

CANADIAN-UNITED MINERALS, INC.
FIREWEED PROJECT SUMMARY REPORT

SUMMARY

The Fireweed Project is an advanced-level exploration prospect containing epigenetic silver-zinc-lead-gold-copper mineralization of considerable merit and potential. To date at least three mineralized structures have been discovered. One of these, the West Zone, now contains drill-indicated mineral reserves in the order of 640,000 tons (580,000 tonnes) grading 9.97 oz per ton silver, 2.22% zinc, and 1.34% lead, across an average width of 4.75 m. A second target area, the East Zone, hosts a low grade copper-gold mineralized structure, with local high grade zinc values, in excess of 550 m long and 50 m thick. The 1600 Zone is a recent, very promising discovery containing at least four separate mineralized structures hosting significant lead-zinc-silver values.

All of the above mineralized areas are open along strike and to depth, and further reserves are likely. In addition, all three lie along a 5 km long, sulfide related I.P. chargeability linear, the greater part of which is still untested. Work to date shows the Fireweed area to be a centre of widespread mineralizing activity. Current results are extremely encouraging and the potential is high to significantly expand current reserves in a number of different areas.

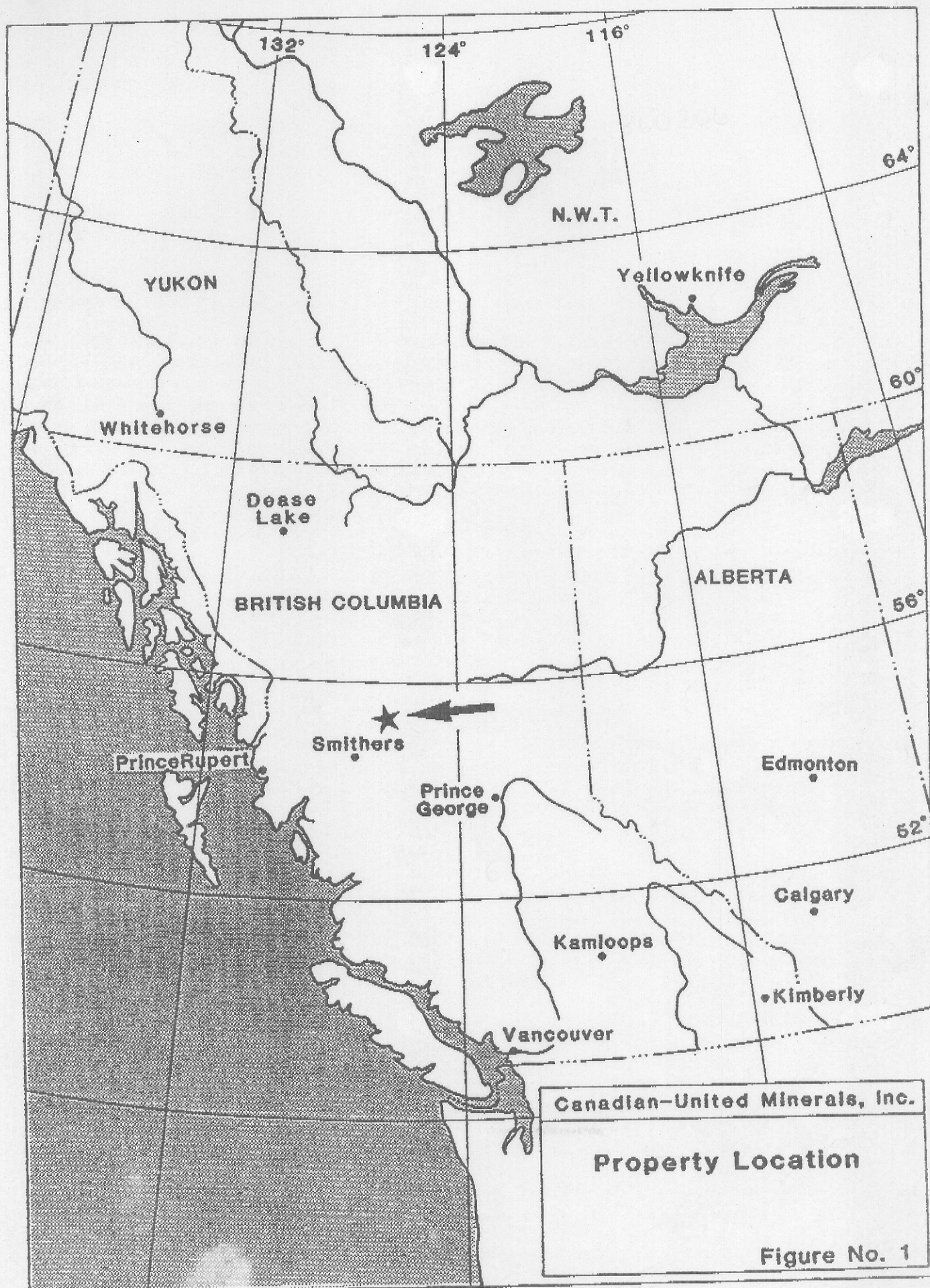
INTRODUCTION

The Fireweed claims were acquired in 1987 based on weakly mineralized float and limited outcrop exposure. The property has been aggressively developed since then, with in excess of \$1.7 million in exploration expenditures. This work has included preliminary geological mapping, soil geochem, extensive Mag and EM surveys, over 70 km of IP survey and in excess of 14,000 m (46,000 feet) of NQ diamond drilling. The project is owned 100% by Canadian-United Minerals, Inc., subject to a 2% NSR royalty.

LOCATION AND ACCESS

The Fireweed project is located 54 km northeast of the town of Smithers, B.C. along the southwestern margin of Babine Lake. Elevations range from 715 to 1,060 m (2,350 - 3,500 feet) and the terrain is generally flat to gently sloping.

Access to the area is via the all-weather, Babine Road, 63 km from Smithers to the property margin and then via a network of logging roads across the claims area. Helicopter access is also available in Smithers.



CLAIM STATUS

The Fireweed property is comprised of 21 contiguous, modified grid mineral claims totalling 333 claim units, and covering an area of roughly 8,100 hectares (20,000 acres). The claims are located in the Omineca Mining Division of British Columbia. All claims are in good standing for a minimum of 2 years.

GEOLOGY

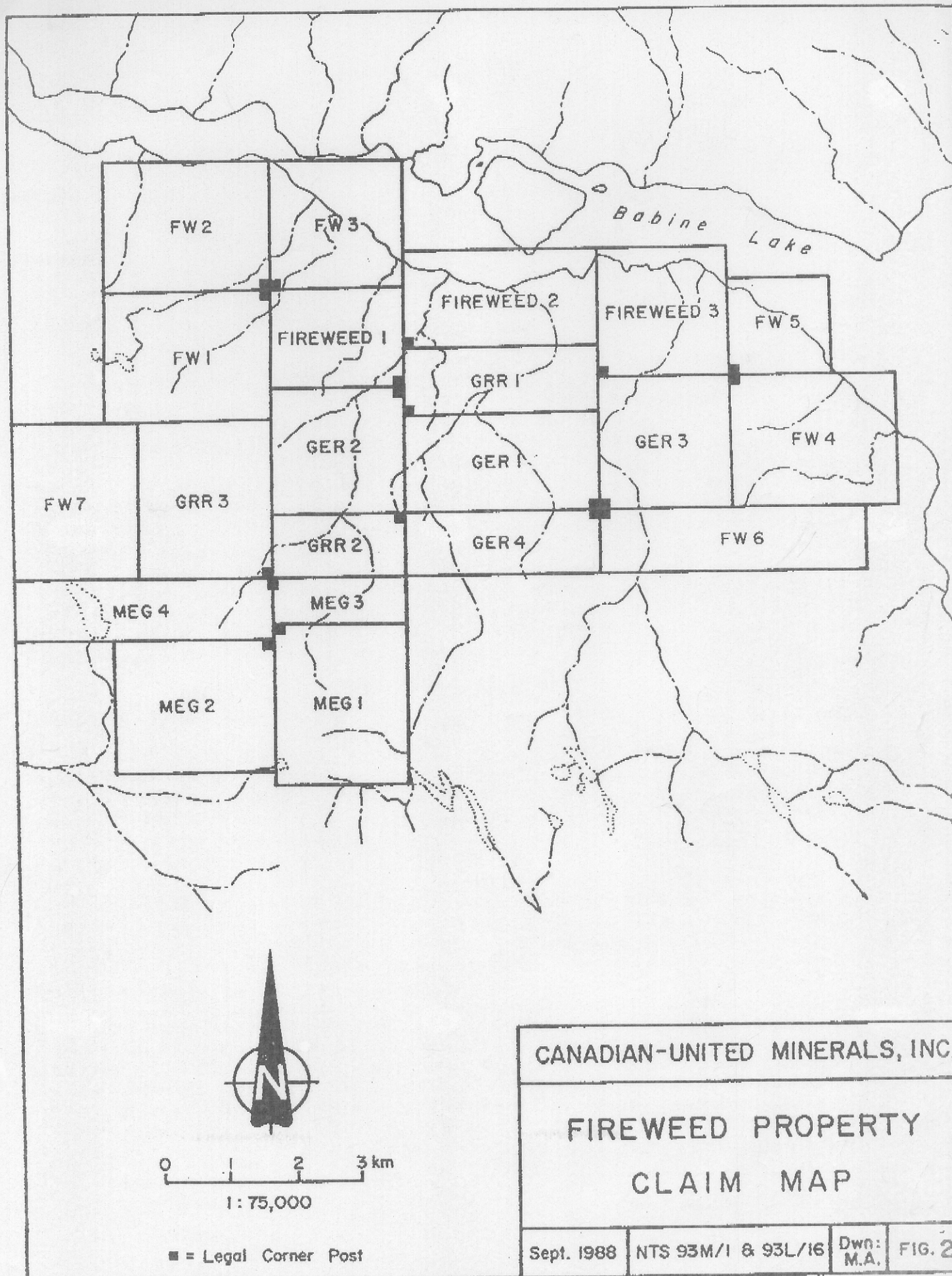
The claims area is underlain by a deltaic sequence of interbedded mudstone, siltstone and fine to coarse grained cherty sandstones belonging to the Kitsum Creek formation of the lower Cretaceous aged Skeena Group. These rocks lie within a fault bounded, graben-like structure surrounded on at least three sides by lower to middle Jurassic aged Hazelton Group tuffaceous volcanics and related sediments. This Mesozoic assemblage is intruded by a number of hypabyssal feldspar-biotite and feldspar-hornblende porphyry plugs of the Tertiary Babine Intrusions. In the southern part of the claims, one such plug is associated with dacitic volcanics of similar composition, texture and age (Newman Volcanics). This complex has been suggested to be a Tertiary caldera structure and is likely related to the mineralizing event. Highly altered latite dykes, which occur within the mineralized areas, are likely apophyses of this igneous event.

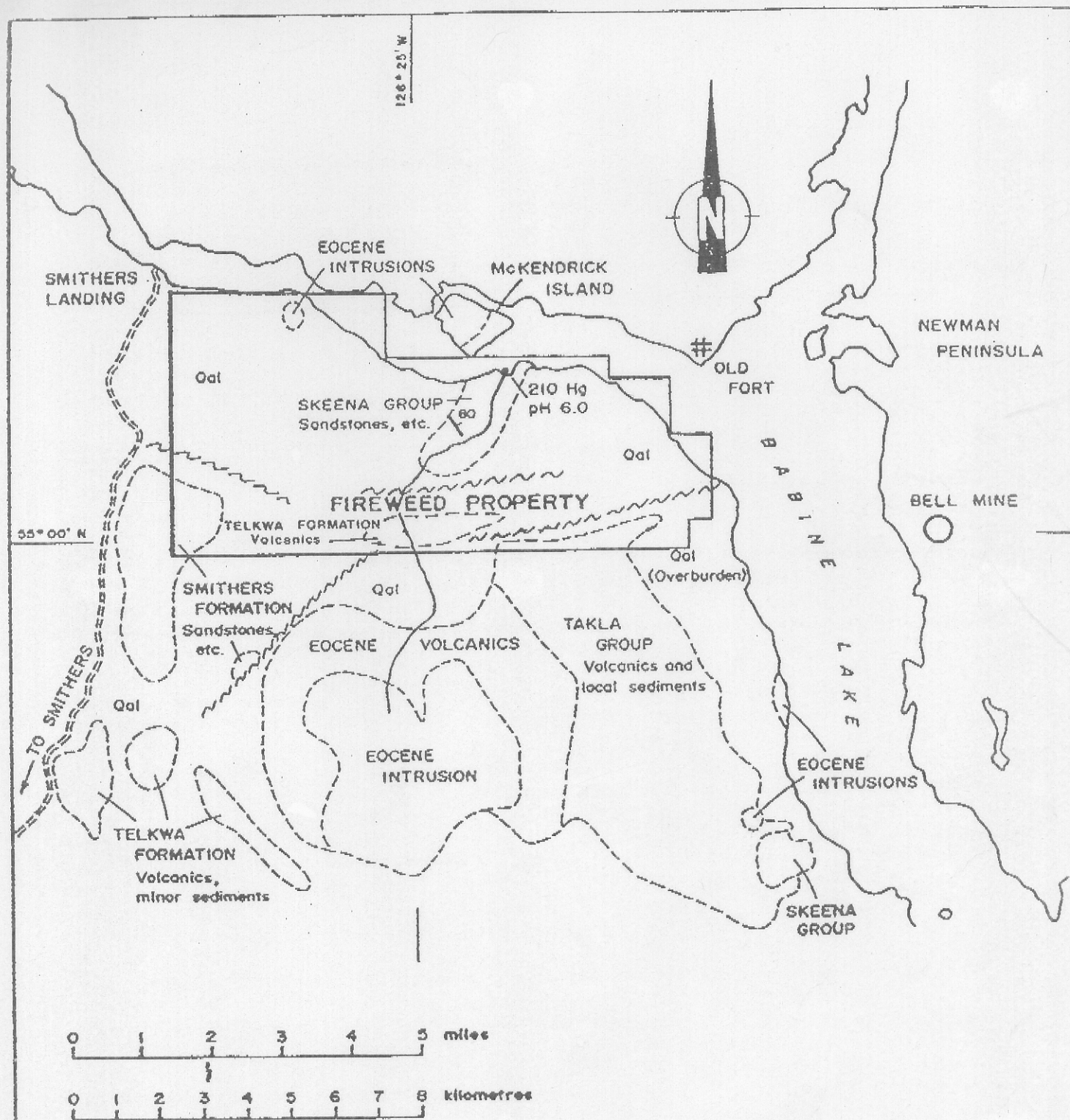
MINERALIZATION AND ALTERATION

Sulfide mineralization occurs within the Kitsum Creek sediments in two modes; 1) fine grained disseminations of pyrite-sphalerite-galena-argentite lithologically controlled within coarser grained sandstone beds, and 2) massive pyrrhotite-pyrite-(sphalerite-galena)-chalcopyrite veining within breccia-stockwork feeder zones.

The disseminated sulfides are associated with extensive siderite-kaolinite-sericite-quartz interstitial replacement alteration of the sandstones. Metal values are primarily silver-zinc-lead, and all known reserves are contained within this sulfide type.

The breccia-stockwork mineralization generally occurs as infilling along zones of brecciation and dyking within the sediments. These zones appear to be feeder structures for the disseminated horizons and are often spatially associated with these zones. Values here are largely low grade copper-gold but with more localized high grade zinc-(lead-silver). Sulfide breccia zones have been recognized in all three mineralized areas.





After: Richards, T.A., 1980
Tipper, H.W., 1976

CANADIAN-UNITED MINERALS, INC.

GENERAL GEOLOGY

FIREWEED PROPERTY AREA

15th Oct. 1987

Drawn by E.C.

FIG. 3

MINERALIZED HORIZONS

Three areas of significant sulfide mineralization have been located on the Fireweed property. All three lie within a 5 km long, low magnitude, IP chargeability linear, trending easterly across the claims. This IP anomaly, where tested, is to be sulfide related.

West Zone - Mineralization at the West Zone consists of a small, stockwork-breccia feeder zone cross-cutting the sediments, with a major, disseminated sulfide-bearing sandstone horizon emanating in a broad open fold, west and south from it. The mineralized sandstone horizon has been traced by detailed drilling for at least 350 m and to a depth of 200 m. Good silver-zinc-lead assays were encountered within this horizon and drill indicated mineral reserves of 640,000 tons of 9.97 opt Ag, 2.22% Zn, and 1.34% Pb have been calculated. This zone remains open to depth, but appears to be cut off by post-mineral faulting to the south. The extensions of this horizon have not yet been located.

Mineralization within the feeder zone itself contains low grade copper-gold values with localized high grade zinc-(lead-silver) sections associated largely with the flanks of cross-cutting dykes. One such intersection assayed 18.8% Zn, 5.37% Pb, 4.53 opt Ag, 0.50% Cu, and 0.055 opt Au across 3.75 m.

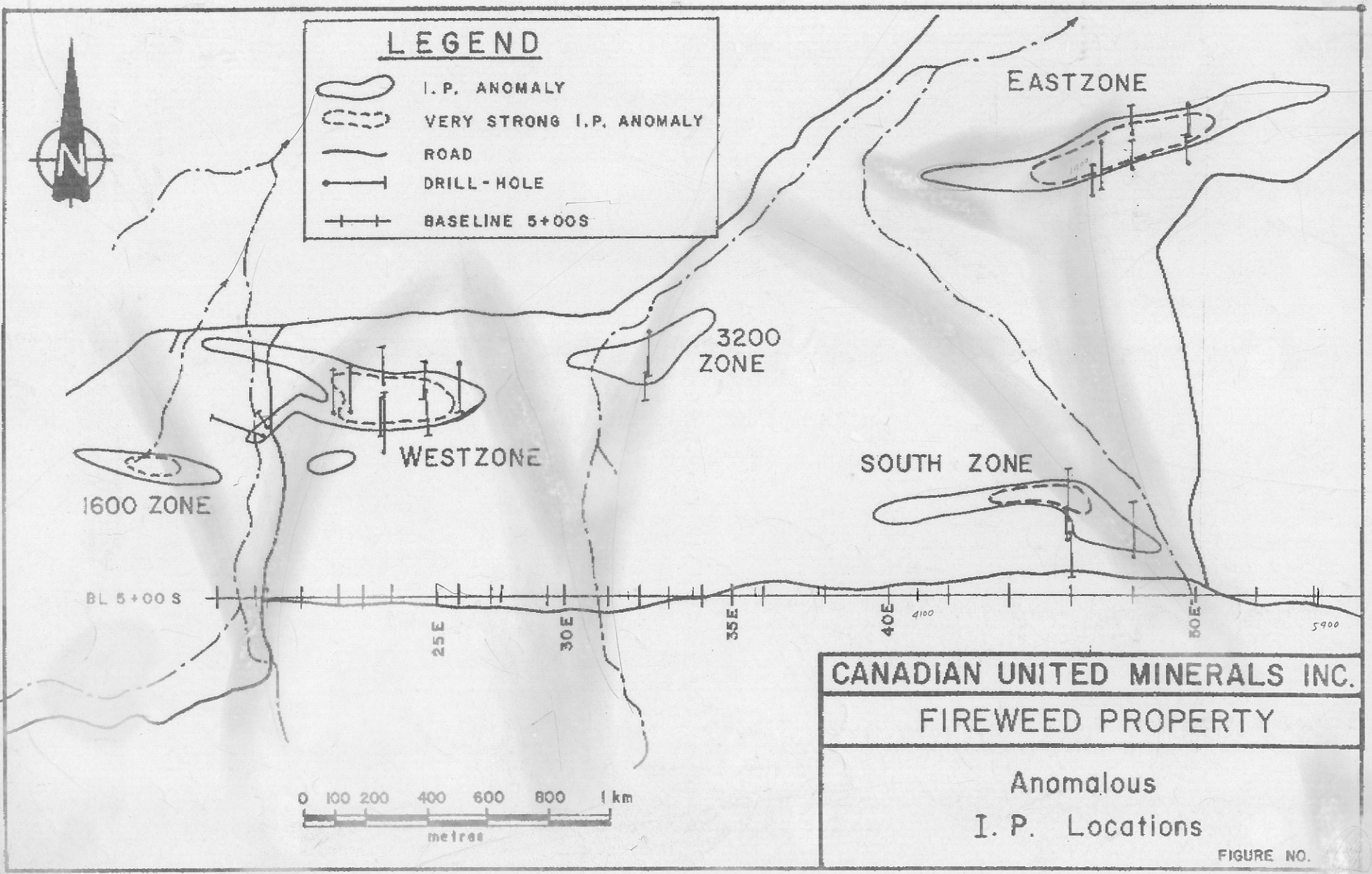
A number of other small breccia zones and lower grade disseminated sandstone horizons have also been intersected in the West Zone area and remain to be tested further.

East Zone - Breccia style mineralization has been outlined within a zone of shearing, brecciation and dyke activity. This zone has been traced by limited drilling for a strike length of over 550 m, across widths of 50 m or more. Copper and gold assays to .7% and 0.21 opt have been intersected. The easternmost hole also intersected 4.0 m grading 8.87% Zn. The structure remains open along strike in both directions and to depth. The East Zone lies about 2 km east of the West Zone.

1600 Zone - At least four breccia zones and veins were recently intersected, in three drill holes, over a 50 m strike length. At least two of these mineral zones showed good continuity across that distance. Galena-sphalerite content was high and grades to 10.9% Zn, 11.1% Pb, 7.85 opt Ag, 0.065 opt Ag, and 0.11% Cu were encountered. The 1600 Zone is a weak IP chargeability anomaly located 400 m west of the West Zone anomaly and appears to be connected to it.

METALLURGICAL TESTING

Several composite samples of drill-core, coarse-reject material, taken from the area of established mineral reserves, was submitted to Bacon Donaldson & Associates Ltd. of Vancouver for preliminary testing for ore treatment and recoveries. Four flotation tests were conducted and initial results showed that



CANADIAN UNITED MINERALS INC.
FIREWEED PROPERTY
Anomalous
I. P. Locations
FIGURE NO.

METALLURGICAL TESTING (cont.)

the mineralization was amenable to standard flotation treatment, with roughly 95% recoveries of lead, zinc and silver into the rougher concentrate. Considerable work is still required to optimize the treatment procedure, separation and recoveries to individual metal concentrates, however, the company does not anticipate any major problems in this regard.

PROPERTY POTENTIAL

All of the sulfide zones discovered to date remain open in one or more dimensions and contain considerable potential to host sizably more reserves. The West Zone IP anomaly has not been totally drilled off in detail and the likelihood of finding extensions of the existing zones and new horizons is high. At the East Zone, the feeder structure is an order of magnitude larger than that of the West Zone and has not been adequately tested. In addition, the high grade zinc intersection has yet to be followed up and testing for potential high grade disseminated horizons is not complete. The newly discovered 1600 Zone, which is virtually unevaluated, also shows similar promise, with good grades and a distinct potential to connect through to the West Zone.

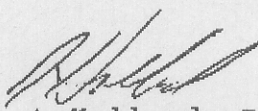
In addition to the above, there remains considerable potential within other regions of the aforementioned 5 km IP chargeability trend. The most obvious of these is the 3200 Zone anomaly which has had minimal testing to date. Other areas of interest include a weak coincidental IP-Mag anomaly (the FW Zone) which lies west of the known mineralized trend and along strike.

PROPOSED WORK PROGRAM

Additional drilling is required to further test the above mineralized and geophysical targets. Current plans call for a minimum of 1,500 m (5,000 feet) of NQ diamond drilling to test priority targets, in particular the zinc-rich area at the East Zone, the 1600 Zone, and extensions to the West Zone. More IP is also planned to add detail to existing anomalies, particularly at the West Zone, and to test new areas of the property for additional targets. The cost of this program will be approximately \$200,000.

Current plans are to expand the drill program to at least 6,100 m (20,000 feet) as financing becomes available.

June 20, 1989


Robert Holland, B.Sc.
Exploration Manager
CANADIAN-UNITED MINERALS, INC.