A REPORT ON A GEOCHEMICAL SURVEY OF THE REN AND NIMROD CLAIMS, NANAIMO MD, NANAIMO, B.C.

Claims:	Ren 1 - 4 (533-536) Nimrod 1 - 6 (445-450)
Location:	50° 31.2′ North, 126° 53.8′ West, NTS Sheet 92L/10W
Owner & Operator:	Granada Exploration Corporation
Consultants:	Nevin Sadlier-Brown Goodbrand Ltd.
Author:	T.L. Sadlier-Brown
Dates Work Done:	September 7th - 9th, 1986
Date Submitted:	October 21st, 1986

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SUMMARY

In September of 1986, Nevin Sadlier-Brown Goodbrand Ltd. at the request of management of Granada Exploration Corporation, carried out a limited program of geochemical exploration of the Ren and Nimrod Claims, Nanaimo MD, B.C. The program was intended to expand upon previous work by sampling untested parts of the properties and, through the use of semi-quantitative multi-element I.C.P. analysis, to carry out cost-effective tests for a variety of elements in addition to those known to occur on the claims.

The claim group is underlain in the east by the greenstones of the Karmutsen formation and in the west by the carbonates, principally limestones, of the Quatsino formation. Both formations are of Triassic age and are known to host a number of copper, lead, zinc and precious metal deposits throughout the general region.

The claims cover a deposit of carbonate hosted armassive sphalerite and galena which outcrops in the general vicinity of the initial posts for the four Ren claims. Geochemical surveys carried out in the past suggest that the deposit is of limited dimensions nor was any evidence of similar mineralization identified during the course of the survey under discussion. Soil samples returned only threshold lead and zinc values although copper content was generally elevated and several silver samples were anomalous in gold.

1.0 INTRODUCTION

1.1 Terms of Reference

The work described in this report was carried out by Nevin Sadlier-Brown Goodbrand Ltd. on behalf of Granada Exploration Corporation and is intended as a continuation of geochemical soil survey work done in 1984. The survey was intended to cover areas which were untested in the past and, through use of semi-quantitative multi-element I.C.P. analysis, to test for a number of elements which were not included in the earlier surveys.

1.2 Location and Access

The Ren and Nimrod claims are centred at 50° 31' north latitude and 126° 53' west longitude near Beaver Cove on Vancouver Island, B.C. They are depicted on NTS Sheet 92L 10 W and are readily accessed by highway and logging roads from Port McNeill, the nearest community and supply centre.

1.3 Terrain

The property lies in an area of rugged terrain on the northeast coast of Vancouver Island. Local relief is to the order of 700 meters and the property is, for the most part, heavily mantled by mature coniferous forest and dense underbrush.

The area is drained by the Tsulton River, a northeasterly flowing tributary of the Kokish River which empties into Beaver Cove at a point about one kilometer easterly from the property boundary.

1.4 Property:

The claim group consists of ten contiguous two-post claims all wholly owned by Granada Exploration Corporation of Vancouver, B.C. Claim names and numbers, record numbers, and record dates are as follows:

CLAIM NAME & NO.	RECORD NO.	DATE OF RECORD
Ren 1	533	February 21, 1980
Ren 2	534	February 21, 1980
Ren 3	535	February 21, 1980
Ren 4	536	February 21, 1980
Nimrod 1	445	September 10, 1979
Nimrod 2	446	September 10, 1979
Nimrod 3	447	September 10, 1979
Nimrod 4	448	September 10, 1979
Nimrod 5	449	September 10, 1979
Nimrod 6	450	September 10, 1979

1.5 Previous Work

Since acquiring the Ren and Nimrod claims, Granada Exploration Corporation has carried out geochemical sampling, geological mapping and hand trenching in different areas within the property. The Nimrod claim area had been staked in the past, most recently by Lorena Mines Ltd. in 1972, staked to cover a copper showing hosted by Karmutsen volcanic rocks and consisting of chalcopyrite, malachite and azurite, associated with pyrite.

1.6 Scope of Work

Field work described in this report consists of collection of a suite of soil samples principally from the central part of the Nimrod Claim Group. The samples were subsequently tested using semi-quantitative multi-element ICP analysis for a wide range of elements including many which were not considered during the course of past exploration programs. In addition, rock samples were obtained from three mineralized localities on the Ren Claim and tested for gold.

2.0 GEOLOGY AND MINERALIZATION

2.1 General Geological Setting

The claim area is underlain principally by rocks of the Vancouver group comprised locally of the Triassic Karmutsen and Quatsino formations. The Karmutsen volcanics underly the eastern part of the property while the younger Quatsino limestones are exposed on the higher ground to the west. In the extreme western part of the Ren Claims as well as on open ground further to the west on the lower slopes of Mr. Holdsworth are extensive exposures of granitic rocks including granodiorite, quartz monzonite and quartz diorite which represent the island intrusives in the area.

The rocks of the Karmutsen formation are known to host minor occurrences of chalcopyrite associated with malachite and azurite. Pyrite is also locally abundant. The Quatsino formation is known to host massive sulphide occurrences consisting of pyrite, sphalerite and galena.

2.2 Sample Results

Three sulphide occurrences on the Ren Claims were examined during the course of the work under discussion. Two pyrite-rich occurrences hosted by Quatsino formation rocks are situated west of the main logging road in the central part of the Ren #4 Claim. A third sulphide occurrence, the main showing on the Ren Claims, was also re-examined. This showing consists of massive sphalerite and pyrite hosted by brecciated Quatsino formation limestones. Deposition appears to be related to brecciation which may be attributed to folding and/or faulting.

The samples were tested for twenty-five metallic elements including gold, molybdenum, tungsten, zinc, lead, bismuth, cadmium, cobalt, nickel, chromium, copper, silver and a suite of minor and major rock forming elements. The sample results are included in Appendix C.

Samples No. RNR-1 and RNR-2, the pyrite-rich material from the occurrences near the main logging road produced no analyses of economic significance. Sample No. RNR-3 from the vicinity of the initial posts for the Ren #1-4 Claims produced results anomalous in zinc, lead and silver (31.6 PPM) which are consistant with past determinations. They also show that the material is high in cadmium (2060 PPM).

3.0 GEOCHEMICAL SURVEY

3.1 Sampling and Analytical Methods

A total of nine soil samples were taken from the localities depicted on Figure 3 of this report. The samples were obtained from shallow holes dug with a mattock and where possible an effort was made to ensure that the material was representative of the B soil horizon. The samples were placed in brown paper sample envelopes and sent to Chemex Labs Ltd. of North Vancouver, B.C. for analysis. The laboratory procedure employed was as follows:

> Each sample was dried, sieved to -80 mesh and a 0.5 gram aliquot was dissolved in nitric-aqua regia. The resulting solution was tested using semi-quantitative multi-element ICP analysis for a suite of thirty elements. Each sample was also tested for gold using atomic adsorption methods.

Results were reported on a Certificate of Analysis dated September 25, 1986 and included in Appendix C.

3.2 Discussion of Results

On the basis of an evaluation of the analytical results five elements were considered to be of potential economic interest. These are gold, silver, copper, lead and zinc. Analytical results for these elements are plotted on Figures 4 through 8. Figures 7 and 8 also include values for lead and zinc respectively from a survey carried out in the general area in 1984.

Gold results are depicted in Figure 4. They vary from less than 5 PPB (detection limit) to 55 PPB. In general they appear to vary with copper values but with the possible exception of the two most southerly samples obtained from the Nimrod #4 Claims (RNS-8 and RNS-9) which returned values of 35 and 55 PPB, are too low to be considered economically significant.

Silver values ranged between 0.2 and 1.6 PPM. Sample numbers RNS-5, RNS-6 and RNS-7 all returned values of 1 PPM or greater. These values are marginally anomalous but are not considered to constitute a viable exploration target.

3.2 Discussion of Results (Cont'd)

Soil copper content in the area under discussion varied from a low of 56 PPM to a high of 390 PPM. Sample number RNS-1 and samples numbered RNS-4 through RNS-9 were all found to exceed 200 PPM and are considered to be distinctly anomalous. These values may be derived from copper occurrences hosted by the Karmutsen greenstones and referred to in early reports on the project area. The apparent gold association with the samples taken from the central part of the Nimrod Claims is considered significant and suggests that these occurrences should be re-evaluated.

Soil lead values varied from 1 PPM to 76 PPM (1984 survey value). Although the latter value is considered anomalous it is somewhat isolated and is interpreted as an expression of carbonate hosted lead mineralization derived from the Quatsino terrain upslope to the west. Soil lead values appear to vary with soil zinc values and tend to be higher where derived from the Quatsino terrain. The results do not however suggest that lead is a viable exploration objective in this area.

Zinc values were found to vary from 46 PPM to 525 PPM. The highest values were found to occur on the Nimrod #3 Claim and are apparently derived from one or more zinc/lead occurrences lying in the extreme western part of this Claim or possibly on open ground to the west on the lower slope of Mr. Holdsworth. This area is underlain by Quatsino formation and could reasonably be expected to host mineralization similar to that known to occur in the main showing area on the Ren #1 Claim to the southwest.

4.0 CONCLUSION

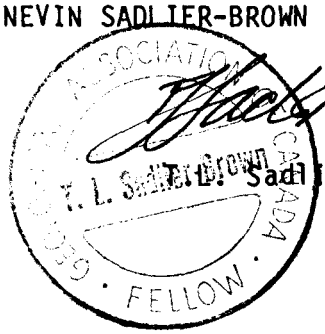
Geochemical results to date indicate two areas of potential mineralization on and near the Claim Group in addition to the known Ren occurrence. Sample results point to an area of potential copper/gold mineralization located in the central part of the Nimrods Claims and an area of possible lead/zince mineralization located on the lower slope of Mr. Holdsworth on or near the Nimrod #3 Claim.

4.0 CONCLUSION (Cont'd)

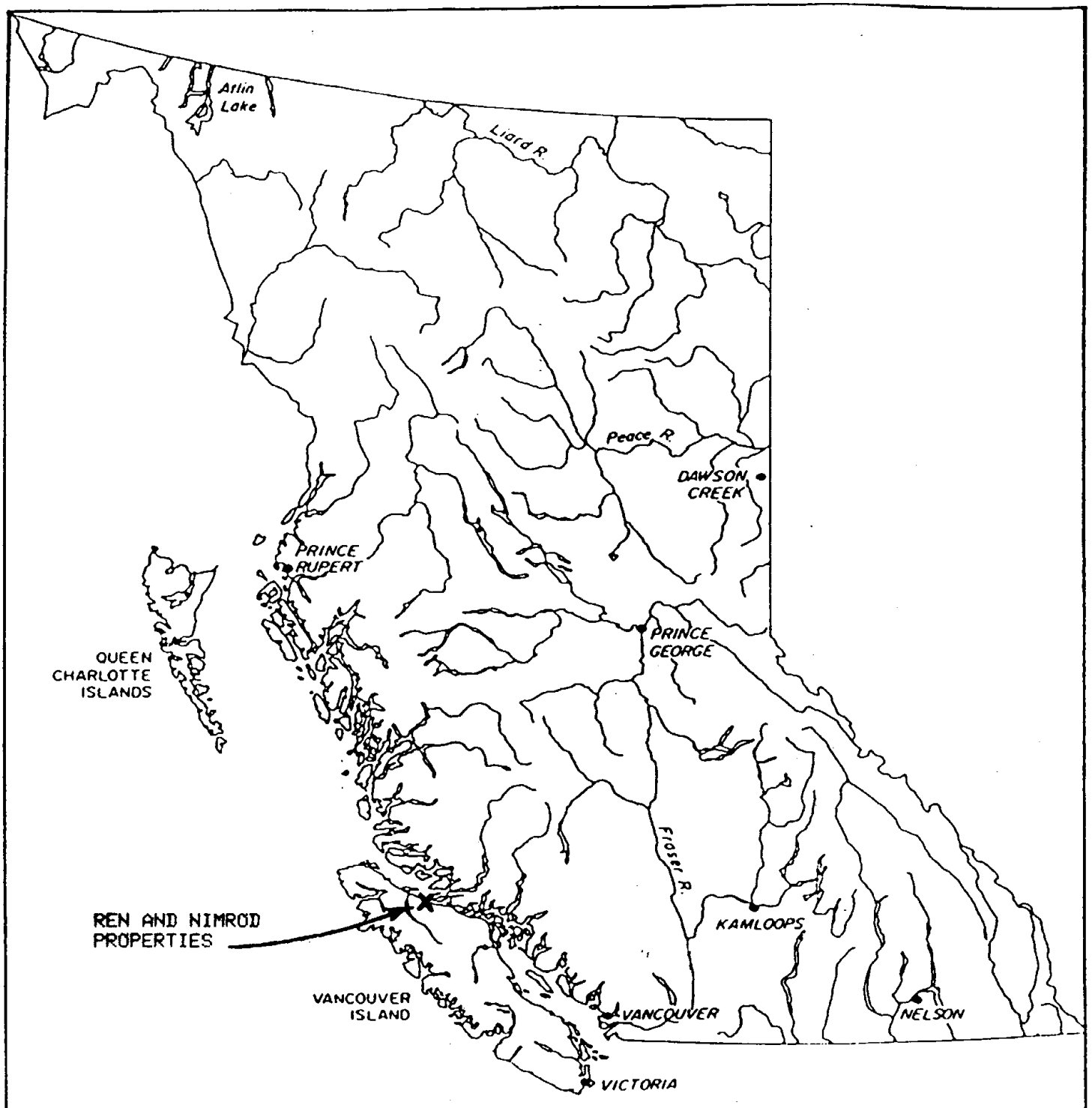
Although these results are preliminary they are considered sufficiently encouraging to justify continued exploration on and near the property under discussion. Addition work should consist of more geochemical sampling and detailed conventional prospecting. Potential economic metals are gold, zinc, copper, silver and possibly lead. Favoured indicator elements are copper, gold and zinc.

Respectfully submitted

NEVIN SADLIER-BROWN GOODBRAND LTD.



N.L. Sadlier-Brown, FGAC



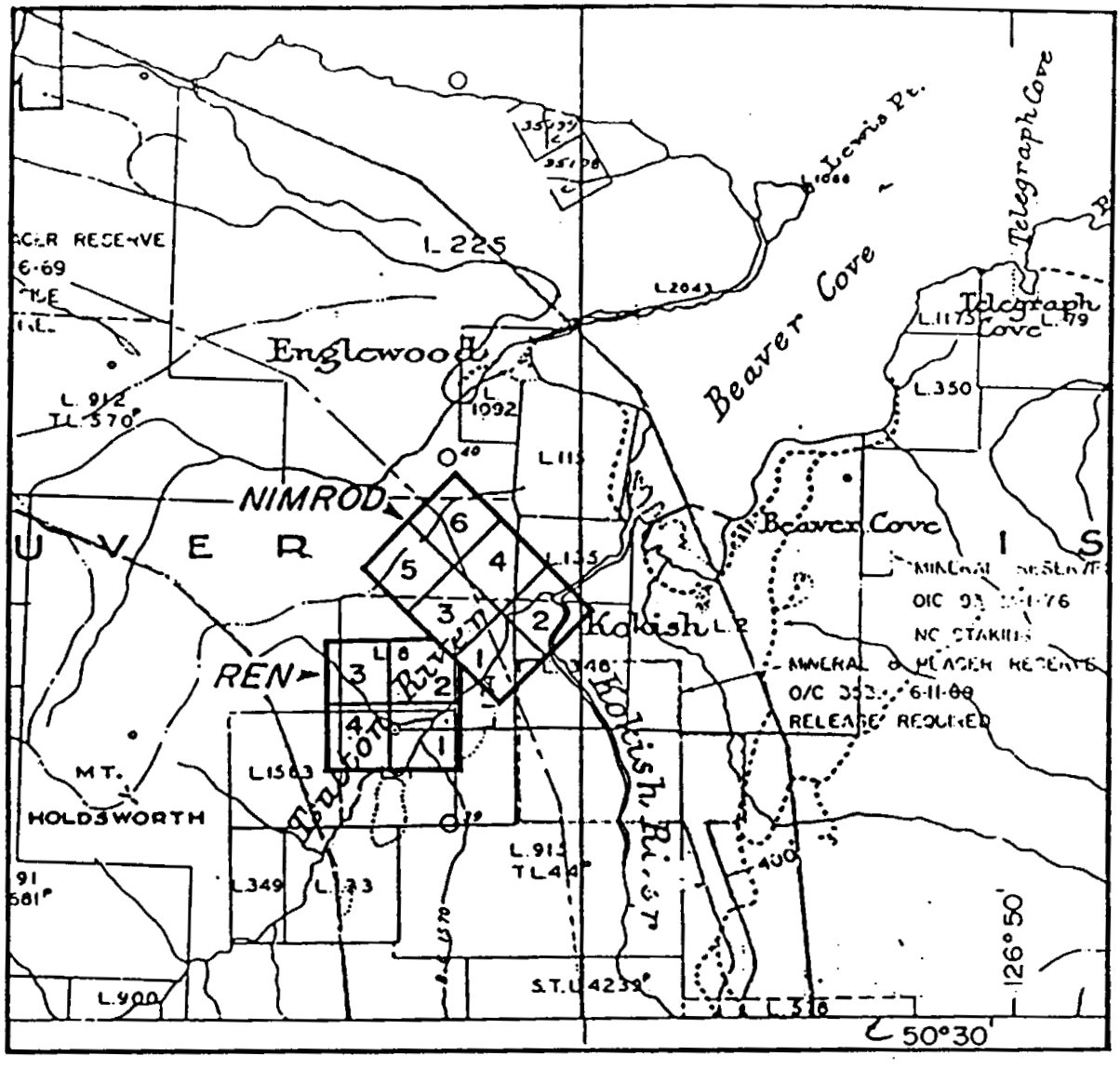
GRANADA

LOCATION MAP

REN NIMROD GROUP

OCTOBER 1986 | Figure 1

NEVIN SADLIER-BROWN GOODBRAND LTD.



GRANADA EXPLORATION CORP	
REN-NIMROD GROUP CLAIM MAP	
NANAIMO M.D., B.C.	NTS SHEET 92L 10W
DRAWN BY BEM	DRAWING N° 1
SCALE 1:50,000	
NEVIN SADLIER-BROWN GOODBRAND LTD. OCTOBER 1986	

LCP LOCATION BY COMPASS & CHAIN

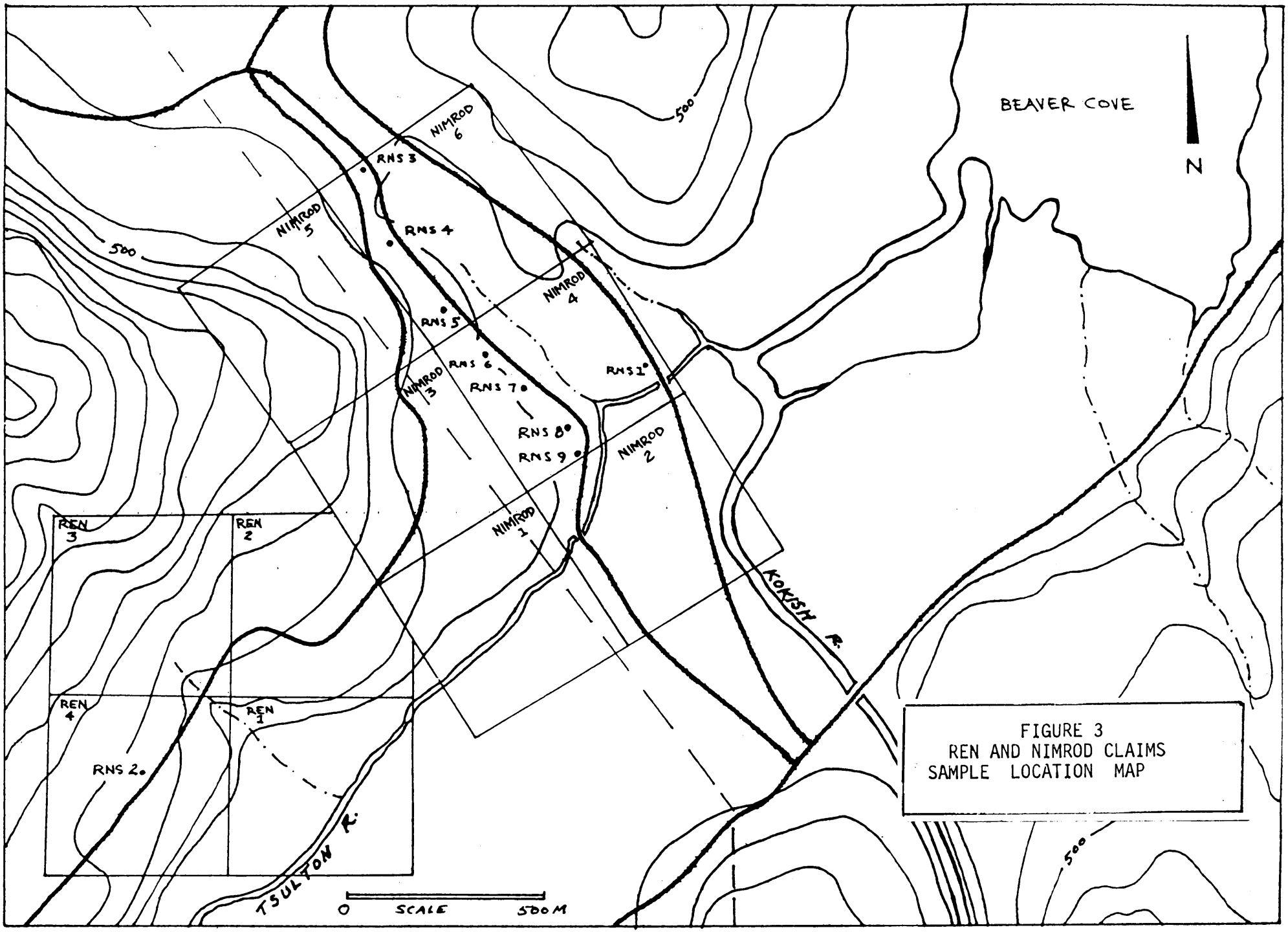


FIGURE 3
REN AND NIMROD CLAIMS
SAMPLE LOCATION MAP

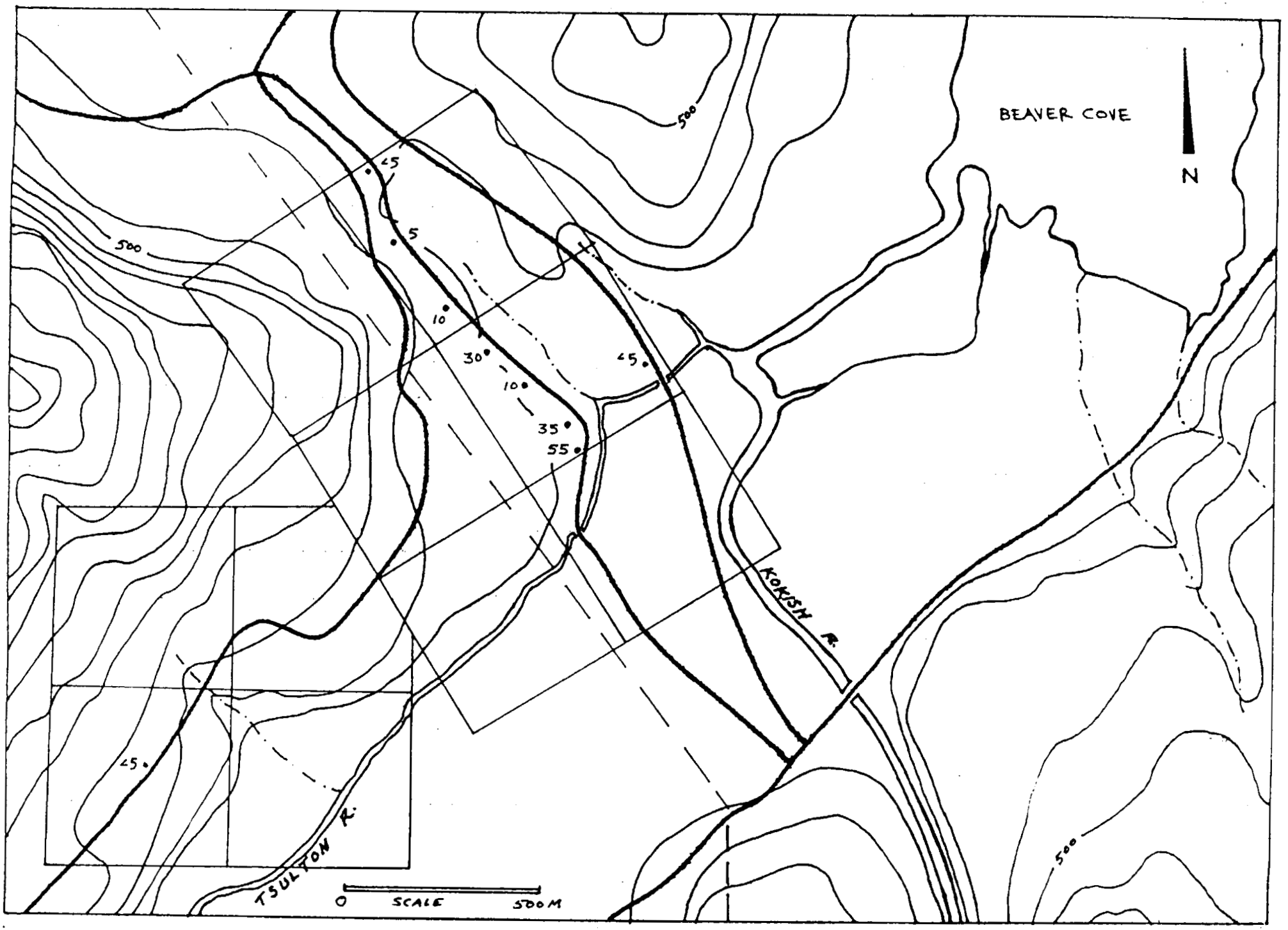


FIGURE 4. GOLD GEOCHEMICAL PLAN, REN/NIMROD CLAIMS (Values in ppb)

October 1986

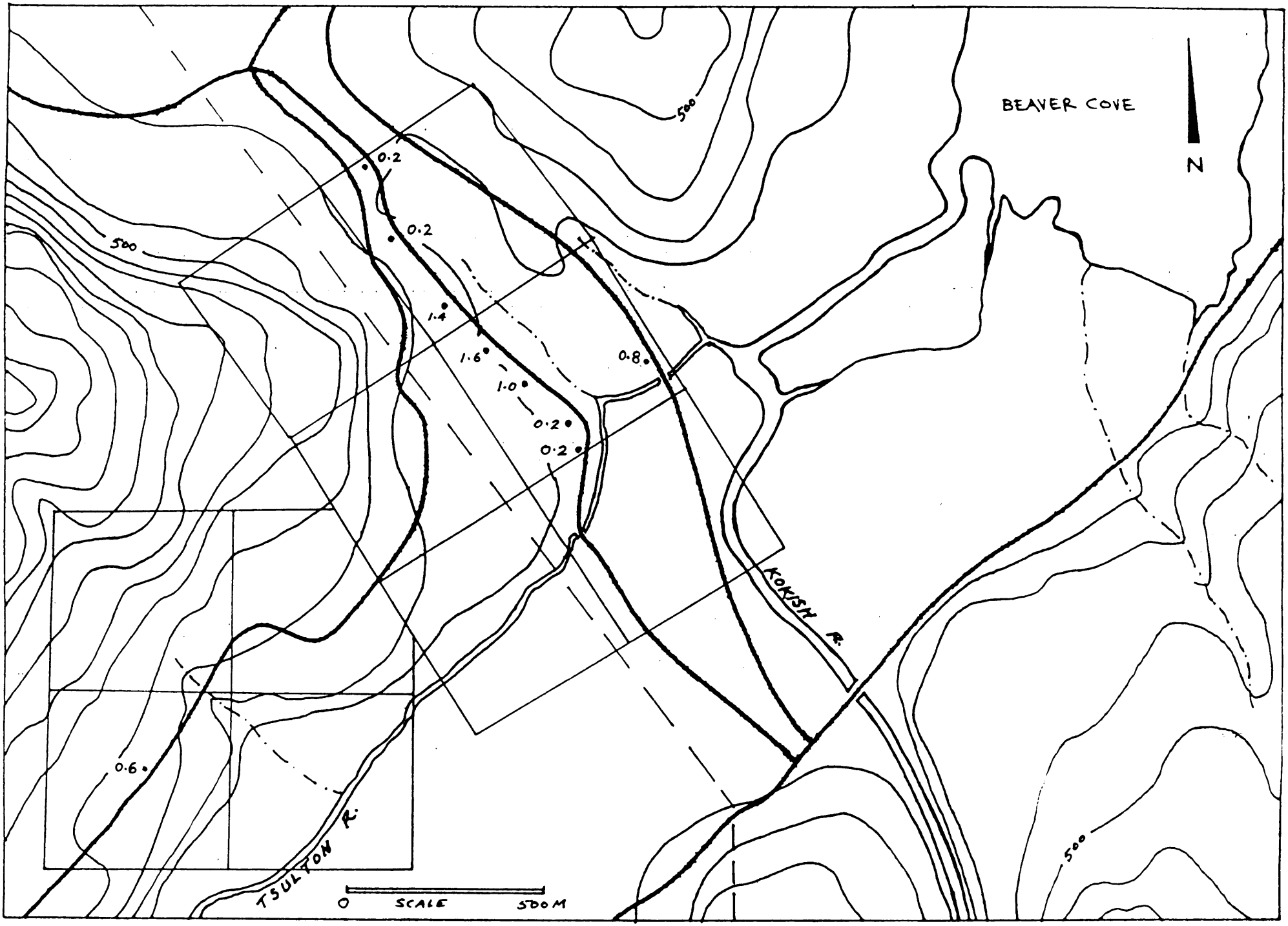


FIGURE 5 : SILVER GEOCHEMICAL PLAN, REN/NIMROD CLAIMS (Values is ppm) October 1986

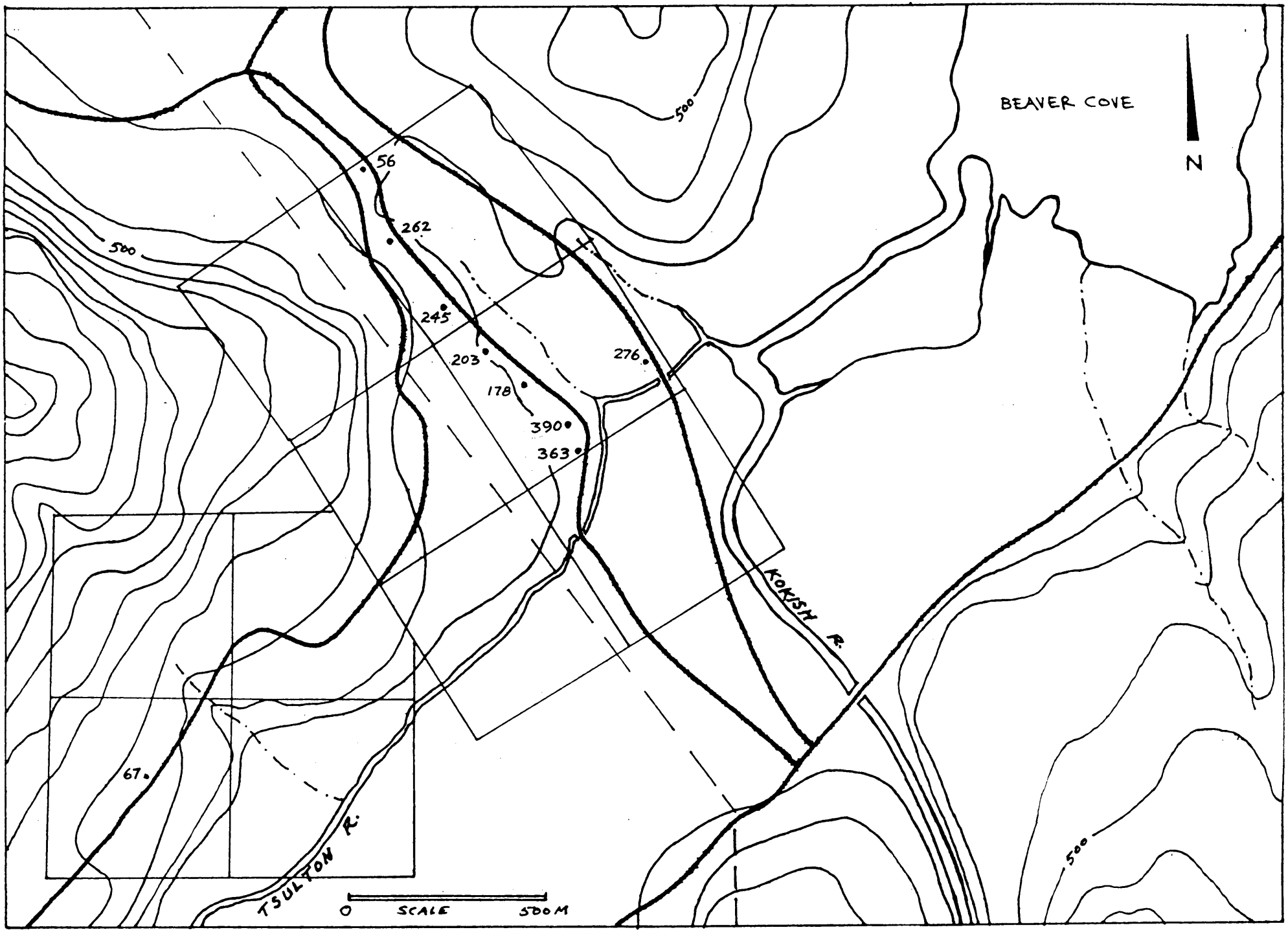


FIGURE 6: COPPER GEOCHEMICAL PLAN, REN/NIMROD CLAIMS (Values is ppm) October 1986

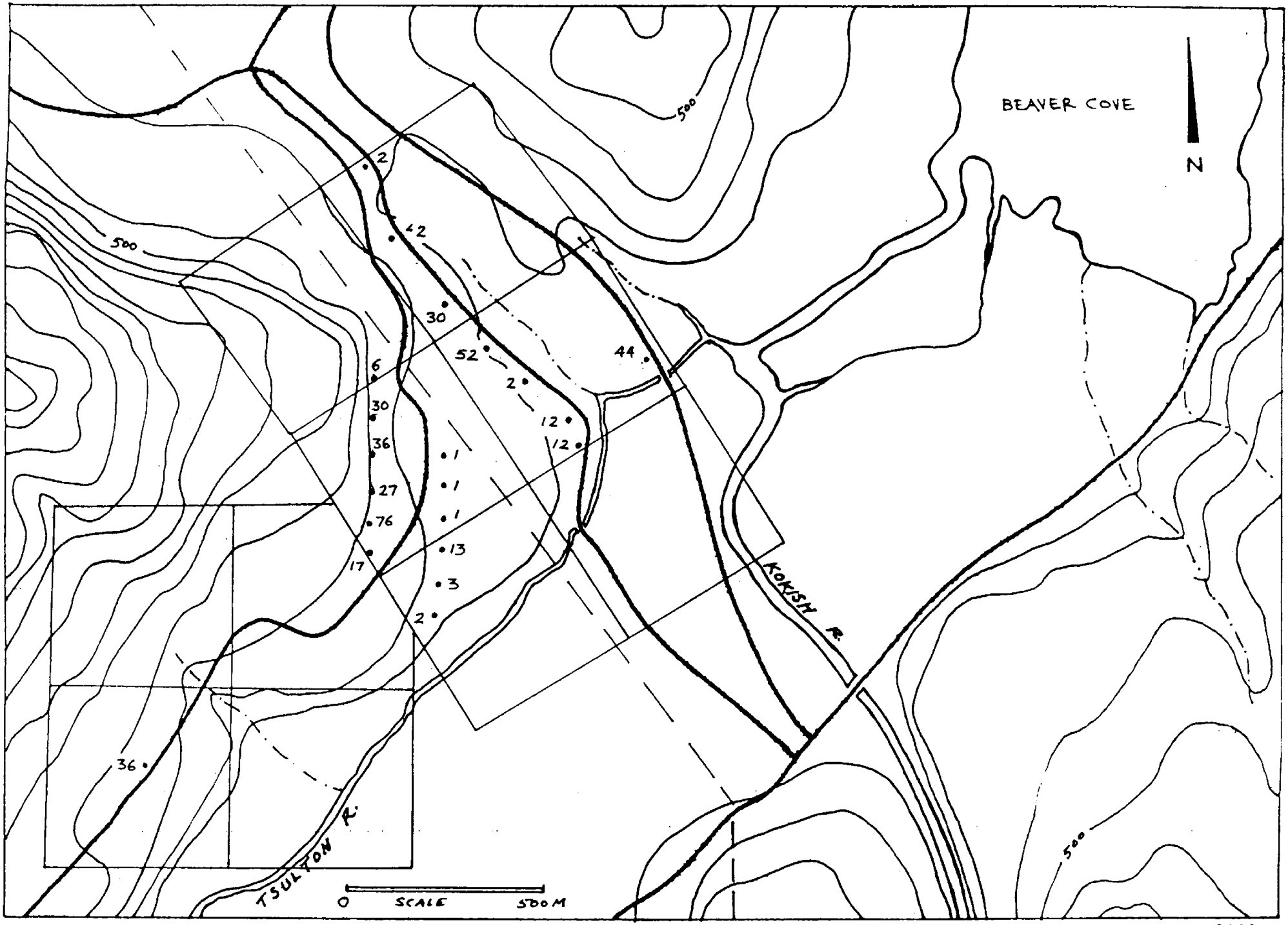


FIGURE 7: LEAD GEOCHEMICAL PLAN, REN/NIMROD CLAIMS (Values in ppm) October 1986

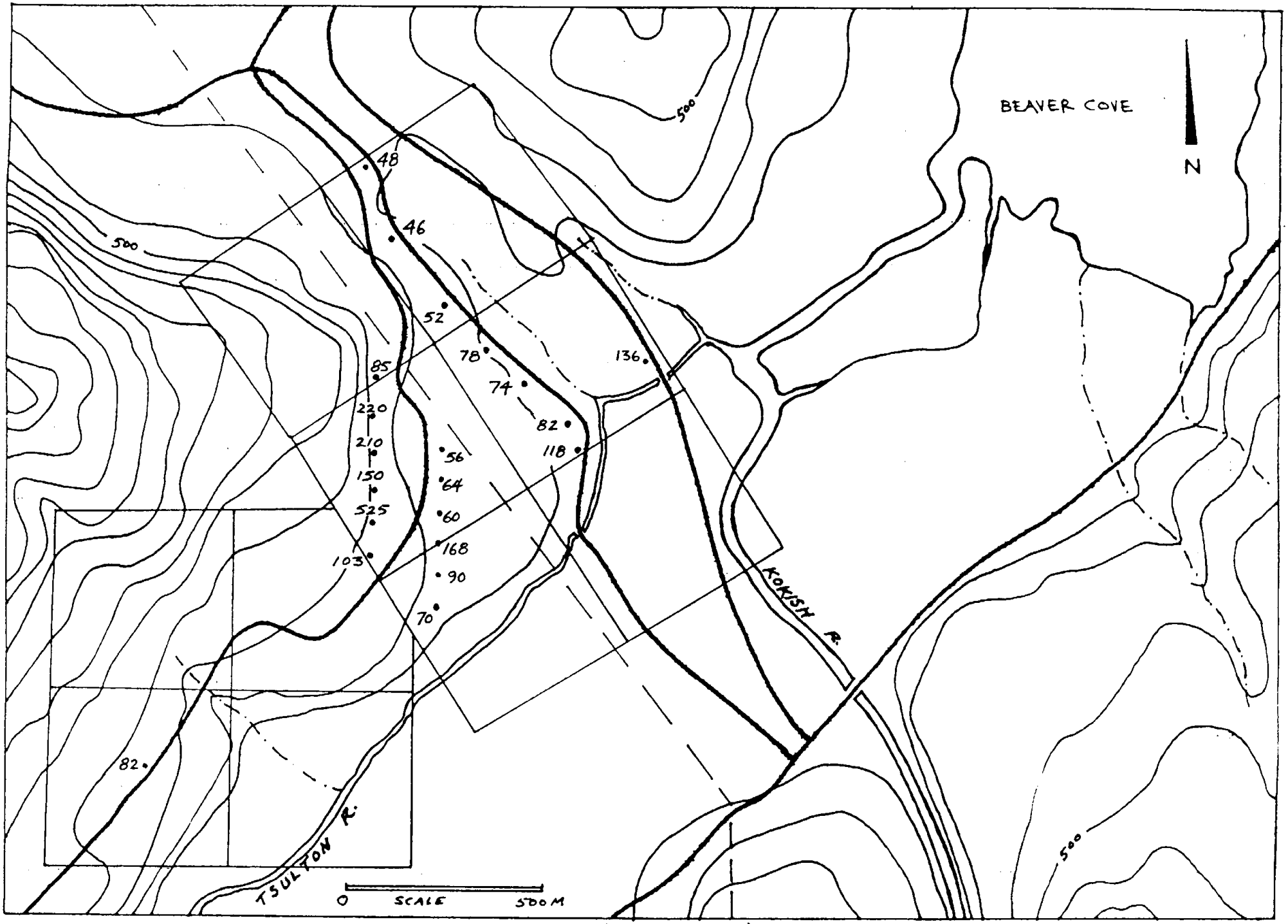


FIGURE 8: ZINC GEOCHEMICAL PLAN, REN/NIMROD CLAIMS (Values in ppm) October 1986

APPENDIX A

COST STATEMENT

SAMPLING AND GEOLOGY		
Geologist 2-5 days @ $350/diem	$875.00	
Assistant 2-5 days @ $225/diem	562.50	$1,437.50
VEHICLE (FOUR WHEEL DRIVE)		
2-5 days @ $40/diem plus 938 km @ $0.17/km		259.46
TRAVEL AND LIVING EXPENSES		
Hotel 3 nights @ $55/night	165.00	
Meals	125.00	
Gasoline	50.00	340.00
ANALYTICAL COSTS		
Soil Samples	72.00	
Rock Samples	36.00	108.00
REPORT PREPARATION		
2 man days @ $350/diem	700.00	
Typing, copying, etc.	192.00	892.00
TOTAL		$3,036.96

Field work carried out by D.W. Goodbrand and T. Sadlier-Brown between September 7th and September 9th, 1986

APPENDIX B

CERTIFICATE and STATEMENT of QUALIFICATIONS

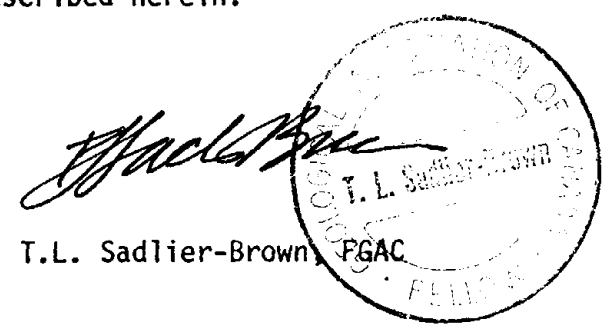
I, Timothy L. Sadlier-Brown hereby certify that:

1. I am a consulting geologist and partner in the firm of Nevin Sadlier-Brown Goodbrand Ltd. with offices at 401 - 134 Abbott Street, Vancouver, B.C. V6B 2K4

2. I was educated at Carleton University in Ottawa, Ontario and am a Fellow of the Geological Association of Canada.

3. I have acted in the field of exploration geology in positions of responsibility since 1965 and have been a principal in the firm of Nevin Sadlier-Brown Goodbrand Ltd. since 1972.

4. I have personally examined the Ren and Nimrod Claims and supervised the survey work described herein.



T.L. Sadlier-Brown, FGAC

October 21, 1986

Chemex Labs Ltd.

Analytical Chemists · Geochemists · Registered Assayers

212 Brooksbank Ave.
North Vancouver, B.C.
Canada V7J 2C1

Phone: (604) 984-0221
Telex: 043-52597

CERTIFICATE OF ANALYSIS

TO : NEVIN SADLIER-BROWN GOODBRAND LTD.,

401 - 134 ABBOTT ST.
VANCOUVER, B.C.
V6B 2K4

CERT. # : A8618131-001-A
INVOICE # : I8618131
DATE : 24-SEP-86
P.O. # : NONE
255

Sample description	Prep code	Au ppb FA+AA					
RNR-1	205	<5	--	--	--	--	--
RNR-2	205	<5	--	--	--	--	--
RNR-3	205	70	--	--	--	--	--

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TO : NEVIN SADLIER-BROWN GOODBRAND LTD.,

401 - 134 ABBOTT ST.
VANCOUVER, B.C.
V6B 2K4

CERT. # : A8618130-001-A
INVOICE # : I8618130
DATE : 25-SEP-86
P.O. # : NONE
255

Semi quantitative multi element ICP analysis

Nitric-Aqua-Regia digestion of 0.5 gm of material followed by ICP analysis. Since this digestion is incomplete for many minerals, values reported for Al, Sb, Ba, Be, Ca, Cr, Ga, La, Mg, K, Na, Sr, Tl, Ti, W and V can only be considered as semi-quantitative.

COMMENTS :

Sample description	Au ppb FA+AA	Al % (ICP)	Ag ppm (ICP)	As ppm (ICP)	Ba ppm (ICP)	Be ppm (ICP)	Bi ppm (ICP)	Ca % (ICP)	Cd ppm (ICP)	Co ppm (ICP)	Cr ppm (ICP)	Cu ppm (ICP)	Fe % (ICP)	Ga ppm (ICP)	K % (ICP)	La ppm (ICP)	Mg % (ICP)	Mn ppm (ICP)	Mo ppm (ICP)	Na % (ICP)	Ni ppm (ICP)	P ppm (ICP)	Pb ppm (ICP)	Sb ppm (ICP)	Sr ppm (ICP)	Ti % (ICP)	Tl ppm (ICP)	U ppm (ICP)	V ppm (ICP)	W ppm (ICP)	Zn ppm (ICP)	
RNR-1	<5	10.70	0.8	<10	40	<0.5	<2	1.28	<0.5	22	90	276	2.77	10	0.06	10	0.47	650	<1	0.02	40	1360	44	<10	67	0.14	<10	<10	46	<10	136	—
RNR-2	<5	1.95	0.6	20	40	<0.5	<2	5.50	<0.5	11	124	67	14.79	10	0.02	<10	0.25	326	<1	0.04	<1	1150	36	<10	53	0.17	<10	<10	81	<10	82	—
RNR-3	<5	3.58	0.2	<10	20	<0.5	<2	0.39	<0.5	10	47	56	4.29	<10	0.01	<10	0.31	249	<1	0.01	17	820	2	<10	19	0.31	<10	<10	128	<10	48	—
-4	5	10.14	0.2	<10	30	<0.5	<2	1.55	<0.5	29	100	262	4.42	10	0.09	10	0.82	461	<1	0.04	42	1050	<2	<10	94	0.23	<10	<10	105	<10	46	—
-5	10	10.82	1.4	<10	50	<0.5	<2	1.45	<0.5	21	88	245	3.90	10	0.06	10	0.43	188	<1	0.05	25	750	30	<10	85	0.18	<10	<10	81	<10	52	—
-6	30	6.34	1.6	<10	60	<0.5	<2	0.58	<0.5	32	94	203	5.36	10	0.02	10	0.71	429	<1	0.02	43	560	52	<10	74	0.33	<10	<10	144	<10	78	—
RNR-7	10	8.27	1.0	<10	50	<0.5	<2	0.77	<0.5	44	96	178	5.68	10	0.04	10	0.50	394	<1	0.04	53	880	2	<10	75	0.27	<10	<10	122	<10	74	—
RNR-8	25	8.58	0.2	20	50	<0.5	<2	1.29	<0.5	39	99	390	5.07	10	0.03	10	0.71	558	<1	0.03	35	1020	12	<10	106	0.27	<10	<10	113	<10	82	—
-9	55	9.63	0.2	<10	30	<0.5	<2	1.47	<0.5	37	115	363	5.32	20	0.02	10	1.02	455	<1	0.02	56	1040	12	<10	107	0.33	<10	<10	150	<10	118	—

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CERTIFICATE OF ANALYSIS

TO : NEVIN SADLIER-BROWN GOODBRAND LTD.,

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V6B 2K4

CERT. # : A8618132-001-A
INVOICE # : I8618132
DATE : 14-OCT-86
P.O. # : NONE
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Sample description	Mo ppm (ICP)	W ppm (ICP)	Zn ppm (ICP)	P ppm (ICP)	Pb ppm (ICP)	Bi ppm (ICP)	Cd ppm (ICP)	Co ppm (ICP)	Ni ppm (ICP)	Ba ppm (ICP)	Fe % (ICP)	Mn ppm (ICP)	Cr ppm (ICP)	Mg % (ICP)	V ppm (ICP)	Al % (ICP)	Be ppm (ICP)	Ca % (ICP)	Cu ppm (ICP)	Ag ppm AAS	Ti % (ICP)	Sr ppm (ICP)	Na % (ICP)	K % (ICP)
RNR-1	[illegible]	<10	87	1250	12	<2	<0.5	28	28	305	4.85	1200	115	2.81	180	[illegible]	<0.5	5.27	40	0.6	0.315	1870	4.00	2.34
RNR-2	[illegible]	<10	118	25	2	<2	<0.5	6	10	76	17.40	1070	88	2.27	70	[illegible]	<0.5	2.89	20	<0.2	0.294	81	3.35	0.28
RNR-3	[illegible]	<10	>10000	2260	>10000	<2	[illegible]	[illegible]	[illegible]	15	8.22	595	126	0.07	[illegible]	[illegible]	[illegible]	1.64	20	31.6	0.004	39	[illegible]	0.06

VOI rev. 4/85

Certified by Hart Bichler