New drill and bulk sample gold results to drive updated resource estimate for Granada Gold

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Initial bulk sample returns **55.6 grams per tonne native gold**

Granada Gold's summer drilling program is coming to an end with drill results and larger bulk sample results expected to follow. Given some of the past high-grade results, such as the recent small bulk sample returning **55.6 g/t** native gold, investors are looking forward to the results of the new exploration with anticipation.

Granada Gold Mine Inc. (TSXV: GGM | OTC: GBBFF) ('Granada') 100% owns the approximately 1,400 hectare Granada Gold Property, which 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 in 1935. Historic underground production between 1930 and 1935 from two shafts in the area had an average grade of 9.7 g/t gold and 1.5 g/t silver. About 80% of Granada Gold's potential 5.5 km east-west strike length remains unexplored, leaving plenty of room for future exploration expansion.

Investors familiar with gold know that the 'Cadillac Break Trend' in Quebec, Canada, is possibly the best gold address in the world, producing more than 75 million ounces of gold over the past 100 years, and the immediate area has produced over 140

million ounces of gold.

Preparatory work for bulk sampling at Granada Gold Property – Spring 2020

Source

First small bulk sample result – August 2020

In recent news Granada announced a small bulk grab sample reporting "**55.6 grams per tonne native gold** from 1,220 kilograms of mineralized material taken from surface over a 3-meter strike length on Vein No 1 structure where diamond drill hole GR-19-A intersected 11.45 g/t gold from 0 to 33 metres core length."

Anything above 5 g/t is considered high grade, so 55.6 g/t is an impressive result and may bode well for larger bulk sampling in the area. Also it is worth noting that due to using conventional gravity concentration only native gold was recovered and quantified. The gold-bearing sulfides were not recovered. Native Gold is the natural gold to the area and does not include the gold found in the sulphide deposits. The native gold component has been defined for the Granada Gold Mine to represent an average of 50% of the recoverable gold from the mineralized deposit.

Granada Gold President and CEO, Frank J. Basa, comments: "A bulk sample is to be taken at this location to further quantify the grade of the mineralized material. The company is awaiting quotes from local contractors to take this bulk sample," with the bulk sample to be processed at Temiskaming Testing Labs in Cobalt, Ontario.

Drill results expected soon

Drill results are pending from Granada's summer exploration campaign (June through August, 2020). Granada is focusing on the high-grade Vein No 1 structure. The mineralized structure has been traced on surface for over 115 meters on east-west trend by stripping. The structure extends over 500 meters when connected by the pierce points with the drill holes. Drill results reported in January, 2020 returned **11.45 g/t gold over 33 meters** which sent the stock price up 62.5%.

Granada Gold's existing resource and an updated resource on the way

In February 2019, the Company filed a NI 43-101 compliant technical report announcing an updated pit constrained resource estimate of **762,000 ounces of gold @ 1.06 g/t Au** in the Measured and Indicated categories, plus 455,000 ounces of gold @ 2.04 g/t Au in the Inferred category.

Granada Gold's 2019 NI 43-101 updated pit-constrained Resource estimate (surface pit only)

Source

In July Granada announced that it had retained Innovexplo to update their 43-101 Resource Study at the Granada Gold Mine property. Granada is currently drilling key holes aimed at increasing underground resources quality below existing pit constrained mineral resources, which is intended to augment the revised resource estimate now underway. Granada's President and CEO Frank J. Basa explained that the company "decided that a revised 43-101 should be undertaken at this stage to better reflect the potential of the resource."

Closing remarks

What has caught the market's imagination is Granada Gold's potential for a very low cost shallow starter open pit gold mine with already good grades, with the possibility of resource expansion and higher grades from additional exploration. Most open pit gold mines today are in the 0.5-2.0 g/t range, and Granada's un-updated resource estimate already puts it comfortably in that zone. The CapEx for this starter pit is estimated at only C$6.7m and assumes the processing would be done at a nearby mill. Before that happens Granada Gold needs to further prove up the resource, which is what they are working on now with additional bulk sampling and drilling.

Open-pit permits are already in place for a "Rolling Start" 550 t/day operation by Granada. Milling may be done locally or perhaps on site if funds were raised to support this. Infrastructure is excellent with proximity to 10 gold mills, an established mining labor market, and the electrical grid nearby. Management is very experienced and has stated a goal for further resource expansion and plans for scalable possible future production.

It has taken 10 years for Granada Gold to get to where they are today, so patience may be the key for current investors. The good news for new investors is that most of the hard work has been done and a small scale starter pit operation may not be too far away now. With a current market cap of just C$21m, there appears to be room to grow, especially with gold at US$1,940/oz.

Disclosure: The author is long Granada Gold Mine Inc. (TSXV: GGM)