

Dome Mountain/Fireweed Property Canadian-United Projects Advance

By Vivian Danielson

Canadian-United Minerals fully expects that the Dome Mountain Project located 70 kilometres by road from Smithers, B.C. will soon be a producing gold mine. A preliminary feasibility study for the project was released early this year which recommended economic production of 350 tons per day, with production scheduled for late 1988 or early 1989.

There is a complicated and disputed agreement among the companies involved in the venture which is yet to be resolved. But according to a spokesman from Canadian-United, there are signs that a resolution may soon be at hand. Depending on the final outcome Canadian-United expects to have anywhere between a 18.5% to 29.5% interest in the project.

Present ore reserves from the Boulder Creek Zone, the largest of 14 mineralized zones found on the Dome Mountain Property, stood at 570,000 tons of 0.47 opt gold and 2.6 opt silver. 320,000 tons of 0.44 opt gold and 2.8 opt silver (including

dilution) were classed as mineable reserves from the Boulder Creek Zone. The exploration and development program has included over 50,000 feet of drilling and 1200 feet of underground workings.

According to project operator Teeshin Resources, a full review of total tonnage in the Boulder Creek Zone is expected shortly based on new data from a recent underground program to better delineate footwall and hanging wall contacts, and from further geological interpretation. The final feasibility study and production program, and permitting to proceed with mine development are also expected to be completed soon.

Analysis of the drill data has already resulted in a 22% increase in previously calculated tonnage for this portion of the zone; and a 1.1% and 3.8% increase in gold and silver grades respectively. Uncut grades in this section have been calculated as 0.646 opt gold and 3.0 opt silver and further underground drilling results are expected shortly from other sections of the Boulder Creek Zone.

While Dome Mountain and its near term potential for cash flow remain the "backbone" of the company, Canadian-United has added another important project to its growing property portfolio; and this one is believed to have world class potential.

It's called the Fireweed Property and it's being viewed as an exciting new discovery with excellent potential to host significant silver-gold-base metal reserves. The project is 100% owned and consists of 15,380 acres located 34 miles northeast of Smithers. The property is easily accessible by logging roads and lies 56 miles north of Equity Silver Mines, a major silver-copper-gold producer after which Fireweed is modelled.

The potential of the Fireweed Property to host a major polymetallic discovery was first recognized by geological engineer John Leask. The overlooked area had little or no outcrop but silver float was observed from creeks and Leask's specifically tailored and successful preliminary exploration work led to the property being acquired by Canadian-United Minerals which now considers it their prime exploration project.

Recent drilling tested portions of a 3 mile long zone of anomalous I.P. Two separate and distinct mineralized zones - the Fireweed East and Fireweed West - were discovered with each zone separated by over 1.5 miles of relatively untested strike length. The company says the zones occur within the same rock sequence and are similar in nature and origin.

In March of this year the company announced the results of its best hole from among 11 drill holes that all returned sulphide intersections from the West Zone. Hole FW-8 intersected 3 closely spaced mineralized horizons of which a 13.56 metre interval averaged 1.22% lead and 1.94% zinc. The middle interval of 4.65 metres averaged 1.58% lead and 3.85% zinc. The lower interval proved to be the richest and averaged 1.0% lead, 2.11% zinc and 18.89 oz. per ton silver, over 4

metres, with assays up to 26.17 oz. per ton silver.

In early April the company released results from a step out hole which expanded the mineralized zone. Hole FW-22, drilled on a 50 metre step-out to the west of Hole 8, encountered 13.0 meters of mineralization averaging 17.7 oz/ton silver, 1.79% lead and 3.07% zinc between 55.5 and 68.5 metres depth. This represents a true width of about 10 metres.

Higher grade intersections within this interval include: 10.5 m of 20.52 opt Ag, 2% lead and 3.29% zinc including 2.2 m of 29.78 opt Ag, 3.36% lead and 5.40% zinc; and 2 m of 31.77 opt Ag, 2.91% lead and 2.90% zinc.

Canadian-United says that the encouraging grades encountered to date from this zone make it their "number one priority" for a follow up drill program this summer. And according to a company spokesman, "the beauty of this project is that we are hitting mineralization at fairly shallow depths."

Canadian-United also reported assay results earlier this spring from drilling on the East Zone of the Fireweed Property. Three holes drilled over a 1000 foot section of a coincidental I.P. Mag anomaly over three quarters of a mile long intersected variable widths of near massive iron sulphide containing significant base and precious metal values. A 150 foot interval near the top of Hole 19 contained sulphide concentrations of between 10% and 100% and gold values ranging between 0.02 and 0.20 ounces per ton.

An associated company, Geostar Mining Corp. (GMC.VSE), has staked ground around the Fireweed Property. Geostar has also advanced two properties within its own extensive portfolio to the forefront; the 100%-owned Victory Project near Smithers, B.C. and the Gold Springs Property (with Energex Minerals who have 51%) along the Utah/Nevada border.

Canadian-United Minerals (CUN.VSE) also has additional properties within its property portfolio.

