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GRANADA AMENDS CONVERTIBLE NOTES AND ENTERS INTO “SHARES FOR DEBT” AGREEMENTS

December 22, 2017. Granada Gold Mine Inc. (TSX.V: GGM) (“Granada Gold” or the “Company”) announces that it has reached an agreement with the two holders of its convertible secured notes in an aggregate amount of \$250,000 (the “Notes”) to amend the conversion terms of the Notes in light of Granada Gold’s recent share consolidation on a one-for-eight basis. The Notes have a term of three years and bear interest at an annual rate of 8%, payable upon maturity. As amended, the holders of the Notes will have the right, at their option, to convert the principal amount of the Notes into units at a price of \$0.25 per unit. Each unit will consist of one common share of Granada Gold and one common share purchase warrant. As amended, each warrant will give its holder the right to acquire one additional common share of the Company at a price of \$0.35 for a period of two years from the date of issuance.

Prior to the amendment, on a post-consolidation basis, the conversion price of the Notes was \$0.40 and the exercise price of the warrants was \$0.60. The amendment of the Notes is conditional upon the approval of the TSX Venture Exchange. If the full principal amount of the Notes is converted into units, Granada Gold will issue an aggregate of 1,000,000 units to the two holders of the Notes.

Granada Gold also announces that it has reached agreements with two of its creditors in order to convert a total of \$1,128,066 of Granada Gold’s debt into shares. Specifically, Granada Gold has reached an agreement with an arm’s-length creditor who previously loaned \$600,000 to the Company. The parties have agreed that the creditor will have the right, at his option, to convert the \$600,000 loan into units at a price of \$0.25 per unit. Each unit will consist of one common share of Granada Gold and one common share purchase warrant. Each warrant will give its holder the right to acquire one additional common share of the Company at a price of \$0.35 for a period of two years from the date of issuance. If the full principal amount of the loan is converted into units, Granada Gold will issue 2,400,000 units to the creditor.

Granada Gold has also reached an agreement with a non-arm’s length creditor which previously loaned \$100,000 to Granada Gold. The parties have agreed that the creditor will have the right, at its option, to convert the \$100,000 loan into common shares of Granada Gold at a price of \$0.25 per share. The parties have also agreed that the non-arm’s length creditor will have the right, at its option, to convert approximately \$428,000 owing to the

creditor for a loan of equipment to Granada Gold into common shares of the Company at a price of \$0.25 per share. If the full principal amount of the loan and the debt are converted into units, Granada Gold will issue approximately 2,112,000 shares to the creditor.

The foregoing shares-for-debt agreements are conditional upon the approval of the TSX Venture Exchange.

About Granada Gold Mine Inc.

Granada Gold Mine Inc. 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 1930's before a fire destroyed the surface buildings. The highly prolific Cadillac Trend, which 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, cuts through the north part of the property.

An updated Mineral Resource Estimate and revised Block Model dated June 30, 2017, with effective date of May 16, 2017, includes the first material estimate of high-grade gold resources discovered in zones at depth immediately north of the LONG Bars Zone open-pit deposit.

An initial Inferred underground resource of **10,386,500** tonnes grading **4.56 g/t Au** at a cut-off grade of **1.5 g/t (1.5 million oz. Au)** has been outlined along **600** meters of strike, north of the original near-surface discovery at Granada. Open-pit-constrained resources have **625,000** ounces Measured at **1.14 g/t Au** and **182,700** ounces Indicated at **1.26 g/t Au** with a cut-off grade of 0.39 g/t Au (**807,700** ounces M&I at **1.16 g/t Au**) representing a major increase in Block Model estimates for Granada vs. 2012 Block Model.

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

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