

July 16, 1995

TO: GEORGE HEARD
GLOBAL MINERAL AND CHEMICAL LTD. (3 pages)

FROM: NICK CARTER

RE: LOUISE LAKE PROJECT

We (Terry, Tom Schroeter and I) had a chance to fly over the property on Friday afternoon. Logging roads now extend into the central property area (see diagram) and the old camp and core storage area is now less than 200 metres south of the end of one of these roads which also provide excellent access to the area slated for additional IP coverage immediately adjacent to the western boundary of the TENN mineral claim. Ray Brackenberry estimates about 1.5 hours driving time from Smithers.

The 1970 geophysical grid was reportedly partially rehabilitated by Corona by way of compass and hip chain in 1988 so it should be possible to tie onto this with new lines which will probably require cutting prior to the initiation of IP surveys. The baseline is shown on several of the diagrams in my January report. Stu Tennant suggested that at least one of the old lines over the main zone be run during the new survey to permit at least some correlation with the old surveys.

If Sid Visser is unavailable, I recommend Lloyd Geophysics (1007-1166 Alberni Street, Vancouver, phone 688-5813) who have an IP crew currently working on the NAK property north of Babine Lake. This crew recently completed a survey for AGC at Toodoggone where direct costs were in the order of \$1,600 per day. It should be possible to complete at least 1.5 km per day at Louise Lake and assuming similar direct costs plus added mob-demob and living expenses, total costs should be in the range of my estimate of \$20,000 for 16 line kilometres. This additional IP coverage should extend the main zone to the west and provide targets for subsequent drilling.

Not included in my original estimate are line-cutting costs. These should be reasonable considering the relatively open forest cover in the general area and could be handled by way of a portion of the estimated \$30,750 contingency. Crews are available in Smithers either through Lorne Warren or Bruce Hobson. Perhaps Jacques Moreau would be interested. Both line-cutting and geophysical crews could camp out somewhere

along the new roads within the claims area.

Lloyd's IP crew will probably finish up at NAK in the next 2 - 3 weeks so there is ample time to get the grid work done prior to initiation of the geophysical survey.

From the foregoing, it is evident that the line-cutting component of the project should get underway in the very near future.

As Tom Schroeter indicated to you recently, Andre Panteleyev, senior geologist with Geological Survey Branch, wants to conduct some investigation of the property. His work would be directed to the potential for an acid sulfate epithermal environment or transitional type mineralization which could host higher gold grades than encountered to date. Panteleyev would examine and sample available drill cores for subsequent mineralogical work (X-Ray Diffraction) and radiometric age determinations.

This work would be carried out before the end of the month and he plans to use the road access for this work.

Panteleyev and Schroeter plan to visit the TATSI property later on this week, and Panteleyev would stay in the camp for an additional few days and use the helicopter to access Will Tompson's Limonite Creek property. This should defray some of Golden Hemlock's daily minimum requirements.



LOUISE LAKE

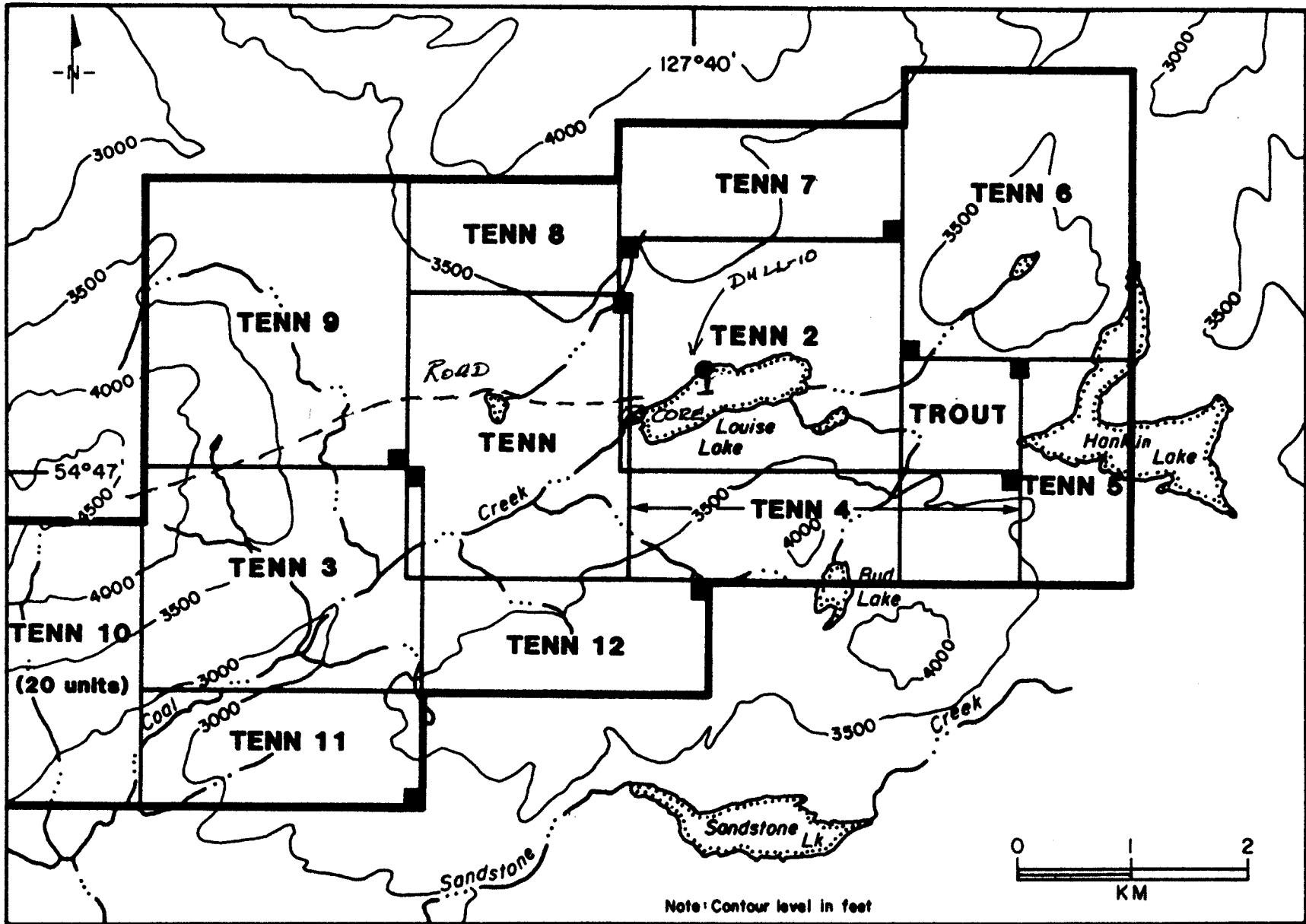


FIGURE 3 - MINERAL CLAIMS