

# Granada Signs Provisional Milling Agreement with Castle Silver Resources

ROUYN NORANDA, QC, Oct. 31, 2017 /CNW/ - Granada Gold Mine (TSX.V: GGM) ("Granada Gold" or the "Company") is pleased to announce it has signed a provisional milling agreement with Castle Silver Resources Inc. The provisional milling agreement permits the development of a flowsheet for the mill that can equally process the gold-bearing ore from Granada Gold Mine near Rouyn-Noranda in Quebec as well cobalt-silver-bearing mineralization from the advanced Castle Silver Resources' property in Gowganda, Ontario. The terms of the milling agreement provide batch processing a minimum of 600,000 tonnes of 4.0 grams per tonne gold ore from the open pit of the Granada Gold Mine over a three-year period with an option to treat a further 1.4 million tonnes of pre-concentrated waste rock. Initial metallurgical test work on the Granada Gold Mine's waste rock, using a conventional coarse gravity process, recovered 70 percent of the gold from 0.5 gram per tonne waste rock to produce 4.5 grams per tonne gravity concentrate which will be further processed at the mill at Castle Silver Resources' historic mill site.

The funding for the mill, which is to be installed at the historic Castle Silver Mine, will be financed by debt in the amount of US\$20 million, which debt raise will be facilitated by a family office in the UK.

Processing of the Granada Gold Mine ore off-site will be treated as a custom milling agreement with a third party and will work within the parameters of the PFS completed June 19, 2014 whereby Castle Silver Resources will be the operator of the Mill. Granada Gold Mine and Castle Silver Resources share common directors and therefore are related parties.

## Qualified Person

Frank J. Basa, P. Eng., President and Chief Executive Officer of Granada, is a 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](http://www.granadagoldmine.com).

"Frank J. Basa"

Frank J. Basa P. Eng.  
President and Chief Executive Officer

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SOURCE Granada Gold Mine Inc.

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