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GRANADA 55.56 G/T OVER 3 METERS FROM 1220 KG SURFACE GRAB SAMPLE, ADDS SECOND DRILL

Mr. Frank J. Basa reports:

Rouyn Noranda, QC – August 11, 2020 – Granada Gold Mine (TSX.V: GGM) (“Granada Gold” or the “Company”) is pleased to provide an update of its 2020 High-Grade exploration and bulk sampling program.

Highlights:

- Grab sample returns **55.6 grams per tonne native gold** from 1220 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 (refer to January 9, 2020, news release).
- Sample was processed at Temiskaming Testing Labs in Cobalt, Ontario. Conventional gravity concentration was used and therefore only native gold was recovered and quantified. The gold-bearing sulfides were not recovered.
- Native gold component has been defined for the Granada Gold Mine to represent an average of 50% percent of the recoverable gold from the mineralized deposit (43-101 Technical Report dated February 13, 2019 on the Granada Gold Project Mineral Resource Estimate, Rouyn Noranda, Quebec authored by the Qualified persons, Allan Armitage, Ph. D., P. Geo and Maxime Dupere, B.Sc., Geo both of SGS Canada Inc. – Section 13.1).
- Second drill rig focussing on the high-grade Vein No 1 structure. Stripping to the West to continue along strike. 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 we connect the pierce points with the drill holes.

Frank J. Basa, P.Eng., Granada Gold’s President and CEO, comments: “Historically, the mill grades at Granada Mine were higher than drill grades. This is common with high-grade native gold concentration deposits on the Cadillac Trend - as it is with this deposit. The 1220-kg sample returned 4 times the drill grade of the core – using only the native gold component.”

Frank J. Basa, P.Eng., further 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. The bulk sample is to be processed at Temiskaming Testing Labs, Cobalt, Ontario.”

Historical Recap:

- Historic underground production between 1930 and 1935, from 2 shafts had an average grade of 9.7 grams/tonne gold and 1.5 grams/tonne silver from 164,816 tonnes of mineralized material (51,476 ounces gold in 181,744 tons at 0.28 oz/ton) primarily from Vein No.2 underground *
- A 1994 surface bulk sample extracted 87,311 tonnes grading 5.17 g/t gold from Pit No.1 (on Vein No. 1) *
- A later, 1996 surface bulk sample extracted 22,095 tonnes grading 3.46 g/t gold from Vein No. 2.
- The Aukeko Shaft, 2300 metres east of the current bulk sample, and within the Auk Shear, saw an average of 7.00 ounces gold per Ton (240.0 grams per tonne) from 3 bulk samples taken just east of the Aukeko shaft in 1938 (from public files with MERN (Ministère d'Énergie et Ressources Naturelles) GM52851). The Auk Shear zone was mapped over a one-kilometre length with an average width of 50 metres. 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 where grab samples in 1940 showed up to 6.57 ounces of gold per Ton (225.2 grams per tonne). Grab samples are selected samples and are not necessarily representative of the mineralization hosted on the property.

*The above disclosure of the bulk sample size and grade is extracted from the 43-101 Technical Report dated February 13, 2019 on the Granada Gold Project Mineral Resource Estimate, Rouyn Noranda, Quebec authored by the Qualified persons, Allan Armitage, Ph. D., P. Geo and Maxime Dupere, B.Sc., Geo both of SGS Canada Inc. The Company has no reason to doubt its reliability.

Drill programs in 2019 focussed on testing the gold grade continuity and variability within mineralized structures.

GR-19-C intersected a high-grade zone with 7.67 g/t gold over 15 meters of core length from near surface at downhole depth of 18.5 to 33.5 metres on the extended LONG Bars zone (refer to Nov 6, 2019, news release). Assays are uncut except where indicated. True width is not known at present time.

Coarse, native gold was observed in the drill core of hole GR-19-E which intersected a high-grade zone with 12.32 g/t Au over 2 metres core length at a depth of 35.5 metres on the extended LONG Bars zone (refer to Oct 15, 2019, news release). The core length reported is estimated to have intersected 85-90% of true thickness of the zone. Assays are uncut except where indicated

It is important to note that the current NI 43-101 resource calculation by SGS does not include the above mineralized zone as it was recently uncovered by stripping for a water sump.

The current resource at the Company's Granada Gold project in Rouyn-Noranda, Quebec is detailed in the report filed on Sedar, a technical report compliant with National Instrument 43-101 titled, "Granada Gold Project Mineral Resource Estimate Rouyn-Noranda, Quebec, Canada." The report, written by Independent Qualified Persons Allan Armitage, PhD, P.Geo, and Maxime Dupere, BSc, P.Geo, of SGS Canada Inc., provides support for the following resource estimate:

Current Resources: 2019 Pit-Constrained Resource Estimate¹

Category	Tonnes	Grade (g/t Au)	Contained Gold (oz.)
Measured	12,637,000	1.02	413,000
Indicated	9,630,000	1.13	349,000
M&I Total	22,267,000	1.06	762,000
Inferred	6,930,000	2.04	455,000

¹ Cutoff 0.4 g/t Au; see Press Release of February 13, 2019 for detailed notes.

Qualified Persons

For the purposes of this announcement, Claude Duplessis, P. Eng., of Goldminds Geoservices Inc., a geological, environmental and mining consultant and qualified person in accordance with National Instrument 43-101, has visited the Temiskaming Testing Labs, Cobalt, Ontario and has reviewed and approved the contents of this news release.

About Granada Gold Mine Inc.

Granada Gold Mine Inc. is continuing to develop 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 at 10 grams per tonne gold in the 1930's before a fire destroyed the surface buildings. Approximately 120,000 meters of drilling has been completed to date on the property, focused mainly on the extended LONG Bars zone which trends 2 kilometers east west over a potential 5.5 kilometers mineralized structure. The highly prolific Cadillac Trend, the source of 50 million plus ounces of gold production in the past century, cuts right through the north part of the Granada property on a line running from Val-d'Or to Rouyn-Noranda Quebec.

The Company is in possession of all permits required to commence the initial mining phase known as the "Rolling Start", which allows the company to mine up to 550 tonnes per day, capable of producing up to 675,000 tonnes of ore over a 3-year period of time. Additional information is available at www.granadagoldmine.com.

"Frank J. Basa"

Frank J. Basa P. Eng.
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