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### **GRANADA GOLD MINE INTERSECTS 8.49 g/t OVER 0.5M IN TRENCHING AT AUKEKO**

Rouyn Noranda, QC – August 23, 2018 - Granada Gold Mine (TSXV: GGM) (“Granada Gold” or the “Company”) announces the assay results of the exploratory trenching program at Aukeko property immediately adjacent to the Granada Gold Mine, in the province of Quebec, Canada.

- Visible gold and 8.49 grams per tonne over 0.5 metres in trench 2, located at around 20m NNW from the Aukeko shaft
- Located historical shaft and adit
- Completed 140 kilometres of drone-based MAG survey at a spacing of 50 and locally, 25 metres

The company is excited to start the second trenching program composed of three trenches (trench 4, 5 and 6) totaling 190 metres to identify the extension of the mineralized structures and prospecting new structures with gold mineralization. In addition, low lying areas that were not sampled in trenches 1, 2, and 3 will be completed by the fourth quarter 2018.

#### **Quality Control / Quality Assurance (QA/QC)**

The trench samples were analyzed by ALS laboratory in Rouyn Noranda, Québec. Samples were crushed to have 70% passing 10 Mesh (2mm) and afterward riffle split to have 500 grams which is pulverized to 85% passing 75 microns. The Aliquots of 50g were assayed by Fire-assay. Samples with high grade of gold (more than 5 g/t Au) were re-assayed using screened metallic fire assay.

Sampling program design, Quality Assurance/Quality Control (“QA/QC”) and interpretation of results is performed by qualified person employing a QA/QC program consistent with NI 43-101 and industry best practices. Standards and blanks are included with every 10 samples and the lab results are in line with expected results and allow public disclosure of the results.

#### **About Aukeko**

The Aukeko mine saw historical exploration in the late 1930s, when a shaft was sunk to 13 metres and extensive trenching was undertaken on surface. Considerable detailed mapping at that time identified several auriferous structures within a 500-metre wide, east-west trending zone with shearing, alteration, and quartz veining along with numerous porphyry intrusions. Of significance is the “Auk Shear” zone where the Aukeko Shaft was sunk in conjunction with stripping and trenching in the same vicinity. This zone was mapped over a one-kilometre length with an average width of 50 metres. The Auk Shear zone was the location of the Bert Vein where three bulk samples were reported to have been taken in 1938 from a trench approximately 50-to-150 metres east of the Aukeko Shaft that averaged a grade of 7.0 ounces gold per ton (240.0 grams per tonne) (from public files with MERN (Ministère d’Energie et Ressources Naturelles) GM52851).

The Aukeko gold mine is part of the east-west trending structure on the Granada Gold Mine property. It is two kilometres east from the extended LONG Bars zone where over 120,000 metres of drilling

has been undertaken to date, including historical drilling from the 1990s. A further 1.9 kilometres east is the Austin-Rouyn Mine. The potential strike length on the property is 5.5 kilometres, beginning at the westernmost drill hole near the historical Granada shafts and extending eastward to the historical Austin Rouyn shaft where grab samples in 1940 showed up to 6.57 ounces of gold per short ton (225.2 grams per tonne). Grab samples are selected samples and are not necessarily representative of the mineralization hosted on the property. Note that there are two cross-cutting intrusive dykes of undefined width within that strike length. The potential strike length is conceptual in nature as there has been insufficient exploration to define the full length of the mineralized material and it is uncertain if further exploration will do so.

Note: The Qualified person has verified the data disclosed in the historical literature. The QP has verified the existing documentation (historical reports, government files) moreover field investigations was carried out and the old shaft as well as the old adit entrance have been identified during the site visit. The contemplated exploration program announced in this press release is a first technical field work to verify the historical information disclosed in the historical literature. The grades and length are not verified and the program aim at validating these results. Vegetation has grown on these sites since the 1930's and 1950's and no witness core or sample is available.

### **Qualified Person**

Merouane Rachidi, P.Geo., Ph.D., of GoldMinds Geoservices Inc., a geological, environmental and mining consultant, are independent qualified persons in accordance with National Instrument 43-101, and have reviewed and approved the contents of this news release.

### **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 1930s 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 metres 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 (Presse release dated May16, 2017; ).

The mineral resources that are not mineral reserves do not have demonstrated economic viability.

### Notes to Mineral Resource

Original assays have been capped at 60 g/t for calculation of the 1.5 m composites for the estimation of mineral resources.

The density to convert volume to tonnage is 2.7.

Drill hole spacing varies from 6 meters up to 225 meters while most of the drill holes are on 30 m cross sections for the upper 400 m.

Gold recoveries are 94.1% for the full mill cyanidation of the whole mineralized material.

Assumes gold price of \$1,250 U.S./oz and exchange rate of \$1.37 CDN/\$1 U.S.

The open-pit constrained resources were modeled on 10mE x 5mN x 5mZ block size while underground resources below elevation -135 meters were modeled on 10mE x 3mN x 3mZ. The block models are within an envelope.

Search ellipsoid estimation ID2 are: 50x50x5, 100x100x10, 200x200x15 and 300x300x20 to enable connection of the structure of the deep holes to the highly drilled package. Saucers dipping north at 47 degrees.

Classification: a minimum of 4 holes with 2 composites per hole for Measured, 3 holes with minimum of 2 composites per hole for Indicated, the remaining Inferred.

The database used for this estimate includes drill results obtained from drill programs in 2009, 2010, 2011, 2012, 2016 and 2017, trenches of 2014 and 2015 plus many of the historic holes (1990's) where sufficiently long sections of the core had been analyzed.

The statement includes the historical production of 51,476 ounces (181,744 sT @ 0.28 oz/sT) from 1930 to 1935. They cannot be physically removed in 3D. However, this amount is now considered to be included in the Measured mineral resources.

GoldMinds is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issues that could materially affect the mineral resource estimate.

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](http://www.granadagoldmine.com).

The Company has signed a provisional milling agreement with Canada Cobalt Works (TSX-V: CCW) to process an initial 600,000-to-2,000,000 tonnes of mineralized material at a grade of 4.5 g/t Au. Canada Cobalt Works has retained the engineering firm Wood Group to undertake the necessary studies to obtain the required permits to install a 600-tonne-per-day mill at the Castle mine site in Gowanda, Ontario.

As well, Granada Gold has selected Ausenco Limited to commence a feasibility study for the development of a producing mine with a capacity of 80,000-to-100,000 ounces of gold per year at its 100-percent-owned Granada property, located in Quebec in the town of Rouyn-Noranda.

"Frank J. Basa"

Frank J. Basa P. Eng.

President and Chief Executive Officer

**For further information, please contact:**

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