



- 8 King Street, Suite 208 – Toronto Ontario, Canada – M5C 1B5 -  
- tel: 416-361-9640 - fax: 416-361-0883

## Colombia Goldfields Provides Fourth Quarter 2008 Exploration and Corporate Updates

*(All amounts are reported in U.S. dollars unless otherwise indicated)*

**TORONTO, ON, (March 27, 2009):** Colombia Goldfields Ltd. (the “Company”) (TSX: GOL / OTCBB: CGDF) today provided a fourth quarter 2008 update on the status of its operations and announced audited financial results for the year ended December 31, 2008.

### **Fourth Quarter 2008 Overview**

As a result of the recent turmoil in worldwide financial markets and the reluctance of investors to participate in the exploration sector, at the end of the third quarter the Company determined it necessary to revisit its operating plan. In connection with this review, the Company previously announced that it had suspended additional drilling beyond the already completed 46,000 meters on Zona Alta (Upper Zone) to reduce its ongoing operating expenses. In light of current market conditions, the Company also commenced evaluating strategic options to address its short-term and long-term project development goals.

The Company is unable at this time to advance its ultimate goal of combining Zona Alta and Zona Baja and continues to review its strategic alternatives, which may include a sale of some of or all of the Company’s assets. The Company continues its discussions with a number of qualified parties with respect to such a transaction. The Company has also provided data room access pursuant to confidentiality agreements to interested parties. At the present time there is no certainty that these initiatives or any financing or sale of one or more of the Company’s projects or the Company itself will be completed. The Company has also commenced discussions with its trade creditors to work with the Company to restructure its obligations. The Company has terminated all but essential personnel in both its Toronto and Medellin offices to further reduce the Company’s monthly operating cash requirements. Upon completion of this initiative at the end of the fourth quarter, the Company accepted the resignation of its Chief Financial Officer, James Kopperson. Mr. Kopperson continues to assist the Company with transitional financial reporting matters and we thank Mr. Kopperson for his contributions to the Company.

The Company has been unable to make its interest payments in the fourth quarter of 2008 on its short-term promissory note with Global Resource Fund ("Global") and the \$2.6 million principal balance of the note due December 29, 2008 remains outstanding. Global has not demanded repayment of the note, however Global does have the right to exercise the right to the note's underlying security interest, being the Company's investment in its operating subsidiaries. Subsequent to year-end the Company agreed to pledge to Global additional security in the form of the Company's Colombian mineral and exploration properties and rights as the Company continues to assess its options.

### **Exploration Update**

At December 31, 2008 the Company holds 92 legal mines and several ancillary properties.

Results from the 46,000 meters of Zona Alta drilling, combined with analysis from 14,000 meters of existing drill core from Zona Baja are being reviewed to update the Company's resource estimate for the entire mountain.

Colombia Goldfields used results from the first 68 drill holes (12,186 meters) and 1,171 meters of underground channel sampling to provide a 43-101 compliant inferred resource of 2.6 million ounces (cut-off grade of 0.3 g/t Au) for Zona Alta in May 2008. This inferred resource is supported by an Independent technical report prepared by Micon International Limited titled "Updated NI 43-101 Technical Report and Preliminary Resource Estimate for the Marmato Project, Department of Caldas, Republic of Colombia" dated May 30, 2008, which has been filed and is available on SEDAR.

### **Audited Results for the Year Ended December 31, 2008**

The Company incurred a loss for the year ended December 31, 2008 of \$60.2 million or \$(0.64) per share, compared to a loss of \$14.6 million or \$(0.21) per share for the same period in 2007. The loss was driven by mineral property exploration costs of \$16.5 million, general and administrative expenses of \$6.5 million, and a write-down related to the Mineros transaction of \$9.3 million. As a result of the Company's year-end review of the carrying value of its mineral rights, in light of current market conditions the Company also recorded a \$40.5 million write-down (\$34.2 million, net of \$6.3 million deferred tax recoveries) against the carrying value of its mineral rights. Expenses were offset with foreign exchange gains of approximately \$1.6 million due to fluctuations in the exchange rate between the U.S. dollar and the Colombian peso.

Total assets at December 31, 2008 were \$26.1 million, including mineral and exploration properties and rights of \$25.8 million compared with total assets of \$74.5 million at December 31, 2007. As of December 31, 2008, Stockholders' Equity was \$7.0 million, compared to \$51.1 million at December 31, 2007. The

Company's working capital deficiency was \$19.1 million compared to \$3.7 million at December 31, 2007.

### **TSX Delisting Review**

The Listing Committee of the Toronto Stock Exchange ("TSX") received a submission by the Company on March 19, 2009 regarding continued listing on the TSX. On March 27, 2009 the Committee informed the Company that it had determined to defer its delisting decision until May 28, 2009.

### **Qualified Person**

Dr Stewart D. Redwood, Vice President of Exploration of the Company, is the qualified person as defined by NI 43-101 and has prepared or supervised the preparation of all scientific and technical information contained in this press release. He is a Fellow of the Institute of Materials, Minerals and Mining (FIMMM) of the UK, a foreign professional association and designation recognized by the Canadian regulatory authorities. The laboratories used were Inspectorate (ISO 9001:2000 and 9002:2004 certified) in Medellin, Colombia (sample preparation), Reno, Nevada (preparation and analysis), and Lima, Peru (analysis), and SGS in Medellin (preparation) and Lima (analysis). Gold was assayed by fire assay with gravimetric finish or AAS finish. Silver was assayed by fire assay with AAS finish or analyzed by ICP together with a suite of multi-elements. Blank, standard and duplicate samples are routinely inserted for quality assurance and quality control.

### **About Colombia Goldfields**

Colombia Goldfields Ltd., through our subsidiaries Compania Minera de Caldas S.A. and Gavilan Minerals S.A., is exploring what we believe is a multi-million ounce gold resource in Colombia's historic Marmato Mountain gold district.

Colombia Goldfields is traded in the US under the symbol CGDF, on the Toronto Stock Exchange under the symbol GOL, and in Germany under the symbol C2B. Further information about the Company's is available at [www.colombiagoldfields.com](http://www.colombiagoldfields.com), EDGAR at [www.sec.gov](http://www.sec.gov) and SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's profile.

For more information please contact:

Randy Martin, Vice Chairman and CEO  
Colombia Goldfields Ltd.,  
8 King Street East, Suite 208,  
Toronto, Ontario, M5C 1B5.  
T: 416-361-9640

F: 416-361-0883  
info@colombiagoldfields.com  
www.colombiagoldfields.com

### ***Disclaimer***

This release uses the terms "measured", "indicated" and/or "inferred" mineral resources. United States investors are advised that while such terms are recognized by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. United States investors are cautioned not to assume that all or any part of mineral resources will ever be converted into mineral reserves. Inferred mineral resources have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.

This release contains forward-looking statements that are based on the beliefs of the Company's management and reflect the Company's current expectations as contemplated under section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. When used in this release, the words "estimate," "project," "believe," "anticipate," "intend," "expect," "plan," "predict," "may," "should," "will," "can," the negative of these words, or such other variations thereon, or comparable terminology, are all intended to identify forward-looking statements. Such statements reflect the current views of Colombia Goldfields with respect to future events based on currently available information and are subject to numerous assumptions, risks and uncertainties, including, but not limited to, risks and uncertainties pertaining to development of mining properties, changes in economic conditions and other risks, uncertainties and factors, which may cause the actual results, performance, or achievement expressed or implied by such forward-looking statements to differ materially from the forward looking statements.