnel it needs. Failure to retain key personnel or to attract and retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's business, its operating results as well as its overall financial condition. The Company has not purchased any "key-man" insurance with respect to any of its directors, officers or key employees and has no current plans to do so.

Insurance and Uninsured Risk

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, explosions, rock bursts, cave-ins, natural phenomena such as inclement weather conditions, floods and earthquakes, changes in the regulatory environment and political or social instability. Such occurrences or events could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance for protection against certain risks in amounts it considers reasonable, such insurance may not cover all the potential risks associated with Company's operations. The Company may also decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against political risk and risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company periodically evaluates the cost and coverage of the insurance against certain risks to determine if it would be appropriate to obtain such insurance. Without such insurance, losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Market Perception / Limited Market for Securities

Market perception of junior exploration and extraction companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise capital.

Fluctuations in Foreign Currency Exchange Rates

The Company reports its financial results and maintains its accounts in U.S. dollars and the markets for gold and silver are principally denominated in U.S. dollars. The Company's operations in Colombia make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. Colombia has a free and unrestricted supply and demand currency market. The Company is exposed to foreign exchange risk from the exchange rate of COP relative to the Canadian and U.S. dollars. Should the rates change dramatically it could have a significant effect on the Company. Foreign exchange risk is mainly derived from assets and liabilities stated in COP. The Company limits its foreign exchange risk by the acquisition of short-term financial instruments and, when possible, minimizes its COP monetary asset positions.

Interests of the Controlling Shareholder

As of the date hereof, Gran Colombia beneficially owns approximately 57.5% of the issued and outstanding Common Shares (on a non-diluted basis). As a result, Gran Colombia has the power to exercise significant influence over all matters requiring shareholder approval, including the election of directors, amendments to the Company's articles of incorporation, amalgamations, mergers and plans of arrangements under Canadian law, or the sale of all or substantially all of the Company's assets. Furthermore, the Company could be prevented from entering into transactions that could be beneficial to the Company or other shareholders or third parties could be discouraged from making an offer or take-over bid to acquire the Company at a price per share that is above the then-current market price. In addition, if Gran Colombia sells substantial amounts of its Common Shares, the market price of the Common Shares could fall. The perception that such a sale will occur could also produce this effect. See "*Promoters*".

Conflicts of Interest

Certain of the directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including Gran Colombia and other mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions. Circumstances (including with respect to future corporate opportunities) may arise that are resolved in a manner that is unfavourable to the Company.

No Dividends

The Company does not expect to pay dividends in the foreseeable future. If the Company generates any future earnings, such cash resources will be retained to finance further growth and current operations. The board of directors of the Company will determine if and when dividends should be declared and paid in the future based on the financial position of the Company and other factors relevant at that time. Until the Company pays dividends, which it may never do, a Shareholder will not be able to receive a return on their investment in the Company's shares unless such shares are sold. In such event, a Shareholder may only be able to sell their shares at a price less than the price such Shareholder originally paid for them, which could result in a loss of such Shareholder's investment.

Economic and Political Risk Factors

Emerging Market Country

There are certain economic risks that are inherent in any investment in an emerging market country such as Colombia. Economic instability in Colombia and in other Latin American and emerging market countries has been caused by many different factors, including the following:

- high interest rates;
- changes in currency values;
- high levels of inflation;
- exchange controls;
- wage and price controls;
- changes in economic or tax policies;
- the imposition of trade barriers; and
- internal security issues.

Any of these factors could have an adverse impact on the Company’s financial condition and results of operations.

Economic and Political Developments

The Caldas Marmato Project is to a certain extent dependent upon the performance of the Colombian economy. As a result, the Company’s business, financial position and results of operations may be affected by the general conditions of the Colombian economy, price instabilities, currency fluctuations, inflation, interest rates, regulation, taxation, social instabilities, political unrest and other developments in or affecting Colombia over which the Company has no control. In addition, the Company’s exploration and production activities may be affected in varying degrees by political stability and government regulations relating to the industry.

In the past, Colombia has experienced periods of weak economic activity and deterioration in economic conditions. The Company cannot assure that such conditions will not return or that such conditions will not have a material adverse effect on the Company’s business, financial condition or results of operations.

The Company’s financial condition and results of operations may also be affected by changes in the political climate in Colombia to the extent that such changes affect the nation’s economic policies, growth, stability or regulatory environment. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, wealth taxes, expropriation of property, environmental legislation and site safety. There can be no assurance that the Colombian government will continue to pursue business-friendly and open-market economic policies or policies that stimulate economic growth and social stability. Any changes in the Colombian economy or the Colombian government’s economic policies, in particular as they relate to the mining industry, may have a negative impact on the Company’s business, financial condition and results of operations.

Although Colombia has a long-standing tradition respecting the rule of law, which has been bolstered in recent years by the present and former government’s policies and programs, no assurances can be given that the Company’s plans and operations will not be adversely affected by future developments in Colombia. The Company’s property interests and exploration activities in Colombia are subject to political, economic and other uncertainties, including the risk of expropriation, nationalization, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, changes in laws or taxation policies, currency exchange restrictions, changing political conditions, and international monetary fluctuations. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company.

Any changes in regulations or shifts in political attitudes are beyond the Company's control and may adversely affect the Company's business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income or mining taxes, expropriation of property, environmental legislation and permitting and mine or site safety.

Exchange Controls

Foreign operations may require funding if their cash requirements exceed operating cash flow. To the extent that funding is required, there may be exchange controls limiting such funding or adverse tax consequences associated with such funding. Colombia does not currently have any exchange controls and none are anticipated. In addition, taxes and exchange controls may affect the dividends that the Company receives from its foreign subsidiaries or branch offices of foreign subsidiaries. Exchange controls may prevent the Company from transferring funds abroad.

There can be no assurance that the Colombian governmental authorities will not require prior authorization or will grant such authorization for the Company's foreign subsidiaries or branch offices of foreign subsidiaries. The implementation of a restrictive exchange control policy, including the imposition of additional taxes or restrictions on the repatriation of earnings to foreign entities, could affect the Company's ability to engage in foreign exchange activities, and could also have a material adverse effect on the Company's business, financial condition and results of operations.

Decline in Economic Growth

Colombia experienced a slowdown in its economic growth in 2009 and 2015 and other adverse economic and financial effects as a result of the global economic crisis and is experiencing another slowdown as a result of the COVID-19 pandemic. Emerging-market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments.

A significant decline in the economic growth of any of Colombia's major trading partners, such as the United States, could have a material adverse impact on Colombia's balance of trade and adversely affect Colombia's economic growth. The United States is Colombia's largest export market. A decline in United States demand for imports could have a material adverse effect on Colombian exports and Colombia's economic growth. In addition, because international investors' reactions to the events occurring in one emerging market country sometimes appear to demonstrate a "contagion" effect, in which an entire region or class of investment loses favour with international investors, Colombia could be adversely affected by negative economic or financial developments in other emerging market countries.

There can be no assurance that any crises such as those described above or similar events will not negatively affect investor confidence in emerging markets or the economies of the principal countries in Latin America, including Colombia. In addition, there can be no assurance that these events will not adversely affect Colombia's economy and its industries.

Seizure or Expropriation of Assets

Pursuant to Article 58 of the Colombian constitution, the Colombian government can exercise its eminent domain powers in respect of the Company's assets in the event such action is required in order to protect public interests. According to Law 388 of 1997, eminent domain powers may be exercised through: (i) an ordinary expropriation proceeding (*expropiacion ordinaria*), (ii) an administrative expropriation (*expropriacion administrativa*) or (iii) an expropriation for war reasons (*expropiacion en caso de guerra*). In all cases, the Company would be entitled to a fair indemnification for the expropriated assets. However, indemnification may be paid in some cases years after the asset is effectively expropriated. Furthermore, the indemnification may be lower than the price for which the expropriated asset could be sold in a free market sale or the value of the asset as part of an ongoing business.

Local Legal and Regulatory Systems

The jurisdictions in which the Company operates its exploration, development and production activities may have different or less developed legal systems than Canada or the United States, which may result in risks such as:

- effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation;
- it being more difficult to obtain or retain title in an ownership dispute;
- a higher degree of discretion on the part of governmental authorities;
- the lack of judicial or administrative guidance on interpreting applicable rules and regulations;
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and
- relative inexperience of the judiciary and courts in such matters.

In certain jurisdictions the commitment of local businesspeople, government officials and agencies and the judicial systems to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licenses and agreements for the Company’s business. These licenses and agreements may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

Colombia is a Less Developed Country

The Company’s foreign operations involve substantial costs and are subject to certain risks because the mining industry in Colombia is less developed. The mining industry in Colombia is not as efficient or developed as the mining industry in Canada. As a result, the Company’s exploration and operating activities may take longer to complete and may be more expensive than similar operations in Canada. The availability of technical expertise, specific equipment and supplies may be more limited than in Canada.

The Company expects that such factors will subject the Company’s operations in Colombia to economic and operating risks that may not be experienced in Canada.

Sanctions by the United States Government

The United States government may impose economic or trade sanctions on Colombia that could result in a significant loss to the Company. Colombia is among several nations whose progress in stemming the production and transit of illegal drugs is subject to annual certification by the President of the United States. Although Colombia has received certifications in the past, there can be no assurance that, in the future, Colombia will receive certification or a national interest waiver. The failure to receive certification or a national interest waiver may result in any of the following:

- all bilateral aid, except anti-narcotics and humanitarian aid, would be suspended;
- the Export-Import Bank of the United States and the Overseas Private Investment Corporation would not approve financing for new projects in Colombia;
- United States representatives at multilateral lending institutions would be required to vote against all loan requests from Colombia, although such votes would not constitute vetoes; and
- the President of the United States and Congress would retain the right to apply future trade sanctions.

Each of these consequences could result in adverse economic consequences in Colombia and could further heighten the political and economic risks associated with the Company’s operations there. Any sanctions imposed on Colombia by the United States government could threaten the Company’s ability to obtain necessary financing to develop the Company’s Colombian property. There can be no assurance that the United States will not impose sanctions on Colombia in the future, nor can the Company predict the effect in Colombia that these sanctions might cause.

Guerilla and other Criminal Activity

Colombia is home to South America's largest and longest running insurgency, and during the 40-year course of armed conflict between government forces and anti-government insurgent groups and illegal paramilitary groups, both funded by the drug trade, Colombia has experienced significant social upheaval and criminal activity relating to drug trafficking. Insurgents have attacked and kidnapped civilians and violent guerrilla activity exists in some parts of the country.

While the situation has improved dramatically in recent years, there can be no guarantee that the situation will not again deteriorate. Any increase in kidnapping or terrorist activity in Colombia or in the areas of the Company's project(s) generally may disrupt supply chains and discourage qualified individuals from being involved with the Company's operations. In 2016, Colombia's government signed a peace accord with the Revolutionary Armed Forces of Colombia (FARC), Colombia's largest guerrilla group. The parties reached agreements on reforms to ease political participation for opposition movements, and land and rural development, among other issues. In addition, Colombia's government had preliminary conversations with the National Liberation Army (ELN), Colombia's second largest rebel group. However, although the FARC has formed a political party with representation in the legislature, a group of former members of the FARC have reneged on the peace agreements and negotiations with the ELN have been suspended indefinitely. Although guerrilla activity has not been an issue at Marmato and is not an issue at this time, there can be no assurance that continuing attempts to reduce or prevent guerilla, drug trafficking or criminal activity will be successful or that guerilla, drug trafficking or criminal activity will not disrupt the Company's operations in the future.

Use of and Reliance on Experts Outside Canada

The Company may use and rely upon a number of legal, financial and industry experts outside of Canada. Some of these industry professionals may not be subject to equivalent educational requirements, regulations and rules of professional conduct or standards of care as they would be in Canada. The Company intends to manage this risk through the use of reputable experts and review of past performance. In addition, the Company intends to use, where possible, experts and local advisers linked with firms also operating in Canada to provide any required support.

Repatriation of Earnings

There are currently no restrictions on the repatriation from Colombia of earnings to foreign entities. However, there can be no assurance that restrictions on repatriations of earnings from Colombia will not be imposed in the future.

Service of Process and Enforcement of Judgments Outside Canada

Caldas Gold Colombia and Caldas Gold Marmato are incorporated or otherwise organized under the laws of foreign jurisdictions and certain of the directors and officers of the Company and certain of the experts retained by the Company reside outside of Canada. In addition, some or all of the assets of such persons and such entities are located outside of Canada. It may not be possible for investors to collect from the Company's subsidiaries or to enforce judgments obtained in courts in Canada predicated on the civil liability provisions of securities legislation against the Company's subsidiaries, its foreign directors and officers and certain of the experts retained by the Company. Moreover, it may not be possible for investors to effect service of process within Canada upon the aforementioned foreign directors and officers of the Company.

Uncertainties Relating to Operations during the COVID-19 Outbreak

The ongoing impact of the novel COVID-19 virus is changing daily and on March 20, 2020, the Colombian government announced a national quarantine that went into effect on March 25, 2020 and will continue through to at least September 1, 2020; it has been extended numerous times since first being imposed and so it is unclear whether or not the quarantine will be extended for any length of time beyond September 1, 2020. The Company has activated its business continuity program at the Caldas Marmato Project. To date, the COVID-19 crisis has impacted production at the Caldas Marmato Project; production in the second quarter of 2020 was approximately 61.5% of the level achieved in the second quarter of 2019. It is unknown whether the Company will be able to continue operating on such levels for any further extended quarantine period. The Company has taken precautionary measures for screening of all employees at the Caldas Marmato Project and non-essential administrative staff are working remotely; however, it is unknown whether any additional measures will need to be implemented based upon recommendations from national and international agencies. The Company continually monitors developments related to the situation and revises its response plans accordingly.

Other Risks

Foreign investments involve unique risks in addition to those mentioned above, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. The Company may be unable to address these risks successfully, or at all, without incurring significant costs, delay or other operating problems. The Company's inability to resolve any of such risks could have a material adverse impact on its business, consolidated financial condition and consolidated results of operations.

ITEM 6. MATERIAL MINERAL PROPERTY

6.1 Caldas Marmato Project Summary

The following is a summary overview of the Caldas Marmato Project as set out in the 2020 Marmato Technical Report, dated March 17, 2020 prepared by SRK, which is incorporated by reference into this Annual Information Form. Please note that information contained in the summary below is as of the date indicated in the summary and may have changed materially since that time, as explained elsewhere in this Annual Information Form and the Company's other public disclosure. The 2020 Marmato Technical Report summary reproduced below includes defined terms that are different from or may conflict with those used in the rest of this Annual Information Form, or that are not contained in this Annual Information Form but which can be found in the complete 2020 Marmato Technical Report, which may be accessed through the Company's website at *www.caldasgold.ca* or through its profile on SEDAR at *www.sedar.com.*

This report was prepared as a Pre-Feasibility Study (PFS) level Canadian National Instrument 43-101 (NI 43-101) Technical Report (Technical Report) for Caldas Gold Corp. (Caldas Gold) in respect of the Marmato Project (Marmato Project) owned by Caldas Gold Marmato S.A.S. (CGM or the Company), an indirect, wholly-owned subsidiary of Caldas Gold, by SRK Consulting (U.S.), Inc. (SRK).

Property Description and Ownership

The Marmato Project is located between latitudes and longitudes 5°28'24"N and 5°28'55"N, and 75°34'46"W and 75°37'80"W, respectively; with altitudes ranging from approximately 200 to 1,705 meters (m). What has been traditionally termed the Marmato Project was made up of three separate areas within the historic Marmato mining district named Zona Alta (License #CHG_081), Zona Baja (License #014-89m) and Echandia (License #RPP_357), of which Zona Baja is 100% owned by CGM and Zona Alta and Echandia are owned indirectly, through other subsidiaries, by Gran Colombia Gold Corp. (Gran Colombia). CGM is currently in the process of extending the duration of the Zona Baja mining contract for which the current 30-year term expires in October 2021.

Notwithstanding the historical designation of the Marmato Project described above, in this report the "Marmato Project" or "Project" refers to the mining assets (CGM Mining Assets) principally comprising the existing producing underground gold mine (#014-89m), the existing 1,200 tonnes per day (t/d) processing plant defined in this report as the Upper Zone, and the area encompassing the Marmato Deep Zone (MDZ) mineralization, all located within the mining license area referred to as Zona Baja. The CGM Mining Assets also include two contractual rights:

- One, granted by Minera Croesus, S.A.S. (Croesus), an indirect, wholly owned subsidiary of Gran Colombia, to mine in the lower portion of the Echandia license (#RPP_357) area
- A second license in the process of being completed, to be granted by Minerales Andinos de Occidente S.A.S. (MAO), an indirect, wholly owned subsidiary of Gran Colombia, to mine portions of levels 16 and 17 of Zona Alta (License #CHG_081); this license represents a small potential upside to add additional material via access from the current mine. This material is currently excluded from the Mineral Resource Statement and mine plan.

SRK noted within the transfer of licenses from the previous owner, a gap between the existing licenses for Zona Baja (#014-89m) and Echandia (#RPP_357), and CGM applied to the Colombian government for formal approval to continue mining in the identified gap. SRK has reviewed the application within the government website and noted that the status is defined as "in progress", which has been the reported status since September 30, 2009. SRK understands that at the end of the pre-feasibility study process (May 2020) the issue was resolved with the government determining that there is no gap and that the area falls within the license for Zona Baja (#014-89m). As the license gap is no longer an issue, there may be additional optimization opportunities for the Marmato Project that should be explored during the next phase of work.

Geology and Mineralization

The local geology is dominated by porphyritic dacitic and andesitic intrusions, which host the mineralization at Marmato. The intrusions are characterized by quartz, hornblende, biotite and zoned plagioclase phenocrysts in a finely crystalline quartz-plagioclase groundmass, with variations in phenocryst proportion and sizes between intrusions. A total of five different porphyry units have been identified.

The Marmato gold deposit consists of a structurally controlled epithermal vein system with a mineral assemblage dominated by pyrite, arsenopyrite, black iron (Fe) rich sphalerite, pyrrhotite, chalcopyrite and electrum in the Upper Zone (UZ), and a mesothermal veinlet system with a mineral assemblage dominated by pyrrhotite, chalcopyrite, bismuth minerals and visible gold in the MDZ.

The mineralization in the current mine consists of three distinct phases, a first phase characterized by the mesothermal vein/veinlet mineralization, which defines the MDZ, followed by an epithermal low sulfidation style, superimposed by an epithermal intermediate sulfidation phase. Gold-silver mineralization is mainly hosted by a pyrite+sphalerite vein to veinlet system fitting in a sinistral transpressional shearing system, associated with intermediate argillic alteration within the host porphyryitic rocks. Approximately 92% of the gold/silver-bearing particles are intergrown with sulfides or occur at sulfide gangue grain boundaries. Current mining in the area is via narrow underground stoping of the higher-grade vein mineralization.

The MDZ mineralization consists of a network of thin, less than 5 centimeters (cm), sulfide veinlets, mainly pyrrhotite+chalcopyrite, hosted in weak argillic and deeper potassic alteration which is related to a previous event and rimmed by a thin sodium-calcitic alteration halo, which is related to the mineralization. Recent geological reports on MDZ (Sillitoe, 2019) concluded:

- Gold grade distribution in the Zona Baja (MDZ) mineralized orebody is unrelated to the presence of distinct porphyry phases and is entirely dependent on the intensity of structurally localized veinlets
- Potassic alteration, represented chiefly by biotite, is progressively better preserved at depth in the Zona Baja, raising the possibility that early potassic alteration could also be gold bearing, but further work is required to confirm this theory
- Gold distribution appears to be exclusively a product of veinlet intensity and orientation related to structural controls during orogenesis. The veinlets responsible for much of the Zona Baja gold are those containing quartz, pyrrhotite and traces of chalcopyrite and having prominent albite alteration halos
- The presence of visible gold is also noted in the core and, as expected, relates to increased assay values when present

Mineralization occurs in parallel, sheeted and anastomosing veins (vein domain), all of which follow a regional structural control, with minor veins forming splays of the main structures (splays) which often have limited strike or dip extent. The upper vein domain intersects broader zones of intense veinlet mineralization (termed porphyry domain in this Technical Report) that is hosted by a lower grade mineralized porphyry stock. In addition, a discrete, relatively high-grade core (feeder zone) to the main deeper mineralization termed locally as the MDZ.

The upper portion of the MDZ has been exposed in Level 21 of the existing Caldas mining operations, while deeper sections have been observed in drillcore, both of which have been confirmed as different styles of mineralization. The lowest levels of the mine have currently intersected a combination of the porphyry domain, where the gold is associated with pyrite veinlets, and the MDZ where gold is associated with pyrrhotite. There is a transition zone existing between the two domains, which is observed to some extent in the current mine workings with overprinting of the epithermal system on the MDZ. The vertical extent of the transition is not clearly defined from the current drilling. Currently, underground mining at the Caldas-operated mine remains focused on the vein structures located in the central portion (Zona Baja) of the Marmato deposit.

Diamond drilling indicates that the veins typically range between 0.5 and 5 m wide and extend for 250 to 1,000 m along strike and 150 to 750 m down dip. These observations are supported by underground mining which has confirmed that individual vein structures have good geological continuity and can extend for 100 to 800 m along strike and 100 to at least 300 m down dip. Between 2017 and 2020, CGM has worked on updating the quantity of the underground channel sampling captured in the database, which has increased the information available to model the vein domains.

The broad zones of veinlet mineralization in the porphyry domain was modelled initially by SRK in 2017 and typically varied from 10 to 230 m wide, reaching up to 340 m wide in areas of significant veinlet accumulation, while extending with good geological continuity for between 200 m and approximately 950 m along strike and between 100 and 900 m down dip. SRK has updated these domains during the 2019 geological modelling process using more discrete zones and application of an indicator grade shell approach using a 0.5 grams per tonne (g/t) gold (Au) cut-off grade (CoG).

At depth within the central portion of the deposit, SRK has noted a zone of elevated grades which has been referred to as the higher grade MDZ (more than 2 g/t Au). This zone is indicated to be continuous along strike for approximately 500 m and has a confirmed down dip extent that reaches up to 800 m, with a thickness that varies between 35 and 150 m. It is possible that the main MDZ mineralization is bounded within a series of faults but limited drilling at the edges of the deposit make confirmation difficult to assess at this stage. To avoid the potential for volumetric “blow-outs”, SRK has used the faults as a hard boundary in the geological domaining process.

Status of Exploration, Development and Operations

The latest sampling has comprised selective infill drilling targeting the MDZ to a spacing of 50 to 100 m and additional underground channel sampling within the CGM operated mine, which extends from Levels 16 to 21.

A total of 1,357 drillholes have been used to inform the 2020 Marmato Mineral Resource Estimate (MRE) including historic drilling and more recent drilling completed between the 2019 Preliminary Economic Assessment (PEA) and this PFS. A total of 40 new drillholes from the exploration and mine developed have been included since the 2019 PEA for a total of 12,555 m of new drilling.

In addition to the drilling information, CGM has captured information from the mine and exploration channel sampling databases. Limited new sampling has been captured between the 2019 PEA and the current study; in total, 26,307 channel samples exist in the database for a combined sample length of 42,328 m. In CGM commissioned a detailed topographic map with 0.5 and 1 m resolution contour intervals derived from LIDAR imagery, which was supplied to Datamine™ in 2020. The new topographic map provides a detailed base map for improved accuracy when plotting the results of the exploration programs, as well as a high-resolution satellite image. All data has been converted and stored in the Magna Sirgas/Colombia West coordinate system (MSCW).

All samples were prepared, and fire assayed by SGS Laboratories at their facility in Medellin. CGM has carried out routine Quality Control and Quality Assurance programs (QA/QC) to monitor the quality during the process. The results of the drilling have validated aspects of the previous interpretation, but also provided additional information

Mineral Processing and Metallurgical Testing

Metallurgical programs were conducted by SGS Lakefield (SGS) in 2019 and 2020 to evaluate the processing requirements for the MDZ. The 2019 metallurgical program was conducted as part of the 2019 PEA that was prepared for the Project, and the 2020 metallurgical program was conducted to support the current PFS. The 2020 metallurgical program was conducted to further define the process parameters and design criteria for the selected flowsheet that includes gravity concentration followed by cyanidation of the gravity tailings. The test program included gravity concentration, gravity recoverable gold (E-GRG determination) cyanide leach optimization and carbon-in-pulp (CIP) modelling, cyanide destruction (CND), solid/liquid separation and environmental testwork. The optimization and metallurgical design tests were all completed using the MDZ master composite. Once the optimized flowsheet had been selected, the variability test samples were tested under these optimized gravity/cyanidation conditions.

Key findings from the 2020 metallurgical program include the following:

- The PFS metallurgical program was conducted on an MDZ master composite and on variability composites representing low, medium and high grade MDZ ore, transition zone and the MDZ deep zone.
- Native gold was by far the predominant gold carrier, and the majority (more than 99%) of the gold particles occurred within mineral structures that would be readily accessible by leaching solutions. Gold particles were not often in direct contact with sulfides, yet very commonly pyrrhotite, chalcopyrite, and bismuth minerals were found in close vicinity to the gold mineralization
- The metallurgical program optimized process parameters required to recover gold and silver values from MDZ ore using a process flowsheet that includes gravity concentration followed by cyanidation of the gravity tailing.
- Comminution tests were conducted on the MDZ master composite, MDZ deep zone composite, three MDZ sub-composites (low grade, medium grade and high grade) and on the Marmato mine composite. The comminution tests included SAG Mill Comminution (SMC), SAG Mill Power Index (SPI) and Bond ball mill work index (BWI) tests. In addition, Bond Low Impact Crushing work index (CWI) and abrasion (AI) tests were conducted on selected ½ HQ drill core pieces.
  - The results of the SMC (A x b) values ranged from 23 to 29, indicating the ore is hard with respect to impact breakage.
  - The BWI values for the MDZ composites range from 17.7 kilowatt hour per tonne (kWh/t) to 19.8 kWh/t, which places them in the hard range of hardness.
- E-GRG testwork and modeling indicate that about 40% of the gold contained in the MDZ ore can recovered into a gravity concentrate. Gold contained in the gravity tailing could be recovered in a standard CIP cyanidation leach circuit.
- An intensive cyanide leach test on the gravity concentrate demonstrated that 99.7% of the contained gold and 87.9% of the contained silver could be extracted from the gravity concentrate without regrinding.
- Based on the results of the PFS metallurgical program, overall gold recovery (gravity concentration + gravity tailing cyanidation) is estimated at 95% and overall silver recovery is estimated at 51%. This is very similar to the results from the PEA metallurgical program in which gold recovery was estimated at 95% and silver recovery was 47%. There is little difference in reported gold recoveries for the master and variability composites, and gold recovery appears to be independent of ore grade over the range tested.

- Cyanide destruction tests demonstrated that weak acid dissociable cyanide (CN_{WAD}) could be reduced to less than 10 milligrams per liter (mg/L) with the SO_2/air process. However, CN_{WAD} levels would further attenuate to less than 1 mg/L with time.
- Pressure filtration will be required to dewater thickened tailings in order to achieve less than 15% moisture content required for disposal in a dry stack tailings facility (DSTF).

Mineral Resource Estimate

The Mineral Resource model presented herein represents an updated resource evaluation prepared for the Marmato Project. The resource estimation methodology involved the following procedures:

- Database compilation and verification
- Construction of wireframe models for the fault networks and centerlines of mining development per vein
- Definition of resource domains
- Data conditioning (compositing and capping) for statistical and geostatistical analysis
- Variography
- Block modelling and grade interpolation
- Resource classification and validation
- Assessment of “reasonable prospects for economic extraction” and selection of appropriate reporting cut-off grades (CoGs)
- Preparation of the Mineral Resource Statement

The resource evaluation work was completed by Mr. Benjamin Parsons, MAusIMM (CP#222568), with assistance from Mr. Giovanny Ortiz, FAusIMM (#304612). The effective date of the Mineral Resource Statement is March 17, 2020, which is the last date assays were provided to SRK.

The mineral resource estimation (MRE) process was a collaborative effort between SRK and CGM staff. CGM provided SRK with an exploration database with flags of the main veins as interpreted by CGM. In addition to the database, CGM has also supplied a geological interpretation comprising preliminary three dimensional (3D) digital files (DXF) of the areas investigated by core drilling for each of the main veins.

SRK imported the geological information into Seequent Leapfrog® Geo (Leapfrog®) to complete the geological model. Leapfrog® has been selected due to the ability to rapidly create accurate geological interpretations, which interact with a series of geological conditions and data types.

SRK has produced block models using Datamine™ Studio RM Software (Datamine™). The procedure involved the import from Leapfrog™Geo of wireframe models for the fault networks, veins, definition of resource domains (e.g. high-grade sub-domains), data conditioning (compositing and capping) for statistical analysis, geostatistical analysis, variography, block modelling and grade interpolation followed by validation.

Grade estimation for the veins has been based on block dimensions of 5 m by 10 m by 10 m. Sub-blocking to 0.5 m by 1 m by 1 m has been allowed to reflect the narrow nature of the geological model. The block size reflects the relatively close-spaced underground channel sampling and spacing within veins compared to the wider drilling spacing, with the narrower block size used in the MDZ at depth to reflect the proposed geometry of the mineralization (i.e. steeply dipping feeder zone).

SRK reviewed and updated the geostatistical properties of the domains. Gold grades have been interpolated using nested three-pass estimates within Datamine™, using an Ordinary Kriging (OK) routine. SRK has also run Inverse Distance Weighted (IDW2) and Nearest Neighbor (NN) estimates for validation purposes.

The search ellipses follow the typical orientation of the mineralized structures and where appropriate, were aligned along the mineralized veins, as detailed below:

- Dynamic searches were used for the vein mineralization domains. Within these domains, the true dip and true dip direction has been calculated on a block by block basis
- In comparison, given the relatively short strike and dip of the splay, SRK has elected to use an average dip and strike for each structure
- For the porphyry domain, SRK has generated a default dip and dip-direction to orientate the search volume along the main regional trend
- For the MDZ, a single dip and strike has been used with the search ranges orientated along the main dip and strike of the domain
- All contacts between the veins have been treated as hard boundaries for domaining with only coded samples from any given vein used in the estimation of that domain
- Statistical characteristics such as search volume used, kriging variance, and number of samples used in an estimate, were also computed and stored in each individual block for descriptive evaluations

SRK has validated the block model using a combination of visual checks, statistical comparison of composite grades to all three estimation methods and via swath plot analysis. SRK considered the estimates to be representative of the underlying data.

Block model quantities and grade estimates for the Marmato Project were classified according to the CIM Definition Standards for Mineral Resources and Reserves (CIM, 2014). SRK developed a classification strategy which considers the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Data quality, drillhole spacing and the interpreted continuity of grades controlled by the veins have allowed SRK to classify portions of the veins in the Measured, Indicated and Inferred Mineral Resource categories.

Measured: Measured Resources are limited to vein material within the current levels being mined by CGM and estimated within the first search volume, which required a minimum of five composites and a maximum of 20 composites. These areas are considered to have strong geological knowledge as they have been traced both down-dip and along strike via mapping, plus underground channel samplings provided sufficient data populations to define internal grade variability.

Indicated: SRK has delineated Indicated Mineral Resources using two methods split by the material types:

- Veins/Disseminated/Splays: Primarily between Level 16 to 21 currently in operation. Indicated Mineral Resources have been given at the following approximate data spacing, as a function of the confidence in the grade estimates and modelled variogram ranges. SRK has expanded the limits of the Indicated resources to also cover areas within the licensed portion of Echandia where:
  - Spacing of 50 m by 50 m (XY) existed from the nearest drillhole
  - Multiple holes were enabled to be used during the estimation process
  - Support from both diamond drilling and channel sampling was present
- MDZ: Based primarily on 2018/2019 drilling with the following conditions:
  - 50 by 50 m (XY) drillhole spacing (defined by a distance buffer of 25 m from drilling of underground [UG] levels)
  - Enabled multiple holes to be used during the estimation process
  - Search volume less than 2 (i.e. volumes 1 and 2)
  - Additional caution has been paid when classifying the dip extensions on the series of holes drilled to the northeast as limited information is known up and down dip from the current drilling

Inferred: In general, Inferred Mineral Resources have been limited to within areas of reasonable grade estimate quality and sufficient geological confidence, and are extended no further than 150 m from peripheral drilling on the basis of modelled variogram ranges.

SRK has defined the proportions of Mineral Resource to have potential for economic extraction for the Mineral Resource based on different CoGs relating to the mineralization style (i.e. vein versus porphyry) and potential differences in selective underground mining methods.

During the site inspection, SRK noted and discussed with the mine geologists that some mining has been attempted within the porphyry “pockets”. SRK considers this to have uncertainty as no detailed survey of mining volumes in the porphyry pockets is available. Based on the level of uncertainty, SRK has downgraded areas identified as having potential historical mining to Inferred.

To assign the final classification, the mathematical criteria as defined has then been applied to the block model, which is subsequently digitized on 50 m sections (across strike), with the final wireframe based on interpretation of polylines in Leapfrog™ to smooth changes in interpretation between sections.

To determine the potential for economic extraction, SRK used the following key assumptions for the costing but notes that the deposit has variable mining costs depending on the mining types resulting in a range of CoGs. A metallurgical recovery of 95% Au has been assumed for the MDZ and 90% for the veins and porphyry material based on the current performance of the operating plant. Mining and processing costs have been defined from aspects of the current study and historical production. The initial cut-off is based on the mining of the veins using the current mining processes and assumed costs, with a second method (longhole) defined for mining the MDZ and potentially areas of wider porphyry mineralization in the upper levels.

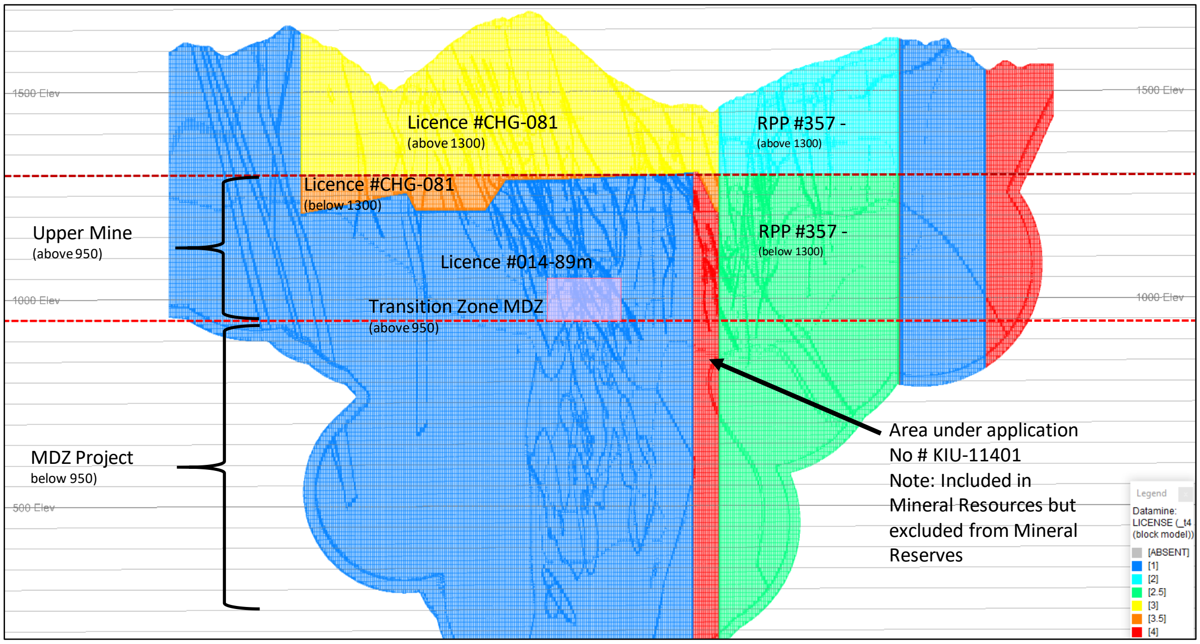
SRK has reported the tonnage and grades associated with the current mine and the MDZ project, which are the assets owned indirectly by CGM. As such, the Mineral Resource includes all material within the #014-89m license and a sub-portion of the #RPP_357 (Echandia) below an elevation of 1,300 m, which can be accessed from the existing operation through an agreement with Gran Colombia. SRK has also included the proportion of Mineral Resources currently under application (Application #KIU-11401) within the Mineral Resources, but these have been excluded from the Mineral Reserves as the timing on granting this license remained uncertain at the date of this report (however, this license was recently confirmed as approved by the government; so will therefore be included in future technical studies).

The proposed mining plan is predicated on splitting the above Mineral Resources into three styles of mineralization within three distinct areas. These areas are referred to as the UZ (existing mine levels 16 through 21), the Transitional Zone (which includes mining of MDZ material to an elevation of 950 m) and the MDZ project (which includes all material below the 950 m elevation).

The three styles of mineralization are based on the key geological types defined in the Mineral Resources of veins, porphyry, and MDZ. Therefore, the estimation domains for the Mineral Resource Statement have been grouped into veins, porphyry and MDZ mineralization. The veins account for the veins, halos and splay material and have used a 1.9 g/t Au cut-off. The porphyry material also uses a cut-off of 1.9 g/t Au. As the potential mining method will require further investigation, the MDZ material has used a lower cut-off of 1.3 g/t Au to account for the larger bulk mining methods involved.

SRK highlights that all Mineral Resources within #CHG_081 (yellow and orange) and the upper areas of #RPP_357 (above 1,300 m) as highlighted in Figure 6-1 in light blue have not been reported and are excluded from the current Mineral Resource statement herein for CGM because any Mineral Resources that may occur in these areas have not been transferred from Gran Colombia to CGM.

Table 6-1 shows the Mineral Resource Statement for the Project, with an effective date of March 17, 2020.



Source: SRK, 2020

Figure 6-1: Cross-Section Showing License Splits at Marmato

Table 6-1: Caldas Mineral Resource[1] Statement with an Effective Date of March 17, 2020

Caldas Marmato Project - Effective Date March 17, 2020, Basis for MRE and PFS (CGM including RPP_357 less than 1,300 m)[1]					
Category	Quantity (Mt)	Grade (g/t)		Metal (kozs)	
		Au	Ag	Au	Ag
Upper Mine [2]					
Measured	***2.1***	***5.65***	***27.0***	***387***	***1,853***
Veins [5]	2.1	5.6	27.0	387	1,853
Porphyry [5]	0.0	0.0	0.0	0	0
Indicated	***9.2***	***4.45***	***18.7***	***1,320***	***5,545***
Veins	7.2	5.0	21.1	1,156	4,862
Porphyry	2.1	2.5	10.3	165	682
Measured and Indicated	***11.4***	***4.67***	***20.2***	***1,707***	***7,397***
Veins	9.3	5.2	22.4	1,543	6,715
Porphyry	2.1	2.5	10.3	165	682
Inferred	***4.5***	***3.70***	***15.5***	***532***	***2,224***
Veins	2.7	4.4	17.9	386	1,574
Porphyry	1.7	2.6	11.7	145	650
Transition Zone [3] [6]					
Measured	0.0	0.0	0.0	0	0
Indicated	3.4	2.68	7.2	294	785
Measured and Indicated	*3.4*	*2.68*	*7.2*	*294*	*785*
Inferred	0.0	1.95	3.7	2	3
MDZ [4] [6]					
Measured	0.0	0.0	0.0	0	0
Indicated	24.7	2.63	3.6	2,085	2,870
Measured and Indicated	*24.7*	*2.63*	*3.6*	*2,085*	*2,870*
Inferred	21.9	2.32	2.1	1,639	1,506
Combined					
Measured	2.1	5.6	27.0	387	1,853
Indicated	37.3	3.1	7.7	3,699	9,200
Measured and Indicated	*39.4*	*3.2*	*8.7*	*4,086*	*11,053*
Inferred	26.4	2.6	4.4	2,172	3,733

[1] 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. The Mineral Resources were estimated by Benjamin Parsons, MSc, MAusIMM #222568 of SRK, a Qualified Person pursuant to NI 43-101.
[2] Upper Mine is defined as the current operating mines from levels 16 through 21 using existing mining methodology (cut and fill).
[3] "Transition Zone" is defined as mining of MDZ above an elevation of 950 m (accessed from the current operations) using a modified longhole stoping method.
[4] MDZ is defined as mining of MDZ below an elevation of 950 m using longhole open stope mining methods.
[5] Porphyry and vein mineral resources are reported at a CoG of 1.9 g/t. CoGs are based on a price of US$1,500/oz Au and gold recoveries of 90% for underground resources without considering revenues from other metals.
[6] MDZ mineral resources are reported at a CoG of 1.3 g/t. CoGs are based on a price of US$1,500/oz Au and gold recoveries of 95% for underground resources without considering revenues from other metals.
Source: SRK, 2020

The 2020 Mineral Resource represents a number of changes in the defined Mineral Resource compared to the 2019 PEA Mineral Resources, due to the following key factors:

- Infill drilling within the MDZ areas has increased the confidence in the estimates significantly from the Inferred to Indicated category.
- Minor reduction in the vein domains as a result of additional depletion accounted for between the PEA and PFS models, plus changes in the geological interpretation of veins and disseminated material.

SRK highlights that the current MDZ Mineralization represents a notable change in the style of mineralization and considerations for mining methods at the Project and has maintained the use of a high-grade core to the mineralization at depth.

The main changes in the Mineral Resource Statement since the previous estimate can be defined on the combined Mineral Resource as follows:

- Increase in the Indicated MDZ material from 6.4 million tonnes (Mt) at 2.6 g/t Au, for 537 thousand ounces (koz), to 28.1 Mt at 2.6 g/t Au, for 2,379 koz, which is an increase of 1,842 koz within the MDZ. This is reflected in a reduction in the Inferred from 41.2 Mt at 2.1 g/t for 2,812 koz to 22 Mt at 2.3 g/t for 1,640 koz, which is a reduction of 1,172 koz.
- Increase in the proportion of Measured and Indicated material within the vein domain from 9.2 Mt at an average grade of 4.6 g/t to 9.3 Mt at an average grade of 5.2 g/t Au, which is an increase of 180 Koz or 13.2%.
- Reduction in the proportion of Inferred material within the veins from 3.3 Mt at 4.4 g/t Au for 466 koz, to 2.7 Mt at 4.4 g/t Au for 386 koz, which represents a difference of 80 koz.
- Minor increase in proportion for Indicated of porphyry (pockets) material of 25 koz.
- Increase in the Inferred portion of the porphyry material from 0.3 Mt at 3.1 g/t Au for 34 koz, to 1.7 Mt at 2.6 g/t Au for 145 koz.

Mineral Reserve Estimate

The mine is currently developed to the 1,000 m elevation. A transition is occurring from narrow vein mineralization to large porphyry mineralized areas (gold associated with pyrrhotite veinlets). Mineralization is generally vertical with vein widths ranging from more than 1 m to several m. Porphyry mineralized areas also have a vertical mineralization trend and can be up to approximately 100 m in width. For this PFS, there are three different mining methods, separated into three distinct zones.

- The first zone is the mineralized vein material between 950 m elevation and 1,300 m elevation, referred to as the Veins. This is the existing mine where conventional cut and fill stope methods will continue to be used.

- The second zone is the wider porphyry material between 950 m elevation and 1,050 m elevation, referred to as the Transition Area. A modified longhole stoping method will be used in this area.

- The third zone is the porphyry material below 950 m elevation, referred to as MDZ. There is a 10m sill pillar left in-situ between the MDZ and the bottom of the Transition Area. The MDZ material will be mined using a longhole stoping method. The MDZ area is currently not developed.

The first two zones (Veins and Transition) are considered the Upper Mine, and the material is processed in the existing processing facility. Material mined from the third zone (MDZ) will be sent to a new processing facility to be constructed.

Mineral Reserves were classified using the 2014 CIM Definition Standards. Indicated Mineral Resources were converted to Probable Mineral Reserves by applying the appropriate modifying factors, as described herein, to potential mining shapes created during the mine design process. In the same manner, Measured Mineral Resources were converted to Proven Mineral Reserves.

A 3D design has been created representing the planned reserve mining areas. Dilution and recovery have been included in the estimate, specific to each mining method. The underground mine design process resulted in 19.7 Mt at an average grade of 3.19 g/t Au and 6.87 g/t Ag. Table 6-2 presents the Mineral Reserve statement as of March 17, 2020.

Table 6-2: Caldas Mineral Reserve Estimate as of March 17, 2020 – SRK Consulting (U.S.), Inc.

Underground Mineral Reserves			Cut-Off [(1)]: 1.61 to 2.23 g/t			
Area	**Category**	**Tonnes (kt)**	**Au (g/t)**	**Ag (g/t)**	**Contained Au (koz)**	**Contained Ag (koz)**
Veins[(2)]	Proven	762	5.01	21.80	123	534
	Probable	3,049	4.20	16.85	412	1,652
	Veins Total	3,812	4.37	17.84	535	2,186
Transition[(3)]	Proven	40	7.63	28.16	10	36
	Probable	1,293	3.43	7.92	143	329
	Transition Total	1,333	3.56	8.52	152	365
MDZ[(4)]	Proven	-	-	-	-	-
	Probable	14,556	2.85	3.84	1,333	1,799
	MDZ Total	14,556	2.85	3.84	1,333	1,799
Caldas Total	**Proven**	**802**	**5.14**	**22.12**	**133**	**570**
	Probable	**18,898**	**3.11**	**6.22**	**1,888**	**3,780**
	Total	**19,700**	**3.19**	**6.87**	**2,021**	**4,350**

Source: SRK, 2020

Notes: 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.

[(1):] Veins reserves are reported using a CoG of 2.23 g/t Au. The Veins CoG calculation assumes a US$1,400/oz Au price, 85% Au metallurgical recovery, US$49.45/t mining cost, US$13.63/t G&A cost, US$12.24/t processing cost, and US$8.96/t royalties. Transition reserves are reported using a CoG of 1.91 g/t Au. The Transition CoG calculation assumes a US$1,400/oz Au price, 95% Au metallurgical recovery, US$46/t mining cost, US$13.63/t G&A cost, US$12.24/t processing cost, and US$8.96/t royalties. MDZ reserves are reported using a CoG of 1.61 g/t Au. The MDZ CoG calculation assumes a US$1,400/oz Au price, 95% metallurgical recovery, US$42/t mining cost, US$14/t processing cost, US$6.75/t production taxes, US$3/t G&A cost, and US$3/t tailings cost. Note that costs/prices used here may be somewhat different than those in the final economic model. This is due to the need to make assumptions early on for mine planning prior to finalizing other items and using long-term forecasts for the life-of-mine plan.

[(2):] The Veins area is currently mined using cut-and-fill methods. Mining dilution ranging from 20% - 55%, averaging 26%, is included in the reserves using a zero grade for dilution. A mining recovery of 90% is applied to stopes. The Veins Mineral Reserves were estimated by Fernando Rodrigues, BS Mining, MBA, MMSAQP #01405, MAusIMM #304726 of SRK, a Qualified Person.

[(3):] The Transition area will be mined using a modified longhole stoping method. A mining dilution of 7% is included in the reserves using a zero grade for dilution. A mining recovery of 90% is applied to stopes. The Transition Mineral Reserves were estimated by Fernando Rodrigues, BS Mining, MBA, MMSAQP #01405, MAusIMM #304726 of SRK, a Qualified Person.

[(4):] The MDZ portion of the Project will be mined by longhole open stoping mining methods. Mining dilution (internal and external) is included in the reserve. Stope dilution is 8%, and a portion of the stope dilution is applied using grade values based on average surrounding block information. A mining recovery of 92.5% is applied to stopes. The MDZ Mineral Reserves were estimated by Joanna Poeck, BEng Mining, SME-RM, MMSAQP #01387QP, a Qualified Person.

Mining Methods

Marmato has been in operation in various forms since the mid-1500s. Mineros Nacionales (MN) was awarded the contract for the concessions in 1989. The Project was originally developed as a 300 t/d underground mine in 1997 and has expanded through the years to the existing 1,200 t/d operation. Table 6-3 shows the production from 2015 to May 2020.

Table 6-3: 2015 to 2020* Production

Year	Unit	2015	2016	2017	2018	2019	2020*
Ore Processed	t	303,279	341,309	365,119	338,902	370,245	119,069
Au Grade	g/t	2.79	2.56	2.48	2.67	2.49	2.47
Au Recovered	oz	23,954	23,449	25,163	24,909	25,750	8,318

*January through May of 2020

Source: CGM, 2020

Historically, shrinkage stoping was used to mine the Veins material as well as a caving method where poor ground conditions were encountered. Currently, a conventional cut and fill (CaF) mining method is used. Blasted material is either transferred down to Level 18 via ore passes or is transferred up via the incline shaft (apiques) hoist, loaded into rail carts and hauled to the mill.

In the Transition area, a modified longhole stoping method will be used. The stope size is 15 m wide by 15 m high with varying length of up to 26 m. These stopes are mined in a primary-secondary sequence with paste backfill for the primary stopes and unconsolidated waste rockfill for the secondary stopes. Where waste rock is unavailable, hydraulic sand fill will be used to fill the secondary stope. Blasted material in the Transition area is also transported up to Level 18 via apiques and hauled to the mill via rail carts.

The MDZ material is mined using a longhole stoping method with stope sizes that are 10 m wide by 30 m high, with varying lengths of up to 30 m. The MDZ area is currently not developed. The main access will be a decline, hosting a conveyor from the plant area to the underground crusher area. A dedicated ventilation drift will serve as secondary egress from the mine. Ventilation infrastructure development underground was designed to support the mining method and was sized based on mining equipment and production rate requirements. Trucks will dump into a surge bin at an elevation of 790 m. Material will go through the surge bin into the crusher and then be conveyed out of the mine.

Geotechnical

SRK and the Marmato exploration team collaborated on a geotechnical investigation program for the MDZ from June 26, 2018 to March 4, 2020. The program was designed to characterize subsurface geotechnical conditions to assist in the development of a PFS mine design. Based on the observed ground conditions, SRK considers that the geotechnical investigation fulfills the industry standards to support stope design and ground support requirements at a PFS project level. For a PFS project level, SRK considers the proposed PFS mine design acceptable. The proposed stope designs, sill pillar design, back filling specifications and ground support specification must be considered as PFS level only and should not be implemented before an FS level investigation is conducted. Full geotechnical investigation is described in the Marmato Geotechnical PFS Study (SRK, 2020).

Hydrogeology

The mine area is located in the hydrogeological regional area of Magdalena Cauca, specifically in the Cauca River catchment (Caldas Department). The region is comprised of igneous and metamorphic rocks with limited groundwater storage capacity and hydraulic conductivity (IDEAM, 2013). The porphyry units represent the main hydrogeological units in the mine area, with a low hydraulic conductivity and limited groundwater storage capacity. Groundwater flow is compartmentalized within structural blocks with limited hydraulic communication across fault boundaries due to fault gouge, weathering, or an offset of geological units (Knight Piésold, 2012).

Previous field campaigns were performed by Knight Piesold (KP) in 2011 and 2012 (Knight Piésold, 2012) and currently by SRK starting in early 2020, primarily consisted of packer isolated interval testing, monitoring well and Vibrating Wire Piezometer (VWP) installations in underground coreholes or locations distal to the mine area.

The zone of enhanced hydraulic conductivity values at depths of 600 to 800 m below the ground surface corresponds to fractured zones associated with Fault 2 and Fault 1-3 in the mine area.

Measured water levels show elevations from 661 to 2,022 m Magna Sirgas/Colombia West coordinate system (EPSG 3115) (MSCW), following the topography at 100 m depth in most of the locations outside the mine area. A depressurization zone was detected in the underground piezometers where the water levels have a horizontal trend. The shape or extent of the depressurization zone is currently unknown. On a regional scale, the groundwater flows west to east, following the topographical gradient to the Cauca River, located at 692 m elevation, which represents the main discharge for the hydrogeological system.

KP developed 172 packer tests, three underground piezometers and 11 piezometers at the surface (Knight Piésold, 2012). In the 2020 field campaign, 70 packer tests and two multi-level VWP installations were performed. As a result, the geometrical mean of hydraulic conductivity values ranges from 1.1 by 10^{-3} meters per day (m/d) to 4 by 10^{-2} m/d in the porphyry units depending on the depth intervals. The shallow zone (less than 200 m depth) corresponds to saprolite and more permeable bedrock and the deep zone (more than 850 m depth) has less permeable conditions. However, it is apparent that high-permeability zones (hydraulic conductivity greater than 0.1 m/d, which may be associated with Fault 2 and Fault 1-3, were encountered in the vicinity of the planned mine at depths of 600 to 800 m below ground surface (bgs), or at an elevation of 700-900 m MSCW.

Mine Dewatering

The measured monthly average total dewatering rate in the Marmato mine is 37 liters per second (L/s), varying from 26.8 L/s to 46.4 L/s. Strong seasonal trends were not observed, however a decrease of approximately 20 L/s can be observed in the last 12 months. A major structure zone with significant water flow (7 to 8 L/s) was detected at levels 17 and 21 to the north of the Criminal Fault.

The dewatering rate is a combination of groundwater inflows and water content in the backfill material (50% of water). According to Marmato operational personnel, the contribution of the backfill material is 7 to 14 L/s, depending on the number of hydraulic backfill equipment units in operation. Therefore, the average fresh groundwater inflow into the mine could vary from 23 to 30 L/s.

SRK developed a preliminary 3D numerical groundwater flow model using MODFLOW-USG code, based on available climatic, geological and hydrogeological data. The majority of the predicted inflow to the MDZ planned mine (up to 78 L/s with a possible range from 56 to 159 L/s) is expected from the upper levels above 730 m where elevated hydraulic conductivity values of the bedrock groundwater system were measured. Mine inflow to the lower planned mine below 730 m is predicted to be lower (15 L/s with an upper limit of 34 L/s) due to reduced measured hydraulic conductivity with depth.

Total maximum discharge into the entire mine complex, including flow to existing mine levels, is predicted to be up to 111 L/s with a possible range from 89 to 168 L/s.

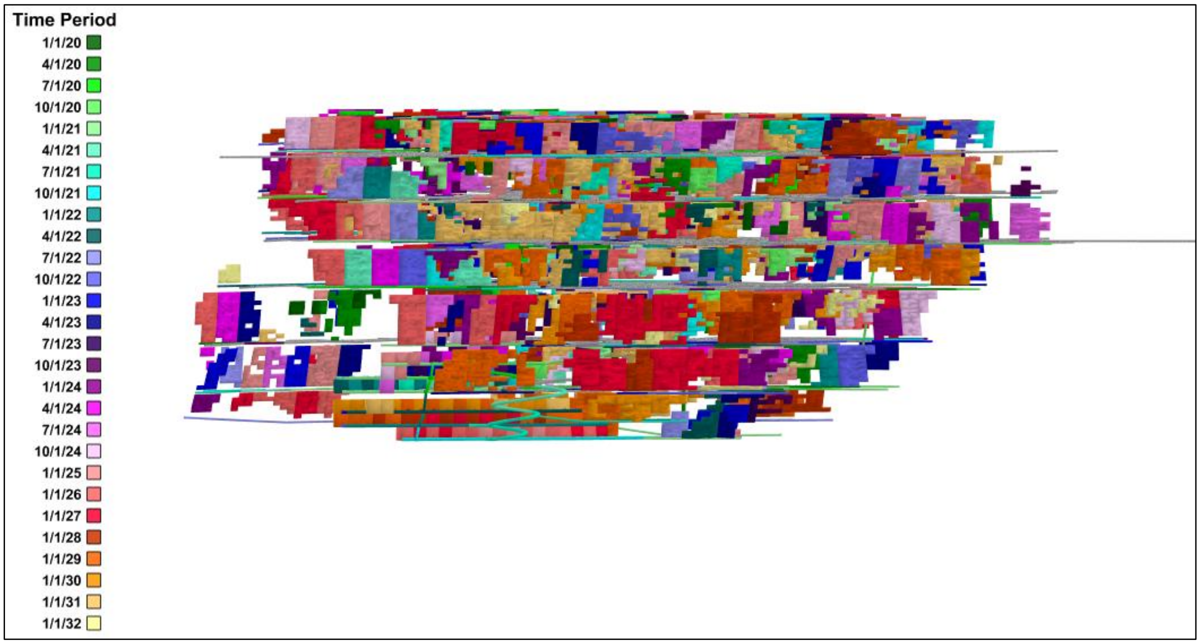
The mine is 2.5 km to the west of the Cauca River with a proposed bottom of 212 m below the river stage (or 480 m MSCW). There is a risk of surface-water inflow through the riverbed sediments and fractured bedrock when hydraulic gradient will be reversed by mine dewatering. Structural features similar to those detected to the north of the Criminal Fault could connect mine developments with the river. In SRK's opinion, this represents a medium risk for the Project. Further hydrogeological investigations of this area are required to evaluate potential significant increments in groundwater inflow.

Production Schedule

The production and development schedules were completed using iGantt software from Minemax. The production schedule is based on the rate assumptions either from current mining practices or developed from first principles.

The UZ production schedule targets a total ore production of 1,500 t/d or 525,000 tonnes per year (t/y) (based on 350 days per year) to the mill. A gradual ramp up of 1,100 t/d (385,000 t/y) in 2020, 1,250 t/d (437,500 t/y) in 2021, 1,400 t/d (490,000 t/y) in 2022 and 1,500 t/d in 2023. The Transition Zone accounts for 400 t/d while the rest comes from the Veins. Life of Mine (LoM) for the Veins is 12 years for a total production of 3.81 Mt at 4.37 g/t Au. LoM for the Transition Zone is 11 years for a total production of 1.33 Mt at 3.56 g/t Au.

Combined UZ production is 5.14 Mt at 4.16 g/t Au. Figure 6-2 shows the UZ production schedule colored by time period. Note that there is also a 2 Mt/y permit limit of moved material, which limits the production of the UZ.

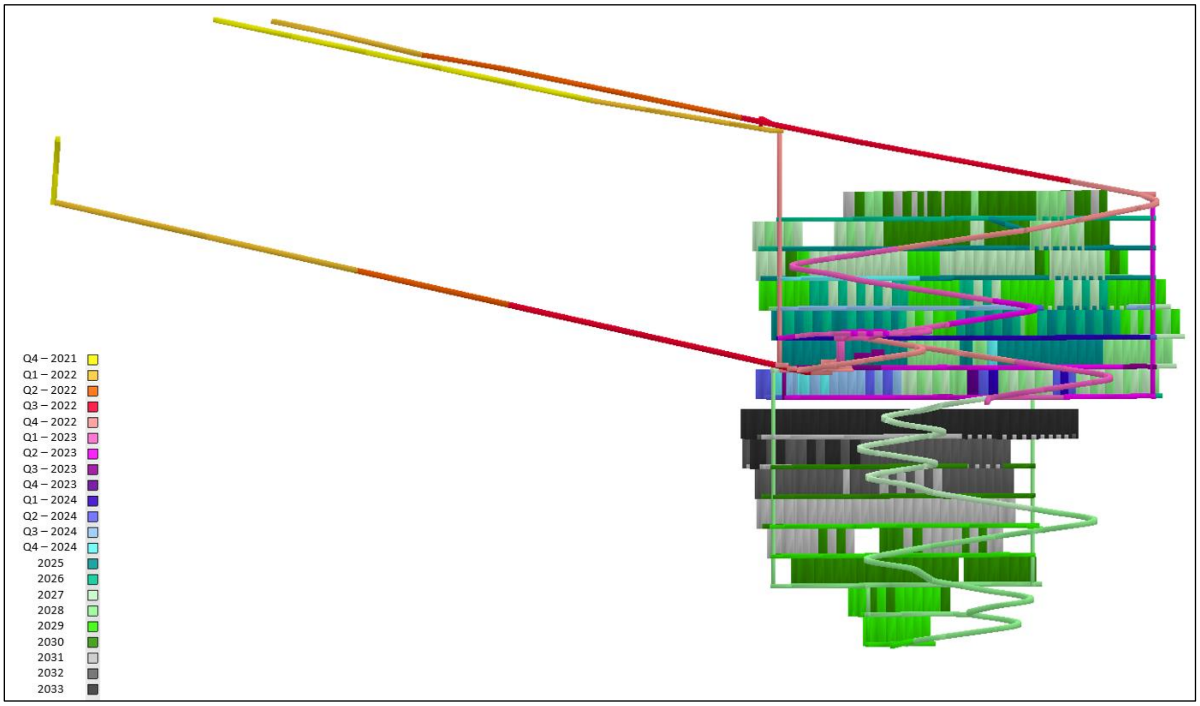


Source: SRK, 2020

Figure 6-2: UZ Production Schedule Colored by Time Period

The MDZ mining schedule is based on 365 days/year seven days/week, with three 8 hour shifts each day. Actual operational mining days are 360. For simplicity the schedule has been completed assuming 365 with pro-rated productivity rates. A production rate of 4,000 t/d (1.46 Mt/yr) was targeted with ramp-up to full production as quickly as possible. The schedule timeframe is quarterly for four years and annually for the remainder of the mine life.

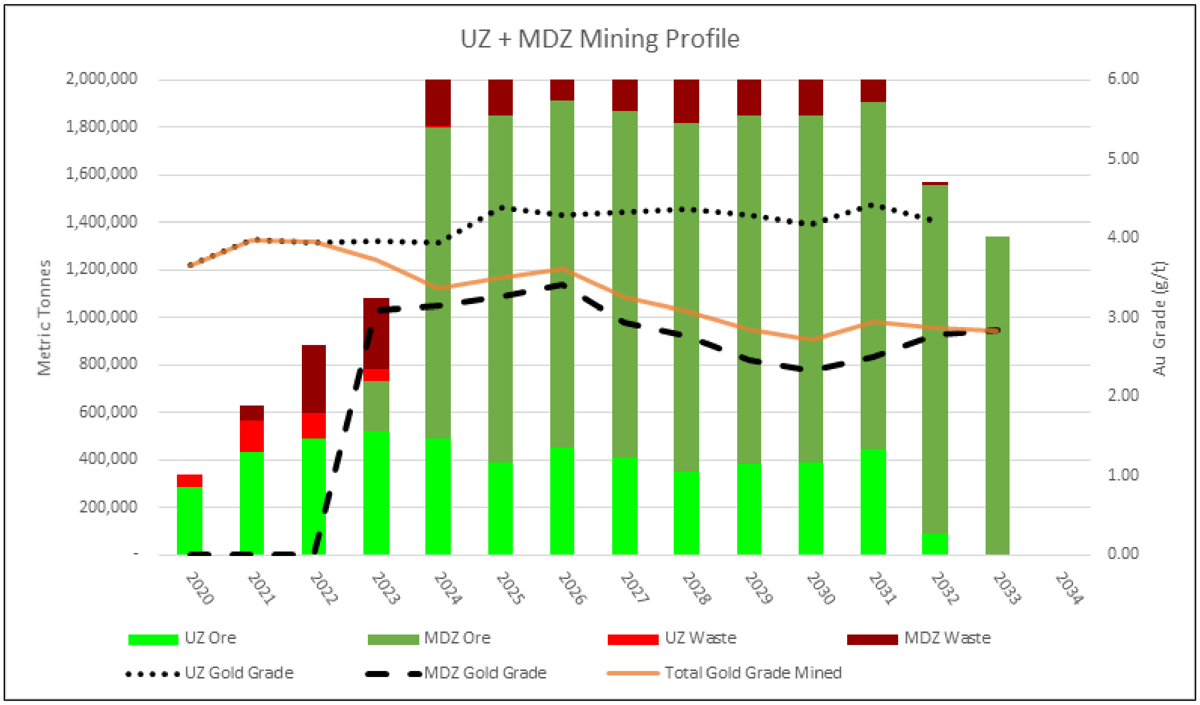
Decline activities begin in October 2021 with initial mine development through Q4 2023. Stoping begins in Q4 of 2024, with a one year ramp up period until the mine and plant are operating at full capacity. Figure 6-3 shows the mine production schedule colored by year.



Source: SRK, 2020

Figure 6-3: MDZ Mine Production Schedule Colored by Year

Figure 6-4 summarizes the combined UZ and MDZ schedules. This combined schedule is used in the economic model results shown in section 22.



Source: SRK, 2020

Figure 6-4: Combined UZ and MDZ Mining Profile – Tonnes and Grade

Mining of the Veins in the UZ is with handheld pneumatic equipment (jacklegs and stopers) for development and production. Blasted material is mucked using slushers, microscoops and skid steer loaders into rail carts and hauled out to the mill.

The Transition Zone utilizes jumbo drills for lateral development. The same jumbo drills are used for ore mining with a longhole drill attachment. Blasted material is loaded by 4 t load haul dumps (LHD) to 10 t trucks (or to the orepass) and is then transferred to rail carts and transported out of the mine via the apiques.

The UZ mine (Veins and Transition) is a producing mine and all infrastructure is already established.

The MDZ mine will utilize jumbo drills for lateral development and down-the-hole drills for vertical development and production stoping. Mechanical bolters will be used for ground support. The mine will operate a fleet of 45 t haul trucks being loaded by 17 t LHDs. The ore will be fed through a grizzly with rock breaker into an underground crusher and conveyor system to the surface. The mine will have full infrastructure underground, including; ventilation, cemented paste backfill booster pump and distribution system, dewatering pumping system, electrical substation and distribution system, fuel storage, warehousing, explosives storage, communications system, and maintenance shops. The MDZ mine will have a staff of approximately 429 people at the peak of production. Owner mining has been assumed for steady state with contractor mining development early in the mine life.

Recovery Methods

CGM operates a 1,200 t/d process plant to recover gold and silver values from material produced from current Marmato mining operations in the UZ and plans to expand this facility to 1,500 t/d capacity in 2021. In addition, CGM is evaluating the development of the MDZ, which is below the current mining operations and the construction of a new 4,000 t/d plant to process material solely from the MDZ.

Marmato Process Plant

The Marmato process plant flowsheet incorporates unit operations that are standard to the industry and includes:

- Three-stage crushing
- Closed circuit ball mill grinding
- Gravity concentration
- Flotation
- Flotation and gravity concentrate regrind
- Cyanidation of the flotation and gravity concentrates
- Counter-current-decantation
- Merrill-Crowe zinc precipitation
- Smelting of precipitates to produce final doré product

During the period from 2013 to 2020 (Jan to May) ore processed through the Marmato plant has increased from 274,191 to 370,245 tonnes per year (t/y) while grades have declined slightly from 2.90 g/t Au in 2013 to 2.49 g/t Au in 2019 and silver grades have ranged from 12.36 to 9.13 g/t Ag. Overall gold recovery has ranged from 83.7 to 88.9% and has averaged about 87.1% during the period 2019 to 2020 (Jan to May). Silver recovery has ranged from 33 to 41.1% and has averaged 33.2% during the period 2019 to 2020 (Jan to May). Annual gold production has increased from 22,566 ounces in 2013 to 25,750 ounces in 2019.

MDZ Process Plant

The MDZ process plant was designed by Ausenco and is based on the 2020 metallurgical program conducted by SGS Lakefield, Ausenco's industry experience and input from equipment suppliers. The process plant is designed to process ore at a rate of 1,460,000 dry t/y (4,000 dry t/d) based on a 92% plant availability and includes unit operations that are well proven and standard to the industry, including:

- Crushing/Grinding
- Gravity concentration
- Cyanide leaching of the gravity tailings
- Carbon-in-pulp (CIP) gold adsorption
- Desorption/Electrowinning/Refining
- Cyanide detoxification
- Tailings thickening and filtration

The MDZ process plant will be located North-East of the town of Marmato, Colombia. Access to the plant will be via the plant roads off National Route 25. The primary crusher will be located underground, and the secondary crusher positioned at the surface near the entrance to the mine portal. The crushed ore stockpile will be east of the main process plant. The main plant will be outdoors and will include the grinding, gravity recovery, leach/CIP tanks, reagent, elution/carbon regeneration, cyanide detoxification and tailings thickening circuits. The electrowinning and refining area will be located in a separate building. Plant tailings will be thickened and pumped either to the mine backfill plant or to the tailing filter plant, located next to the main plant. Filtered tailings will be hauled and stored in a DSTF.

Project Infrastructure

The existing Marmato Project has a mature and functioning infrastructure system including all the necessary facilities and supporting utilities to produce at the planned production levels. The current facilities include a security checkpoint that provides access to the office and administrative office area. The facilities also include employee motorcycle parking, meeting area, cafeteria, multiple shops and warehouses, a camp with cafeteria, exercise and sports field, equipment storage yards, compressor station, welding shop, a 500 kilowatt (kW) backup generator, processing plant, underground mine, explosives storage a short distance from the mine that is managed by the military, main power substation and distribution powerlines with motor control centers at key loads. The site has three portals that access the mine workings. Water Supply for the existing Marmato Project is provided by mine dewatering and water reclaimed from the DSTF, Additional water supply from the Cauca River to supplement the existing plant water availability during the dry season is planned to be in-place before the MDZ project startup.

The MDZ project infrastructure will be developed on a separate greenfield site approximately 3 kilometers (km) north-east of the existing site by road. The new site will require new access roads off the existing El Llano access to a new processing facility, camp area, and mine portal with access to the MDZ.

The new infrastructure will include an additional transmission line from the 115 KV Salamina substation to the new MDZ substation with local MDZ distribution to the mine substation and processing facility.

Surface facilities will include the mine portal, truck shop, processing facility, fuel storage and fuel distribution system, paste backfill plant, shotcrete plant, processing plant facilities, a tailings filter plant, a new water supply plant near the Cauca River, a new camp, offices, and a small temporary run of mine (RoM) stockpile. Explosives storage is planned to be offsite.

The site will have a crushing area with a surge stockpile feeding the main processing plant. Support facilities will include warehouses, shops, offices, a camp, administrative office, change house and laydown yards. The camp and administrative facilities will be located at a separate location approximately 300 m to the south from the processing plant. Parking will be provided near the entrance to the MDZ site and at the camp location with a security gate for restricted access that will be constructed at the entrance to the facility.

Water supply for the MDZ project will be supplied by mine dewatering, recycled water from the tailings filter press and runoff and seepage collected from the DSTF, as well as from supplemental water drawn from the Cauca River as needed.

The area already supports a significant mining population and skilled labor will be available from the region.

Tailing Management Facilities

SRK completed a study of potential options for DSTF siting in the vicinity of the existing Cascabel tailings storage facility and the proposed portal and plant location. Factors considered in the siting study included topography, permitting requirements for stream crossings, property ownership and acquisition potential, and municipality boundaries. Also, as part of the study, SRK developed conceptual designs for seven potential DSTF locations. From that analysis, only three locations, sites 1, 2 and 6, were identified within the area of study as potentially feasible for:

- Providing the capacity required through mine life
- Achieving global stability in the steep terrain in the site vicinity

Due to property access difficulties and travel restrictions because of the COVID-19 pandemic, SRK and CGM were unable to complete a geotechnical investigation at any of the sites. All conclusions and costs presented in this study related to DSTF design and operation are therefore based on necessary assumptions that will require investigation and confirmation in the next phase of study. Where input assumptions were required, SRK has attempted to use conservative inputs to arrive at a reasonable but conservative estimate of costs, risks and potential opportunities associated with DSTF siting, construction and operation.

Based on the results of an SRK trade-off study (ToS) evaluating major cost items for Sites 1, 2 and 6, CGM indicated a preference to evaluate the feasibility of developing DSTF 2 and then DSTF 1 to achieve the desired tailings storage capacity through the currently predicted mine life. The combination of DSTF 2 and DSTF 1 provides sufficient capacity based on current projections. DSTF 6 provides sufficient capacity on its own for the currently predicted mine life, although the distance to the plant provides some additional planning and access complexities.

Operation of the current Cascabel 1 and 2 DSTFs is required to provide enough capacity and time to begin phased construction of DSTF 2 to provide for uninterrupted tailings storage. A review of available design and stability analyses of the Cascabel 1 and 2 configurations indicates they have not been designed or evaluated in accordance with internationally accepted standards of practice. Engineering consultants from Dynami recently completed a stability review of both the existing and expanded Cascabel 1 and 2 designs and concluded there is not enough information currently available to establish the current or future stability of the facility. Dynami recommended extensive characterization. To achieve the timeline currently presented in the PFS, CGM has committed to immediate implementation of Dynami's recommendations and subsequent design and mitigation aimed at ensuring the facility's compliance with internationally accepted standards of practice. SRK recommends that CGM identify other options for filtered tailings storage that may provide additional interim storage capacity in the event Cascabel 1 and 2 cannot be shown to be stable to internationally accepted standards.

Environmental Studies and Permitting

Environmental Studies and Management

The existing Marmato Project predates the regulatory requirements to prepare an environmental impact assessment (EIA) as part of the permitting process. Instead, the operations were authorized through the approval of an Environmental Management Plan (Planes de Manejo Ambiental or PMA). The original PMA for Marmato was approved by the regional environmental authority (Corporación Autónoma Regional del Caldas or Corpocaldas) on October 29, 2001 under Resolution 0496, File No. 616. The site-specific PMA covers environmental studies and required management procedures and practices. In addition, baseline data collection programs were initiated in 2019 to gather relevant and appropriate site information with respect to both the existing Marmato Project and the proposed MDZ expansion. The data was compiled and reported in *Capítulo 20: Caracterización Ambiental y Social del Proyecto, Caldas Gold Marmato S.A.S., Título Minero #014 – 89m (May 2020)*. The assessment of potential impacts associated with the MDZ expansion project can only begin in earnest once the PFS mine plan has been finalized, at which point, CGM will initiate engagement with Corpocaldas (anticipated in Q1 2021).

SRK directed a sampling and analytical program to generate environmental geochemistry data for tailings and waste rock for the existing operations and MDZ expansion project. Data from SRK's metallurgical program indicates that tailings will be discharged with a neutral to alkaline supernatant. However, the tailings solids will be potentially acid generating (PAG) with the potential to eventually exceed the alkaline supernatant and produce acidic drainage in the longer term. Detoxified cyanide tailings are anticipated to have elevated concentrations of arsenic, sulfate, and total dissolved solids in potential leachates. Testing on paste backfill tailings suggest that the material will be acid-neutralizing in the short term, but in the long term, the material could become acidic. A waste rock geochemical characterization program is in progress. An analytical program completed in 2012, in support of the defunct open pit mine design, indicated that a significant fraction of waste rock could be potentially acid generating. Effective management of both tailings and waste rock will be a critical issue for success of the project.

Water balance modeling indicates the project is net positive and will continue to discharge excess mine dewatering flows during some periods of the project. Infrequent discharges from facility surface water management controls are also predicted. Based on water quality predictions and existing infrastructure at the mine, additional water treatment facilities are not included in this study. However, water treatment may be required dependent upon the outcome of ongoing geochemical studies.

SRK is not aware of any known environmental issues that could materially impact CGM's ability to extract the mineral resources or mineral reserves at the Marmato project. While there will be some challenges associated with land acquisition and surface water control during operations, the Marmato project has not had, nor does it currently have, any legal restrictions which affect access, title, mining rights, or capacity to perform work on the property. Likewise, in regard to environmental compliance, the operation is covered by the PMA and associated environmental permits, which further reduces environmental risks.

Permitting

The Marmato Project is authorized under a number of resolutions issued by Corpocaldas in the name of CGM's predecessor, Mineros Nacionales S.A.S. These include, among others:

- Environmental Management Plan or PMA (Resolution No. 496)
- Various water concessions
- Discharge permits (Resolutions 270 modified by 254)
- Emissions permit (Resolution 270)

CGM is currently in the process of modifying the PMA to include a second DSTF area (Cascabel 2). To this end, CGM has presented the impact assessment and technical documentation for this modification to Corpocaldas for review. Corpocaldas has evaluated the request and is waiting for the Ministry of the Interior to certify the presence, or not, of ethnic communities in the area of the new facility in order to determine the need for prior consultations, before issuing its final decision. Once Corpocaldas authorizes the Cascabel II modification, a new modification request will be submitted for the phased construction of a DSTF2 to accommodate the UZ tailings during the development of the full MDZ project and tailings capacity.

The PMA will require a major modification to allow for the proposed MDZ expansion project, which envisions an increase in production in a second processing plant to be constructed. During construction, Channel Occupancy Permits will need to be obtained for the new tailings site, the process plant site, and the site of the underground portal (bocamina). Likewise, a Forest Exploitation Permit will be needed for areas of proposed surface disturbance with trees.

The final environmental impact assessment deliverable includes the application for all the environmental permits that will be required for the construction and operation phases of the project. Once the EIA is officially delivered to Corpocaldas, the review process can begin based on the agreed-upon terms of reference. CGM estimates that a minimum of six months will be required to review the complete application and issuance of the Environmental License by Corpocaldas for the MDZ expansion of the Marmato project. However, this process has been delayed as a result of the COVID-19 pandemic and CGM does not anticipate fully reengaging Corpocaldas with the submittal of the EIA in Q1 of 2021. The current timeline envisioned for the permitting of the project should be considered to be aggressive and that permitting timeline expectations should be reviewed as the process begins.

In accordance with the terms and conditions of the PMA, CGM maintains an Environmental Insurance Policy for the current operation. That policy is renewed annually with Corpocaldas as the beneficiary. This policy is intended to cover the entire Marmato operations and all aspects of environmental compliance. According to CGM, the current amount covered by the policy is COL$302,835,000 (USD$91,768). This amount will be reviewed and adjusted during the modification process of the PMA for the MDZ expansion project.

Social or Community Related Requirements

The 2001 PMA for Marmato specifically requires the management of the social component of the Project. Caldas is required to maintain records on all community activities (including number of participants, topics, duration, etc.), which is to be turned over to Corpocaldas every six months as part of the ongoing monitoring programs. As part of the social management and monitoring program, CGM has developed a social investment model which seeks to promote the development of communities in the area of influence, with the purpose of contributing to the consolidation of society and fostering economic development (Economic Development), guaranteeing the care and respect for the environment (Environmental Development) and supporting and participating in actions aimed at improving the quality of life and well-being of its inhabitants (Social Development and Promotion of Solidarity Actions).

Community Relations

Between 2014 and 2018, CGM developed and implemented a social engagement program at Marmato specifically designed to focus on the well-being of the community and care for the environment. These initiatives are incorporated in the Community Relations Plan (*Plan de Relaciones con la Comunidad*).

The Marmato Project currently operates with 152 administrative employees, 1,090 operating workers, and 54 apprentice workers, most of whom are from the municipalities surrounding the project. With the MDZ expansion, CGM anticipates hiring approximately 900 temporary workers during construction and around 550 permanent employees as part of the new operations.

Mine Closure, Remediation, and Reclamation

Article 209 of Law 685 of 2001 requires that the concession holder, upon termination of the agreement, shall undertake the necessary environmental measures for the proper reclamation and closure of the mining operation. To ensure that these activities are carried out, the Environmental Insurance Policy shall remain in effect for three years from the date of termination of the contract. While a formal closure plan is not legally required at this stage of the operation, currently there is a closure plan for Marmato, Plan de Cierre y Abandono de Mina La Maruja – Gran Colombia Gold Marmato S.A.S. (May 2019) which discusses basic reclamation and closure actions including aspects of temporary, progressive, and final closure. Reclamation and closure costs for the current operation provided in the closure plan are based on percentages of costs to build the facilities. SRK did not independently calculate or validate this estimate however, it is within keeping of other moderate-sized underground mining operations in South America. The reclamation and closure cost for the existing mine plan is estimated to be COL$20,128,000,000 (US$6.1 million based on exchange rate of 3,300 to 1). A requirement for long-term post-closure water treatment, if deemed necessary, could increase this estimate.

Using first principles and the Nevada-developed Standardized Reclamation Cost Estimator, local equipment and labor rates, and based on limited PFS engineering design information and drawings for the MDZ expansion project, an additional cost of US$3.1 million was included in the technical economic model to account for the increase in production anticipated for the new operations and the construction of a new plant and tailings storage facilities. These are actual reclamation activity cost estimates rather than percentages of construction costs. SRK strongly recommends that a more detailed and thorough calculation of closure costs be prepared for the next level of study, looking at both the existing facilities and planned expansion. Again, long-term post closure water treatment requirements, if necessary, could significantly increase this estimate. This too should be more closely examined during the next study phase.

Capital and Operating Costs

Marmato UZ Capital Costs

The Marmato UZ is a currently operating underground mine. The estimate of capital expenditures (capex) includes expansion capex to increase the mineral processing capacity and sustaining capex to maintain the equipment and all supporting infrastructure necessary to continue operations until the end of the projected production schedule. The estimate conforms to Class 4 guidelines for a PFS level estimate with a ±25% accuracy according to the Association for the Advancement of Cost Engineering International (AACE International).The capital cost estimate is presented in Q2 2020 US Dollars (US$). The estimate includes processing, maintenance, general and administration (G&A) and accommodations costs.

The sustaining capital cost estimates developed for the UZ includes the costs associated with the engineering, procurement, construction and commissioning. The cost estimate is based on budgetary estimates prepared by Marmato and reviewed by SRK. The estimate indicates that the Project requires sustaining capital of US$54.8 million to support the projected production schedule throughout the LoM. Table 6-4 summarizes the LoM sustaining capital estimate, Table 6-5 and Table 6-6 present the same estimate by year.

Table 6-4: Marmato UZ Sustaining Capital (LoM)

Description	LoM (US$)
Upper Zone Infill Drilling	11,847,000
Upper Zone Development	6,396,225
Upper Zone Mine Sustaining	10,049,860
Upper Zone Plant Expansion	11,626,000
Upper Zone Plant Expansion Contingency	2,906,500
Upper Zone Plant Sustaining	3,600,000
Upper Zone Dewatering	2,275,706
Closure Costs	6,100,000
Total	**$54,801,292**

Source: CGM/SRK, 2020

Table 6-5: Marmato UZ Sustaining Capital (2020 to 2026) (US$)

Description	2020	2021	2022	2023	2024	2025	2026
Infill Drilling	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	121,000	121,000
Development	1,187,325	2,998,025	1,986,625	224,250	-	-	-
Mine Sustaining	2,127,399	1,777,862	1,852,400	3,858,800	-	154,000	279,400
Plant Expansion	5,035,000	3,511,000	1,210,000	440,000	1,430,000	-	-
Plant Expansion Contingency	1,258,750	877,750	302,500	110,000	357,500	-	-
Plant Sustaining	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Dewatering	135,000	713,569	1,427,137	-	-	-	-
Closure Costs	-	-	-	-	-	-	-
Total	**$12,243,474**	**$12,378,206**	**$9,278,662**	**$7,133,050**	**$4,287,500**	**$575,000**	**$700,400**

Source: CGM/SRK, 2020

Table 6-6: Marmato UZ Sustaining Capital (2027 to 2034) (US$)

Description	2027	2028	2029	2030	2031	2032
Infill Drilling	121,000	121,000	121,000	121,000	121,000	-
Development	-	-	-	-	-	-
Mine Sustaining	-	-	-	-	-	-
Plant Expansion	-	-	-	-	-	-
Plant Expansion Contingency	-	-	-	-	-	-
Plant Sustaining	300,000	300,000	300,000	300,000	300,000	-
Dewatering	-	-	-	-	-	-
Closure Costs	-	-	-	-	-	6,100,000
Total	**$421,000**	**$421,000**	**$421,000**	**$421,000**	**$421,000**	**$6,100,000**

Source: CGM/SRK, 2020

MDZ Capital Costs

The MDZ is a lower part of the deposit that is undeveloped. Before CGM can exploit this part of the deposit it will have to expand the existing operation. The expansion is planned to be executed between the years of 2021 and 2023.

The capital cost estimates prepared for the expansion into the MDZ area also include estimates for Engineering, Procurement and Construction Management (EPCM) and the Owner's cost to manage it. The cost estimate is based on cost models prepared by SRK and Ausenco with site specific inputs from CGM. The estimate indicates that the expansion will require an investment of US$269.4 million, this includes an estimated capital of US$237.2 million plus 13.6% contingency of US$32.2 million.

Table 6-7 summarizes the expansion capital estimate.

Table 6-7: MDZ Construction Capital (US$)

Description	LoM	2020	2021	2022	2023
Development	19,719,753	-	2,279,534	10,343,401	7,096,818
Mining Equipment Purchases	52,430,929	-	16,868,012	15,295,229	20,267,688
Mining Services	11,589,225	-	1,288,744	6,206,511	4,093,970
Infrastructure	33,201,830	-	16,600,915	16,600,915	-
Process Plant	42,371,769	-	21,185,884	21,185,884	-
DSTF	19,660,473	-	17,212,986	1,279,528	1,167,958
Temporary Power Line	272,727	-	272,727	-	-
Mining EPCM	9,276,559	-	2,883,922	4,999,126	1,393,512
Mining Owner's	15,721,708	-	3,978,018	7,881,638	3,862,053
Infrastructure + Plant EPCM	10,484,229	-	5,242,114	5,242,114	-
Infrastructure + Plant Owner's	13,602,581	1,087,625	4,663,472	5,298,567	2,552,917
Infrastructure + Plant Other Indirect	8,860,555	-	4,430,278	4,430,278	-
Sub-Total	237,192,337	1,087,625	96,906,605	98,763,190	40,434,916
Mining Contingency	15,091,967	-	2,508,648	5,950,365	6,632,954
Plant + Infrastructure Contingency	14,237,757	-	7,118,879	7,118,879	-
DSTF Contingency	2,871,944	-	2,581,948	191,929	98,067
Total Contingencies (13.6%)	32,201,668	-	12,209,474	13,261,173	6,731,021
Total	**$269,394,005**	**$1,087,625**	**$109,116,079**	**$112,024,363**	**$47,165,937**

Source: CGM/Ausenco/SRK, 2020

The MDZ will require sustaining capital to maintain the equipment and all supporting infrastructure necessary to continue operations until the end of its projected production schedule. The sustaining capital cost estimate developed for this mining area includes the costs associated with the engineering, procurement, construction and commissioning. The cost estimate is based on PFS designs and cost models prepared by SRK with site specific inputs from CGM. The estimates indicate that the Project requires sustaining capital of US$131.3 million to support the projected production schedule through the LoM. Table 6-8 summarizes the LoM sustaining capital estimate and

Table 6-9 and Table 6-10 present the same estimate by year.

Table 6-8: MDZ Sustaining Capital (LoM)

Description	LoM (US$)
Drilling	-
Development	34,285,846
Mine Equipment Purchases	17,166,844
Mine Equipment Rebuilds	26,862,004
Mining Owner's Cost	5,892,624
Mining Contingency	14,671,389
DSTF Sustaining	23,806,666
115kV Power Line	5,614,521
Closure Costs	3,000,000
Total	**$131,299,895**

Source: CGM/SRK, 2019

Table 6-9: MDZ Sustaining Capital (2023 to 2027) (US$)

Description	2023	2024	2025	2026	2027
Drilling	-	-	-	-	-
Development	2,735,635	4,986,400	3,834,632	2,168,451	3,433,459
Mine Equipment Purchases	6,646,459	3,972,308	-	-	1,186,305
Mine Equipment Rebuilds	-	1,162,732	2,300,471	4,985,557	4,601,468
Mining Services	-	-	-	-	-
Mining Owner's Cost	1,689,596	943,372	402,871	227,366	487,479
Mining Contingency	1,322,664	1,704,601	1,307,595	1,476,275	1,799,109
DSTF Sustaining	6,817,007	21,934	64,320	15,054	13,150,673
115kV Power Line	280,726	561,452	561,452	561,452	561,452
Closure Costs	-	-	-	-	-
Total	**$19,492,087**	**$13,352,799**	**$8,471,341**	**$9,434,155**	**$25,219,945**

Source: CGM/SRK, 2020

The sustaining capital cost estimate to support the 115kV power line was in fact estimated as a total cost of US$3.24 million. This cost estimate was converted to a loan payment program that considers a 10 year payment schedule and an 11.5% yearly interest rate. Each individual payment is calculated to be approximately US$561,452.

Table 6-10: MDZ Sustaining Capital (2028 to 2033)

Description	2028	2029	2030	2031	2032	2033
Drilling	-	-	-	-	-	-
Development	6,412,653	3,918,836	3,897,980	2,467,849	429,949	-
Mine Equipment Purchases	208,000	4,232,979	920,793	-	-	-
Mine Equipment Rebuilds	681,459	4,291,695	2,278,851	6,399,725	160,047	-
Mining Services	-	-	-	-	-	-
Mining Owner's Cost	454,151	875,725	507,741	258,506	45,817	-
Mining Contingency	1,540,853	2,184,960	1,382,954	1,825,216	127,163	-
DSTF Sustaining	166,510	2,714,184	502,892	166,510	187,582	-
115kV Power Line	561,452	561,452	561,452	561,452	561,452	280,726
Closure Costs	-	-	-	-	-	3,000,000
Total	**$10,025,079**	**$18,779,831**	**$10,052,664**	**$11,679,257**	**$1,512,011**	**$3,280,726**

Source: CGM/SRK, 2020

Marmato Operating Costs

SRK, Ausenco and CGM prepared the estimate of operating costs for the PFS production schedule. Marmato UZ LoM cost estimate is presented in Table 6-11 and MDZ LoM cost estimate is presented in

Table 6-12.

Table 6-11: UZ Operating Costs Summary

Description	LoM (US$/t-Ore)	LoM (US$000's)
Mining	48.45	249,251
Process	12.07	62,082
G&A	13.82	71,086
Total Operating	**$74.33**	**$382,419**

Source: CGM/SRK/Ausenco, 2020

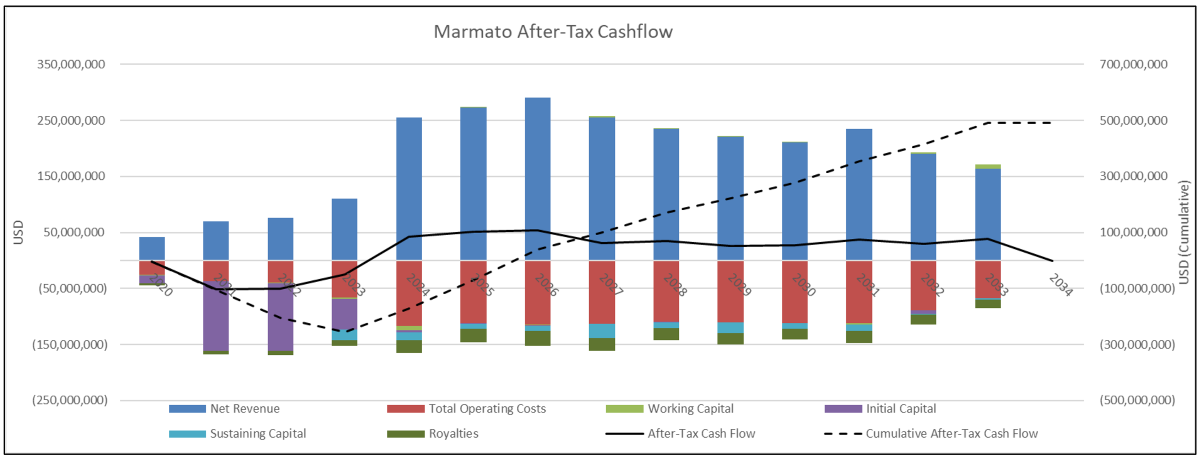
Table 6-12: MDZ Operating Costs Summary

Description	LoM (US$/t-Ore)	LoM (US$000's)
Mining	35.19	512,288
Process	13.68	199,113
G&A	8.23	119,771
Total Operating	**$57.10**	**$831,173**

Source: CGM/SRK/Ausenco, 2020

Economic Analysis

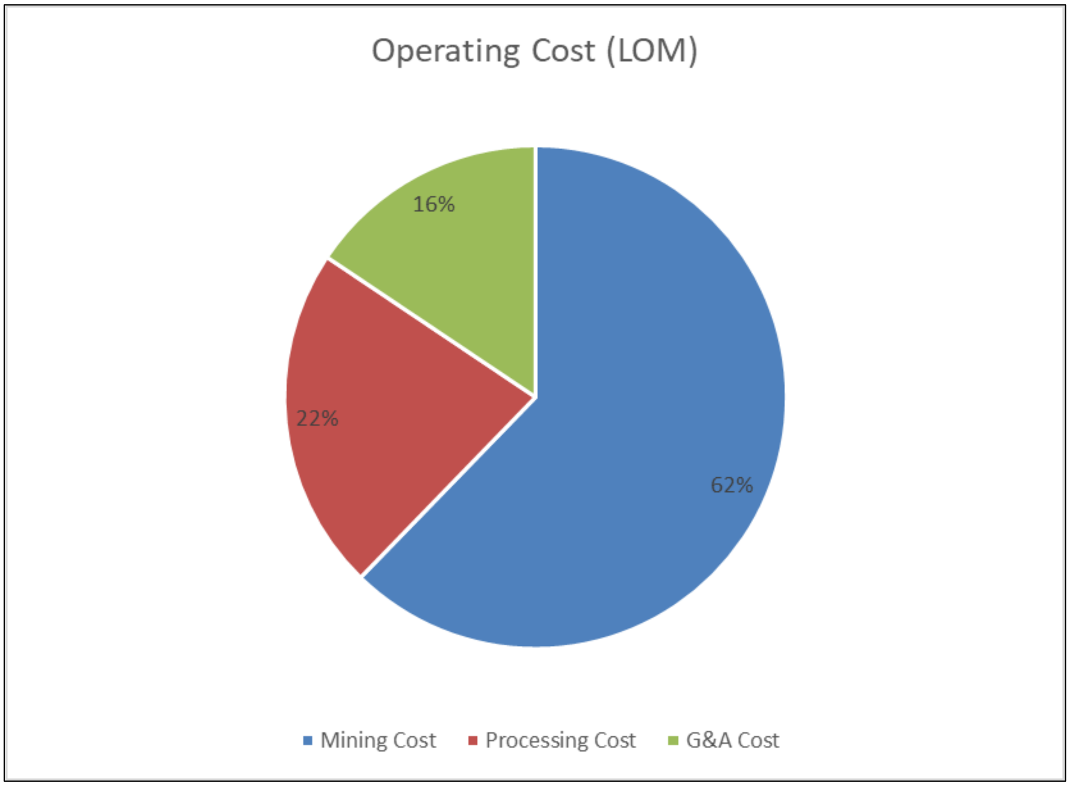
The valuation results of the Marmato Project indicate that is has an after-tax IRR of 19.5% and an after-tax Net Present Value (NPV) of approximately US$256.1 million, based on a 5% discount rate and gold and silver prices of US$1,400/oz and US$17.00/oz respectively. The cash flow profile also shows a shorter payback for the investment when comparing to a stand-alone MDZ operation, to the combine operations present a payback within the year of 2026, while a stand-alone MDZ operations would present a payback in the year of 2027. The operation is projected to have negative cash flows between the years 2020 and 2023, when the MDZ is installed, with payback for the expansion expected by 2026. The annual free cash flow profile of the Project is presented in Figure 6-5.



Source: SRK, 2020

Figure 6-5: Marmato After-Tax Free Cash Flow, Capital and Metal Production

Indicative economic results are presented in Table 6-13. The Project can be considered a gold operation with a sub-product of silver, where gold represents 99% of the total projected revenue and silver the remaining 1%. The underground mining cost is the heaviest burden on the operation representing 62% of the operating cost, as presented in Figure 6-6.



Source: SRK, 2020

Figure 6-6: Marmato Operating Cost Break-Down

Table 6-13: Marmato Indicative Economic Results

LoM Cash Flow (Unfinanced)		
Total Revenue	USD	2,625,861,238
Mining Cost	USD	(761,539,531)
Processing Cost	USD	(270,396,073)
G&A Cost	USD	(190,857,579)
Total Opex	USD	(1,222,793,183)
Operating Margin	USD	1,403,068,055
Operating Margin Ratio	%	53%
Taxes Paid	USD	(210,374,619)
Free Cash Flow (before initial capital)	USD	760,268,116
Before Tax		
Free Cash Flow	USD	701,248,730
NPV @ 5%	USD	396,654,830
NPV @ 8%	USD	279,571,263
NPV @ 10%	USD	219,652,793
IRR	%	26%
After Tax		
Free Cash Flow	USD	490,874,111
NPV @ 5%	USD	256,075,253
NPV @ 8%	USD	167,009,205
NPV @ 10%	USD	121,855,455
IRR	%	19.5%
Payback	Year	2026

Source: SRK, 2020

The estimated All-in Sustaining Costs (AISC), including sustaining capital, is US$880/Au-oz. Table 6-14 presents the breakdown of the Marmato AISC.

Table 6-14: LOM All-in Sustaining Cost Breakdown

LOM All-in Sustaining Cost Breakdown		
Mining	US$/Au-oz	408
Processing	US$/Au-oz	145
G&A	US$/Au-oz	102
Refining	US$/Au-oz	6
Royalty	US$/Au-oz	130
Sustaining Capital	US$/Au-oz	102
Silver Credit	US$/Au-oz	(14)
AISC	US$/Au-oz	880

SRK's standard Cash Cost reporting methodology for NI 43-101 reports includes smelting/refining costs; whereas CGM's basis of reporting treats these costs as a reduction of realized gold price (the refinery discounts the selling price by a factor to cover these charges) and excludes them from its reported "total cash cost per ounce".
Source: SRK, 2020

Conclusions and Recommendations

Property Description and Ownership

SRK noted within the transfer of licenses from the previous owner, there is a gap between the existing licenses for #014-84M and RPP_357. This ground was under application from CGM with the Colombian government for formal approval to continue mining. SRK reviewed the application within the government website and noted that the status is defined as "in progress", which has been the status since September 30, 2009. CGM has taken steps to get the approval finalized. It is SRK's understanding that at the time of writing CGM has received notification (May 2020) to continue mining in this area and that under the new Colombia mining license coding, the government does not consider the gap to be present. SRK has not completed sufficient work to confirm this but would highlight that it should be resolved and enable additional material to be used in mine plans for future studies.

In 2017 CGM began the process and submitted to the government the application for the license extension to the current operation and future exploration for license #014-89, with the original license currently held to October 2021. The process is expected to be completed in Q4 2020.

Geology and Mineralization

SRK produced an updated 3D geological model for the Marmato deposit as part of the current study. SRK considers this to have increased the confidence in the spatial location of the various geological units. CGM geologists as part of the on-going exploration continue to develop the geological knowledge on the project and have supplied additional fault information which should be integrated into further lithological models. SRK does not consider these faults to have a material impact on the current mineral resource estimate but notes that it may impact future underground infrastructure (such as a decline).

Status of Exploration, Development and Operations

The databases comprise a combination of historical and recent diamond core and underground channel samples. In total, there are some 1,317 diamond drillholes for a combined length of 266,390 m; plus 24,824 individual underground channel samples, inclusive of current mine sampling contained in the databases

SRK is of the opinion that the exploration and assay data is sufficiently reliable to support evaluation and classification of Mineral Resources in accordance with generally accepted CIM Estimation of Mineral Resource and Mineral Reserve Best Practices Guidelines (2014).

SRK notes that CGM exploration continues at the project throughout 2020 and SRK has reviewed the 2020/2021 drilling plan. The drilling is targeting mineralization in the hanging wall of the current estimate which is referred to by CGM as the New Zone, which may impact on current mining infrastructure if further mineralization is located, which may require modifications to the current mine design. SRK therefore recommends that the geological model and mineral resource should be updated to reflect the new drilling upon completion as the impact of these in future models may impact the design prior to construction

Mineral Processing and Metallurgical Testing

Native gold is the predominant gold carrier and over 99% of the gold particles occurred within mineral structures that would be readily accessible by leaching solutions.

The PFS metallurgical program optimized process parameters required to recover gold and silver values from MDZ ore using a process flowsheet that includes gravity concentration followed by cyanidation of the gravity tailing.

Comminution tests demonstrated that the MDZ ore is classified as hard with regard to impact breakage and grinding characteristics.

Overall gold recovery is estimated at 95% and overall silver recovery is estimated at 51%. There is little difference in reported gold recoveries for the master and variability composites and gold recovery appears to be independent of ore grade over the range tested.

Cyanide destruction tests demonstrated that weak acid dissociable cyanide (CN_{WAD}) could be reduced to less than 10 mg/L with the SO_2/air process. However, CN_{WAD} levels will further attenuate to less than 1 mg/L with time.

Pressure filtration will be required to dewater thickened tailings in order to achieve less than 15% moisture content required for disposal in a DSTF.

Mineral Resource Estimate

The resource evaluation work was completed by Mr. Benjamin Parsons, MAusIMM (CP#222568). The effective date of the Mineral Resource Statement is March 17, 2020, which is the last date assays and the surveyed depletion outlines were provided to SRK.

SRK has produced block models using Datamine™. The procedure involved import from Leapfrog™Geo of wireframe models for the fault networks, veins, definition of resource domains (high-grade sub-domains), data conditioning (compositing and capping) for statistical analysis, geostatistical analysis, variography, block modelling and grade interpolation followed by validation. Grade estimation for the veins has been based on block dimensions of 5 m by 10 m by 10 m for the Porphyry and MDZ units. Sub-blocking to 0.5 m by 1 m by 1 m has been allowed to reflect the narrow nature of the geological model. The block size reflects the relatively close-spaced underground channel sampling and spacing within veins compared to the wider drilling spacing, with the narrower block size used in the MDZ at depth to reflect the proposed geometry of the mineralization (steeply dipping).

SRK is of the opinion that the MRE has been conducted in a manner consistent with industry best practices and that the data and information supporting the stated mineral resources is sufficient for declaration of Measured, Indicated and Inferred classifications of resources. SRK considers the veins (including splays) and the MDZ to be of sufficient confidence for use in a mining study but recommends further work on the short scale variability within the porphyry be completed to confirm the current interpretation within areas of the existing mining infrastructure prior to use in any mining studies.

Mining and Reserves

UZ Mine Design

CaF is the current mining method used for the Veins and is appropriate for the deposit geometry. A modified longhole stoping method will be used for the Transition zone to take advantage of the bulk characteristics of the deposit.

Stope optimizations were run using a minimum CoG of 2.23 g/t Au for the Veins and 1.91 g/t Au for the Transition zone.

Access to the Veins is already established. Primary haulage is on level 18 and material from levels above is transferred down via existing ore passes. Material below level 18 is transported up via an incline or via the apiques. The main production apique is at level 22, a secondary production apique is at level 20 and will extend down to level 22.

The Transition zone is accessed via level 21 and level 22. A ramp will also connect the two levels as a secondary egress and ventilation exhaust.

Tonnage and grades presented in the reserve include dilution and recovery. Productivities are based on the current mine productivities

A quarterly/yearly production schedule was generated using iGantt software. The schedule targeted 1,500 t/d with a gradual ramp up to meet the upgraded mill capacity. There is also a 2 Mt/y permit limit of moved material, which limits the production of the UZ.

MDZ Mine Design

Longhole stoping is an appropriate mining method for the deposit geometry. Stopes are sized to be large enough to take advantage of bulk mining methods, yet small enough to maintain stability and minimize dilution.

Optimizations were run using various CoG to identify higher grade mining areas and understand the sensitivity of the deposit to CoG. Results show large quantities of lower grade material where a small increase/decrease in CoG has a material impact on the quantity of economic material available for design. A minimum CoG of 1.61 g/t Au was used for design/reserve. Higher grade stopes based on 3.5 g/t stope optimization results were designed as a first pass, with the lower grade stopes added as separate stopes. This allowed for scheduling of higher grade stopes first.

The MDZ is accessed through a decline drift with conveyor. Tonnage and grades presented in the reserve include dilution and recovery and are benchmarked to other similar operations. Productivities were generated from first principles with inputs from mining contractors, blasting suppliers, and equipment vendors where appropriate. The productivities were also benchmarked to similar operations. Equipment used in this study is standard equipment used world-wide with only standard package/automation features.

A quarterly/yearly production schedule was generated using iGantt software. The schedule targeted 4,000 t/d.

Geotechnical

The geotechnical investigation, laboratory tests and design are suitable for a PFS project level design. The proposed design parameters are acceptable for a PFS study only.

Empirical charts suggest that the side walls are located in unsupported transition zones, which could require some spot ground support for potential wedge formations depending on discontinuity persistence/continuity.

SRK used the Bieniawski, 1993, empirical chart to estimate the open stope stand-up time. A 10 m span stope can likely be open for one to six months without ground support.

Dilution was estimated using the empirical Clark and Pakalnis (1997) method. The thickness of external dilution is estimated as Equivalent Linear Overbreak/Slough (ELOS). The ELOS charts indicate that significant dilution is unlikely due to the good rock mass quality (RMQ). Wall damage would likely be associated with blasting overbreak. SRK considerers it relevant to conduct a blasting study during the FS to evaluate the degree of overbreak.

To estimate the backfill strength requirements, SRK applied the Mitchell et al, 1982 analytic solution which suggests that a backfill uniaxial compressive strength (UCS) of 1 megapascals (MPa) will be adequate to maintain backfill stability and prevent backfill from sloughing into the open stope. Negligible wall sloughing is anticipated.

Hydrogeology

The 3D groundwater flow model for the Marmato project was developed, reasonably calibrated to available measured water level and groundwater flow data, and used to make predictive simulations of:

- Passive inflow to the existing and planned deep underground mines
- Propagation of drawdown during proposed dewatering during mining
- Changes in groundwater discharge to rivers and creeks during mining

The model predicts that:

- The majority of inflow to the planned mine (up to 78 L/s with a possible range from 56 to 159 L/s) is expected from the upper levels above 730 m, where elevated hydraulic conductivity values of bedrock groundwater system were measured.
- Mine inflow to the MDZ planned mine below 730 m is predicted to be lower (15 L/s with upper limit of 34 L/s) due to reduced measured hydraulic conductivity with depth.
- The total maximum planned mine discharge is predicted to be up to 88 L/s, with a possible range from 61 to 167 L/s.
- Total maximum discharge into the entire mine complex, including flow to existing mine levels, is predicted to be up to 111 L/s, with a possible range from 89 to 168 L/s.
- Major sources of mine inflow are depletion of groundwater storage and capturing of groundwater discharge to surface water bodies (i.e., streams). The model does not predict reversing of hydraulic gradient between the mine area and the Cauca River and does not predict inflow to the mine from the river. However, further investigation of the structures and their hydrogeological role are needed to verify this conclusion.
- Lowering of the water table in the mine area of up to 140 m and drawdown propagation of up to 2 km away from the mine, assuming a 10-m drawdown extent

In SRK's opinion, the completed predictions are conservative, given the following:

- The model is based on extrapolation of the measured hydraulic conductivity values in mine area for entire model domain, including topographic highs areas outside of the mine area, where measured water levels are high and hydraulic conductivity values are most likely lower than in the mine area.
- The model uses high recharge from precipitation to calibrate the model to measured water levels, combined with geomean hydraulic conductivity values in discrete depth intervals that are derived from measured hydraulic conductivity values in the mine area.
- The model uses calibrated conductance values that reproduce measured inflow to the existing, relatively shallow mine for simulation of groundwater inflow to the deep underground developments of the planned mine.

- The model simulates no restriction of groundwater inflow to the backfilled stopes for Base Case and Maximum Inflow scenarios.

The completed analysis of available hydrogeological data and numerical groundwater modeling indicate that several uncertainties remain in understanding of the hydrogeology, including hydrogeological role of the faults, hydraulic properties of bedrock outside of the mine area, recharge estimates, spatial and vertical distribution of groundwater inflow to the current mine, water table elevation, and water level changes due to passive mine dewatering and seasonal changes in precipitation.

To reduce these uncertainties, SRK recommends completing the following additional hydrogeological investigations/analyses for the FS:

- Structural analysis of the geological features and faults outside of the mining area, with emphasis on potential connection to the Cauca River
- Detailed water balance and estimate of recharge from precipitation
- Detailed groundwater inflow mapping in existing developments
- Evaluation of the role of backfilling in reduction of groundwater inflow to the mine
- Improvement of mine discharge measurements at each level of the existing mine
- Re-survey existing monitoring locations, with emphasis on ground and collar elevations
- Installation of groundwater level monitoring network outside of mine area and along the river valley, including hydrogeological testing during construction of monitoring wells
- Detailed water level measurements to observe:
  - Drawdown propagation as result of mine dewatering
  - Seasonal variation as result of precipitation
- Additional large-scale hydraulic testing to identify zone of enhanced permeability related to Fault 2 (in areas where planned conveyor decline and egress ramp plan to intersect this fault at multiple locations/elevations) and Fault 1-3 (intersects planned stopes in multiple elevations). In addition, test the S. Ines Fault (intersects the planned stopes in the upper levels and part of the egress ramp)
- Drilling and hydraulic testing of pilot holes in places where ventilation declines are planned
- Updates to the developed numerical groundwater model based on above items to improve its predictability:
  - Better calibration of the model to water levels for future pore pressure predictions
  - Re-evaluation of pumping design based on updated inflow predictions
  - Evaluation of flow-through hydrogeological conditions during post-mining
- Groundwater chemistry sampling

Recovery Methods

An ore processing plant has been designed to process MDZ ore at the rate of 4,000 t/d using conventional processes that are standard to the industry including: primary and secondary crushing, SAG/ball mill grinding, gravity concentration, agitated cyanide leaching, carbon-in-pulp (CIP), gold elution, electrowinning and smelting to produce a final doré product.

Project Infrastructure

The existing infrastructure for the UZ operations is established and meets the project requirements. The addition of the water supply pumping system from the Cauca River will address potential water sourcing issues during drought seasons.

The new MDZ infrastructure includes the required access, power supply, water supply, tailings storage, and support facilities to support the production of 4,000 t/d from the new plant and mine.

A full understanding of the mine water and DSTF water requirements and runoff will allow for optimization of the site runoff pond and water treatment capacities.

<u>Tailings Management Facility</u>

SRK advanced the conceptual designs of DSTF 2 and DSTF 1 to a level sufficient for cost estimating. The designs include consideration of the following specific elements:

- Subgrade preparation include topsoil salvaging, removal of unsuitable material and excavation of stability benches and embankment keys
- Construction of rockfill starter embankments using a combination of imported and on-site borrow
- Construction of underdrain network and underdrain flow management
- Construction of seepage collection drains on dry stack benches and seepage management systems
- Construction of stormwater diversion and control channels
- Management of contact stormwater on dry stack top deck and return to process
- Access and haul roads between plant and DSTF 2 and DSTF 1
- Temporary storage area for filtered tailings
- Temporary holding pond for non-filtered tailings
- Topsoil and unsuitable soil stockpile area with underdrainage system

Currently identified risks and opportunities with respect to the costs developed for the PFS have been identified in relation to the following:

- The inability to characterize the foundation conditions beneath the conceptual DSTF footprints.
- Ongoing geochemical characterization of both waste rock and ore/tailings indicating some of the waste rock and tailings may be acid generating and therefore require special management considerations.
- Immediate characterization and analysis of Cascabels 1 and 2 to demonstrate compliance with internationally accepted standards of practice and provide for tailings management through commissioning of a new DSTF.
- More extensive testing of tailings to confirm tailings geotechnical characteristics and cement addition requirements.
- Stormwater maintenance requirements at both DSTF 1 and DSTF 2 constitute higher costs through operations and closure than is currently allowed for in the PFS costs.

Environmental Studies and Permitting

The following interpretations and conclusions have been drawn with respect to the currently available information provided for the Marmato Project:

- **Environmental Studies:** Baseline studies have been completed or are currently underway with respect to the existing facilities (additional tailings storage capacity request) and MDZ proposed expansion. These resource studies will be used for impact analysis and the development of mitigation actions and environmental management planning.
- **Environmental and Social Management**: Environmental and social issues are currently managed in accordance with the approved PMA and will likely need to be updated and/or modified for the proposed MDZ expansion project.
- **Monitoring:** Routine monitoring is currently conducted on seven domestic wastewater discharges and three non-domestic (industrial) wastewater discharges. Air quality emissions from the metallurgical laboratory and smelter are also monitored for: particulate matter (PM), sulphur dioxide (SO_2) nitrogen oxides (NO_X) and lead (Pb). The tailings are infrequently monitored for hazard classification purposes through a Corrosive, Reactive, Explosive, Toxic, Inflammable, Pathogen [biological] (CRETIP) program. The results of the monitoring are provided to Corpocaldas. This monitoring program will require significant modification to include the facilities for the proposed MDZ expansion project, and to bring it up to international best practice standards.

- **Geochemistry:** Acid-generating sulfide minerals identified in the deposit include pyrite, arsenopyrite, iron-bearing sphalerite, pyrrhotite, and chalcopyrite (SRK, 2017). Samples of groundwater discharging into the underground are predominantly acidic. The underground water samples contain elevated metal(loid) concentrations. While the tailings will be discharged with a neutral to alkaline supernatant, the tailings themselves will be potentially acid generating (PAG) with the potential to eventually overwhelm the alkaline supernatant and produce acid drainage in the long term. A waste rock analytical program completed in 2012 in support of an open mine design indicated that a significant fraction of waste rock could be potentially acid generating (KP, 2012).
- **Permitting**: Operations are permitted through the posting of an Environmental Management Plan (PMA) and secondary permits for use of water abstraction, forest use, air emissions, discharges and river course (channel) construction. The PMA for the current operations was originally approved in 2001. Minor modification of the PMA (including and environmental impact analysis) is currently underway as part of the request for additional tailings storage areas. Major modification of the PMA will be required for the MDZ expansion project.
- **Stakeholder Engagement**: CGM has conducted extensive stakeholder identification and analysis programs and has set stakeholder engagement objectives and goals to develop communications plans with government, community, media and small miners but CGM does not currently have a formal stakeholder engagement plan.
- **Closure Costs**: The reclamation and closure cost estimate provided for the current operations is approximately US$6.1 million, though there is considerable uncertainty surrounding the basis for this estimate. An additional US$3.1 million is estimated for the MDZ expansion facilities (assuming concurrent taili8ngs reclamation), for a total of US$9.2 million. A requirement for long-term post-closure water treatment, if any, could significantly increase this estimate.

There do not appear to be any other known environmental issues that could materially impact CGM's ability to conduct mining and milling activities at the site. Preliminary mitigation strategies have been developed to reduce environmental impacts to meet regulatory requirements and the conditions of the PMA.

Recommendations

Environmental Studies and Permitting

The following recommendations are made with respect to environmental, permitting and social issues regarding the Marmato Project:

Prepare a more detailed site-wide closure plan for the existing Marmato facilities, including building plans and equipment inventories) from which a more accurate final closure cost estimate can be developed.

Continue work on groundwater hydrogeology and surface water to better define the risk associated with potential groundwater contamination and underground dewatering impacts. A detailed evaluation, including a groundwater model, could provide information that would assist in forecasts of post-closure mine water discharge and possible long-term water treatment requirements. Such an investigation could also provide vital information on underground geotechnical stability, both during operations and post closure.

Characterization work should be completed on artisanal tailings and waste rock to understand their Acid Rock Drainage Medal Leaching (ARDML) potential and devise a long-term management plan.

A comprehensive baseline surface and groundwater sampling program will be important to establish the baseline condition and try to quantify the contributions from artisanal or pre-mining conditions, especially with respect to mercury from artisanal mining.

Substantial financial resources and technical specialist support will be required to implement the environmental monitoring and mitigation measures likely to be presented in the updated PMA for the expansion project.

Capital and Operating Costs

Marmato UZ is a currently operating underground mine, the estimate of capital includes some expansion capex to increase the mineral processing capacity and sustaining capital to maintain the equipment and all supporting infrastructure necessary to continue operations until the end of the projected production schedule. The estimate prepared for this study indicates that the Project requires a sustaining capital of US$54.8 million to support the projected production schedule throughout the LoM.

The MDZ is a lower part of the deposit that is undeveloped. Before CGM can exploit this part of the deposit it will have to expand the existing operation. The expansion is planned to be executed between the years of 2021 and 2023. The cost estimate indicates that the expansion will require an investment of US$269.4 million, this includes an estimated capital of US$237.2 million plus 13.6% contingency of US$32.2 million.

Ausenco prepared a detailed cost estimate for the MDZ mineral processing facility and other mine infrastructure but did not prepare an annual expenditure schedule for this capital.

SRK, Ausenco and CGM prepared the estimate of operating costs for the PFS's production schedule. The estimated operating cost for the Marmato UZ is US$76.12/t-ore and for the MDZ is US$57.10/t-ore

The estimated AISC, including sustaining capital, is US$880/Au-oz. Table 6-15 presents the breakdown of the Marmato AISC.

Table 6-15: LoM All-in Sustaining Cost Breakdown

LoM All-in Sustaining Cost Breakdown		
Mining	USD/Au-oz	408
Processing	USD/Au-oz	145
G&A	USD/Au-oz	102
Refining	USD/Au-oz	6
Royalty	USD/Au-oz	130
Sustaining Capital	USD/Au-oz	102
Silver Credit	USD/Au-oz	(14)
AISC	**USD/Au-oz**	880

SRK's standard Cash Cost reporting methodology for NI 43-101 reports includes smelting/refining costs; whereas CGM's basis of reporting treats these costs as a reduction of realized gold price (the refinery discounts the selling price by a factor to cover these charges) and excludes them from its reported "total cash cost per ounce".
Source: SRK, 2020

The following recommendations are made with respect to capital and operating costs of the Marmato Project:

- Prepare first principles estimate of capital and operating costs with enough accuracy to support future studies of the project, including:
  - Prepare cash flow model based on shorter periods of production
  - Prepare an expenditure curve for MDZ Mineral Processing and Site Infrastructure construction costs
  - Further detail the site-specific operating cost data and cost models to include fixed and variable nature of costs and detail the cost models to include breakdown by area and function
  - Improve cost models to include currencies used to estimate each cost and prepare sensitivity to currencies variability

Economic Analysis

The valuation results of the Marmato Project indicate that is has an after-tax IRR of 19.5% and an after-tax NPV of approximately US$256.1 million, based on a 5% discount rate and gold and silver prices of US$1,400/oz and US$17.00/oz respectively. The cash flow profile also shows a shorter payback for the investment required for the MDZ, bringing it back about a year to 2026. The operation is projected to have negative cash flows between the years 2020 and 2023, when the MDZ is installed, with payback for the expansion expected by 2026. LoM is projected to end in 2033 resulting in a total production of 1.87 Moz of gold and 1.57 Moz of silver in the form of doré bars containing both precious metals. Indicative economic results are presented in Table 6-16.

Table 6-16: Marmato Indicative Economic Results

LoM Cash Flow (Unfinanced)		
Total Revenue	USD	2,625,861,238
Mining Cost	USD	(761,539,531)
Processing Cost	USD	(270,396,073)
G&A Cost	USD	(190,857,579)
Total Opex	USD	(1,222,793,183)
Operating Margin	USD	1,403,068,055
Operating Margin Ratio	%	53%
Taxes Paid	USD	(210,374,619)
Free Cash Flow (before initial capital)	USD	760,268,116
Before Tax		
Free Cash Flow	USD	701,248,730
NPV @ 5%	USD	396,654,830
NPV @ 8%	USD	279,571,263
NPV @ 10%	USD	219,652,793
IRR	%	26%
After Tax		
Free Cash Flow	USD	490,874,111
NPV @ 5%	USD	256,075,253
NPV @ 8%	USD	167,009,205
NPV @ 10%	USD	121,855,455
IRR	%	19.5%
Payback	Year	2026

Source: SRK, 2020

The Project is a gold operation with a sub-product of silver, where gold represents 99% of the total projected revenue and silver the remaining 1%. The underground mining cost is the heaviest burden on the operation representing 62% of the operating cost, while processing costs represent 22% and G&A costs the remaining 16%.

The following recommendations are made with respect to the economic evaluation of the Marmato Project:

- The schedule prepared for Marmato UZ doesn't fully utilize its mineral processing capacity for several years of the life of mine. Investigate the possibility to expand the total mine movement permit to allow Marmato UZ to process its run of mine using its plant at full capacity, as this will very likely improve the overall project economics.

ITEM 7. DIVIDENDS AND DISTRIBUTIONS

Bluenose did not pay any dividends or distributions for the financial years ended June 30, 2017, 2018 and 2019 or during the period beginning July 1, 2019 and ending on the date of completion of the RTO Transaction.

Since the completion of the RTO Transaction on February 24, 2020, the Company has not paid any dividends or distributions. Except as otherwise disclosed herein or pursuant to the policies of the stock exchange on which the Common Shares are listed from time to time and the BCBCA, there are no restrictions on the Company that would prevent it from paying a dividend or distribution. However, the Company does not currently have a dividend or distribution policy in place.

ITEM 8. DESCRIPTION OF CAPITAL STRUCTURE

8.1 Authorized Share Capital

The authorized capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of Preferred Shares without par value. As at August 14, 2020 there were 77,520,440 Common Shares issued and outstanding as fully paid and non-assessable, and no Preferred Shares of the Company issued or outstanding.

8.2 Common Shares

The holders of Common Shares are entitled to receive notice of and to attend all meetings of the Shareholders of the Company and to one vote per Common Share held at meetings of the Shareholders. Subject to the rights of the holders of Preferred Shares, the holders of Common Shares are entitled to dividends if, as and when declared by the Board, and upon liquidation, dissolution or winding-up, to share equally in such assets of the Company as are distributable to the holders of Common Shares.

8.3 Preferred Shares

Preferred Shares may be issued in one or more series and, with respect to the payment of dividends and the distribution of assets in the event that the Company is liquidated, dissolved or wound-up, rank prior to the Common Shares. Preferred Shares of each series rank in parity with the Preferred Shares of every other series. The Board has the authority to issue Preferred Shares in series and determine the price, number, designation, rights, privileges, restrictions and conditions, including dividend rights, redemption rights, conversion rights and voting rights, of each series without any further vote or action by Shareholders. The holders of Preferred Shares do not have pre-emptive rights to subscribe for any issue of securities of the Company. Currently, the Company has no issued and outstanding Preferred Shares or plans to issue any such shares.

8.4 Warrants

8.4.1 2022 Broker Warrants

As of the date of this Annual Information Form, there are 125,550 2022 Broker Warrants outstanding. Each 2022 Broker Warrant is exercisable into one Common Share and one 2024 Warrant at an exercise price of $2.00 until December 19, 2022.

The 2022 Broker Warrants were issued in connection with the Brokered RTO Financing and rank *pari passu*, whatever may be the actual dates of issue of the certificates representing the 2022 Broker Warrants. The 2022 Broker Warrants are subject to, and the 2022 Broker Warrant certificates contain provisions for, adjustment to the exercise price and the number of Common Shares issuable upon the exercise of the 2022 Broker Warrants, including the amount and kind of securities or other property issuable upon exercise, upon the occurrence of certain stated events, including any subdivision or consolidation of the Common Shares, certain distributions of the Common Shares or securities exchangeable for or convertible into Common Shares, certain offerings of rights, options or warrants and certain capital reorganizations. The adjustments provided for in the 2022 Broker Warrant certificates are cumulative and shall be made successively whenever an event that triggers such adjustments occurs, subject to certain conditions.

8.4.2 2024 Warrants

As of the date of this Annual Information Form, there are 10,792,500 2024 Warrants outstanding. Each 2024 Warrant is exercisable into one Common Share at an exercise price of $3.00 until December 19, 2024.

The 2024 Warrants were issued (or may become issuable upon the exercise of the 2022 Broker Warrants) pursuant to the RTO Warrant Indenture in connection with the Brokered RTO Financing and the Non-Brokered RTO Financing. The 2024 Warrants rank *pari passu*, whatever may be the actual dates of issuance. The RTO Warrant Indenture contains provisions for adjustment to the exercise price and the number of Common Shares issuable upon the exercise of the 2024 Warrants, including the amount and kind of securities or other property issuable upon exercise, upon the occurrence of certain stated events, including any subdivision or consolidation of the Common Shares, certain distributions of the Common Shares or securities exchangeable for or convertible into Common Shares, certain offerings of rights, options or warrants and certain capital reorganizations. The adjustments provided for in the RTO Warrant Indenture are cumulative and shall be made successively whenever an event that triggers such adjustments occurs, subject to certain conditions.

8.4.3 Special Warrants

As of the date of this Annual Information Form, there are 22,222,222 Special Warrants Outstanding. The Special Warrants were issued pursuant to the Special Warrant Indenture in connection with the 2020 Special Warrant Private Placement. The Special Warrants rank *pari passu* regardless of the date of actual issue.

Each Special Warrant entitles the holder thereof to receive one Special Warrant Unit on the exercise or deemed exercise of the Special Warrant, with each Special Warrant Unit comprising: (i) one Common Share, and (ii) one 2025 Warrant, subject to adjustment upon the occurrence of certain events as set out in the Special Warrant Indenture.

Each 2025 Warrant will be issued pursuant to the 2025 Warrant Indenture and will be exercisable to acquire one Common Share until July 29, 2025, at a price of $2.75 per Common Share, subject to adjustment in certain events as set out in the 2025 Warrant Indenture. The Company may accelerate the expiry date of the 2025 Warrants after July 29, 2023 in the event that the closing price of the Common Shares on the TSX-V (or such other exchange on which the Common Shares may principally trade at such time) is greater than $2.75 per share for a period of 20 consecutive trading days, by the Company giving notice to the holders of 2025 Warrants of the acceleration of the expiry date and issuing a concurrent press release announcing same and, in such case, the 2025 Warrants will expire on the 30th day following the date on which such notice is given and press release issued.

The Special Warrants are exercisable at any time for no additional consideration and all unexercised Special Warrants will be deemed to be exercised and surrendered, without any further action or payment of additional consideration by the holder thereof, at 5:00 p.m. (Toronto time) on the earlier of: (a) November 30, 2020, and (b) the fifth business day after a receipt (or deemed receipt) is issued for the Final Qualification Prospectus by the securities regulatory authorities in each of the Provinces of Canada, except Quebec, qualifying for distribution the Common Shares and 2025 Warrants issuable upon the exercise of the Special Warrants. The Company will use commercially reasonable efforts to obtain such receipt on or prior to September 21, 2020. The Special Warrants, and any Common Shares and 2025 Warrants issued upon exercise thereof prior to the issuance of a receipt for the Final Qualification Prospectus, will be subject to resale restrictions under applicable Canadian securities laws expiring on November 30, 2020.

If the Company fails to obtain a receipt for the Final Qualification Prospectus from the securities regulatory authorities in each of the Provinces of Canada, except Quebec, by September 21, 2020, the holders of Special Warrants will be entitled to receive an additional number of Special Warrant Units equal to 10% of the number of Special Warrant Units issuable upon the exercise or deemed exercise of the Special Warrants, resulting in each Special Warrant being exercisable into 1.1 Special Warrant Units.

ITEM 9. MARKET FOR SECURITIES

9.1 Trading Price and Volume of the Common Shares

The Common Shares are listed on the TSX-V under the trading symbol "CGC" and traded on the OTCQX under the symbol "ALLXF". The closing price of the Common Shares on August 14, 2020, the last trading day prior to the date of this Annual Information Form, was $2.68 on the TSX-V and US$1.88 on the OTCQX.

Prior to the completion of the RTO Transaction, the Common Shares traded on the NEX Board. Trading of the Common Shares on the NEX Board was halted on October 4, 2019 in connection with the announcement of the RTO Transaction. The Common Shares remained halted pending completion of the RTO Transaction.

On February 28, 2020, following the receipt of final approval of the TSX-V for the RTO Transaction, the Common Shares commenced trading on the TSX-V under the symbol "CGC" as a Tier 1 Mining Issuer. The following table sets out the market price ranges and trading volumes of the Common Shares on the NEX Board or TSX-V, as applicable, for the periods indicated, as reported by the TSX-V.

Date	High	Low	Aggregate Volume
July 2020	3.000	2.290	932,926
June 2020	2.680	1.750	476,124
May 2020	2.200	1.800	178,747
April 2020	2.190	1.320	174,997
March 2020	2.300	1.300	2,033,739
February 2020(1)	2.050	1.800	620,730
January 2020	N/A	N/A	N/A
December 2019	N/A	N/A	N/A
November 2019	N/A	N/A	N/A
October 2019(2)(3)	0.140	0.130	243,700
September 2019	0.160	0.130	556,518
August 2019	0.155	0.115	488,957
July 2019	0.165	0.120	5,124,838
June 2019	0.140	0.110	976,917
May 2019	0.165	0.115	300,899
April 2019	0.175	0.120	1,090,500
March 2019	0.200	0.145	942,850
February 2019	0.190	0.115	625,299
January 2019	0.150	0.090	978,333

Notes:
(1) Trading of the Company's Common Shares resumed on February 28, 2020.
(2) Trading of Bluenose Shares on the NEX Board was halted on October 4, 2019. Prior to such date, the Bluenose Shares were listed on the NEX Board.
(3) Trading history prior to October 4, 2019 relates to Bluenose Shares on a pre-Share Consolidation basis.

9.2 Prior Sales

The following table sets forth all issuances of securities by the Company during the 12-month period preceding the date of this Annual Information Form.

Date Issued	Type of Security	Amount Issued	Issue Price / Exercise Price
July 29, 2020	Special Warrants(1)	22,222,222	$2.25
July 2, 2020	Common Shares(2)	20,000,000	$2.00
July 2, 2020	Common Shares(3)	25,000	$2.10
June 30, 2020	Common Shares(4)	7,000,000	$2.00
June 26, 2020	Options	160,000	$2.50
March 1, 2020	Options	4,550,000	$2.00
February 24, 2020	2022 Broker Warrants(5)	125,550	$2.00
February 24, 2020	2024 Warrants(6)	10,792,500	$3.00
February 6, 2020	Bluenose Shares(7)(8)(9)	500,000	$0.075
November 4, 2019	Bluenose Shares(7)(8)(9)	2,000,000	$0.075

Notes:

(1) Issued in connection with the 2020 Special Warrant Private Placement. See "General Development of the Business – Subsequent Developments – 2020 Special Warrant Private Placement".

(2) Issued in connection with the Juby Acquisition. See "General Development of the Business – Subsequent Developments – Completion of Juby Acquisition".

(3) Issued in connection with the exercise of Options.

(4) Issued to Gran Colombia pursuant to the 2020 Non-Brokered Private Placement. See "General Development of the Business – Subsequent Developments – $14,000,000 Private Placement to Fund Juby Acquisition".

(5) Issued in connection with the Brokered RTO Financing. See "General Development of the Business – 2019 – Brokered RTO Financing".

(6) Issued in connection with the Brokered RTO Financing and the Non-Brokered RTO Financing. See "General Development of the Business – 2019 – Brokered RTO Financing" and "General Development of the Business – Subsequent Developments – Non-Brokered RTO Financing".

(7) Issued on exercise of outstanding stock options of the Company issued prior to the completion of the RTO Transaction.

(8) On a pre-Share Consolidation basis.

(9) Issued prior to the completion of the RTO Transaction.

ITEM 10. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table summarizes details of the Company's securities, to the Company's knowledge, in escrow or that are subject to a contractual restriction on transfer as of August 14, 2020, the last business day prior to the date of this Annual Information Form:

Designation of Class	Number of Securities Held in Escrow or Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares	48,108,071(1)(2)(3)(4)(5)	62.06%
2024 Warrants	340,000(4)	3.15%
Options	3,100,000(4)	61.51%
Special Warrants	917,444(4)	4.13%

Notes:

(1) In connection with the RTO Transaction, an aggregate of 36,640,100 Common Shares held by certain "principals" of the Company were placed into escrow pursuant the RTO Escrow Agreement, whereby 25% of such escrowed

shares were released from escrow upon the completion of the RTO Transaction and an additional 25% will be released on the dates that are 6, 12 and 18 months following the date of completion of the RTO Transaction. Odyssey Trust Company acts as the escrow agent in respect of the RTO Escrow Agreement. As of the date of this Annual Information Form, 27,480,075 Common Shares continue to be held in escrow pursuant to the RTO Escrow Agreement.

(2) In connection with the RTO Transaction, certain Shareholders of the Company entered into voluntary lock-up agreements, pursuant to which an aggregate of 5,780,500 Common Shares (on a post-Share Consolidation basis) were locked up commencing on the closing date of the RTO Transaction and ending on January 31, 2022 (subject to acceleration by the Board).

(3) In connection with the closing of the Juby Acquisition, certain shareholders of SARC entered into voluntary lock-up agreements, pursuant to which an aggregate of 17,462,000 Common Shares were locked up commencing on the closing date of the Juby Acquisition and ending on July 2, 2022.

(4) In connection with the closing of the 2020 Special Warrant Private Placement, each of the officers and directors of the Company entered into voluntary lock-up agreements, pursuant to which an aggregate of 600,496 Common Shares, 340,000 2024 Warrants, 917,444 Special Warrants and 3,100,000 Options were locked up commencing on the closing date of the 2020 Special Warrant Private Placement and ending on October 27, 2020.

(5) Common Shares held by certain officers and directors of the Company are subject to multiple restrictions on transfer, which may cause the total not to match the sum of Common Shares subject to restrictions on transfer noted in each of the footnotes above.

ITEM 11. DIRECTORS AND OFFICERS

As of the date of this Annual Information Form, the directors and executive officers of the Company (as a group) owned, or exerted direction or control over, directly or indirectly, a total of 600,496 Common Shares, representing approximately 0.77% of the Company's total issued and outstanding Common Shares on a non- diluted basis.

The following table sets forth, as of the date hereof, the name and municipality of residence of each director and executive officer of the Company, as well as such individual's position within the Company, principal occupation within the five preceding years and number of Common Shares beneficially owned by each such director or executive officer. Information as to residence, principal occupation and ownership of Common Shares is based upon information furnished by the person concerned and is as at the date of this Annual Information Form. Each director will hold office until the Company's next annual general meeting. The Board, after each annual meeting of the Shareholders of the Company and as necessary throughout the year, appoints the Company's officers and committees for the ensuing year.

Name, Municipality of Residence and Current Position with the Company	Director Since	Present Principal Occupation or Employment (including all officer positions currently held with the Company), Principal Occupation or Employment for the Past Five Years or more, and Other Current Public Directorships[1]	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised [2]	Percentage of Common Shares Held
Serafino Iacono[3] Panama City, Panama Chief Executive Officer, Chair	February 24, 2020	Mr. Iacono has served as the Interim Chief Executive Officer and as the Chair of the Company since February 24, 2020. He has served as the Executive Chair of the board of directors of Gran Colombia since March 27, 2019 and was the Executive Co-Chair of Gran Colombia from August 20, 2010 to March 27, 2019. He has served as a director of CruzSur Energy Corp. since June 3, 2019. Mr. Iacono previously served as the Executive Co-Chair of the board of Directors of Pacific Exploration & Production Corporation from January 23, 2008 to November 2, 2016 and the Interim Chief Executive Officer and President of Medoro Resources Ltd. From September 2010 to June 10, 2011. He is the Chair of Western Atlas Resources Inc. Mr. Iacono is a member of the ESG Committee of the Board.	250,000	0.32%
Lombardo Paredes Arenas[3] Medellin, Colombia President, Director	February 24, 2020	Mr. Paredes has served as a director of the Company since February 24, 2020 and as the Chief Executive Officer of Gran Colombia since February 1, 2014. Mr. Arenas has also served as a director of Western Atlas Resources Inc. since January 10, 2020 and as a director of Gold X Mining Corp. since July 20, 2018. Previously, Mr. Paredes worked as an Independent Consultant from 2005 until January 2014. Mr. Paredes also held a number of positions at Petróleos de Venezuela and its affiliates from 1975 to 1998. Mr. Paredes is a member of the ESG Committee of the Board.	Nil	0%
Hernan Juan Jose Martinez Torres[4][5] Barranquilla, Colombia Director	February 24, 2020	Mr. Martinez has served as director of the Company since February 24, 2020 and as a director of Gran Colombia since June 10, 2011. Mr. Martinez served as Minister of Mines in Colombia from July 2006 to August 2010, was President of Atunec S.A. from August 2002 to July 2006, and held a number of positions at Exxon Mobil Colombia S. A. from 1964 to 2002. Mr. Martinez has served as the Executive Chair and as a director of Caribbean Resources Corporation since September 4, 2012 and served as a director of Pacific Exploration & Production Corporation from 2011 to November 2016. Mr. Martinez is the member of Audit Committee and the CCGNC of the Board.	234,600	0.30%

Name, Municipality of Residence and Current Position with the Company	Director Since	Present Principal Occupation or Employment (including all officer positions currently held with the Company), Principal Occupation or Employment for the Past Five Years or more, and Other Current Public Directorships(1)	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised (2)	Percentage of Common Shares Held
Robert Doyle(4)(5) Toronto, Canada Director	February 24, 2020	Mr. Doyle has served as a director of the Company since February 24, 2020. He has also served as a director of Golden Star Resources Ltd. since February 2010 and of Mandalay Resources Corporation since April 21, 2010. From January 2008 to October 2009, Mr. Doyle was Chief Executive Officer of Medoro Resources Ltd. and was Executive Vice President prior to that. Mr. Doyle also served as a director of Gran Colombia from June 10, 2011 to July 22, 2013. From May 2010 to August 2018, Mr. Doyle was a director of Detour Gold Corporation. Previously, Mr. Doyle was the Chief Financial Officer of several companies including Pacific Stratus Energy Corp., Coalcorp Mining Inc., Bolivar Gold Corp. and HMZ Metals Inc. Mr. Doyle is the Chair of the Audit Committee and of the CCGNC of the Board.	Nil	0%
Miguel de la Campa(5) Lisbon, Portugal Director	February 24, 2020	Mr. de la Campa has served as a director of the Company since February 24, 2020. He has served as director and Vice Chair of the board of Gran Colombia since March 27, 2019 and was the Executive Co-Chair of the board of Gran Colombia from August 20, 2010 to March 27, 2019. He has also served as a director of Western Atlas Resources Inc. since October 9, 2019. Mr. de la Campa was the Executive Co-Chair of the board of Pacific Exploration & Production Corporation from January 23, 2008 to November 2, 2016. Previously, Mr. de la Campa was the President and co-founder of Bolivar Gold Corp., a director of PetroMagdalena Energy Corp. and a co-founder of Pacific Stratus Energy. Mr. de la Campa is a member of the CCGNC of the Board.	90,000	0.12%
Belinda Labatte(3) Toronto, Canada Director	June 25, 2020	Ms. Labatte has served as a director of the Company since June 25, 2020. Ms. Labatte has served as the Chief Development Officer of Mandalay Resources since April 2017 and on the board of directors of Rambler Metals and Mining plc since 2016. She founded The Capital Lab Inc. in 2005 and has served on the board of directors of the Prospectors and Developers Association of Canada since March 2015. Ms. Labatte has an MBA from the Rotman School of Management, University of Toronto and is a CFA charter holder. Ms. Labatte has extensive experience with global IR and capital markets advisory mandates, transaction negotiations and implementing corporate responsibility, risk and crisis management strategies within the extractive sector. She has been a member of the Institute of Corporate Directors and has held the ICD.D designation since June 2018. Ms. Labatte is the Chair of the ESG Committee of the Board.	896	0.001%

Name, Municipality of Residence and Current Position with the Company	Director Since	Present Principal Occupation or Employment (including all officer positions currently held with the Company), Principal Occupation or Employment for the Past Five Years or more, and Other Current Public Directorships[1]	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised [2]	Percentage of Common Shares Held
Humberto Calderon Berti[4] Madrid, Spain Director	June 25, 2020	Mr. Calderon has served as a director of the Company since June 25, 2020. Mr. Calderon was the Ambassador of Venezuela in Colombia from February 2011 to 2019. Prior thereto he was the President of the board of directors of Vetra E&P Colombia from 2015 to 2019 and the President of Vetra Energia SL from 2003 to 2015. Mr. Calderon previously served as the President of Petróleos de Venezuela, S.A. from 1983 to 1984, the Minister of Mines and Hydrocarbons in Venezuela from 1979 to 1983 and the President of the Organization of Petroleum Exporting Countries (OPEC) from 1979 to 1980. Mr. Calderon is a Geologist with a M.Sc. in Petroleum Engineering. Mr. Calderon is a member of the Audit Committee of the Board.	Nil	0%
Michael Davies Burlington, Canada Chief Financial Officer	N/A	Michael Davies has served as the Chief Financial Officer of the Company since February 24, 2020. Mr. Davies has served as the Chief Financial Officer of Gran Colombia since August 20, 2010. Mr. Davies is a Chartered Accountant (Ontario) and has a Bachelor of Commerce degree from the University of Toronto. For more than the previous twenty years he has gained extensive international and public company experience in financial management, strategic planning and external reporting. Mr. Davies was the Chief Financial Officer of PetroMagdalena Energy Corp. from July 13, 2009 to July 27, 2012. His diverse background also includes senior finance roles with several public companies, including LAC Minerals, IMAX Corporation, Amtelecom Communications, Energentia Resources, Pamour Inc. and Giant Yellowknife Mines.	25,000	0.003%
Amanda Fullerton Toronto, Canada Corporate Secretary	N/A	Amanda Fullerton has served as the Corporate Secretary of the Company since February 24, 2020. Ms. Fullerton has served as the Vice-President, Legal & Assistant Secretary of Gran Colombia since March 25, 2019. She was a Vice President, Legal (and prior thereto, Associate, Legal) of Macquarie Capital Markets Canada Ltd. from March 24, 2014 to March 22, 2019. Prior thereto, Ms. Fullerton was an associate with Fasken Martineau DuMoulin LLP from September 2008 to March 2011 and MacLeod Dixon LLP (now Norton Rose Fulbright LLP) from March 2011 to March 2014 and practiced in the areas of corporate finance, mergers and acquisitions and corporate/commercial law focused primarily on the mining industry.	Nil	0%

Name, Municipality of Residence and Current Position with the Company	Director Since	Present Principal Occupation or Employment (including all officer positions currently held with the Company), Principal Occupation or Employment for the Past Five Years or more, and Other Current Public Directorships(1)	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised (2)	Percentage of Common Shares Held
Robert Parr **Perth, Australia** Chief Operating Officer	N/A	Robert Parr has served as the Chief Operating Officer of the Company since March 28, 2020. Mr. Parr previously served as the General Manager – Technical Services for Tin Htay International Energy and Mining Services from July 2019 to March, 2020, the Chief Operating Officer of SFTP Mining SA, West Africa from January 2018 to June 2019, the Project Director of Perseus Mining Pty Ltd from August 2016 to December 2017 and the Director and Principal Mining Engineer of RPMining Pty Ltd from August 2013 to March 2016.	Nil	0%

Notes:
(1) The information as to principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
(2) The information as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, or over which control or direction is exercised not being within the knowledge of the Company, has been furnished by the respective directors individually.
(3) Member of the ESG Committee.
(4) Member of the Audit Committee.
(5) Member of the CCGNC.

11.1 Corporate Cease Trade Orders

Except as described below, no director or executive officer of the Company, is, or within the ten years prior to the date hereof, has been, a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemptions under securities legislation for a period of more than 30 consecutive days while such director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of the Company being the subject of such order, or that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer in the Company being the subject of such order and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of the subject company.

Mr. Martinez is a director and the Executive Chair of Caribbean Resources Corporation (formerly Pacific Coal Resources Ltd.) in which he was subject to a management cease trade order (since lifted) due to that company's default in filing its annual financial statements, management's discussion and analysis, and certifications for the period ending December 31, 2014, which were due to be filed on April 30, 2015, as required under NI 51-102. Such documents were subsequently filed with the applicable securities regulators on June 15, 2015. However, that company continued to be under a management cease trade order due to its default in filing its interim financial statements and management's discussion and analysis, and certifications for the period ending March 31, 2015, which were due to be filed on June 15, 2015 and were subsequently filed on June 29, 2015. With the approval of the Ontario Securities Commission, Caribbean Resources Corporation ceased to be a reporting issuer on April 14, 2016.

11.2 Corporate Bankruptcies

Except as described below, no director or executive officer, or a Shareholder holding a sufficient number of securities in the capital of the Company to affect materially the control of the Company, is or within ten years prior to the date hereof, has been a director or executive officer of any company (including Gran Colombia), that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Martinez was a director and Messrs. Iacono and de la Campa were directors and Executive Co-Chairs of Pacific Exploration & Production Corporation, which undertook a comprehensive recapitalization and financing transaction that was implemented pursuant to a proceeding under the *Companies Creditors' Arrangement Act*, together with appropriate proceedings in Colombia under Ley 1116 of 2006 and in the United States under chapter 15 of title 11 of the United States Code, ultimately implemented by way of a plan of arrangement and compromise on November 2, 2016. Effective November 2, 2016, Messrs. Iacono, de la Campa and Martinez resigned from the board and effective October 31, 2016, Messrs. Iacono and de la Campa retired from their positions as Executive Co-Chairs.

Mr. Iacono was a director of US Oil Sands Inc. from October 2013 until his resignation in June 2017. On September 14, 2017, the Court of Queen's Bench, Alberta granted the application of the primary creditor of US Oil Sands Inc. to appoint a receiver and manager over all the assets, undertakings and property of US Oil Sands Inc. Such appointment continues as of the date hereof.

11.3 Penalties or Sanctions

No director or executive officer of the Company, and no Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

11.4 Personal Bankruptcies

No director or executive officer of the Company, or a Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, nor any personal holding company of any such person, has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

The information in the foregoing sections entitled "Cease Trade Orders", "Corporate Bankruptcies", "Penalties or Sanctions" and "Personal Bankruptcies", has been furnished by the respective directors and/or officers of the Company individually, and are not within the knowledge of the Company.

11.5 Conflicts of Interest

There are potential conflicts of interest to which the directors or officers of the Company or its subsidiaries may be subject to in connection with the operations of the Company. All of the directors and some of the officers are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the business of the Company. Accordingly, situations may arise where the directors and officers will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA. As of the date of this Annual Information Form, the directors and officers of the Company are not aware of the existence of any such conflicts of interest.

The Company's directors and officers may serve as directors or officers of other companies, such as Gran Colombia, or have significant shareholdings in other resource companies, such as Gran Colombia, and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. If such conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for the participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the Company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

ITEM 12. PROMOTERS

Gran Colombia has acted as a "promoter" (as that term is defined in the *Securities Act* (Ontario)) of the Company within the two years preceding the date of this Annual Information Form, having taken part in reorganizing the business of the Company and having received, as consideration for the sale of the Caldas Marmato Project to the Company and in connection with the RTO Tranaction, more than 10% of the Common Shares of the Company. Gran Colombia beneficially owns, directly or indirectly, 44,547,100 Common Shares, which represent approximately 57.5% of the issued and outstanding Common Shares. Gran Colombia also owns 7,500,000 2024 Warrants, and 8,888,889 Special Warrants.

Except as described herein, nothing of value, including money, property, contracts, options or rights of any kind has been received or will be received by Gran Colombia, direclty or indirectly, from the Company. See "*Description of the Business – Production – Caldas Marmato Project Operations – Croesus Operating Agreement*" and "*Market for Securities – Prior Sales*".

No asset has been acquired with the two most recently completed financial years or during the current financial year, or is planned to be acquired, by Caldas, directly or indirectly, from Gran Colombia, except for the Caldas Marmato, which was acquired by the Company in the RTO Transaction. In consideration for the Caldas Marmato Project, the Company issued 28,750,100 Common Shares to Gran Colombia at a deemed issue price of $2.00 per Common Share or $57,500,200 in total (the "**Caldas Marmato Project Purchase Price**"). The Caldas Marmato Project Purchase Price was determined according to an independent valuation prepared by GMP Securities L.P. in connection with the RTO Transaction.

ITEM 13. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

13.1 Legal Proceedings

Except as disclosed herein, management is not aware of any current or contemplated material legal proceedings to which the Company is a party or which any of its property is the subject. From time to time, the Company may be the subject of litigation arising out of the Company's operations. Damages claimed under such litigation may be material or may be indeterminate and the outcome of such litigation may materially impact the Company's financial condition or results of operations. While the Company assesses the merits of each lawsuit and defends itself accordingly, the Company may be required to incur significant expenses or devote significant resources to defend itself against such litigation. These claims (if any) are not currently expected to have a material impact on the Company's financial position.

In connection with the MVPR Supply Agreement, on April 29, 2019, MVPR International Inc. initiated a request for arbitration to settle a dispute in respect of the MVPR Supply Agreement by way of arbitration proceedings pursuant to which it made claims for certain damages. On December 13, 2019, Gran Colombia and Caldas Finance entered into an indemnity agreement whereby Gran Colombia agreed to indemnify and hold harmless Caldas Finance in the event any amounts are awarded to MVPR International Inc. pursuant to the MVPR Supply Agreement or arbitration proceedings.

13.2 Regulatory Actions

There have been no penalties or sanctions imposed against the Company by a court relating to provincial or territorial securities legislation or by a securities regulatory authority during the most recently completed financial year of the Company.

There have been no penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor making an investment decision.

The Company has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulator during the most recent completed financial year of the Company.

ITEM 14. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described below, no director or executive officer of the Company or any Shareholder beneficially owning or controlling, directly or indirectly, more than 10% of the issued and outstanding Common Shares, or another of their respective associates or affiliates, has any material interest, direct or indirect, in any transactions within the three most recently completed financial years or during the current financial year or any proposed transactions which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

The Company may, on occasion, enter into transactions with other entities within the same group or with parties that have overlapping shareholders, directors or other related parties. Related party transactions may provide the Company with benefits or better terms than those that are available from arms' length parties. However, it is also possible that these transactions may benefit the related party while providing little or no benefit to the Company. In some cases, the Company's controlling Shareholders, if any, may have certain interests that do not fully align with its minority Shareholders and which may harm non-related investors. Also, as an issuer operating in an emerging market, the Company could be subject to increased risk with regard to such related party transactions due to business practices, cultural norms and legal requirements in Colombia that differ from North American standards and which may impact the Company's operations and financial results. As such, the Board is responsible for managing any increased risk from operations which disproportionately advance the interests of the controlling Shareholders at the expense of minority Shareholders. Management and the Board are responsible for the identification and monitoring of any related party transactions to prevent potential risk and protect investors and have implemented policies and procedures, and will continue to refine such policies and procedures, in order to continue to provide such prevention and protection.

ITEM 15. TRANSFER AGENT AND REGISTRAR

Odyssey Trust Company at United Kingdom Building, 323 – 409 Granville St., Vancouver, BC V6C 1T2, is the transfer agent and registrar for the Common Shares.

ITEM 16. MATERIAL CONTRACTS

The Company did not enter into any material contracts during the most recently completed financial year, and has not entered into any material contract before the most recently completed financial year that is still in effect, other than material contracts entered into in the ordinary course of business that are not required to be filed under NI 51-102 and the contracts set forth below:

a) The Croesus Operating Agreement. See "*Description of the Business – Production – Caldas Marmato Project Operations – Croesus Operating Agreement*" for details.

b) The Amalgamation Agreement. See "*General Development of the Business - Subsequent Developments – The RTO Transaction*" for details.

c) The RTO Warrant Indenture. See "*Description of Capital Structure – Warrants – 2024 Warrants*" for details.

d) The RTO Escrow Agreement. See "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*" for details.

e) The Juby Project Amalgamation Agreement. See "*General Development of the Business – Subsequent Developments – Completion of Juby Acquisition*" for details.

f) The Underwriting Agreement. See "*General Development of the Business – Subsequent Developments – 2020 Special Warrant Private Placement*" for details.

g) The Special Warrant Indenture. See "*Description of Capital Structure – Warrants – Special Warrants*" for details.

h) The 2025 Warrant Indenture. See "*Description of Capital Structure – Warrants – Special Warrants*" for details.

ITEM 17. INTERESTS OF EXPERTS – AUDITORS AND QUALIFIED PERSONS

The Company's independent auditor is KPMG LLP, Chartered Professional Accountants, at its office located at 333 Bay Street, Suite 4600, Toronto, Ontario M5H 2R2. KPMG LLP is independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation. KPMG LLP was first appointed as the Company's auditor on May 5, 2020.

The former independent auditor of the Company, prior to May 5, 2020, was Manning Elliott LLP at its office located at 1030 West Georgia Street, Suite 1700, Vancouver, British Columbia V6E 2Y3. Manning Elliott LLP was independent to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

The 2020 Marmato Technical Report was prepared by Ben Parsons, MSc, MAusIMM (CP), Eric J. Olin, MSc Metallurgy, MBA, SME-RM, MAusIMM, Fernando Rodrigues, BS Mining, MBA, MAusIMM, MMSAQP, Jeff Osborn, BEng Mining, MMSAQP, Joanna Poeck, BEng Mining, SME-RM, MMSAQP, Fredy Henriquez MS Eng, SME, ISRM, Breese Burnley P.E., Cristian A Pereira Farias, SME-RM, David Hoekstra, BS, PE, NCEES, SME-RM, David Bird, PG, SME-RM, Mark Allan Willow, MSc, CEM, SME-RM and Tommaso Roberto Raponi, P.Eng, each of whom is a "qualified person" for the purposes of NI 43-101. To management's knowledge, as of the date hereof, the authors of the 2020 Marmato Technical Report do not have any registered or beneficial interests, direct or indirect, in any securities or other property of the Company.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

ITEM 18. AUDIT COMMITTEE INFORMATION

18.1 The Audit Committee's Charter

The full text of the Company's Audit Committee Charter is appended hereto as Appendix "A".

18.2 Composition of the Audit Committee and Relevant Education and Experience

The Audit Committee is currently comprised of three directors of the Company: Robert Doyle, Hernan Martinez and Humberto Calderon Berti. Each member of the Audit Committee is independent and financially literate for purposes of NI 52-110. Each has numerous years' business experience and each has held or currently holds executive positions that require oversight and understanding of the accounting principles underlying the preparation of the Company's financial statements and is aware of the internal controls and other procedures necessary for financial control and reporting.

Robert Doyle

Mr. Doyle has over 40 years of experience in all facets of international resource exploration, development and production. Mr. Doyle is currently a director of Golden Star Resources Ltd. and Mandalay Resources Corporation. From January 2008 to October 2009, Mr. Doyle was Chief Executive Officer of Medoro Resources Ltd. and was Executive Vice President prior to that. Mr. Doyle also served as a director of Gran Colombia from June 10, 2011 to July 22, 2013. From May 2010 to August 2018, Mr. Doyle was a director of Detour Gold Corporation and has served as a member of the audit committee of a number of companies, including Golden Star Resources Ltd., Mandalay Resources Corporation and Detour Gold Corporation. Previously, Mr. Doyle was the Chief Financial Officer of several companies including Pacific Stratus Energy Corp., Coalcorp Mining Inc., Bolivar Gold Corp. and HMZ Metals Inc. In addition, he was previously a gold market analyst at RBC Capital Markets and Credit Suisse First Boston. Mr. Doyle holds CPA, CA and C.Dir designations and graduated with an HBA in Business Administration from the Ivey School of Business, University of Western Ontario.

Hernan Martinez

Mr. Martinez has been a director of Gran Colombia since June 10, 2011 and the Executive Chair and a director of Caribbean Resources Corporation since September 4, 2012. Mr. Martinez served as the Colombian Minister of Mines and Energy from July 2006 to August 2010 and he has also served as President of International Colombia Resources Corporation, Chair of the Board of Atunec S.A., President and Chief Executive Officer of Exxon Mobil Colombia S.A., and Manager of Corporate Planning for Esso Colombiana S.A. Mr. Martinez was previously a director of several private and public companies, including CB Gold Ltd., Ecopetrol and Pacific Exploration & Production Corporation. Mr. Martinez has also served as Council President and Representative of the President of Colombia at the National Hydrocarbons Agency. Mr. Martinez holds a degree in Chemical Engineering from Universidad Pontificia Bolivariana, and specialized in Petroleum Management at Northwestern University.

Humberto Calderon Berti

Mr. Calderon has served as a director of the Company since June 25, 2020. Mr. Calderon was the Ambassador of Venezuela in Colombia from February 2011 to 2019. Prior thereto he was the President of the board of directors of Vetra E&P Colombia from 2015 to 2019 and the President of Vetra Energia SL from 2003 to 2015. Mr. Calderon previously served as the President of Petróleos de Venezuela, S.A. from 1983 to 1984, the Minister of Mines and Hydrocarbons in Venezuela from 1979 to 1983 and the President of the Organization of Petroleum Exporting Countries (OPEC) from 1979 to 1980. Mr. Calderon is a Geologist with a M.Sc. in Petroleum Engineering.

18.3 Audit Committee Oversight

The Audit Committee is mandated to monitor audit functions, the preparation of financial statements, review press releases on financial results, review other regulatory documents as required, and meet with outside auditors independently of management. At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

18.4 Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in Subsection 2.4 (De Minimis Non-Audit Services), Subsection 6.1.1(4)

(Circumstances Affecting the Business or Operations of the Venture Issuer), Subsection 6.1.1(5) (Events Outside Control of Member), Subsection 6.1.1(6) (Death, Incapacity or Resignation) or Part 8 (Exemption), each in respect of NI 52-110.

18.5 Pre-Approval Policies and Procedures

The Company has adopted policies and procedures with respect to the pre-approval of audit and permitted non-audit services by KPMG LLP. The Audit Committee has established a budget for the provision of a specified list of audit and permitted non-audit services that the Audit Committee believes to be typical, recurring or otherwise likely to be provided by KPMG LLP. The budget generally covers the period between the adoption of the budget and the next meeting of the Audit Committee, but at the option of the Audit Committee it may cover a longer or shorter period. The list of services is sufficiently detailed as to the particular services to be provided to ensure that: (i) the Audit Committee knows precisely what services it is being asked to pre-approve; and (ii) it is not necessary for any member of management to make a judgment as to whether a proposed service fits within the pre-approved services.

Subject to the next paragraph, the Audit Committee has delegated authority to the Chair of the Audit Committee (or if the Chair is unavailable, any other member of the Audit Committee) to pre-approve the provision of permitted services by KPMG LLP which have not otherwise been pre-approved by the Audit Committee, including the fees and terms of the proposed services ("**Delegated Authority**"). All pre-approvals granted pursuant to Delegated Authority must be presented by the member(s) who granted the pre-approvals to the full Audit Committee at its next meeting.

All proposed services, or the fees payable in connection with such services, that have not already been pre-approved must be pre-approved by either the Audit Committee or pursuant to Delegated Authority. Prohibited services may not be pre-approved by the Audit Committee or pursuant to Delegated Authority.

18.6 External Auditor Service Fees (By Category)

The following are the aggregate fees incurred by Bluenose for services provided by its external auditors during the financial years ended June 30, 2019 and 2018(1)(2)(3):

	2019	**2018**
1. Audit Fees	$13,000	$12,000
2. Audit Related Fees	-	-
3. Tax Fees	-	-
4. All Other Fees	-	-
Total	$13,000	$12,000

Notes:

(1) Billed by the Company's previous auditor, Manning Elliott LLP, prior to the completion of the RTO Transaction.

(2) Manning Elliot LLP billed $3,750 of fees in connection with its review of the Company's financial statements for the three months ended September 30, 2019 and $4,000 of fees in connection with its review of the filing statement of the Company dated as of February 19, 2020.

(3) Caldas Finance did not incur any auditing fees during the financial years ended December 31, 2019 and 2018. However, KPMG LLP billed $53,000 of fees to the Company in connection with its audit of the financial statements of Caldas Finance for the year ended December 31, 2019.

18.7 Exemption

In respect of the most recently completed financial year, the Company relied on the exemption set out in section 6.1 of NI 52-110, which exempts the Company from the requirements of Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations) in NI 52-110.

ITEM 19. ADDITIONAL INFORMATION

Additional information about the Company, including, but not limited to, directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under the Company's incentive stock option plan is contained in the Company's most recent management information circular for its most recent annual meeting of securityholders that involved the election of directors. Additional financial information is provided in the Company's audited financial statements and Management's Discussion & Analysis for the year ended December 31, 2019 and the unaudited quarterly financial statements. This information and other pertinent information regarding the Company can be found on the Company's profile on SEDAR at www.sedar.com.

APPENDIX "A"
AUDIT COMMITTEE CHARTER

(Initially adopted by the Board of Directors on March 12, 2020)

CALDAS GOLD CORP.

(the "Corporation")

A. PURPOSE

The overall purpose of the Audit Committee (the "**Committee**") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements of the Corporation and related financial information, and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. In performing its duties, the committee will maintain effective working relationships with the board of directors of the Corporation (the "**Board**"), management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of committee membership as well as the Corporation's business, operations and risks.

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board, the majority of which shall be an independent director[1].

2. All of the members of the Committee shall be "financially literate"[2].

3. At least one member of the Committee shall have accounting or related financial management experience.

4. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among its number. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office. Subject to the above, each member of the Committee shall hold office as such until the next annual general meeting of the shareholders after his/her election.

5. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.

6. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and to hear each other. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.

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[1] "Independent" member of an audit committee means a member who has no direct or indirect material relationship with the Corporation. A "material relationship" means a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgement.

[2] "Financially literate" individual is an individual who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

7. The Committee shall have full and unrestricted access to such officers, employees and personnel of the Corporation and to the Corporation's external and internal auditors (if the Corporation has appointed internal auditors), and to such information, books, records and facilities of the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

8. The Committee shall have the authority to:

    a) engage independent counsel and other advisors as it determines necessary to carry out its duties and to request any officer or employee of the Corporation or the Corporation's external counsel or auditors to attend a meeting of the Committee;

    b) set and pay the compensation for any advisors employed by the Committee; and

    c) designate members of the Committee the authority to grant appropriate pre-approvals required in respect of non-audit services performed by the auditors and the decisions of any member to whom authority is delegated to pre-approve an activity shall be presented to the Committee at its first scheduled meeting following such pre-approval.

9. Meetings of the Committee shall be conducted as follows:

    a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

    b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;

    c) the Committee has the right to determine who shall and shall not be present at any time during a meeting. Management representatives may be invited to attend meetings, provided that the Committee shall hold separate, regularly scheduled meetings at which members of management are not present; and

    d) the proceedings of all meetings shall be minuted.

10. Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information, and the accuracy of the information provided to the Corporation by such other persons or organizations.

11. The internal auditors (if the Corporation has appointed internal auditors) and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

12. The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

C. ROLES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:

    a) assist the Board in discharging its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;

b) establish and maintain a direct line of communication with the Corporation's internal (if the Corporation has appointed internal auditors) and external auditors and assess their performance;

c) ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and

d) report its deliberations and discussions regularly to the Board, including reporting on the fulfilment of its duties and responsibilities.

2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

   a) review the independence and performance of the external auditors and annually recommend to the Board a firm of external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation;

   b) review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;

   c) review the audit plan of the external auditors prior to the commencement of the audit;

   d) approve in advance provision by the external auditors of services other than auditing to the Corporation or any of its subsidiaries;

   e) annually review and discuss all significant relationships the external auditors have with the Corporation that could impair the external auditors' independence;

   f) review with the external auditors, upon completion of their audit:

      i) *contents of their report;*

      ii) *scope and quality of the audit work performed;*

      iii) *adequacy of the Corporation's financial and auditing personnel;*

      iv) *co-operation received from the Corporation's personnel during the audit;*

      v) *internal resources used;*

      vi) *significant transactions outside of the normal business of the Corporation;*

      vii) *significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and*

      viii) *the non-audit services provided by the external auditors;*

   g) discuss with the external auditors the quality and the acceptability of the Corporation's accounting principles;

   h) implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management; and

   i) oversee the work of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting.

3. The duties and responsibilities of the Committee as they relate to the Corporation’s internal auditors, if the Corporation has appointed internal auditors, are to:

   a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;

   b) review and discuss with the Chief Corporate Auditor (the “**CCA**”) the CCA’s annual risk assessment of the adequacy and effectiveness of the Corporation’s internal control process, the CCA’s report to the Committee on the results of the annual audit plan and the status of the audit issues, and the CCA’s recommendations regarding improvements to the Corporation’s controls and processes;

   c) review and approve the internal audit plan;

   d) review significant internal audit findings and recommendations, and management’s response thereto; and

   e) annually review with the Corporation’s legal counsel any legal matters that could have a significant impact on the Corporation’s financial statements, the Corporation’s compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.

4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

   a) review the appropriateness and effectiveness of the Corporation’s policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

   b) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and

   c) periodically review the Corporation’s financial and auditing procedures and the extent to which recommendations made by the internal audit staff (if internal auditors were appointed) or by the external auditors have been implemented.

5. The Committee is also charged with the responsibility to:

   a) review the Corporation’s quarterly financial statements and related financial information, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto before such information is publicly disclosed;

   b) review and approve the financial sections of:

      i) *the annual report to shareholders;*

      ii) *the annual information form, if required;*

      iii) *annual and interim management’s discussion and analysis;*

      iv) *prospectuses;*

      v) *news releases discussing financial results of the Corporation; and*

vi) *other public reports of a financial nature requiring approval by the Board,*

and report to the Board with respect thereto before such information is publicly disclosed;

c) ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in item 5(b) above, and periodically assess the adequacy of such procedures;

d) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;

e) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;

f) review and report on the integrity of the Corporation's consolidated financial statements;

g) establish procedures for:

i) *the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and*

ii) *the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;*

h) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;

i) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;

j) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information;

k) review annually and recommend updates to this Charter of the Committee and receive approval of changes from the Board;

l) review the minutes of any audit committee of subsidiary companies of the Corporation;

m) perform other functions consistent with this Charter, the Corporation's articles and governing law, as the Committee or the Board deems necessary or appropriate; and

n) discuss guidelines and policies with respect to risk assessment and risk management, including the processes management uses to assess and manage the Corporation's risk, receive reports from management with respect to risk assessment, risk management and major financial risk exposures and discuss any major financial risk exposures with management to determine the steps management has taken o monitor and manage such exposures.

6. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with generally accepted

accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Corporation's external auditors.

D. CURRENCY OF CHARTER

This charter was last revised and approved by the Board on March 12, 2020.