

Granada Completes Sale of Back-In Option to Canada Silver Cobalt

written by Raj Shah | July 14, 2020

July 13, 2020 ([Source](#)) – Granada Gold Mine Inc. (TSXV: [GGM](#)) (the “Company” or “Granada”) is pleased to announce that it has completed its previously-announced sale to Canada Silver Cobalt Works Inc. of a back-in option on five mining leases forming part of the Castle Silver Cobalt Mine property in Ontario.

In payment, Canada Silver Cobalt issued 2,941,000 common shares to the Company at a deemed price of \$0.51 per share, for total deemed consideration of approximately \$1,500,000. Each of the shares was accompanied by one common share purchase warrant. Each warrant will entitle the Company to acquire one additional common share of Canada Silver Cobalt for \$0.55 for a period of five years. The shares and warrants issued by Canada Silver Cobalt are subject to a four-month hold period under applicable securities regulations and the policies of the TSX Venture Exchange.

Under the policies of the TSX Venture Exchange, Granada Gold is a “Non Arm’s Length Party” to Canada Silver Cobalt in that Frank Basa, Jacques Monette, Robert Setter and Dianne Tookenay, each of whom is a director and/or officer of Canada Silver Cobalt, are also directors and/or officers of Granada Gold. In determining the purchase price, Canada Silver Cobalt relied on, among other things, a valuation opinion dated May 13, 2020 prepared by Watts, Griffis and McOuat Limited of Toronto. The sale of the back-in option is not a “related party transaction” under *Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions*.

About Granada Gold Mine Inc.

Granada Gold Mine Inc. continues to develop the Granada Gold Property near Rouyn-Noranda, Quebec. 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 of mineralized structure. The highly prolific Cadillac Break, the source of more than 75 million plus ounces of gold production in the past century, cuts through the north part of the Granada property.

Pit-Constrained Mineral Resources at Granada disclosed on February 13th, 2019 Press Release prepared by SGS independent QP stand at:

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
Measured & Indicated	22,267,000	1.06	762,000
Inferred	6,930,000	2.04	455,000

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.

+ Open pit 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%.

The Granada Shear Zone and the South Shear Zone contains, based on historical detailed mapping as well as from current and historical drilling, up to twenty-two mineralized structures trending east-west over five and half kilometers. Three of these structures were mined historically from two shafts and two open pits. Historical underground grades were 8 to 10 grams per tonne gold from two shafts down to 236 m and 498 m with open pit grades from 5 to 3.5 grams per tonne gold

The Company is in possession of all mining permits that are required to commence the initial mining phase, known as the "Rolling Start", which allows the company to mine up to 550 tonnes per day. Additional information is available at www.grnadagoldmine.com.

"Frank J. Basa"

Frank J. Basa P. Eng.

President and Chief Executive Officer

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.