2875 Ave Granada
Rouyn Noranda, Québec J9Y 1Y1
Tel : 819-797-4144 / Fax: 819-792-2306

GRANADA GOLD RECEIVES UPDATED PIT-CONSTRAINED MINERAL RESOURCES AT GRANADA

Rouyn Noranda, QC – December 12, 2018 - Granada Gold Mine (TSXV: GGM) ("Granada Gold" or the "Company") is pleased to announce that the Company has received an updated Mineral Resource Estimate by SGS Canada for its 100%-owned Granada Gold Property near Rouyn-Noranda, Quebec.

The updated mineral resource calculation is accompanied by a revised Block Model for the entire area drilled at Granada as of the end of the 2017 drilling program.

Highlights:

- Pit constrained mineral resources:
  - **464,000** ounces Measured @ **1.13** g/t Au and **349,000** ounces Indicated @ **1.13** g/t Au at a cut-off grade of 0.40 g/t Au (**813,000** ounces M&I @ **1.13** g/t Au);
  - **455,000** ounces Inferred @ **2.04** g/t Au

Granada is fully permitted for initial mining of open-pit resources based on a 2014 Pre-Feasibility Study, and mineralized material has been stockpiled on site.

Granada Pit Constrained Resources

Measured pit constrained mineral resources in the LONG Bars Zone are 12.8 million tonnes grading 1.13 g/t Au for total contained gold of **464,000** ounces. Indicated pit constrained mineral resources are 9.63 million tonnes grading 1.13 g/t Au for total gold ounces of **349,000, Measured+Indicated total 22.432 Mt @ 1.13 g/t Au for 813,000 ounces.** Inferred pit constrained resources are 6.93 million tonnes grading 2.04 g/t Au for total gold ounces of **455,000**.

Category	Tonnes	Grade (g/t Au)	Contained Au (oz)
Measured	12,802,000	1.13	464,000
Indicated	9,630,000	1.13	349,000
Measured & Indicated	22,432,000	1.13	813,000
Inferred	6,930,000	2.04	455,000

(1) CIM (2014) definitions were followed for Mineral Resources.

(2) *Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to a Measured and Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.*

(3) *All figures are rounded to reflect the relative accuracy of the estimate. Composites have been capped where appropriate.*

(4) *Pit constrained mineral resources are reported at a cut-off grade of 0.4 g/t Au within a conceptual pit shell. Cut-off grades are based on a gold price of US$1,300 per ounce, a foreign exchange rate of US$0.76, and a gold recovery of 95%.*

(5) *A fixed specific gravity value of 2.78 g/cm^3 was used to estimate the tonnage from block model volumes.*

(6) *The results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Property. The results are used as a guide to assist in the preparation of a mineral resource statement and to select an appropriate resource reporting cut-off grade.*

(7) **Whittle™ Pit Optimization Parameters**

Parameter	Value	Unit
Gold Price	$1300	US$ per ounce
Exchange Rate	0.76	
Assumed Mining and Processing Costs		
Pit Slope	50	Degrees
Mining Cost	$2.20	US$ per tonne mined
Processing Cost (incl. crushing)	$12.00	US$ per tonne milled
General and Administrative	$2.50	US$ tonne of feed
Assumed Metal Recoveries		
Gold Recovery	95	Percent (%)
Mining loss / Dilution	5 / 5	Percent (%) / Percent (%)

Cautionary Statement

The historical production of 51,476 ounces of gold (181,744 sT @ 0.28 oz/sT Au) from 1930 to 1935 are included in the current resource statement as there is no digital information for exactly where the historical production was completed and if the historical production was completed in the area covering the current resource estimate. The historical production cannot be verified by SGS.

Notes to Mineral Resource Table

1. Original assays have been capped at 32.5 g/t for calculation of the 1.5 m composites for the estimation of mineral resources.
2. The density to convert volume to tonnage is 2.7 g/cm^3.
3. Gold recoveries are 95% for the full mill cyanidation of the whole mineralized material.
4. Assumes gold price of $1,300 U.S/oz and exchange rate of $0.76US/$1 Can.
5. The pit constrained resources were modeled on 5mE x 5mN x 5mZ block size.
6. Block model extends to a depth of 120m from surface.
7. Search ellipsoid estimation using ID2 grade interpolation for both Measured, Indicated and Inferred are: 30m x 30m x 7.5m, 60m x 60m x 15m and 100m x 100m x 15m respectively. Search ellipse orientation dipping north10 at 47 degrees.

8. Classification: Minimum of 8 composites from 3 holes for Measured, Minimum of 8 composites from 3 holes for Indicated and minimum of 5 composites from 3 holes for Inferred using the above mention search ellipsoid dimensions.
9. The database used for this mineral resource estimate includes drill results obtained from drill programs in 2009, 2010, 2011, 2012, 2016, 2017, trenches from 2014 and 2015 plus many of the historic holes (1990's) where sufficiently long sections of the drill core had been sampled and analyzed.
10. The mineral resource statement includes the historical production of 51,476 ounces of gold (181,744 sT @ 0.28 oz/sT Au) from 1930 to 1935since there is no digital information for exactly where the historical production was completed and if the historical production was completed in the area covering the current mineral resource estimate.
11. SGS 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.

Granada Deposit at Various Gold Cut-off Grades

Pit Constrained(1)									
	Measured			Indicated			Inferred		
Cut-off Au g/t	Tonnes	Au (g/t)	Contained Au (oz)	Tonnes	Au (g/t)	Contained Au (oz)	Tonnes	Au (g/t)	Contained Au (oz)
0.3	16,664,000	0.95	507,000	13,114,000	0.92	388,000	9,075,000	1.64	479,000
0.4	**12,802,000**	**1.13**	**464,000**	**9,630,000**	**1.13**	**349,000**	**6,930,000**	**2.04**	**455,000**
0.5	10,226,000	1.30	427,000	7,482,000	1.32	318,000	5,576,000	2.43	436,000
0.6	8,383,000	1.46	395,000	6,025,000	1.51	293,000	4,672,000	2.80	420,000
0.7	7,009,000	1.62	366,000	4,985,000	1.69	271,000	3,984,000	3.17	406,000
1.0	4,387,000	2.10	296,000	3,067,000	2.23	220,000	2,862,000	4.08	376,000

(1) *Pit constrained mineral resources are reported at a base case cut-off grade of 0.4 g/t Au within a conceptual pit shell. Values in this table reported above and below the base case cut-off grade should not be misconstrued with a Mineral Resource Statement. The values are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade. All values are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.*

(2) *All figures are rounded to reflect the relative accuracy of the estimate. Composites have been capped where appropriate.*

The National Instrument 43-101 Technical Report including the updated mineral resources for Granada contained in this news release is currently being completed by SGS and will be delivered and filed on SEDAR by GGM in the coming days.

Qualified Persons

Allan Armitage Ph.D, P.Geo, and Daniel Leroux, M.Sc., P.Geo, géo. acted on behalf of SGS with respect to the updated mineral resource estimate at Granada, and are experts in their fields. Dr. Armitage has over 25 years in the mining and metals sector with a focus on exploration, resource estimation and assessment of a wide variety of commodities, with a particular emphasis on gold, base metals and uranium in Canada. He is a Member of the Association of Professional Geoscientists of Ontario (APGO). Daniel Leroux Eng., is the Global Business Manager and Senior Geologist for SGS Geostat with more than 25 years of experience in the mining and metals sector with a focus on exploration, resource estimation and assessment of a wide variety of commodities, with a particular emphasis on gold, base metals and diamonds worldwide. Mr. Leroux is a Member of the Ordre des Géologues du Québec (OGQ), Association of Professional Geoscientists of Ontario (APGO) and the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS).

All scientific and technical data contained in this press release has been approved and verified by Allan Armitage and Daniel Leroux, each of whom is a "qualified person" and are independent of the Issuer as defined in NI 43-101.

Claude Duplessis, P. Eng., of Goldminds Geoservices Inc., a geological, environmental and mining consultant, 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 1930's 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:

Frank J. Basa, P. Eng., President and CEO at 1-819-797-4144 or
Wayne Cheveldayoff, Corporate Communications, at 416-710-2410 or waynecheveldayoff@gmail.com