

Granada Gold Mine to Drill Test New Geological Model Associated with the Porphyry Intrusion Between PFS Pit and Old Pit #1

ROUYN-NORANDA, QC, Feb. 2, 2017 /CNW/ - Granada Gold Mine (TSX-V: GGM) (OTC: GBBFF) (Frankfurt: B6D) (the "Company" or "Granada") today announced plans to drill test the thickness of mineralization under the porphyry intrusion between Old Pit #1 and the 2014 Preliminary Feasibility Study (PFS) Pit at the Granada Gold Property near Rouyn-Noranda, Quebec. The drill test is to obtain additional data for the new geological model being developed on an on-going basis by geological consultants GoldMinds Geoservices Inc.

The drill that has been operating at the property since December 2016 is currently being moved to location GR-17-04 to conduct the drill test to a depth of approximately 120 metres. It will be the first time that a hole will be drilled toward the west to assess a revised mineralization model in that sector of the property. After completion of this relatively shallow hole, the drill will be moved to a location to the north to continue the 8,000-metre, deep-hole program announced last December.

As part of the deep-hole program, 3,690 meters have been drilled to date, including GR-16-14 for 924 meters, GR-16-15 for 891 meters, GR-17-01 for 1,278 meters, and GR-17-02 for 597 meters. These four holes drilled to date intersected mineralization with smokey quartz veining and favorable alteration associated with pyrite, arsenopyrite and galena.

The Company announced preliminary assay results for GR-16-14 in a news release on January 18, 2017. Assay results for the other holes are pending and will be released once received and validated.

A map of the drill-hole locations, including GR-17-04, can be viewed below or at the following link: <http://www.granadagoldmine.com/assets/pdf/Granada-drill-map-February-1-2017.pdf>

Qualified Person

Claude Duplessis, P. Eng., of Goldminds Geoservices Inc., a geological, environmental and mining consultant, is an independent qualified person in accordance with National Instrument 43-101, and has reviewed and approved the contents of this news release.

About Granada Gold Mine Inc.

Granada Gold Mine Inc. (formerly Gold Bullion Development Corp.) is developing the Granada Gold Property near Rouyn-Noranda, Quebec. The property includes the former Granada gold mine which produced more than 50,000 ounces of gold in the 1930s before a fire destroyed the surface buildings. The highly prolific Cadillac Trend cuts through the north part of the property. The Cadillac Trend has been the source of more than 50 million ounces of gold produced in the past century on a line running from Val-d'Or to Rouyn-Noranda.

The Company has obtained all necessary permits for the initial mining phase known as the "Rolling Start" for which stripping has already begun. Additional information is available at www.granadagoldmine.com.

"Frank J. Basa"

Frank J. Basa P. Eng.
President and Chief Executive Officer

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SOURCE Granada Gold Mine Inc.

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