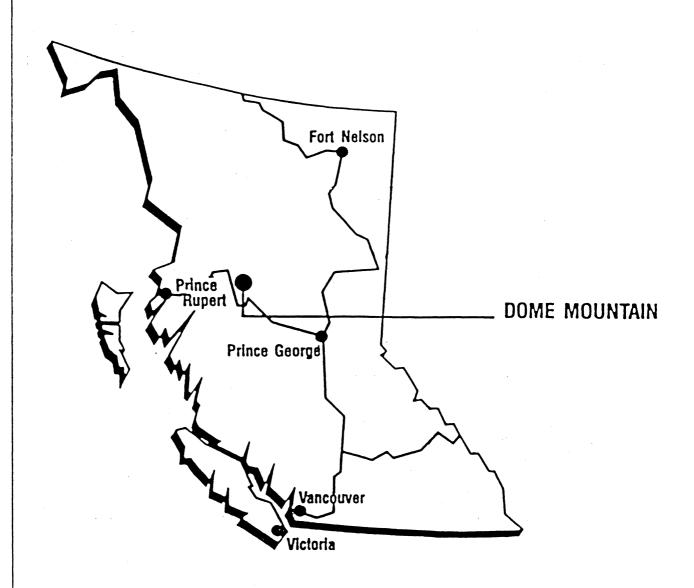
Canadian-United Minerals, INC.

Suite 1108 1190 Hornby Street Vancouver, B C Canada V6Z 2K5 (604) 689-3308

# DOME MOUNTAIN UPDATE

NOVEMBER 1986

A B.C. EXPLORATION SUCCESS





## INTRODUCTION

Canadian-United Minerals, Inc. has lead the way in the discovery of a new zone on its Dome Mountain gold property, that could very well be the next gold mine in British Columbia.

Beginning in January 1986, Canadian-United Minerals initiated an exploration program which eventually outlined a mineral resource containing 240,000 tons grading 0.458 ounces per ton gold and 2.32 ounces per ton silver.

With the zone open both along strike and down dip, there is excellent potential that the tonnage of this deposit will surely be increased.

# LOCATION

The Dome Mountain property is located 35 kilometres east of the town of Smithers, almost 700 kilometres northwest of Vancouver. Access from Smithers to the property is via well maintained logging roads, and it is approximately a 45 minute drive by truck.

# PROPERTY

The property on Dome Mountain is covered by 68 claims, of which 34 of these are reverted Crown Grants. These claims are made up of 286 units which cover a total land area of approximately 7,150 hectares.

## HISTORY

The discovery of gold in the Dome Mountain area dates back to the early 1900's when a number of gold bearing quartz veins were identified.

In 1923, extensive development work was carried out on the Forks showing which resulted in three shafts and over 750 feet of underground drifting. Mining related problems forced the work programs to a halt in 1925.

In 1933, underground development began on the Freegold showing where narrow quartz veins assayed over 1 ounce per ton gold.

Only minor surface exploration was performed on the property by various operators from the 1940's to the 1970's.

#### HISTORY

In 1983, Reako Exploration and Panther Mines reported 255 ounces of gold and 470 ounces of silver had been produced from the Freegold showing.

Noranda Exploration Co. Ltd. consolidated all the claims on Dome Mountain in 1984 and proceeded with a program of soil geochemistry surveys, geological mapping, and trenching. After one year of exploration, Noranda brought in Canadian-United Minerals, Inc. to finance further exploration programs, including a 33 hole diamond drilling program to test the various vein occurrences.

By the end of 1985, Canadian-United took over the option on Dome Mountain and became the operator. Canadian-United proceeded with an extensive drilling program, beginning in January 1986, which lead to the discovery of the Boulder Creek Zone; a major structure hosting economic gold values.

#### OWNERSHIP

When Noranda turned over 100% of the property to Canadian-United in 1985, Noranda retained the right to acquire a 50% interest, once a production decision is finalized.

On December 10, 1985, Canadian-United gave Teeshin Resources Ltd. an option to acquire 75% of Canadian-United's interest by funding all the work through to production.

On October 10, 1986, Reako Exploration and Panther Mines acquired the right to purchase Noranda's option on the 50% back-in interest.

Through a series of negotiations, Total Erickson Resources Ltd. subsequently made an agreement with Reako and Panther to acquire the Noranda back-in interest for 3.1 million dollars. Total Erickson must also provide funding up to 2.9 million dollars to conduct work programs on the property, but will be reimbursed with shares in Canadian-United Minerals, Inc.

Canadian-United Minerals maintains 100% ownership in the Dome Mountain property and Total Erickson has the option to acquire up to 64% of Dome Mountain by acquiring shares of Canadian-United Minerals, Inc.



## GEOLOGICAL SETTING

The Dome Mountain area is underlain by a complex sequence of volcanic and volcanically derived sedimentary rocks of the Hazelton Group; an island arc assemblage deposited during Early to Middle Jurassic time. The sequence was later intruded by several small, diabase or diorite plugs and dykes and one known quartz monzonite stock.

Structurally the main features are a southeast plunging anticline cut by northerly trending high angle faults. A strong aeromagnetic anomaly indicates an intrusive (diorite?) core to Dome Mountain. These features provide a mechanism for ore genesis.

## MINERALIZATION

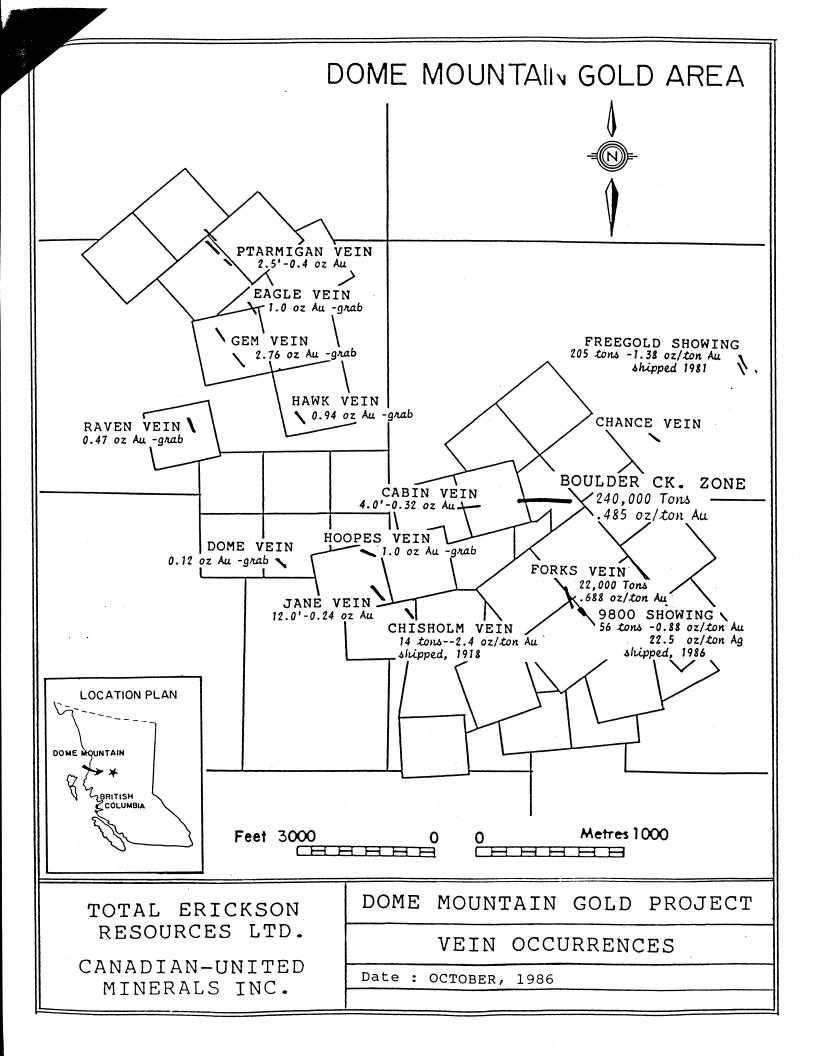
BOULDER CREEK ZONE: Diamond drilling of the Boulder Creek zone has outlined a major gold bearing structure. Drilling has traced the strike length of the zone 360 metres and the dip to 150 metres. True widths of the zone range from less than a metre up to 5 metres, with an average intersection of 2.7 metres. Gold grades up to 9.8 oz/ton across 1 metre have been encountered. A preliminary calculation of grade and tonnage using a .1 oz/ton cut off and uncut gold values has returned a figure of 240,000 tons grading .458 oz/ton gold and 2.32 oz/ton silver. Metallurgical studies indicate gold recoveries between 89% and 96% can be expected.

At present the extension of the zone is open to the west and east as well as down dip. Recent drilling by Noranda 350 metres to the west intercepted 2.5 metres grading .35 oz/ton gold indicating continuity of the mineralized structure for a strike length of 700 metres. The potential for increasing tonnage of the Boulder Creek zone thus seems very likely.

FORKS ZONE: Diamond drilling has outlined a zone of mineralization hosted by a quartz vein similar to the Boulder Creek zone. To date 22,000 tons grading .688 oz/ton gold has been outlined in this area.

9800 ZONE: High grade gold and silver mineralization discovered in 1985 was trenched in 1986. A 56 ton bulk sample was shipped to the Trail smelter which returned .88 oz/ton gold and 22.5 oz/ton silver. Further exploration is required to fully assess the potential of this showing.

A number of other vein showings exist on the property which still require detailed exploration to determine their full potential.



DOME MOUNTAIN PROJECT
SIGNIFICANT INTERSECTIONS ON THE BOULDER CREEK ZONE TO SEPTEMBER 1, 1986

HOLE #	INTERSECTION	CORE LENGTH	OUNCES PER	
	(Metres)	(feet/metres)	TON GOLD	
Hole 5	22.39 -27.51	16.80'/ 5.12m	2.100	
Hole 6	40.00 -48.56	28.08'/ 8.56m	0.200	
Hole 7	23.78 -32.08	27.36'/ 8.34m	0.131	
Hole 8	38.11 -54.50	53.77'/16.39m	0.510	
Hole 9	79.84 -81.36	4.99'/ 1.52m	0.476	
Hole 11	22.33 -23.47	3.74'/ 1.14m	0.662	
Hole 13	28.83 -29.93	3.61'/ 1.10m	0.812	
Hole 14	44.92 -48.01	10.14 <sup>1</sup> / 3.09m	0.696	
Hole 15	50.00 -52.24	7.35'/ 2.24m	0.494	
Hole 16	24.03 -26.60	8.43'/ 2.57m	0.850	
Hole 17	38.59 -39.95	4.63°/ 1.41m	0.673	
Hole 18	25.04 -26.50	4.79°/ 1.46m	1.193	•
Hole 19	34.78 -38.89	13.48'/ 4.11m	0.398	
Hole 20	17.15 -18.58	4.69°/ 1.43m	. 0.188	
Hole 22	13.83 -15.83	6.56'/ 2.00m	0.302	
Hole 23	22.63 -26.62	13.09'/ 3.99m	0.331	
Hole 25	60.50 -65.50	16.40'/ 5.00m	0.147	
Hole 41	110.50 -115.50	16.40'/ 5.00m	0.420	
Hole 51	65.46 - 66.55	3.58'/ 1.09m	0.906	

NOTE: On the basis of drilling done to date, it is expected that silver values will average about 2.0 oz. per ton.