

Gran Colombia Gold

MINING FOR THE PROGRESS OF THE
COMMUNITY AND THE COUNTRY





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Lombardo Paredes Arenas,

CEO

Gold mining plays a central role in the modern history of Colombia. The myth of El Dorado - a mythical land of abundant gold and diamond reserves - was what first led the Spanish to settle the country at Santa Maria at the beginning of the 16th century. And by the 19th century, the country had already become the world's largest gold producer. Reflecting this historical importance, here's even a museum dedicated to gold in the country's capital, Bogota.

The country's rich deposits continue to this day, with the latest gold mine to commence operations being as recent as 2019. The largest producer of gold and silver in the country is Gran Colombia Gold (GCG), a Canadian company which first entered Colombia in 2010. Just a decade later, and the company

Colombia's Antioquia district. In total, it has four mines - El Silencio, Providencia, Sandra K and Carla - in each of which it has followed an extensive exploration and drilling program over the past decade to identify new resources and allowing it to expand production. As Mr. Paredes says, the decision to invest in Colombia was a straightforward one:

"We've always believed that Colombia is a country full of opportunity and that's why we focused our operations here. As evidence of this opportunity, the Colombian government continuously shows its support for mining companies and has stated an ambition to double the country's gold production by 2030 to 60 tonnes." Gran Colombia will be both a driver and a beneficiary of that rise in output.

Of the company's growth over the past

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already controls four of the country's biggest mines, whose output has grown steadily over that period.

Business Excellence recently had the good fortune to speak with Lombardo Paredes Arenas CEO at Gran Colombia Gold. Mr. Paredes provided us with an overview of the company's operations within the country, how it sees itself as a custodian of the country's gold reserves, ultimately answering to the Colombian people, and its plans for the future. The name Gran Colombia, literally meaning 'Big Colombia' seems to encapsulate much about this company and its ambitions.

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Gran Colombia's operations are based in the municipalities of Segovia and Remedios in

few years, Mr. Paredes says: "we have been able to maintain continuous growth in gold production. For example, 2019 was an historic year where we beat all previous records for production, growing 10% on 2018 production. For 2020, we estimate a production of between 218,000 and 226,000 ounces" - a quantity which would reinforce the company as Colombia's largest producer. To give the figures some context, in 2015, just five years ago, Gran Colombia's output was 116,857 ounces - or slightly under half of this year's output.

The operations behind the figures are equally impressive, spanning a total area of 9,000 hectares. The four mines - all subterranean - have been active for more than 150 years and in that time, have produced



more than 5 million ounces of gold. Paredes is keen to point out, despite the longevity of the mines, everything is state of the art: “we’re here for the long term and everything, from on-site safety to logistics, has been developed with that in mind.”

Corporate Social Responsibility

As a direct employer of over 1,500 employees and an estimated 2,500 others indirectly, Gran Colombia can be said to contribute to the livelihoods of around 4,000 families through

its operations in Antioquia. This has meant the company has become meshed with the lives and well-being of many. Accordingly, it has sought to redistribute resources to the benefit to the needy in these same communities.

In our discussion, Mr. Paredes is keen to outline just some of Gran Colombia’s initiatives in this area: “To take just one example, we have worked with the National Learning Authority (SENA) to provide open access to higher education and development opportunities through the Gran Colombia

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Gold-SENA Mineral and Agriculture Centre, which was constructed and donated by the company to offer courses and technical skills to local communities.”

He continues: “Strategic partners of ours, like the Fundación Angelitos de Luz, have also provided young children in our communities with the opportunity to study a second language and given them a window onto the professional world, giving them a new perspective which they can bring back to their community. Our objective is to continue

working with agencies like these so that we can continue to improve the lives of our employees and their families.”

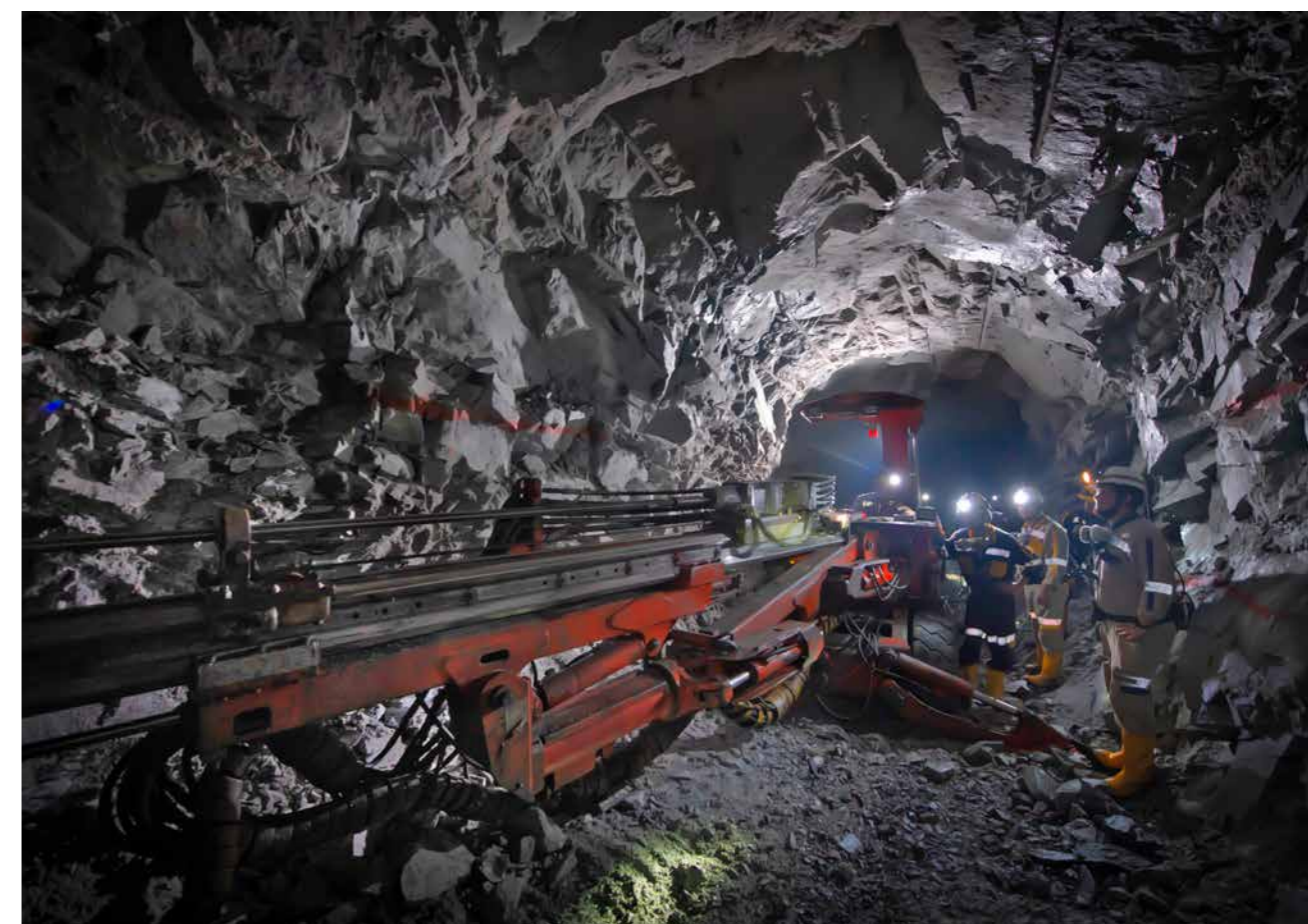
Pre-empting Covid-19

It’s worthwhile to mention that the company’s second highest ever production output is projected for 2020. And this in a year when the Covid-19 pandemic ravaged much of the world, particularly Latin America. As Mr.

Paredes tells us: “Our people and their families are our highest priority - we put their health and safety above everything. Therefore, we implemented the strictest controls right at the very outset.”

He goes on to explain: “At the outset of Covid-19, we were able to maintain production at 95 percent of the stipulated level and production in the third trimester of 2020 showed an upturn of 16% on the second

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trimester, when the country went into quarantine. Moreover, during the economic recession that we’ve just come through, we’ve continued to focus on creating employment, social investment and continued paying taxes and benefits - all important contributions to the stability and well-being of our region.”

Partners and Suppliers

A 150-year history of mining in the Antioquia district means that there’s a well-developed network of partners and suppliers in Colombia with the relevant industry experience and expertise to cater to what GCG

Did you know?

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requires. Some of the company’s oldest partners include well-known names in the mining industry such as the Swedish machinery firm Sandvik, Kaeser, the German compressed air specialist, and Synergy Supplies - for a broad range of equipment.

A wide network of local companies also make up the list. These include the distribution companies like Colombiana de Distribuciones Mayoristas de Antioquia and Distribuidora de Quimicos Industriales, equipment firms like Electricos de Colombia and Epiroc, and finally, Electrica de Medellin, the company’s primary energy supplier.



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Ongoing Success

Mr. Paredes is not shy about thanking others when it comes to talking about Gran Colombia Gold’s ongoing success: “We’re so thankful to the local government, the state government and the ministry, but also the local mayors of Segovia and Remedios, who work really hard with us to bring our vision to reality on an ongoing basis. Most of all, we have to thank our collaborators and employees - the natives of the northeast of Colombia - for their commitment and hard work.”

Maybe it’s for this reason that Mr. Paredes is unequivocal in his goals for the company in the years ahead: “The reactivation of the Colombian economy - without question. When we started the year 2020, gold was \$1,350 per ounce and now it’s hovering at around \$2,000 per ounce. That 60% increase stands to benefit everybody in Antioquia. This goes back into our educational programs and one feeds into the other. We’re developing something here which can help mining thrive in the region for many years to come.” **BE**

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