

**GRANADA GOLD MINE INC.**  
**(Formerly Gold Bullion Development Corp.)**

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**Form 51-102F1**

***Interim Management's Discussion & Analysis for the nine months ended March 31, 2017***

**DATE: May 29, 2017**

The following Management's Discussion and Analysis ("MD&A") is a review of the operations, current financial position and outlook of Granada Gold Mine Inc. ("Granada" or the "Company"), and it has been prepared by management and should be read in conjunction with the June 30, 2016 annual MD&A, the interim condensed financial statements of Granada for the nine months ended March 31, 2017, and the related notes thereto and the audited consolidated financial statements of Granada for the year ended June 30, 2016, and the related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). The discussion covers the nine months ended March 31, 2017 and up to the date of filing of this MD&A. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. All amounts are stated in Canadian dollars unless otherwise indicated.

**FORWARD-LOOKING INFORMATION**

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

**DESCRIPTION OF BUSINESS**

Granada Gold Mine Inc. is a junior natural resource company whose business is to seek out exploration opportunities with a focus on the Granada Gold Mine in Rouyn-Noranda, Quebec. Operations are conducted either directly or through consulting agreements with third-parties. The Company finances its properties by way of equity or debt financing or by way of joint

ventures. Additional information is provided in the Company's interim financial statements for the nine months ended March 31, 2017, the Company's audited financial statements for the year ended June 30, 2016, and the Company's MD&A for the year ended June 30, 2016. These documents are available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company also maintains a website at [www.goldbulliondevelopmentcorp.com](http://www.goldbulliondevelopmentcorp.com).

The Company is a reporting issuer in the Provinces of British Columbia and Alberta, and trades on the TSX Venture Exchange ("TSXV") under the symbol GGM, the US OTC market under the symbol GBBFF and the Frankfurt Stock Exchange under the symbol B6D-FRA.

The head office of the Company is located at 3020 Quadra Court, Coquitlam, BC V3B 5X6.

## **FINANCINGS**

On July 6, 2016, the Company closed a private placement offering raising gross proceeds of \$230,181 by way of combined flow-through and non-flow-through units.

The Company issued 1,500,000 flow-through ("FT") units at a price of \$0.10 per unit. Each FT unit is comprised of one common share and one half of one share purchase warrant with each whole warrant entitling the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.15 per share, for a period of two years from closing.

The Company also issued 1,002,262 non-flow-through ("NFT") units at a price of \$0.08 per unit. Each NFT unit is comprised of one common share and one share purchase warrant with each whole warrant entitling the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.13 per share, for a period of two years from closing, subject to the acceptance of the TSXV. Finder's fees were paid in connection with the private placement in the amount of \$10,000 in cash and the issuance of 105,000 broker warrants, on the same terms as the purchaser warrants.

On October 28, 2016, the Company closed a private placement offering raising gross proceeds of \$2,405,000. The Company issued 25,315,789 FT units at a price of \$0.095 per unit. Each FT unit is comprised of one common share and one share purchase warrant with each whole warrant entitling the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.14 per share, for a period of two years from closing.

Finder's fees were paid in connection with the private placement in the amount of \$192,400 in cash and the issuance of 1,705,263 broker warrants. Each broker warrant entitling the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.095 per share, for a period two years from closing.

## RESULTS OF OPERATIONS

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may be different from those estimates.

The following schedule provides the details of the Company's corporate operating expenditures for the three and nine months ended March 31, 2017 and 2016.

	Three months ended		Nine months ended	
	March 31.		March 31.	
	2017	2016	2017	2016
Administrative and general expenses	\$13,212	\$11,739	\$35,681	\$24,390
Consulting fees	151,557	64,536	437,207	204,347
Management fees	61,093	62,142	183,078	185,142
Professional fees	12,950	45,763	81,880	153,326
Filing costs and shareholders' information	83,819	34,668	255,575	82,625
Travel	30,707	14,590	131,625	34,771
	<b>\$353,338</b>	<b>\$233,438</b>	<b>\$1,125,046</b>	<b>\$684,601</b>

The increase in corporate expenses in 2016 over 2015 was primarily the result of an increase in activity.

The following schedule provides the details of the Company's exploration expenditures on its Granada project for the nine months ended March 31, 2017 and 2015.

	Three months ended		Nine months ended	
	March 31.		March 31.	
	2017	2016	2017	2016
Assaying and testing	\$36,321	\$-	\$122,310	\$31,123
Consulting fees	-	6,316	3,635	39,132
Core Analyses	9,434	13,750	25,709	13,750
Depreciation	4,257	2,551	12,771	7,652
Drilling	152,990	-	408,383	-
Equipment	15,897	8,067	106,047	23,197
Facility expenses	29,154	8,519	101,143	68,103
Geology, geophysics and surveys	54,044	35,000	125,020	105,000
Personnel costs	45,990	24,722	240,186	93,067
Program management and engineering	222,662	123,247	649,471	366,938
Security	-	-	300	539
Taxes, permits and licensing	18,177	13,114	29,967	32,271
	<b>\$588,926</b>	<b>\$235,286</b>	<b>\$1,824,942</b>	<b>\$780,772</b>

The increase in exploration expenses in 2017 over 2016 was primarily the result of an increase in activity.

### Summary of Quarterly Results

The following table sets forth selected financial information for each of the most recently completed quarters.

	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net (Profit) Loss	(1,685,057)	1,172,170	927,369	373,100	(1,392,128)	(15,333)	271,473	442,999
Loss (profit)per share	(0.01)	0.005	0.005	-	0.005	0.00	0.00	.005

### LIQUIDITY

The Company has financed its operations to date primarily through the issuance of common shares and the exercise of warrants and stock options. The Company will continue to seek capital through various means including the issuance of capital stock.

The Company is in the exploration stage. These financial statements are prepared in accordance with accounting principles to a going concern, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon the continued support from its directors, the ability to continue to raise the necessary financing to meet its obligations, and to achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time. These financial statements do not reflect any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company has no history of profitable operations and its mineral projects are at an early stage. Therefore, it is subject to many risks common to comparable junior venture resource companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.