

January 29, 1988

CORPORATE UPDATE

As reported in our November update, we believe that 1988 will be a pivotal year for Canadian-United. Indeed, developments in December and January have exceeded our expectations.

FINANCING

Always critical to the functioning of a junior mining company is the ability to finance exploration and ongoing operations. At Canadian-United we have enjoyed continuing success in this facet of our business.

In December of 1987 the Company completed a private placement with Sandhurst Mining N.L. Through this private placement, Sandhurst agreed to purchase 325,000 units at a price of \$1.60 per unit. Each unit consists of one common share and one warrant to purchase an additional share at a price of \$2.10. Total contribution to the treasury upon exercise of the warrants will be \$1,202,500.

In addition, Canadian-United successfully negotiated a private placement of 500,000 flow through shares at a price of \$2.10 per share with private investors. The aggregate of these two placements will supply approximately \$2.25 million to the Company treasury.

The Interim Financial Statements for the six month period ending November 30, 1987 are enclosed. These statements obviously do not reflect the financings completed in December which have placed our working capital position in a much healthier state. We expect this infusion of capital to produce real value and growth for our shareholders.

MANAGEMENT

Upon reaching the agreements with Sandhurst Mining N.L., Mr. Richard Tinsley, Managing Director of Sandhurst, was appointed to the Board of Directors of Canadian-United and will serve as Chairman.

Mr. Tinsley has worked as a mining engineer/minerals economist for 21 years with experience in mineral industry finance, analysis, exploration, and operations in Europe, Australia and North America.

At the same time Mr. Michael Callahan, former Corporate Secretary of Canadian-United, was appointed to the Board and named President of the Company. Mr. Callahan has acted as consultant to management for mineral and energy clients for over 12 years. He has extensive experience in the fields of project economics, feasibility studies, regulatory approvals and project planning.

ACQUISITIONS

On January 6, 1988 Canadian-United and Geostar Mining Corp. announced that an agreement to purchase one million shares of Geostar Mining Corp. at a price of \$0.25 per share had been reached. The proceeds of this private placement will be utilized to commence an underground drilling program on Geostar's Victory (gold/silver) Property at Hudson Bay Mountain near Smithers B.C. Results from this program will be released in February and March.

In addition, Geostar has extensive property holdings which include the Ascot Property (adjacent to Dome Mountain), several properties in the Houston B.C. region and a 49% joint venture interest in the Gold Springs property on the Utah/Nevada border.

DOMES MOUNTAIN

A feasibility study for placing the Dome Mountain property into production is nearing completion and production is expected to commence by the end of 1988. Recent drilling and underground drifting has expanded ore reserves to 320,000 tons with a diluted grade of 0.436 ounces of gold per ton and 2.8 ounces of silver per ton.

Metallurgical testing has demonstrated 130,000 ounces of gold and 310,000 ounces of silver can be recovered. Based on a 350 ton per day operation, we are projecting \$0.30 - \$0.37 earnings per share for our shareholders from Dome Mountain operations.

FIREWEED

In January we launched an extensive exploration program on the Fireweed Property in central British Columbia. The program entails geophysical surveys, as well as, 5000⁺ of diamond drilling on this silver and base metal discovery.

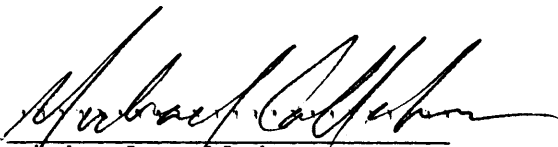
Initial drilling targets are located in a strong, well defined magnetic anomaly which measures 75 meters by 200 meters. This zone lies within a much broader, highly conductive IP anomaly of up to 250 meters wide and 800 meters long.

Given the dimensions of the known anomalies and preliminary indications of the mineral values they may carry, the Company believes the property has the potential to yield ore measuring in the tens of millions of tons.

The first drill hole was completed on January 29 and several zones of pyritic mineralization were encountered. We are awaiting assay results on the core samples from the drilling program and will be announcing details as soon as we have them. We have enclosed a copy of the press release issued this week on the Fireweed program for your information. We have exceedingly high hopes for this property.

We appreciate your continuing confidence and support in Canadian-United Minerals and look forward to a prosperous 1988 with you.

On behalf of the Board



Michael Callahan
President

January 27, 1988

Vancouver Stock Exchange
CUN

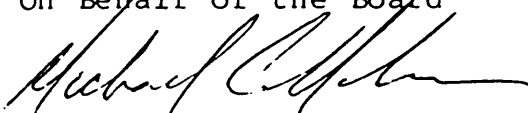
DRILLING INTERSECTS MINERALIZED ZONES

Vancouver - Michael Callahan, President of Canadian-United Minerals, Inc., announced today that diamond drilling on the Company's Fireweed Property, north of Granisle, B.C., has encountered two pyritic sandstone units similar to the silver-rich sandstone outcrop that the drill program is testing at depth.

The surface showing of the pyritic sandstone unit assayed about 10.0 oz silver per ton over a distance of 9 metres. Geophysical survey work has indicated a distinct continuous anomaly running from this outcrop for about 1,000 metres to the east and 600 metres west. The first hole in the drilling program was completed today about 40 metres east of the outcrop along the anomaly and intersected two sandstone units of apparent widths of about 13 metres and 4 metres. Visible fine-grained pyritic mineralization occurs in both units. Samples are currently being split for assay analysis and results are expected shortly.

Canadian-United Minerals, Inc. plans 5,000 feet of drilling in this preliminary program to establish the mineralization associated with the strong magnetic and I.P. anomalies indicated in this zone. I.P. surveys to extend the zone to the east are also continuing.

On Behalf of the Board



Michael Callahan,
President

THE VANCOUVER STOCK EXCHANGE HAS NEITHER APPROVED NOR
DISAPPROVED THE INFORMATION CONTAINED HEREIN.

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