

Granada Gold's Frank Basa reveals "The more we drill, the more gold we find"

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[Granada Gold Mine Inc.](#) (TSXV: GGM) ('Granada') continues to have success drilling for gold at their Granada Property situated in the heart of the famous Abitibi Greenstone Belt and along the prolific "Cadillac Trend", in Quebec, Canada. Granada's latest plan is to target drilling 120,000 meters with a goal of developing a smaller, higher grade (potentially 3-5 g/t Au) open pit resource followed by an underground (potentially 4-5 g/t Au) resource, assuming further drilling success and economics work out to be favorable.

On January 29, 2021 Granada [released](#) a new updated high grade Mineral Resource Estimate (base case) for their Granada Gold deposit as shown below. The result was a **M&I Resource estimate of 449,000 ounces Au @2.34 g/t, and Inferred 266,000 ounces @6.46 g/t.**



[Source](#)

Granada also recently reported some promising grades from their first phase of the current drilling program.

[Announced](#) January 7, 2021, the best results were:

- **7.9 g/t gold over 3.0m** in hole GR-20-121 from 15.0 to 18.0m
- **6.45 g/t gold over 4.5m** in hole GR-20-122 from 0.0 to 4.5m
- **3.43 g/t gold over 20.5m** in hole GR-20-126 from 0.0

to 20.5m.

Granada [quoted](#) in the announcement:

“The program is progressing as expected with the intention of converting the current low-grade open pit resource at 1 gram per tonne to a smaller, higher grade open pit with the majority of the future potential ounces in a resource underground. The company has now increased the drill program to 18,000 meters with a target of 120,000 meters to be drilled.”

[Announced](#) December 18, 2020 best results were:

- 2.39 g/t gold over 29m in hole GR-20-111 from 0.0 to 29.0m.
- **7.72 g/t gold over 4.5m** in hole GR-20-112 from 31.0 to 35.5m.
- **7.29 g/t gold over 5.02m** in hole GR-20-117 from 49.21 to 54.23m.

These results were solid as some gold was found from surface, there were good grades and reasonable grade lengths. The above results build support for Granada’s new plan to build a higher grade resource.



[Source](#)

The following President’s words are ‘music to investor’s ears’

Frank J. Basa, P.Eng., President and CEO., [stated](#): “The short-hole drill program, with its 3 objectives, has succeeded in defining further extension of the **high-grade zones** eastward, **near surface.....The more we drill, the more gold we find...**We are pleased to have intersected high-grade structures in GR-20-117 where it has intersected the **continuity** of the **very high-grade**

bulk zone at Granada – evidenced by the presence of visible gold.”

Note: Emphasis by the author.

As gold investors we love to hear the phrases “high grade gold”, “near surface”, “continuity”, and “very high grade bulk zone”. All of this once the drilling has been completed, if successful, typically leads to significant resource upgrade, and at the PEA or PFS stage, a potentially economically viable project. Now Granada is not there yet, but this is the path they are now progressing towards.

A background on Granada Gold

The Granada Gold Property is located 5 km south of the historic mining community of Rouyn-Noranda, Quebec, on the Cadillac gold Trend. It was first acquired by Granada in 2006. The 2019 NI 43-101 [report](#) included an updated ‘pit constrained resource’ estimate of [762,000 ounces of gold @ 1.06 g/t Au](#) in the Measured and Indicated categories, plus 455,000 ounces of gold @ 2.04 g/t Au in the Inferred category. This estimate is now less applicable following the change of plan to establish a higher grade resource; however it does remain useful to know especially if we see higher gold prices in the future.

The Granada Gold Property has plenty of further exploration upside as only about 20% of Granada’s potential 5.5 km east-west strike length has been explored to date.

Next steps

In a recent [InvestorIntel interview](#), CEO Frank Basa explained that Granada Gold now plans to work towards a next resource update by about Q2, 2022. He states that the target for the Granada Deposit is around 300,000 oz Au open pit, and 2 million

ounces underground, all at grades in the 3-5 g/t Au range. If successful, CEO Basa explains they would then be a takeover target similar to what happened previously with Monarch Gold, who was taken over by Yamana Gold for approximately C\$200 million (included the Beaufor mine, the McKenzie Break property, the Croinor Gold property, the Swanson property and the Beacon Gold mill and property).

Closing remarks

Granada Gold Mine Inc. still trades on a market cap of only C\$20 million, which is probably explained by the fact that Granada has not yet delivered a large high grade resource or reserve. However Granada is now rapidly moving in that direction with their M&I 449,000 ounces Au @2.34 g/t announced last week. Recent drill results continue to successfully find reasonable grade gold not too far from surface, which bodes well for the future.

Long term investors have indeed been patient but it is looking like Granada Gold Mine Inc. is potentially now much closer to achieving a sizable high grade resource than ever before. Stay tuned for more results throughout the year.

Disclosure: The author is long Granada Gold Mine Inc. (TSXV: GGM).