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FIREWEED PROPERTY, Babine Lake, B.C., Canadian United Minerals

Additional drilling on the Fireweed prospect, 55 km northeast of Smithers, has been in progress since late 1988. A 24,000 ft. program is planned for completion by the end of February.

Over half the program is now complete with all work to date directed to in-fill drilling of the southwest part of the West Zone. Results of 10 of 18 holes completed prior to 1988 year-end have been reported as attached.

Recent results confirm the presence of locally significant silver grades and associated lead-zinc values. A disconcerting feature of the results as reported is the inclusion of a "gold equivalent grade" for the various silver-lead-zinc intercepts which are not believed to contain any gold values. The only reported gold values to date from West Zone are contained in a massive sulfide zone (pyrite-pyrrhotite) in the hangingwall of the Ag-Pb-Zn zone.which range from 0.009 - 0.055 oz/ton.

Additional drilling is scheduled for the East Zone, 2.5 km northeast of West Zone and for testing other IP anomalies.

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January 17,1989

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October 1988

FIREWEED PROPERTY, BABINE LAKE AREA,B.C.

Location

The Fireweed Ag-Pb-Zn -(Au) prospect, 100% owned by Canadian United Minerals Inc., is situated near Babine Lake 75 road km northeast of Smithers. Access is by way of the Smithers Landing road off highway 16 to km 58, then by 7 - 10 km of fairly recent 4-wheel drive logging roads.

History

Fireweed was discovered by prospecting along new logging roads in 1987. Felsic volcanic float containing galena, sphalerite and tourmaline led to the staking of the original claims.

Extensive overburden cover, with a significant clay component precluded much surface work or soil geochemistry. An IP survey defined several anomalous areas which were drilled in 1987 and 1988.

Significantly, lithologies and style of mineralization encountered to date do not resemble original float samples, the source of which is still unknown.

Geological Setting

The property is underlain by a marine sandstone - graphitic mudstone and shale sequence of mid Cretaceous age (Skeena Group). In the northern Babine Lake area, similar sequences occupy fault bounded basins and overlie Lower Jurassic Hazelton Group volcanic and sedimentary rocks.

The sedimentary rocks at Fireweed are intruded by felsic dykes - elsewhere in the Babine area, similar sequences are intruded by late Cretaceous and early Tertiary porphyries, most of which contain copper mineralization and several host commercial deposits such as Granisle and Bell Copper.

Mineralized Zones

IP anomalies on the Fireweed property are elongate in an east to east-northeast direction. Most have coincident magnetic highs and four have been tested by diamond drilling, consisting of 31 inclined drill holes.

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Most work to date has been directed to the West and East zones which are 2.5 km apart.

West zone mineralization consists principally of disseminated galena and sphalerite in sandstone within an east-northeast zone. 10 drill intercepts with an average 8 metre core length and over a strike length of 350 metres and an assumed vertical range of 100 metres have a wighted average grade of 8.8 oz/ton silver, 1.4% zinc and 0.9% lead.

Based on available information, apparent widths decrease with depth as does the silver grade.

It appears that the zone is vertical to steeply south dipping and that a pyrite-pyrrhotite massive sulfide horizon in graphitic mudstone is present in the structural hangingwall 30-50 metres south of the main zone. Drill intercepts of this material indicate silver grades similar to the main zone but with significantly higher lead-zinc (1-4% and 5-20% respectively), gold values in the 0.030 oz/ton range and copper averaging 0.30%.

The East zone, 2.5 km east-northeast of West zone, has been described as a copper-zinc-gold zone and has been tested by 6 drill holes. No analytical results are available. Graphitic mudstones are the principal host rock and base and precious metal grades are associated with near massive pyrite and pyrrhotite, similar to the hangingwall mineralization in the West zone.

A third IP anomaly, 1000 metres south of East zone, was tested by 3 holes.

RED Property Comparisons

Known mineralization at the RED property, 20 km east-southeast of Fireweed, consists primarily of massive and stringer pyrite-pyrrhotite in a sandstone-graphitic mudstone sequence, probably of similar age. The overall northeast trend of known sulfide mineralization is the same as the Fireweed West zone.

Drilling to date has traced stringer and massive sulfide mineralization over core lengths of 30 to 50 metres, a strike length of 220 metres and a vertical range of 50 - 120 metres.

No significant base or precious metal values have been encountered in drilling to date, which has been mainly directed to one of several IP and EM anomalies defined to date.

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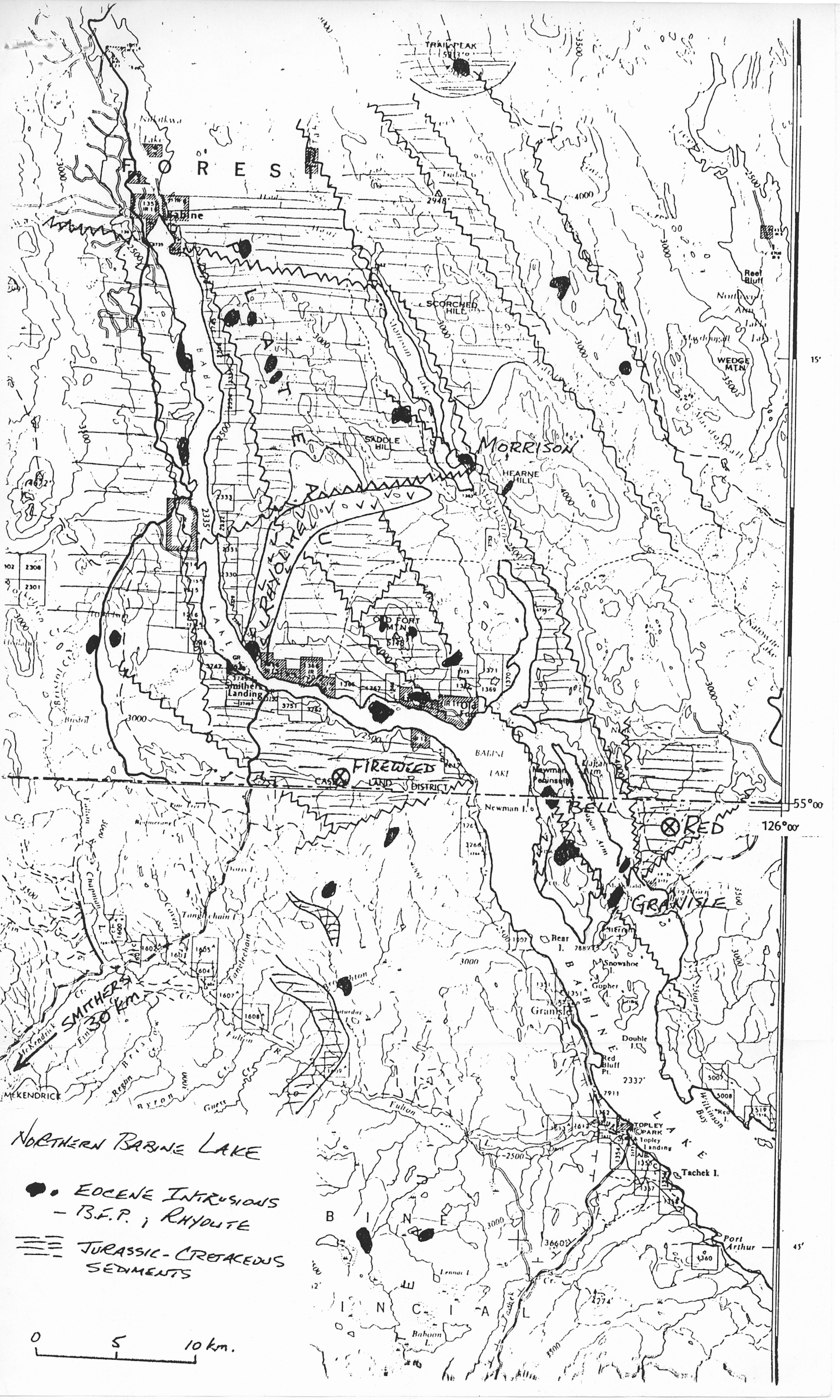
This particular conductive horizon continues to the northeast and reportedly, the coincident magnetic high decreases in intensity suggesting a metal zoning along strike.

Possible parallel mineral zones (similar to Fireweed?) are indicated by massive and stringer pyrite-pyrrhotite encountered in 1967 holes 1-3. More recent drilling has not tested these zones.

Felsic dykes, similar to those intruding the sedimentary sequence at Fireweed, were noted in 1967 drill core.



NORTHERN BABINE LAKE

- EOCENE INTRUSIONS – B.F.P. ; RHYOLITE
- JURASSIC-CRETACEOUS SEDIMENTS

0 5 10 km.