

Granada Gold Mine Intersects 14.5 g/t Au over 4 Metres including 55.9 g/t over 1 Metre in Deep-Hole Drilling at the Footwall of the Feldspar Porphyry

Results Support Extension at Depth of High-Grade Mineralization and Resource Expansion Potential at Granada

ROUYN-NORANDA, QC, Jan. 18, 2017 /CNW/ - Granada Gold Mine Inc. (TSX-V: GGM) (OTCPINK: GBBFF) (Frankfurt B6D) (the "Company" or "Granada") today announced preliminary drilling results from its 8,000-metre deep-hole drilling program initiated in December 2016 at the Granada Gold property near Rouyn-Noranda, Quebec. The program was initiated to test the Granada high-grade gold vein system north of the existing pits in an area not previously included in resource estimates (news release December 2, 2016).

Hole GR-16-14, the first deep hole drilled for this program, intersected 14.5 grams/tonne (g/t) Au over 4 metres (m) including 55.9 g/t Au over 1m at 881m and 7.3 g/t Au over 1 m at 710m.

"We are highly encouraged by these drill results. This is one of the best intercepts at depth of all of our drilling over the years at Granada and is from an area not previously included in resource estimates. The results demonstrate high-grade gold mineralization continuity on the property and support the resource expansion potential at Granada and the Company's current geological model," stated Frank Basa, President and CEO.

"Deep-hole drilling is continuing at the property and further results can be expected in the weeks ahead. We intend to continue drilling over the coming two years with the goal of doubling the size of the deposit, which remains open in all directions and at depth. The estimated 5.5 km east-west strike length is still approximately 80% unexplored. We look forward to further developing this deposit into a significantly larger asset for the benefit of shareholders of Granada Gold Mine," Mr. Basa added.

The drill results support the extension of gold mineralization 350 metres east of DUP-12-03A-W2 and 450 metres down dip from GR-11-257. Both of these holes, drilled in the 2009-2012 period, intersected the high-grade vein system. Thus, the latest results support the extension at depth of high-grade mineralization associated with the presence and adjacent to the contact of the Feldspar Porphyry at 880m along the hole. The area is expected to add to mineral resources when estimates are revised later this year.

Note the assays are uncapped and GoldMinds Geoservices Inc. estimates that the mineralized intercepts' true thicknesses are 90% to 95% of the drill core's thicknesses.

All drill results will be incorporated into the new resource model once the drilling program is complete. Detailed drill results are expected to be posted on the Company's website when all are received and interpreted.

A map of the drill hole locations of the program can be viewed at the following link:

http://granadagoldmine.com/assets/pdf/019_montage005_en_r04.pdf

QA/QC

The drill results were analyzed at Accurassay laboratory (Standard Council of Canada - accredited laboratory) in Rouyn-Noranda, Québec. A rigorous, industry-standard, QA/QC program is in place. The independent quality control program of the assay results adopted by geological consultants GoldMinds Geoservices Inc. includes a minimum of 10% of controlled assays with introduction of blanks and standards.

For the deep-hole program, screen metallic on 1kg sample from the half core are done. The samples are crushed 70% passing 10 Mesh (2mm), a split of 1000 grams is pulverized to 85% passing -200 Mesh (0.074mm), and coarse fraction is assayed and two aliquot of 30g are assayed by fire-assay, grade is calculated with the contribution of each fraction weight. Actual QA/QC results demonstrate the results can be disclosed and relied upon.

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.grnadagoldmine.com.

"Frank J. Basa"

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

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