

Canadian-  
United  
Minerals, INC.

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January 18, 1990

Equity Silver Mines Limited  
Exploration Division  
13 - 1155 Melville Street  
Vancouver, BC  
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Dear Mr. Heard:

I am writing in response to your letter of January 11, 1990 regarding the Fireweed Property.

The property hosts significant mineralization with an excellent chance at production in the short term and we feel that it is the best exploration in the Smithers region. Canadian-United has expended considerable funds on the property and has advanced the property significantly in a short period of time. Any agreement on the property must recognize the underlying value of the property and the work that Canadian-United has done.

We are pursuing discussions with other companies regarding exploration and development of the property and have been very well received. Undoubtedly Equity would be an excellent partner on this project because of the expertise developed working on the Equity Silver property, however unless Equity is prepared to make some cash payments, we feel that there is no basis on which to continue discussions regarding a property agreement.

I look forward to hearing from you.

Yours Very Truly  
CANADIAN-UNITED MINERALS, INC.



per S.R. McClay  
President