

# GGM GRANADA GOLD MINE

Corporate Presentation January 18, 2017



THE GRANADA  
GOLD PROPERTY  
IN ROUYN - NORANDA QUÉBEC

Transforming into a 100,000 oz/yr  
Gold Producer with Numerous  
High-grade Exploration Targets

# Disclaimer – Cautionary Statements

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

**Cautionary Note Concerning Forward-Looking Statements.** This presentation includes certain “forward-looking statements”. All such statements and information, other than statements of historical fact, that address activities, events or developments that Granada Gold Mine Inc. believes, expects, anticipates or plans will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, and “intend” and statements that an event or result “may”, “will”, “can”, “should”, “could”, or “might” occur or be achieved and other similar expressions. These forward-looking statements reflect the current internal projections, expectations or beliefs of Granada Gold Mine Inc. based on information currently available to Granada Gold Mine Inc. In addition, all statements other than statements of historical fact, included in this presentation, including without limitation statements regarding potential mineralization and reserves, exploration results, and future plans and objectives of Granada Gold Mine Inc. are forward-looking statements that involve various risks and uncertainties.

There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Granada Gold Mine Inc. expectations include, among others, risks related to the start-up of operations, the actual results of current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of gold, silver and base metals. Although Granada Gold Mine Inc. has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained in this presentation are included for the purpose of providing investors with information to assist them in understanding the Corporation’s expected financial and operational performance and may not be appropriate for other purposes. Granada Gold Mine Inc. does not undertake to update any forward-looking statement that is included herein, except in accordance with applicable securities laws.

The mineral resources estimates contained here are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified resource will ever qualify as a commercially mineable or viable deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from the one indicated by the drilling results and the difference may be material. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations. References to potential quantity and grade are conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

**Cautionary Note to United States Investors Concerning Estimates of Mineral Resources** This news release uses the terms “Measured”, “Indicated” and “Inferred” Mineral Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them and expressly prohibits U.S. registered companies from including such terms in their filings with the United States Securities and Exchange Commission. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

The contents of this presentation have been reviewed and approved by Claude Duplessis, Eng., an independent qualified person in accordance with National Instrument 43-101. The contents are for informational purposes only and do not constitute an offer to sell or a solicitation to purchase any securities referred to herein.

# Granada Gold Deposit

- ▶ Located at the former Granada gold mine site **in the heart of the famous Abitibi Greenstone Belt** which has produced 160 million ounces of gold since the early 1900s
- ▶ **Experienced management team** with expertise in metallurgy, milling, geology, drilling and open-pit and underground mining



# Prime Quebec Location on the Prolific Cadillac Trend

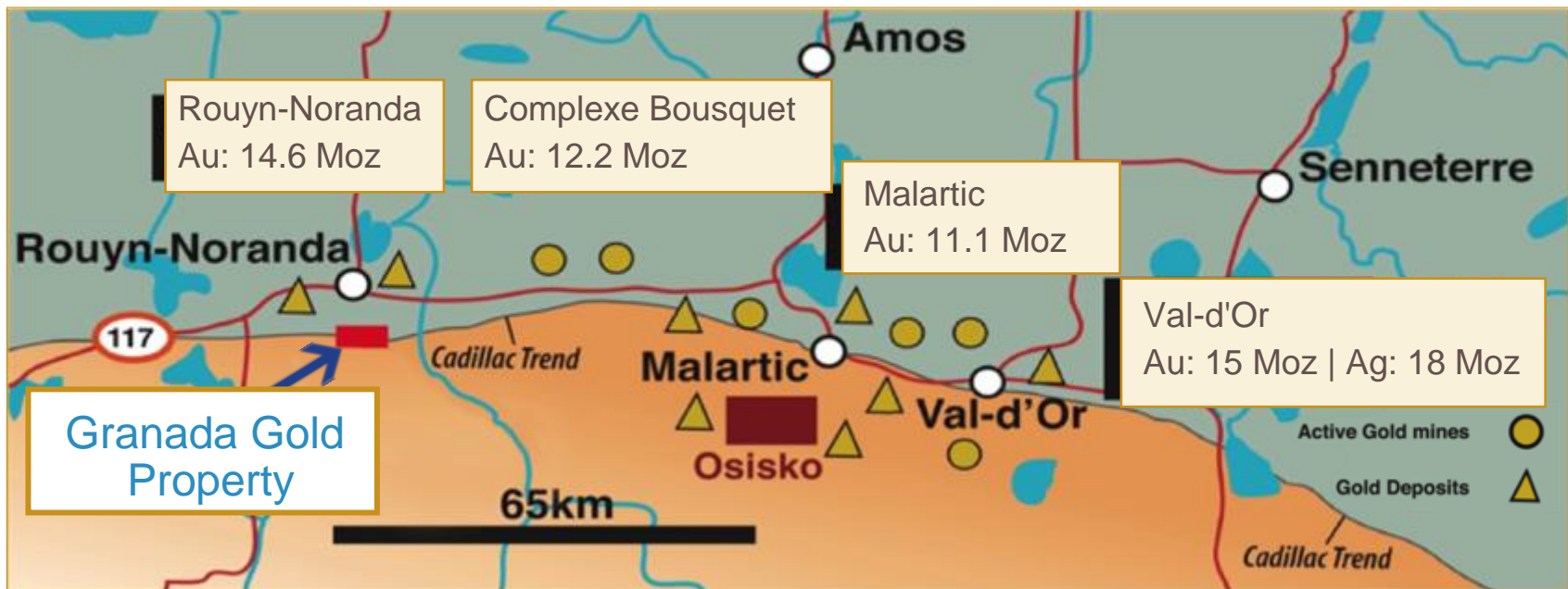


## The Best Mining Area

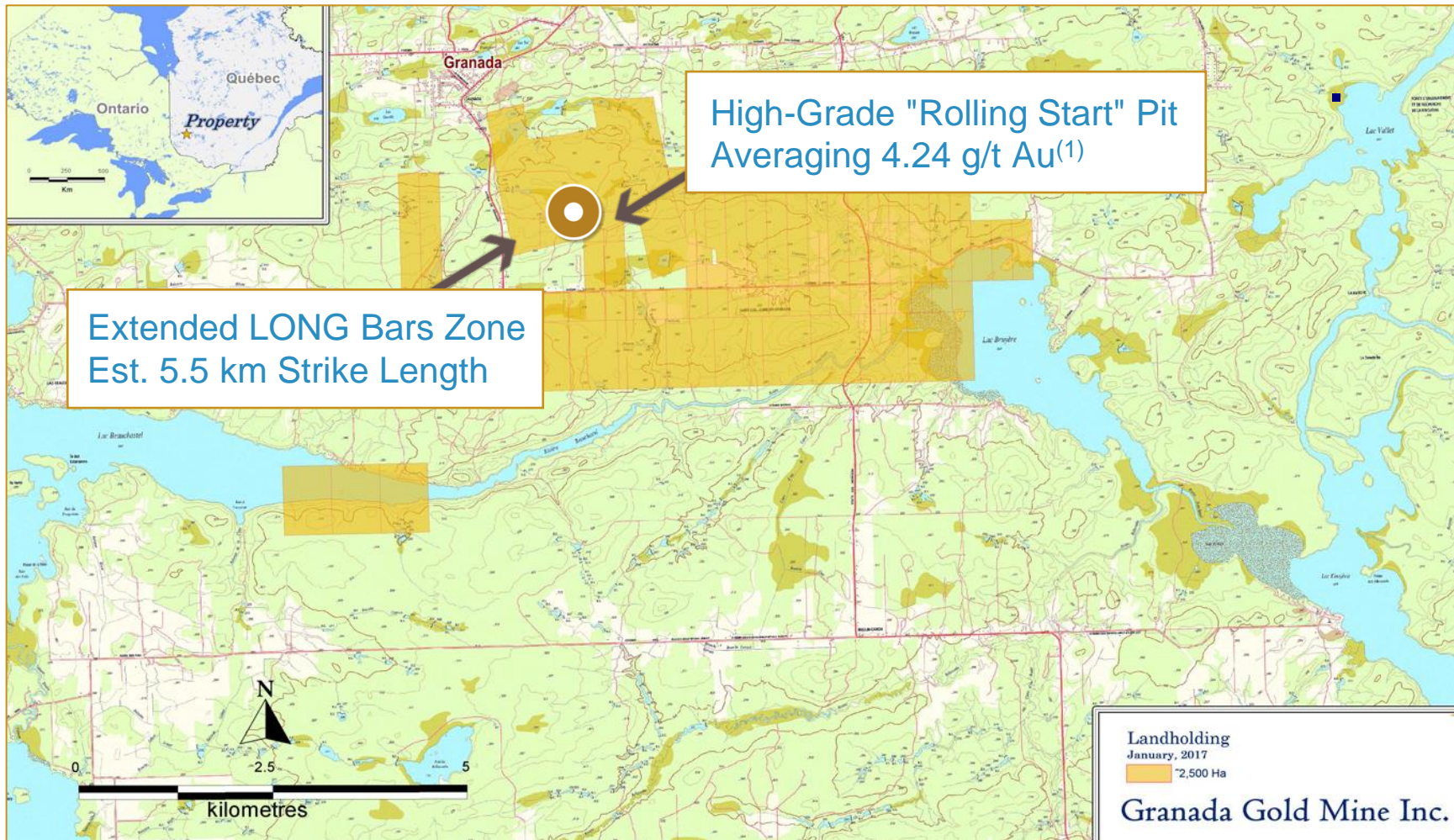
- ▶ Friendly, safe jurisdiction
- ▶ Easy access, infrastructure
- ▶ Highly prospective geology

# 50+ Million Oz Au

PRODUCED FROM ROUYN-NORANDA TO VAL-D'OR



# Granada Gold Property



(1) The "Rolling Start" is an initial phase of reduced-scale production to quantify grades and create cash flow to further expand the resource on route to larger -scale production. Source: NI 43-101 Technical Report Prefeasibility Study (PFS) Phase I – Open Pit Granada Gold Project Rouyn-Noranda, Québec, published June 19, 2014, effective date May 6, 2014. Claude Duplessis, Eng. Gilbert Rousseau, Eng. Jonathan Gagné, Eng. Martin Stapinsky, P.Geo.,M.Sc.,Ph.D, are the independent qualified persons in accordance with National Instrument 43-101.

# Granada Gold - Key People



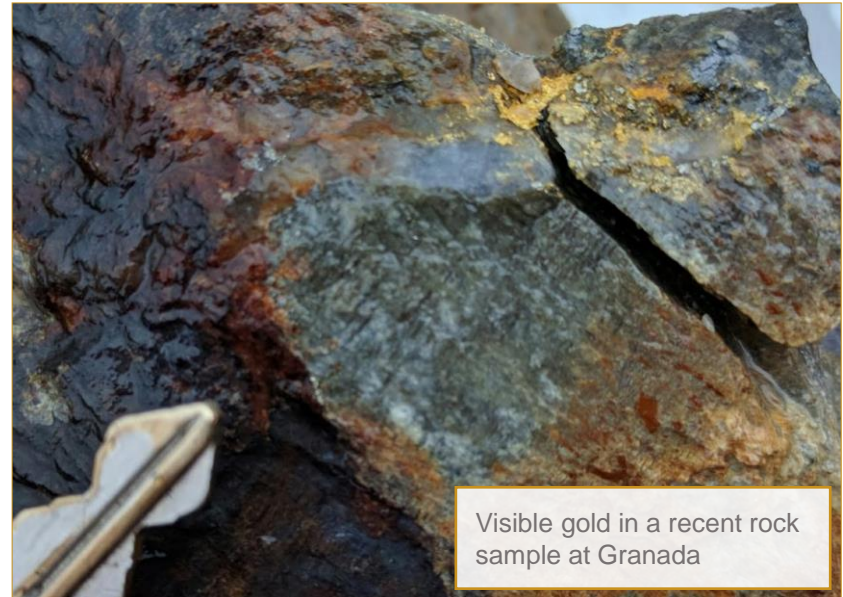
Frank Basa, President and CEO, at drill hole in a promising area immediately west of the high-grade Rolling Start Pit



Claude Duplessis, Eng.,  
GoldMinds Geoservices Inc.,  
Granada's Geologist/ Consultant



Typical Rock Alteration



Visible gold in a recent rock sample at Granada

# Granada Gold Deposit Mineral Resource 2012 Estimate <sup>(1)</sup>

Mineral resources confirmed by ~90,000 metres of drilling

CUT-OFF 0.4 G/T	TONNAGE	AU G/T	AU OZ
Measured	28,735,000	1.02	946,000
Indicated	18,740,000	1.09	659,000
<b>Total M+I</b>	<b>47,475,000</b>	<b>1.05</b>	<b>1,605,000</b>
<b>Inferred</b>	<b>29,975,400</b>	<b>1.07</b>	<b>1,033,000</b>

Note: Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

(1) Source: NI 43-101 Technical Report Granada Gold Project Resource estimate update Rouyn-Noranda, Abitibi, Quebec, published January 3, 2013 with effective date of November 15, 2012. Claude Duplessis, Eng. and Gilbert Rousseau, Eng. are the independent qualified persons in accordance with National Instrument 43-101.

## Targeting a significant expansion of the Granada gold deposit

- ▶ High-grade drill targets
- ▶ Not previously explored
- ▶ Not included in 2012 resource estimate<sup>(1)</sup>
- ▶ 2,500m drilling completed in September-October
- ▶ Additional 8,000m deep-hole drilling started in December
- ▶ First hole GR-16-14 intersects 14.5 g/t Au over 4m, including 55.9 g/t Au over 1m at 881m (Jan. 18 news release)

### ▶ Tonnage targets<sup>(2)</sup>

- Pit-constrained 88-93 million tonnes at 1 g/t gold surface
- 10-20 million tonnes at 3 g/t gold underground

Note: Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The potential quantity and grade reported as Mineral Potential or as targeted exploration target is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

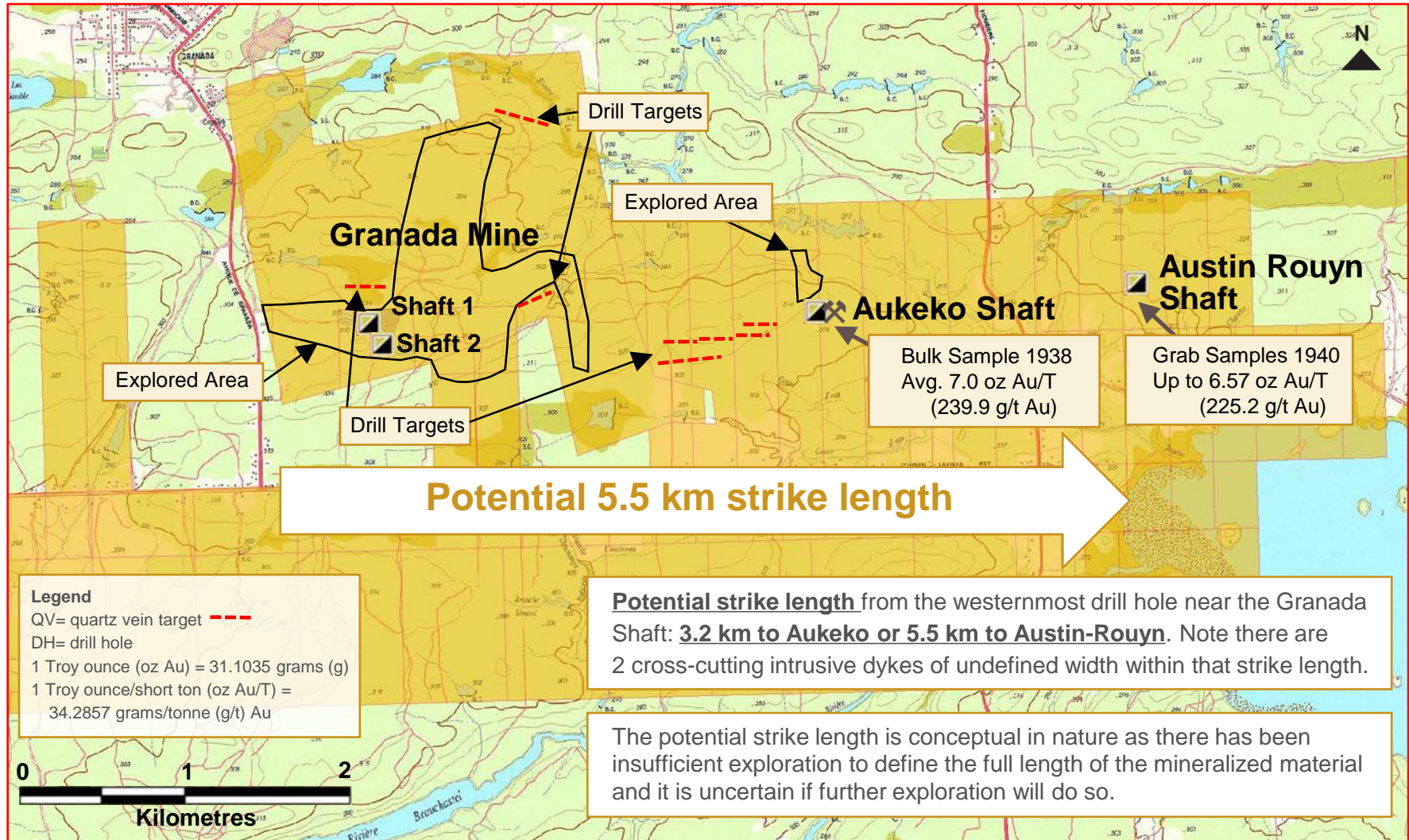
(1) NI 43-101 Technical Report Granada gold project Resource estimate update Rouyn-Noranda, Abitibi, Quebec, published January 3, 2013 with effective date of November 15, 2012. Claude Duplessis, P.Eng. and Gilbert Rousseau, P.Eng. are the independent qualified persons in accordance with National Instrument 43-101.

(2) Formula for converting grams to ounces: 1 troy ounce of gold = 31.1035 grams of gold. See exploration details in Company news release September 8, 2016, for which Claude Duplessis, Eng., is the independent qualified persons in accordance with National Instrument 43-101.



# Granada Exploration Targets and Strike Length

Red dashes show quartz vein drill targets for 2,500m program announced in September 2016



# Preliminary Sept.-Oct. 2016 Exploration Results<sup>(1)</sup>

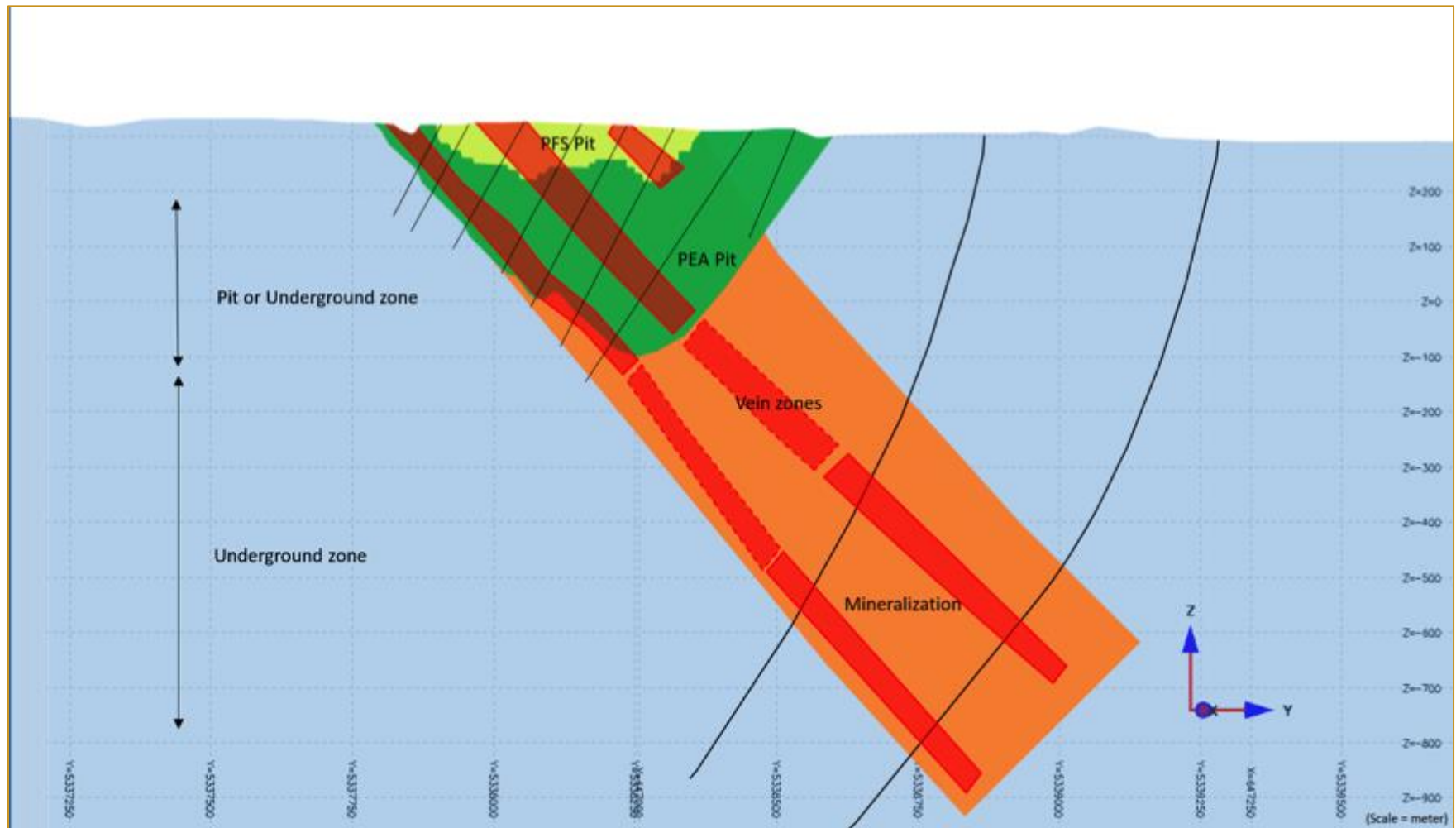
HOLE	From (m)	To (m)	Width (m)	Grade (g/t Au)
GR-16-03	54.0	69.0	15.0	3.62
including	68.0	69.0	1.0	43.58
GR-16-11	19.0	43.0	24.0	1.06
including	24.0	27.0	3.0	1.47
and including	34.0	37.0	3.0	1.99
and	41.0	43.0	2.0	5.67
including	42.0	43.0	1.0	9.31
and	104.0	105.0	1.0	4.45
and	129.0	132.0	3.0	1.10
GR-16-12	13.0	38.0	25.0	1.50
including	13.0	16.0	3.0	9.25
including	13.0	14.0	1.0	24.99
and including	21.0	25.0	4.0	0.54
and	35.0	38.0	3.0	2.02
including	35.0	36.0	1.0	3.31
and	69.0	70.0	1.0	3.97
and	119.0	120.0	1.0	3.75
and	136.0	146.0	10.0	1.47
including	136.0	140.0	4.0	2.29

- ▶ Drill results support extension at depth of new high-grade zone unexpectedly discovered at surface between two planned open pits
- ▶ **Drill Hole GR-16-03**  
3.62 g/t Au over 15 m, including 43.58 g/t Au over 1 m
- ▶ **Drill Hole GR-16-11**  
5.67 g/t Au over 2 m, including 9.31 g/t Au over 1 m
- ▶ **Drill Hole GR-16-12**  
9.25 g/t Au over 3 m, including 24.99 g/t Au over 1 m

(1) Source: Company news release dated November 9, 2016, showing preliminary results of 2,500m September-October drilling program. Claude Duplessis, Eng., an independent qualified person in accordance with National Instrument 43-101, reviewed and approved the contents of the news release.

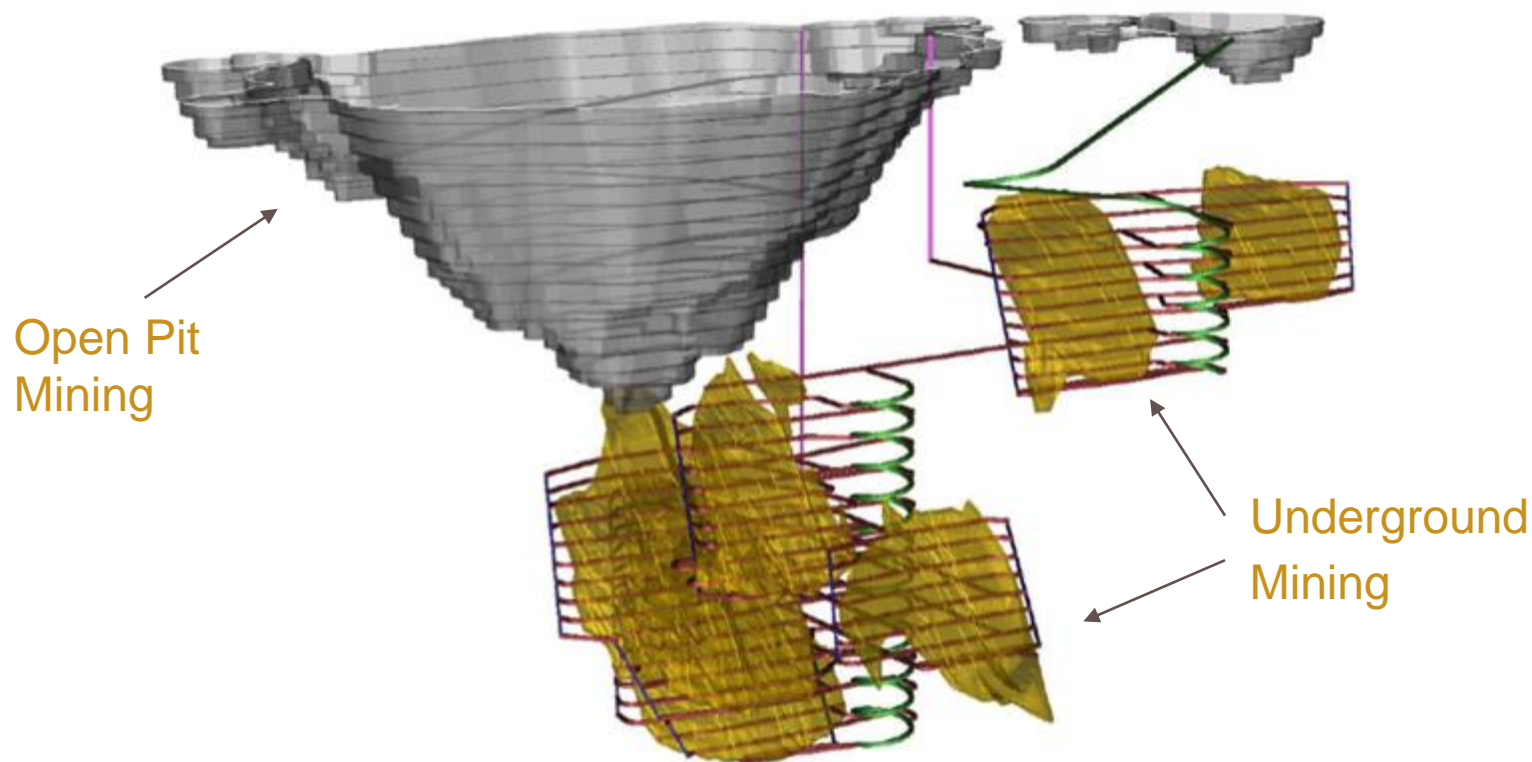
# Granada Mine Schematic Cross-Section through the LONG Bars Zone looking West

8,000m deep-hole drill program announced in December is aimed at increasing mineral resources in the orange block where 2012 deep holes (shown below) confirmed extension of mineralization at depth



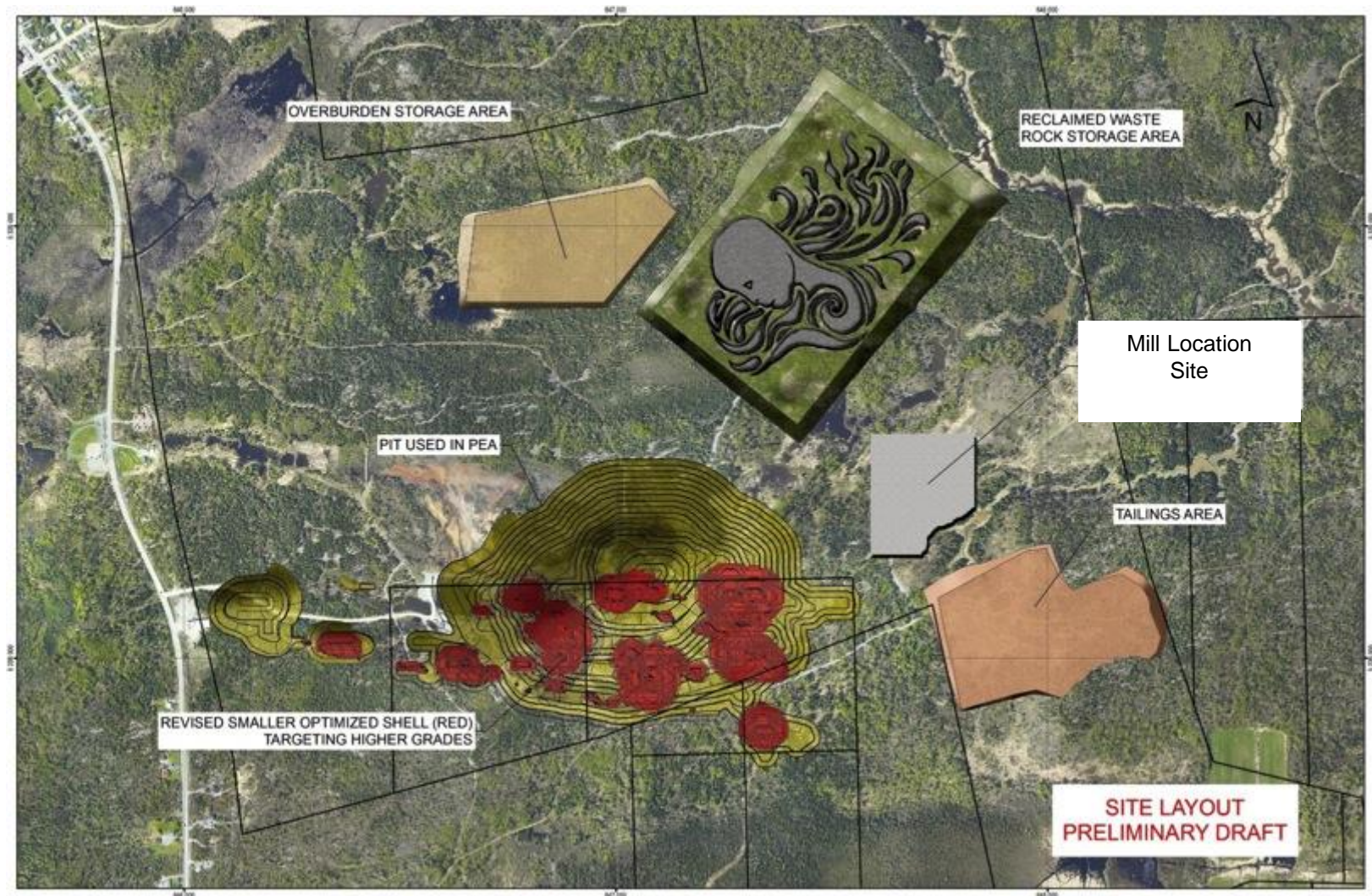
# Granada Deposit Cross Section from 2012 Preliminary Economic Assessment (PEA)<sup>(1)</sup>

## 3-D View of Open-pit and Underground Mining



(1) Source: NI 43-101 Technical Report Preliminary Economic Assessment (PEA) Granada Gold Project Rouyn-Noranda, Quebec, published February 4, 2013, effective date December 21, 2012. Claude Duplessis, Eng., Gilbert Rousseau, Eng., Gaston Gagnon P. Eng. and Jonathan Gagné, Eng., are the independent qualified persons in accordance with National Instrument 43-101.

# Granada Conceptual Long-term Plan



# Granada Gold NI 43-101 Mine Plans

On track to achieve production goal of 100,000 oz/yr gold within 3-5 years

## ► 2012 Plan: Open-pit and Underground mining – as per PEA<sup>(2)</sup>

- 100,000 oz/yr gold production for 11 years mining 7,500 tonnes/day
- Capex: C\$259 million
- Average mill feed grades:
  - Open-Pit 1.07 g/t
  - Underground 3.51 g/t

Note: The PEA is preliminary in nature and it includes Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions reached in the PEA will be realized.

## ► 2014 ‘Rolling Start’ Plan: Initial-phase, open-pit, selective high-grade mining – as per PFS<sup>(1)</sup>

- 25,000 oz/yr gold production for 3 years in “Rolling Start” mining 550 tonnes/day
- All-in Sustaining Cost (AISC) of US\$797/oz (excludes cost of financing)
- Capex: C\$6.7 million
- Average grade 4.24 g/t
- All permits received as of May 2016
- First Nations Agreements in place
- Stripping underway
- Negotiations underway with local mills

(1) The “Rolling Start” is an initial phase of reduced-scale production to quantify grades and create cash flow to further expand the resource on route to larger –scale production. Source: NI 43-101 Technical Report Prefeasibility Study (PFS) Phase I – Open Pit Granada Gold Project Rouyn-Noranda, Québec, published June 19, 2014, effective date May 6, 2014. Claude Duplessis, Eng. Gilbert Rousseau, Eng. Jonathan Gagné, Eng. Martin Stapinsky, P.Geo.,M.Sc.,Ph.D, are the independent qualified persons in accordance with National Instrument 43-101.

(2) NI 43-101 Technical Report Preliminary Economic Assessment (PEA) Granada Gold Project Rouyn-Noranda, Quebec, published February 4, 2013, effective date December 21, 2012. Claude Duplessis, Eng., Gilbert Rousseau, Eng., Gaston Gagnon, Eng., and Jonathan Gagné, Eng., are the independent qualified persons in accordance with National Instrument 43-101.

# Current Market Situation Favourable vs. 2014 PFS Assumptions

- ▶ Canadian-dollar gold price higher --- Fuel costs lower
- ▶ Positive impact on NPV and IRR

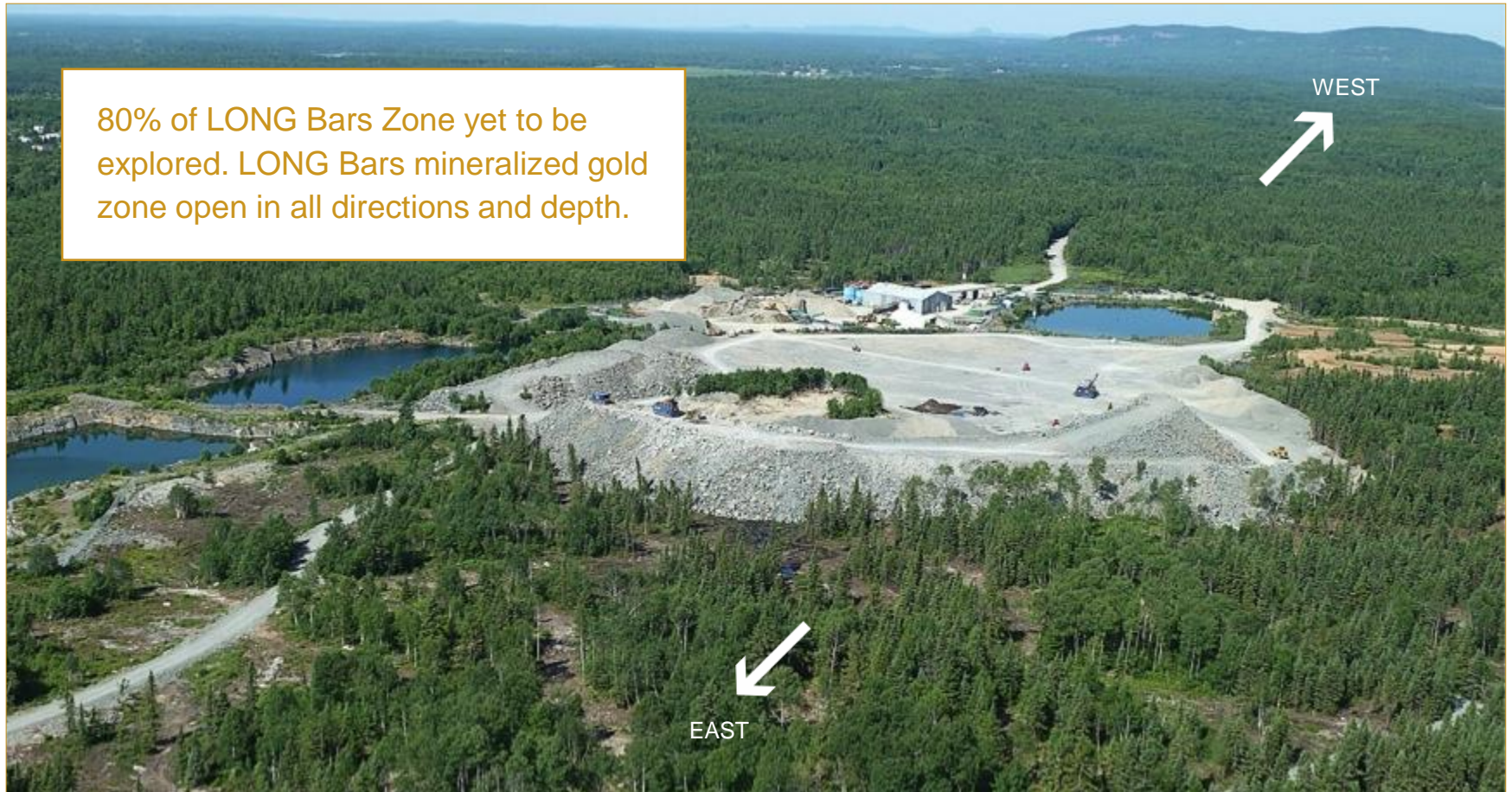
	2014 PFS ASSUMPTIONS*	Jan. 11, 2016	CHANGE
US\$ Gold Price	US\$1,260	US\$1,191	-5.4%
Canadian Dollar	US\$1.00 = C\$1.11	US\$1.00 = C\$1.31	-18.0%
C\$ Gold Price	C\$1,400	C\$1,560	+11.4%
Fuel Cost	C\$1.30	C\$1.10	-15.4%

## 2014 PFS Sensitivity Analysis\*

Parameters	2014 PFS ASSUMPTIONS	Gold Price +10%	Gold Price +20%
C\$ Gold Price	C\$1,400	C\$1,540	C\$1,680
Pre-tax NPV	C\$24.7 million	\$33.6 million	\$42.5 million
Pre-tax IRR	169%	224%	278%

\*Source: NI 43-101 Technical Report Prefeasibility Study (PFS) Phase I – Open Pit Granada Gold Project Rouyn-Noranda, Québec, published June 19, 2014, Effective date May 6, 2014. Claude Duplessis, Eng., Gilbert Rousseau, Eng., Jonathan Gagné, Eng., and Martin Stapinsky, P.Geo.,M.Sc.,Ph.D, are the independent qualified persons in accordance with National Instrument 43-101. See appendix of this presentation for sensitivity analysis table.

# How Granada Can Grow





# Granada 2016 – 2017 Catalysts

- ▶ **2016 drilling results** when received
- ▶ Update of **NI 43-101 resource estimates** to include drilling results
- ▶ **400 historical holes to be included in resource estimates in future technical reports**
  - Drilled prior to GGM's acquisition of the Granada property in 2006
  - Sufficiently long sections of the core from these holes has been analyzed in work done since 2012 resource estimate<sup>(1)</sup>
- ▶ **First gold pour** during processing of first batch of “Rolling Start” mined material
- ▶ Results from engineering work for production ramp-up to **100,000 ounces/year**
- ▶ **Additional financing** as required for “Rolling Start” CAPEX, exploration and engineering work



(1) NI 43-101 Technical Report Granada gold project Resource estimate update Rouyn-Noranda, Abitibi, Quebec, published January 3, 2013 with effective date of November 15, 2012. Claude Duplessis, P.Eng. and Gilbert Rousseau, P.Eng. are the independent qualified persons in accordance with National Instrument 43-101.

# GGM Shareholders to Benefit from Dividends

- ▶ **7.5 million shares** of silver-cobalt explorer Castle Silver Resources Inc. (TSXV: CSR)
- ▶ **7.5 million warrants** to purchase CSR shares at \$0.10/share for a year from date of issue
- ▶ CSR shares and warrants to be paid out in three tranches as a stock dividend over three years
- ▶ First stock distribution of 2.5 million CSR shares was in April 2016 and 2.5 million CSR warrants were distributed in September 2016<sup>(1)</sup>
- ▶ **3% net smelter royalty (NSR)** to be paid as gold or cash dividend to shareholders after Granada production begins
- ▶ **1% NSR** on properties owned by Castle Silver to be paid out as cash dividends to shareholders<sup>(2)</sup>



(1) See company news release issued April 1, 2016. Stock dividends will be distributed when received in April, and warrants when received in September, in each of 2017, 2018 and 2019. (2) See company news release issued August 10, 2015.

# Share Structure

Share Price <sup>(1)</sup>	\$0.075
Market Cap	\$29,092,107
Shares Issued and Outstanding	387,894,765
Warrants Outstanding	77,845,407
Options Outstanding	19,700,000
Fully Diluted	485,440,172
Ownership by insiders	4.8% of shares 7.7% fully diluted

**52 WEEK HIGH AND LOW \$0.155 - \$0.03**

(1) As of January 11, 2017.

# Granada's Market Valuation

## TSXV-listed companies REVITALIZING FORMER MINES on the Cadillac Trend

	Share Price <sup>(1)</sup>	Market Cap <sup>(1)</sup>
Integra Gold Corp. (TSXV: ICG)	\$0.72	\$344 million
Falco Resources Ltd. (TSXV: FPC)	\$0.88	\$100 million
Granada Gold Mine Inc. (TSXV: GGM)	\$0.075	\$29 million

**GGM'S GOLD** at Granada is currently **UNDERVALUED** by the market

- ▶ Granada's market value per ounce of in-situ gold resource <sup>(2)</sup> = **C\$11.15/oz (US\$8.51/oz)**
- ▶ Integra's market value per ounce of in-situ gold resource <sup>(3)</sup> = **C\$88/oz (US\$67/oz)**
- ▶ Bloomberg Intelligence<sup>(4)</sup>: 133 gold mining transactions in Q2 2016 – average paid was **US\$64/oz** of gold equivalent in the ground,
- ▶ Cipher Research <sup>(5)</sup>: 253 gold deposits acquired from 1990-2013, median value paid was **US\$40/oz** for gold in the ground

Source:

(1) Share prices and market capitalization as calculated and published by TMXmoney.com as of January 11, 2017. Exchange rate US\$1 = C\$1.31.

(2) Granada's In-situ gold resource defined as Measured and Indicated Resource of 1.6 million ounces plus Inferred Resource of 1.0 million ounces, as stated on page 3 of company's NI 43-101 Technical Report entitled "Granada gold project Resource estimate update Rouyn-Noranda, Abitibi, Qc" published January 3, 2013 with effective date of November 15, 2012. Claude Duplessis, Eng. and Gilbert Rousseau, Eng. are the independent qualified persons accordance with NI 43-101.

(3) Integra's in-situ gold resource calculated from resource data provided by Integra for its Parallel, Triangle and Sigma properties in its July 2016 Corporate Presentation.

(4) Bloomberg article July 31, 2016 "Gold's \$50 billion M&A Spree Builds as Rally Boosts Values".

(5) Kitco.com Commentary June 3, 2015 "The real value of gold in the ground". Cipher's calculations include all categories of NI 43-101 qualified resource estimates: measured, indicated and inferred resources.

# Contact Information



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[www.GranadaGoldMine.com](http://www.GranadaGoldMine.com)

A photograph of a rock face with a white text box in the center. The rock is light-colored with some darker spots and cracks. The text box contains the word "Appendix" in a bold, sans-serif font.

# Appendix

# Granada Bullion Management and Directors

## FRANK J. BASA P.Eng

### Chairman, President, & CEO

Mr. Basa is a Professional Engineer with a degree in Metallurgical Engineering from McGill and has over 30 years experience as a hydro-metallurgical engineer specializing in precious metals. Mr. Basa has worked around the world for companies such as Echo Bay Mines in Burkina Faso, for Placer Dome Inc. in British Columbia and for Agnico-Eagle Mines Silver Division in Ontario. He has occupied positions such as Project Manager as well as Mill and Refinery Superintendent. He has also provided technical services globally for companies such as Goldcorp Inc. and Newmont Mining. As a Director, he has been successful in resource development and project financing for several public companies.

## JACQUES F. MONETTE

### Director

Mr. Monette has had a distinguished career in the Mining Industry spanning over four decades. Mr. Monette has covered all aspects of project management, diamond drilling and underground mining and is known worldwide for his expertise in shaft sinking. He has worked on projects around the world for companies such as J.S.Redpath Contracting as Project Manager, Landrill International as Vice President and for Cementation Canada as Shaft Coordinator. Mr. Monette brings a wealth of knowledge to the project and is well-respected and well-connected within the mining industry.

## ANNEMETTE JORGENSEN

### Director

Ms. Jorgensen raised several millions of dollars through the financial community and their clients for Samoth Capital Corporation and increased shareholder returns on investment. With two decades of finance, media, marketing and investor relations expertise, Ms. Jorgensen has been head of Corporate Development since 2010.

## RON J. GOGUEN

### Director

Mr. Goguen is President and CEO of ONTOP Capital Limited, an investment holding company, since 2007. Mr. Goguen served as founder, president and CEO of Major Drilling Group International Inc. from 1980 to 2000, and during this time was the driving force in building Major Drilling into one of the largest mineral drilling service companies in the world (35 operations in 25 countries). Mr. Goguen was a past director and a major shareholder of Northeast Bancorp from 1990 to 2010. He was a director and shareholder of Saratoga Capital Management, a mutual fund corporation. In 2010, he became Chairman of Colibri Resource Corporation.

## ROGER THOMAS

### Director

Mr. Thomas's career spanned 30-years as a successful broker in the investment industry and has been with the company since 2008.

## THOMAS DEVLIN

### Chief Financial Officer

Mr. Devlin has over 40 years of accounting and management experience in the investment and junior resource industries, and has been CFO since 2009.

## TIMOTHY LALLAS, CPA, CMA

### Vice President Finance

Mr. Lallas over 20 years of finance, accounting, financial and operations management, audit and risk management experience in the resource sector, including as CFO of junior mining companies.

## TINA WHYTE

### Corporate Secretary

Ms. Whyte brings over 20 years of experience in the corporate and securities industry. Her expertise includes corporate governance, continuous disclosure, financing transactions and regulatory filings and compliance. Ms. Whyte holds corporate secretary positions with other publicly listed companies.

# Geological, Engineering Consultants

## GoldMinds Geoservices Inc. Geological, Environmental and Mining Consultant

Experts in orebody modelling and resource estimation, this Quebec-based company was founded in 2013 by **Claude Duplessis, Eng.**, who has 25 years global experience in the mining industry. Prior to 2013, Mr. Duplessis was a manager and consultant with Geneva-based SGS, which he joined in 2008 when a company he owned, Geostat Systems International Inc., was purchased by SGS. Claude Duplessis Eng., independent consultant for GBB and a qualified person in accordance with National Instrument 43-101, has reviewed and approved the content of this corporate presentation.

## SGS Canada Inc. Geological, Environmental and Engineering Consultant

A global leader and innovator, SGS Canada Inc.'s expertise in mining places it at the forefront of the industry with an extensive range of services to meet the challenges of this dynamic sector.

## Tetra Tech Geological, Environmental and Mining Consultant

A leading provider of innovative solutions in consulting, engineering, and technical services to the mining and minerals industry worldwide.



# Examples of Previous High-Grade Exploration Results at Granada 2011-2012

## ▶ DRILL HOLE GR-11-310

15.61 grams/tonne (g/t Au) over 29.23 metres (m) from 15.0 m to 44.23 m including 88.97 g/t Au over 5.0 m from 21.0 m to 26.0 m and 443.78 g/t Au over 1.0 m from 22.0 m to 23.0 m<sup>(1)</sup>

## ▶ DRILL HOLE GR-11-362

1.76 g/t Au over 58.0 m from 143.0 m to 201.0 m including 15.27 g/t Au over 6.0 m from 143.0 m to 149.0 m<sup>(2)</sup>

## ▶ DRILL HOLE DUP-12-02W1

4.19 g/t Au over 3.0 m from 784.5 m to 787.5 m including 8.26 g/t Au over 1.5 m from 784.5 m to 786.0 m<sup>(3)</sup>

## ▶ DRILL HOLE GR-11-271

182.95 m grading 1.11 g/t Au including 0.75 m grading 207.27 g/t Au at only 24.55 m (22.1 m vertical) depth and 1.0 m grading 13.71 g/t Au at 71.5 m (64.3 m vertical) depth<sup>(4)</sup>

## ▶ TRENCH TR15-11

6.05 g/t Au over 8 m including 14.98 g/t Au over 3 m<sup>(5)</sup>



Sources:

(1) Company news release dated November 8, 2012.

(2) Company news release dated September 18, 2012.

(3) Company news release dated August 30, 2012.

(4) Company news release dated December 7, 2011.

(5) Company news release dated April 22, 2015.

For all five news releases, Claude Duplessis, Eng., a independent qualified person in accordance with National Instrument 43-101, reviewed and approved the contents of the news releases.

# Granada Gold Deposit Mineral Resource Estimate from January 2012 NI 43-101 Technical Report <sup>(1)</sup>

CUT-OFF 0.4 G/T	TONNAGE	AU G/T	AU OZ
Measured	28,735,000	1.02	946,000
Indicated	18,740,000	1.09	659,000
Total M+I	47,475,000	1.05	1,605,000
Inferred	29,975,400	1.07	1,033,000

CUT-OFF 1.0 G/T	TONNAGE	AU G/T	AU OZ
Measured	7,810,000	2.14	536,000
Indicated	5,347,000	2.32	398,000
Total M+I	13,157,000	2.21	934,000
Inferred	8,600,000	2.23	617,000

CUT-OFF 2.0 G/T	TONNAGE	AU G/T	AU OZ
Measured	2,533,000	3.76	306,000
Indicated	1,869,000	4.07	245,000
Total M+I	4,402,000	3.89	551,000
Inferred	3,030,000	3.89	379,000

Note: Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

(1) Source: NI 43-101 Technical Report Granada gold project Resource estimate update Rouyn-Noranda, Abitibi, Quebec, published January 3, 2013 with effective date of November 15, 2012. Claude Duplessis, Eng. and Gilbert Rousseau, Eng. are the independent qualified persons in accordance with National Instrument 43-101.

# Granada Mine History and Recent Developments

- ▶ Produced **over 51,476 oz Au from 181,744 tons averaging 9.7 g/t Au and 1.5 g/t Ag** until a fire destroyed the surface structures in 1935
- ▶ Nearly **500 shallow holes** over a small footprint were drilled in the 1980s and 1990s with encouraging results
- ▶ In 1993 and 1994, two bulk samples totaling 87,311 tonnes grading 5.2 g/t Au from the #1 Vein were processed at the Norebec-Manitou gold mill in Val d'Or, Quebec <sup>(2)</sup>
- ▶ In 1995, a 22,095 tonne bulk sample from Vein #2 was taken and shipped to the Malartic Mine Mill producing a grade of 3.46 g/t Au <sup>(2)</sup>
- ▶ In 2000, roughly **2,300 ounces of gold** was mined from Vein #2 <sup>(3)</sup>
- ▶ GGM acquired Granada in 2006 and conducted bulk samples and exploration (~90,000 metres drilling)
- ▶ Resource estimates in 2012 detailed **1.6M ounces gold M&I and 1.0M inferred**<sup>(1)</sup>
- ▶ 2012 Preliminary Economic Analysis (PEA) outlined mine production of **100,000 ounces/yr** <sup>(2)</sup>
- ▶ 2014 Preliminary Feasibility Study (PFS) published for selective, high-grade “Rolling Start” mine production of **25,000 ounces/yr** <sup>(3)</sup>
- ▶ May 2016 received final permit allowing “Rolling Start” to commence

Note: Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

(1) NI 43-101 Technical Report Granada gold project Resource estimate update Rouyn-Noranda, Abitibi, Quebec, published January 3, 2013 with effective date of November 15, 2012. Claude Duplessis, Eng. and Gilbert Rousseau, Eng. are the independent qualified persons in accordance with National Instrument 43-101.

(2) NI 43-101 Technical Report Preliminary Economic Assessment (PEA) Granada Gold Project Rouyn-Noranda, Quebec, published February 4, 2013, effective Date December 21, 2012. Claude Duplessis, Eng., Gilbert Rousseau, Eng., Gaston Gagnon, Eng., and Jonathan Gagné, Eng., are the independent qualified persons in accordance with National Instrument 43-101.

(3) NI 43-101 Technical Report Prefeasibility Study (PFS) Phase I – Open Pit Granada Gold Project Rouyn-Noranda, Québec, published June 19, 2014, effective date May 6, 2014. Claude Duplessis, Eng. Gilbert Rousseau, Eng. Jonathan Gagné, Eng. Martin Stapinsky, P.Geo.,M.Sc.,Ph.D, are the independent qualified persons in accordance with National Instrument 43-101.

# Granada Metallurgy – Test Results

- ▶ 2007: Bulk sample of 140,000t from open pit in LONG Bars zone processed. **Grade averaged 1.62 g/t Au with 90% recovery rate<sup>(1)</sup>**
- ▶ Waste from this bulk sample was assayed and returned a grade of 1.75 g/t Au, **confirming the presence of gold mineralization between the known vein structures** which trend east-west as one large overall structure<sup>(1)</sup>
- ▶ 2010: Tests for gravity, flotation and cyanide amenability on samples with **head grades of 0.45 – 0.60 g/t Au produced >93% recoveries<sup>(1)</sup>**
- ▶ 2012: Tests on 29 composite samples for head grades and recoveries using flotation followed by cyanidation. **Grade averaged 0.94 g/t Au with 94.1% recovery<sup>(2)</sup>**
- ▶ 2015: Tests on 260-kilogram composite sample showed (a) **calculated head grade 30% higher than assayed head grade**, consistent with 1930s mining records showing gold ounces poured exceeded assayed mill feed grade by 30%; (b) gravity/flotation alone produced **a concentrate grade of 4.86 g/t grade Au from sample's 0.45 g/t Au base grade<sup>(3)</sup>**

Source:

- (1) Company news release November 15, 2010. The 2010 tests were conducted by Gekko Systems Ltd. of Victoria, Australia. Samples had lower grades than the assayed hole grades due to removal of high-grade intercepts. For this release, Frank J. Basa, P.Eng., Granada's President and CEO, is the qualified person in accordance with NI 43-101.
- (2) Company news release February 29, 2012. Tests conducted by SGS Lakefield Gold Metallurgical Testing Group. For this release, Claude Duplessis, Eng. is the independent qualified person in accordance with NI 43-101.

- (3) Company news release May 7, 2015. Sample tests conducted by Gekko Systems Ltd., of Ballarat, Australia. For this release, Frank J. Basa, P.Eng., Granada's President and CEO, is the qualified person in accordance with NI 43-101.

# Economic Analysis – Results of 2014 PFS\*

## Granada's PLANNED HIGH-GRADE "Rolling Start" Production

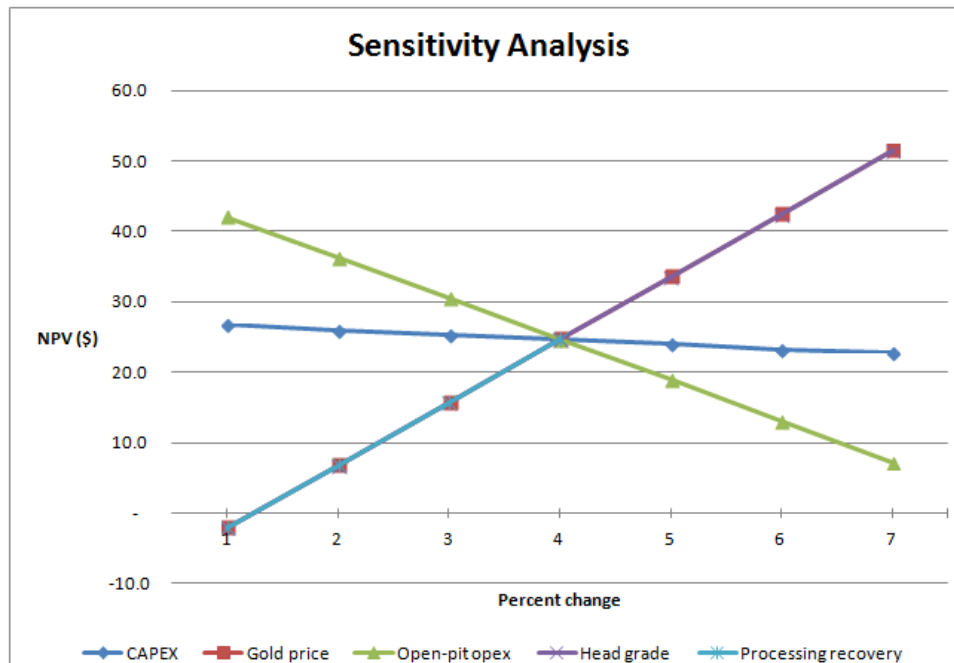
### Granada (Phase I) 3-Year High-Grade "Rolling Start" - PFS Base Case Highlights\*

<b>Total Revenue</b>		<b>\$102,700,000</b>
CAPEX (Pre-Production)		\$6,700,000
Sustaining CAPEX		\$2,900,000
OPEX		\$65,100,000
Royalties Paid		\$3,100,000
Pre-Tax	Undiscounted Benefits	\$28,400,000
	NPV (6% Discount)	\$24,700,000
	IRR	169.4%
	Payback Period	6 months
After-Tax	Undiscounted Benefits	\$22,700,000
	NPV (6% Discount)	\$19,500,000
	IRR	136%
	Payback Period	8 months
Estimated Gold Price		C\$1,400/oz (US\$1,260/oz)
<b>Estimated Exchange Rate</b>		<b>US\$1 = C\$1.11</b>
Estimated Fuel Cost		\$1.30/litre

- ▶ Based on proven reserves of 170,000 tonnes @ 3.72 g/t Au and probable reserves of 399,000 tonnes @ 4.46 g/t Au at a cut-off of 1.69 g/t, with an ore mining rate of approx.550 t/day.
- ▶ Assumed costs: Mining cost \$2.51/t mined; Loading \$1.25/t ore; transport \$4.75/t ore; crushing \$0.25/t ore; Processing and G + A \$51.00/t ore

\*All figures in Canadian dollars except where specified.  
Source: 43-101 Technical Report Prefeasibility Study (PFS) Phase I – Open Pit Granada Gold Project Rouyn-Noranda, Québec, published June 19, 2014, effective date May 6, 2014. Claude Duplessis, Eng. Gilbert Rousseau, Eng. Jonathan Gagné, Eng. Martin Stapinsky, P.Geo.,M.Sc.,Ph.D, are the independent qualified persons in accordance with National Instrument 43-101.

# Granada's 2014 "Rolling Start" Sensitivity Analysis<sup>(1)</sup>



Parameters	Units	-30%	-20%	-10%	0%	10%	20%	30%
CAPEX	M\$	4.7	5.4	6.0	6.7	7.4	8.0	8.7
Pre Tax NPV	M\$	26.7	26.0	25.3	24.7	24.0	23.3	22.7
Pre Tax IRR	%	249.0	216.0	190.0	169.0	152.0	137.0	125.0
Gold price	\$Cdn/oz	980	1,120	1,260	1,400	1,540	1,680	1,820
Pre Tax NPV	M\$	2.1	6.8	15.7	24.7	33.6	42.5	51.5
Pre Tax IRR	%	-	55.0	113.0	169.0	224.0	278.0	332.0
Open-pit opex	M\$	45.6	52.1	58.6	65.1	71.6	78.1	84.7
Pre Tax NPV	M\$	42.1	36.3	30.5	24.7	18.9	13.0	7.2
Pre Tax IRR	%	270.0	237.0	203.0	169.0	134.0	98.0	60.0
Head grade	g/t Au	2.97	3.39	3.81	4.24	4.66	5.08	5.51
Pre Tax NPV	M\$	2.1	6.8	15.7	24.7	33.6	42.5	51.4
Pre Tax IRR	%	-	55.0	113.0	169.0	224.0	278.0	331.0
Processing recovery	%	66.5	76.0	85.5	95.0			
Pre Tax NPV	M\$	2.1	6.8	15.7	24.7			
Pre Tax IRR	%	-	55.0	113.0	169.0			

This sensitivity analysis table is contained in the PFS<sup>(1)</sup> and shows that the NPV and IRR for the 25,000-ounce/year mine plan increase significantly as the Can\$ gold price increases.

The PFS assumption for the gold price was C\$1,400/oz (equivalent to US\$1,260/oz at an assumed exchange rate of C\$1.11 = US\$1).

The Can\$ gold price on January 11, 2017 was C\$1,560/oz (US\$1,191/oz at an exchange rate of C\$1.31 = US\$1).

## Sensitivity analysis shows

**Assuming a C\$1,540/oz gold price:**

**Pre-tax NPV = C\$33.6 million**

**Pre-tax IRR = 224%.**

Due to the improved market conditions, the technical team is working on incorporating additional resources for the "Rolling Start".

(1) Source: 43-101 Technical Report Prefeasibility Study (PFS) Phase I – Open Pit Granada Gold Project Rouyn-Noranda, Québec, published June 19, 2014, effective date May 6, 2014. Claude Duplessis, Eng. Gilbert Rousseau, Eng. Jonathan Gagné, Eng. Martin Stapinsky, P.Geol.,M.Sc.,Ph.D, are the qualified persons in accordance with National Instrument 43-101.

# Resource Estimation Techniques: Targeting High-Grade Areas in 2014 PFS<sup>(1)</sup>

- ▶ 2013 PEA<sup>(2)</sup> resource estimates for large open pit (average grade of 1.07 g/t Au) were based on a bulk resource model with mineralized material in blocks of 5m x 10m x 5m
- ▶ In 2014 PFS<sup>(1)</sup>, Granada decided to target higher-grade vein areas segregated into four smaller, isolated pits within the large PEA pit
- ▶ Resource estimation was revised for PFS to model high-grade structures individually as opposed to the bulk mineralization approach in the PEA. Net effect was more selectivity and less dilution, resulting in a substantially higher average grade of 4.24 g/t for PFS resources (P.136 of PFS)
- ▶ PFS resource estimates were based on:
  - Smaller model blocks: 5m x 2.5m x 5m (P.136)
  - Assay results capped at 30g/t “to be conservative” (P.137)
  - Assumed ore loss: 10% (P. 173)
  - Assumed mining dilution: 25% (P.173)
  - Marginal cut-off grade of 1.69 g/t at assumed gold price C\$1,400 and assumed costs (P.173)
- ▶ Resource blocks in PFS pit are shown in graphic form to depth of 237.5m (P.136-144) with additional potential shown (P.144-146) if gold price increases sufficiently to allow expansion of the PFS pit

(1) NI 43-101 Technical Report Prefeasibility Study (PFS) Phase I – Open Pit Granada Gold Project Rouyn-Noranda, Québec, published June 19, 2014, effective date May 6, 2014. Claude Duplessis, Eng., Gilbert Rousseau, Eng., Jonathan Gagné, Eng., and Martin Stapinsky, P.Geo.,M.Sc., Ph.D, are the independent qualified persons in accordance with National Instrument 43-101.

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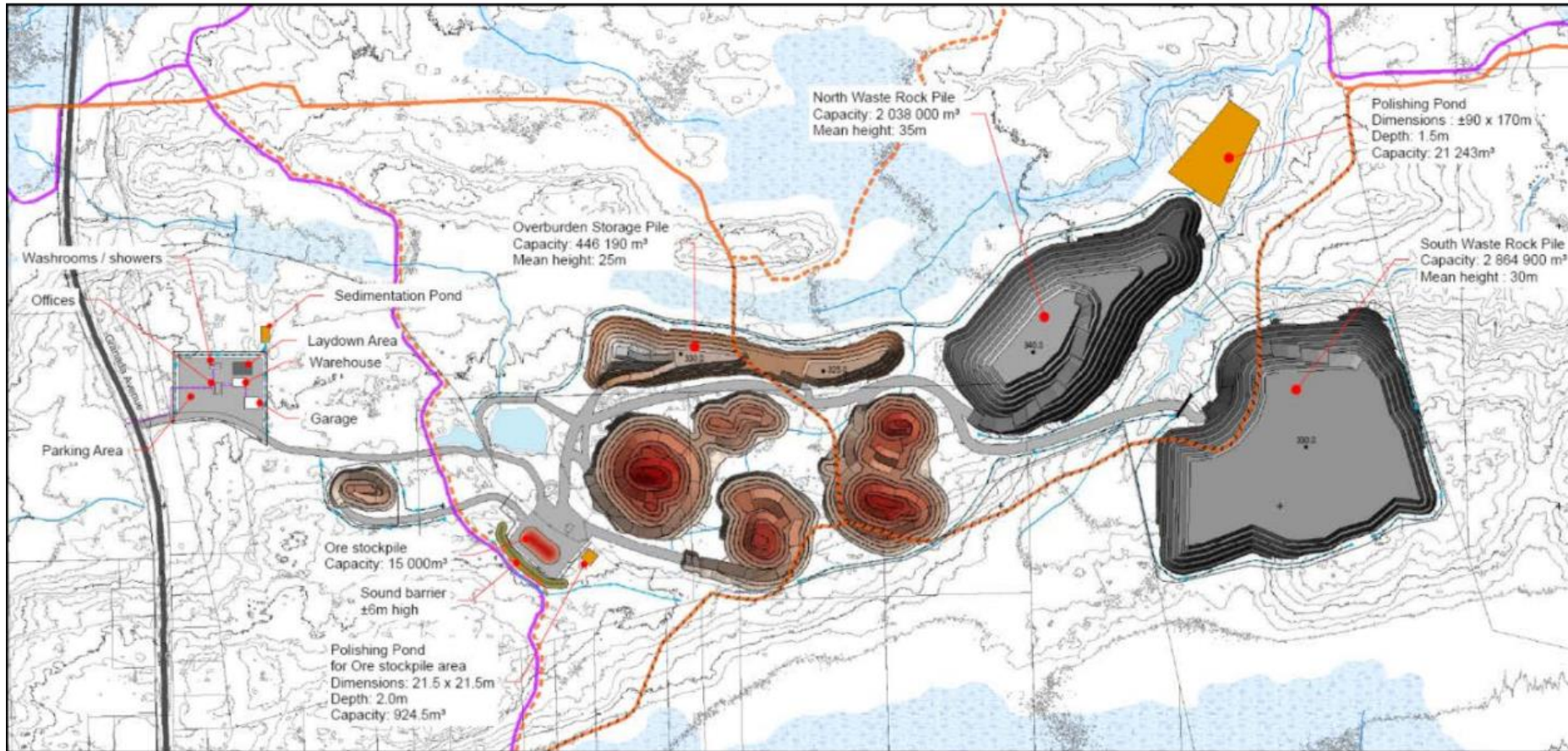
# Mine Management Structure

- ▶ Mining contractors to be supervised by Granada personnel, as outlined in PFS <sup>(1)</sup> (P.224)
  - Mine Manager
  - Pit Captain
  - Production Geologist
  - Mine Engineer
  - Surveyor
  - Environmental Technician
  - Community Relations Officer
  
- ▶ Contract milling to be supervised by Granada personnel:
  - Chief Metallurgist

(1) NI 43-101 Technical Report Prefeasibility Study (PFS) Phase I – Open Pit Granada Gold Project Rouyn-Noranda, Québec, published June 19, 2014, effective date May 6, 2014. Claude Duplessis, Eng., Gilbert Rousseau, Eng., Jonathan Gagné, Eng., and Martin Stapinsky, P.Geo., M.Sc., Ph.D, are the independent qualified persons in accordance with National Instrument 43-101.



# "Rolling Start" Pit – Initial Layout



# Exploration Targets at 50%-Owned Castle Golden Corridor and Near the Castle Silver Mine



# Exploration Targets at 50%-Owned Castle Golden Corridor (1)

- ▶ 50% interest in **high-grade gold exploration target** with Castle Silver Resources
- ▶ Golden Corridor Zone is less than 1 km from **Castle Silver Mine** (good infrastructure)
- ▶ Zone is currently defined over a distance of **800 metres**
- ▶ Prospective for **high-grade hydrothermal-related gold system** with copper to 300 metres depth
- ▶ Trenching results in 2015 indicated a **grade of 2.24 g/t Au over 2.2 metres** including one sample of 3.77 g/t Au over 1.27 metres
- ▶ Copper values as high as **1.03% in bedrock**

- ▶ Recent discovery of **widespread gold mineralized system** 2.4 km to the west on adjoining property (2)
- ▶ Plans call for additional geophysics and geochemistry to help define **gold targets followed by diamond drilling**; silver potential also exists



(1) For details see company news releases on June 30, 2016, April 2, 2015, and December 8, 2014.

(2) Transition Metals' Gowganda Gold Project.