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Granada Gold Mine Announces Letter of Intent from DRA Americas Inc. to Act as Technical Advisor in the Development of the Granada Gold Project including the Evaluation of a BOOT Option

March 6, 2017 – Granada Gold Mine Inc. (TSX-V: GGM) (OTC: GBBFF) (Frankfurt: B6D) (the "Company" or "Granada") today announced it has entered into a Letter of Intent (LOI) with DRA Americas Inc., a subsidiary of DRA Global ("DRA"), to act as a technical advisor in the development of the Granada Gold project near Rouyn-Noranda, Quebec.

The LOI outlines a multi-phase process involving DRA's participation in the evaluation of two options for the Company to have its own mill to process ore from the Granada deposit and for the eventual design, construction, financing and operation of the mill.

The two mill options to be evaluated are: (1) a pre-concentration ore sorting facility of up to 500 dry tonnes per hour (tph) located in Quebec with a 50 dry tph gold processing facility located in Ontario; and (2) a gold processing facility located in Quebec.

These two options were not reviewed or assessed in the Company's 2014 Pre-Feasibility Study, which proposed to use a custom milling arrangement with a third-party to process ore from open pits at the Granada deposit (see below for technical report details).

In addition to a technical study by DRA, Concentrate Capital Partners Limited ("CCP"), an independent advisory firm to which DRA is a technical partner, will investigate a build, own, operate, transfer ("BOOT") funding solution as well as other financial options for the plant, in terms of which CCP will be responsible for working with Granada to develop an optimal financing structure and raise the requisite funding to complete the Granada project, which may include a capital investment by CCP.

DRA and CCP's work will comprise several phases that can be progressed in parallel, culminating in a final technical and financial proposal to be provided to the Company in May 2017 including details of the feasibility study (FS) to be completed and an optimal financing strategy to complete the FS. The planned phases are:

- Completion of a Techno Economic Trade Off Study ("TOS") comparing the two options from a financial perspective, with Granada Gold's assistance;
- Completion of final CCP due diligence regarding the project;

- Agreement on the scope and terms of the FS;
- Determination of the level of investment from CCP in relation thereto; and
- Agreement on the terms of a potential BOOT solution and its proposed implementation.

As the preferred technical advisor to the project, DRA has the capability to remain involved throughout the development process from the management and completion of a feasibility study to the final design and construction of the proposed plant and the operation of a completed plant on a contract basis.

“We wish to re-iterate DRA’s keen interest in the Granada Gold project and look forward to working with the Company to progress the project,” said Phildi Scholtz, Senior Vice President, Projects, DRA Americas.

Frank Basa, Chief Executive Officer of Granada Gold Mine Inc., stated: “We are pleased to be working with DRA, which brings considerable experience in the design, construction and operation of plants over the full range of precious and base metals as well as coal, iron ore and diamonds. DRA has expertise and knowledge not only in the selection of the best mill option but also in pit design and optimization and mine plans, as well as extensive operations capabilities and track record. DRA’s participation as a technical advisor to the project represents an important step forward towards achieving our goal of mining gold from the deposit for the benefit of our shareholders.”

About DRA GLOBAL

DRA is a diversified, multinational engineering project delivery and asset management group operating across all major resource markets. DRA has an extensive mineral resources track record, having successfully delivered over 1,000 projects and studies across five continents and operated more than 50 sites worldwide. This has been achieved through DRA’s international footprint, comprising 20 offices with over 3,300 people. DRA is represented in Canada with offices located in Toronto and Montreal. DRA has successfully executed a number of landmark projects in Canada, most notably its recent project completed for Stornoway Diamonds.

Technical Report

In 2014, the Company published a plan to initially mine and process high-grade, open-pit ore averaging 4.24 g/t to produce approximately 25,000 ounces per year over three years. This “Rolling Start” initial phase of reduced-scale mining with ore to be shipped for processing at local mills was outlined in NI 43-101 Technical Report Prefeasibility Study (PFS) Phase I – Open Pit Granada Gold Project Rouyn-Noranda, Quebec, published June 19, 2014, effective date May 6, 2014. Claude Duplessis, Eng., Gilbert Rousseau, Eng., Jonathan Gagne, Eng., and Martin Stapinsky, P.Geo., M.Sc., Ph.D. are the qualified persons in accordance with National Instrument 43-101.

Qualified Person

Frank J. Basa, P. Eng., President and Chief Executive Officer of Granada, is a 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, and has been conducting exploration drilling in order to expand the reported mineral resource for the property. Additional information is available at www.granadagoldmine.com.

"Frank J. Basa"

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

For further information, please contact:

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