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 Date: Apr 27/95

**SUPERINTENDENT OF BROKERS**

830753

**AND**

**VANCOUVER STOCK EXCHANGE**

**STATEMENT OF MATERIAL FACTS (#47/94)**

EFFECTIVE DATE: ●, 1995

**GOLDEN HEMLOCK EXPLORATIONS LTD.**

#123 - 626 West Pender Street, Vancouver, B.C., V6B 1V9 (604) 257-3660

**NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER**

DuMOULIN BLACK, 10th Floor - 595 Howe Street, Vancouver, B.C., V6C 2T5

**NAME AND ADDRESS OF REGISTERED AND RECORDS OFFICES OF THE ISSUER**

MONTREAL TRUST COMPANY OF CANADA, 510 Burrard St., Vancouver, B.C., V6C 9B9

**NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA**

The Issuer is, under the Rules of the Vancouver Stock Exchange a "Venture Company".

The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification if required, may be sought from a broker. Reference should also be made to "Risk Factors" on page 6 for further details.

**SHAREHOLDER OFFERING:** 2,000,000 common shares without par value

Up to 2,000,000 shares are qualified for resale to the public pursuant to the terms of this Statement of Material Facts, of which 1,000,000 shares were issued pursuant to a private placement distribution to certain persons more particularly described herein. The balance of 1,000,000 shares may be issued to the aforementioned persons pursuant to share purchase warrants which were issued to them in connection with the aforesaid private placement distribution of 1,000,000 shares. All of the shares being qualified for sale hereunder are subject to a hold period which expires on March 1, 1996.

This Shareholder Offering will be made through the facilities of the Vancouver Stock Exchange from time-to-time at the market price for the shares at the time of sale. The vendors of any shares sold under the Shareholder Offering will be required to pay standard commission rates established by Georgia Pacific Securities Corporation.

The proceeds from the sale of shares under the Shareholder Offering will accrue to the benefit of the selling shareholders, and none of the proceeds therefrom will accrue to the Issuer. The Issuer is paying the costs of this Offering.

- ii -

See "Plan of Distribution" for full details respecting the Shareholder Offering.

As a condition of the Shareholder Offering, the selling shareholders have executed undertakings to the Exchange to sell all shares sold pursuant to the Shareholder Offering through the Agent through the facilities of the Exchange and comply with all applicable securities laws with respect to the sale of such shares.

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

**AGENT**

**GEORGIA PACIFIC SECURITIES CORPORATION,**

555 Burrard Street, Suite 1600

Vancouver, B.C.

V7X 1S6

## **I. PLAN OF DISTRIBUTION**

### **Offering**

This Statement of Material Facts qualifies for sale (the "Shareholder Offering") up to 2,000,000 common shares (the "Shares") by the parties named below (the "Selling Shareholders"). Of the 2,000,000 shares which are being qualified for resale to the public pursuant to the terms of this Statement of Material Facts, 1,000,000 shares were issued pursuant to a private placement (the "Private Placement") distribution to the Selling Shareholders and the balance of 1,000,000 shares will be issued to the Selling Shareholders upon the exercise of share purchase warrants (the "Warrants") which were issued to them in connection with the aforesaid private placement distribution of 1,000,000 shares. The Warrants are exercisable at \$.65 per share up to March 1, 1997. The Shareholder Offering is to be made through the facilities of the Vancouver Stock Exchange (the "Exchange") from time-to-time at the market price for the Shares at the time of sale. The closing of the private placement distribution occurred on March 24, 1995.

<b><u>Name and Addresses of the Selling Shareholders</u></b>	<b><u>Number of Shares Acquired Pursuant to the Private Placement</u></b>	<b><u>Maximum Number of Shares Which May be Acquired Upon Exercise of Warrants</u></b>
Robert A. Schaffer 100 Washburn Road Briarcliff Manor, N.Y., 10510	50,000	50,000
Henry M. Fowlds P.O. Box 48281 Two Bentall Centre 555 Burrard Street Vancouver, B.C., V7X 1A1	50,000	50,000
Teresa M. Thomas Smithers, B.C., V0J 2N0	300,000	300,000
Gordon H. Irving R.R. 1, Ole's Cove Site C, Box 9 Halfmoon Bay, B.C., V0N 1Y0	300,000	300,000
Finagestion SA.* P.O. Box 1932 1211 Geneva 1 Switzerland	300,000	300,000

\* The principal of Finagestion SA. is John Iglehart, 4 rue Charles-Bonnett, 1207 Geneva.

The purchasers of any Shares under the Shareholder Offering will be required to pay the commission rates established by their brokers. No payments in cash, securities or other consideration are being made or are to be made to a promoter, finder or any other person in connection with the Shareholder Offering, other than commission rates charged by the brokers of the Selling Shareholders. The Directors and other insiders of the Issuer may purchase shares from the Shareholder Offering.

- 2 -

The Shares were issued utilizing exemptions from registration and prospectus requirements of the British Columbia *Securities Act* (the "Act") and the Shares are subject to a hold period which expires on March 15, 1996. All of the Shares are being qualified for sale under the Shareholder Offering pursuant to this Statement of Material Facts.

The Shares issued to Teresa Thomas, Gordon Irving and Henry Fowlds and the Warrants, if exercised, are flow-through shares as defined in the *Income Tax Act* (Canada). All Canadian Development Expenses and Canadian Exploration Expenses incurred by the Issuer in respect of the proceeds of the Private Placement received by the Issuer from Teresa Thomas and Messrs. Fowlds and Irving will be renounced in favour of the same.

The proceeds from the sale of Shares under the Shareholder Offering will accrue to the benefit of the Selling Shareholders.

### Appointment of Agent

Georgia Pacific Securities Corporation (the "Agent") has been appointed the agent for the Selling Shareholders to offer the Shares through the facilities of the Exchange. The Exchange member/broker which acts as the buying agent for any purchasers of the Shares through the facilities of the Exchange will be provided with a copy of this Statement of Material Facts and any amendments thereto prior to any Shares being sold. The Issuer has agreed to pay the Agent a fee of \$12,500 in respect to the Shareholder Offering.

The Selling Shareholders will be required to pay the standard commission rates established by the Agent or such other rates as may be agreed to between each of the Selling Shareholders and the Agent.

One of the Selling Shareholders is an officer of the Agent.

If the Issuer distributes any of its securities pursuant to an Exchange offering during the course of the distribution under the Shareholder Offering, the Shareholder Offering will be suspended until the Issuer's offering has been completed or the offering period has expired.

### Restricted Offering:

The Shares being offered hereunder have not been qualified under the securities laws of any of the provinces of Canada other than British Columbia, nor have they been registered under the securities laws of the United States of America or any of the securities laws of any of the states of the United States of America. Nothing herein should be construed as an offer by either the Selling Shareholders, the Agent or the Issuer to sell the Shares to persons resident in such jurisdictions.

## 2. HOW THE NET PROCEEDS OF THE ISSUE ARE TO BE SPENT

The Issuer will not receive any of the proceeds from the Shareholder Offering.

The Issuer received net proceeds of \$550,000 from the private placement distribution referred to

- 3 -

in Item 1. The proceeds from the placement were allocated to pay the Issuer's share of the First Phase exploration program in respect to the Tatsi 1 and 2 Mineral Claims, being \$218,275, to provide a reserve for the Issuer's share of the February 15, 1996 property payment in respect to the Tatsi Claims, being \$37,500, to pay accounts payable of approximately \$121,857, to provide working capital for the next 12 months, being \$60,000, and to provide a reserve to fund the Issuer's share of costs in respect to preparation of a prefeasibility report on the Golden Quail, California, gold property, or to provide a portion of the funds for the Issuer's share of a Second Phase exploration program in respect to the Tatsi Claims, or to provide funds for an acquisition of merit, being \$112,368.

All references to currency throughout this Statement of Material Facts are to Canadian funds unless otherwise stated.

### 3. MATERIAL NATURAL RESOURCE PROPERTIES

#### (1) SUMMARY OF MATERIAL MINING PROPERTIES

- Group I Properties for which regulatory approval has been obtained under this Statement of Material Facts.
- Group II Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year.
- Group III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.

<u>Group</u>	<u>Property Name</u>	<u>Issuer's Acquisition and Exploration Costs to Date</u>	<u>Shares Issued to Date</u>	<u>Planned Expenditure from Funds Available upon Completion of the Offering</u>
I	None			
II	Golden Quail Property	\$1,200,463	200,000	None
	Tatsi Property	<del>Nil</del> \$25,000	50,000	None - See Item 2 hereof
III	None			

GROUP I Properties for which regulatory approval has been obtained under this Statement of Material Facts.

None.

GROUP II Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year.

#### A. Tatsi Property

The Issuer holds an option to earn a 50/100% interest in the Tatsi 1 and 2 Mineral Claims, situate in the Omineca Mining Division, Province of British Columbia. The option was granted to the Issuer by Angel Jade Mines Ltd. ("Angel Jade") pursuant to an Agreement dated October 27, 1994. By a Mining Venture Agreement dated January 10, 1995, the Issuer granted to Golden

- 4 -

Quail Resources Ltd., 202 - 7690 El Camino Real, Carlsbad, California, ("Golden Quail"), as to 37%, Windham Resources, Inc., 62 Oak Hill Drive, Oyster Bay, New York, ("Windham"), as to 10%, and H&J Resources Inc., 15 West Carrillo Street, Santa Barbara, California, ("H&J"), as to 3%, the right to earn a 50% interest in the Tatsi property by ~~agreeing to~~ forming a mining venture in respect to the option and the development of the property if the option is exercised (the "Venture").

Pursuant to the Angel Jade Agreement, the following must be paid or shares issued in order to exercise the option, namely:

1. \$50,000 on the execution of the Agreement (paid);
2. \$75,000 on February 15, 1996;
3. \$100,000 on February 15, 1997;
4. 200,000 shares of the Issuer, being 50,000 shares on February 15, 1995 (issued), 50,000 shares each upon the completion of three exploration programs on the property, and filing with and having accepted by the Vancouver Stock Exchange reports recommending additional exploration work.

Pursuant to the Mining Venture Agreement, the Issuer is required to pay one-half of the cash payments, and, for each 50,000 shares which the Issuer issues to Angel Jade, Golden Quail will issue 25,000 Golden Quail's shares to the Issuer.

If any party fails to contribute its proportionate share of the cash payments to Angel Jade or fails to contribute its proportionate share of the exploration costs prior to the exercise of the option, it is deemed to have withdrawn from the Venture.

Angel Jade has retained a 5% Net Smelter Return. 2% of the Net Smelter Return can be purchased by paying to Angel Jade \$1,000,000 for each 1%. On the commencement of commercial production, Angel Jade is to be paid \$2,000,000. Angel Jade is to be paid an advance royalty commencing on March 1, 1998, and semi-annually thereafter on March 1st and September 1st, each payment being in the sum of \$50,000.

Angel Jade is a private company, the principal of which is Jim Thomas.

#### Location and Access

The Tatsi property is situate south of Telkwa Pass, mid-way between Terrace and Smithers in west central British Columbia. Access to the property is by helicopter. Logging roads in the area currently end approximately 7 kilometers north west of the central property area.

The property consists of two four post Mineral Claims (35 Mineral Claim units).

<u>Claim Name</u>	<u>Record Number</u>	<u>Units</u>	<u>Expiry Date</u>
<u>TATSI #1</u>	<u>330686</u>	<u>20</u>	<u>September 7, 1995</u>
<u>TATSI #2</u>	<u>330687</u>	<u>15</u>	<u>September 13, 1995</u>

- 5 -

The Claims are within an east facing cirque, dissected by several west flowing drainages. Topography is moderate to rugged, with elevations ranging from 1,300 to 2,200 meters. The Claims were staked in September 1994, at which time detailed sampling was undertaken.

### Recommendation

In a report dated November 10, 1994 (the "Carter Report"), <sup>↑</sup>Mr. N.C. Carter, P.Eng., <sup>↓</sup>has recommended a first phase exploration program for the property, which it is anticipated will commence in June of 1995. The recommended field program includes the establishment of a picket line grid to facilitate geological mapping, prospecting, and geochemical sampling of the entire Claim area, hand trenching of the known zones, followed by detailed sampling. Orientation magnetometer and VLF-EM surveys are recommended to determine responses over the known structures and, if successful, the surveys would be extended over the entire property. A limited diamond drilling program to test the depth potential of the known zones and consisting of 15 <sup>x</sup>incline holes to depths of 100 meters each is recommended. Additional exploratory work, consisting mainly of diamond drilling would depend on the results of the first phase program. The estimated cost of the first phase program is \$436,550, of which the Issuer is to pay \$218,275.

The Carter Report may be viewed at #123 - 626 West Pender Street, Vancouver, British Columbia, during the period of distribution of shares pursuant to this Shareholder Offering and for a period of thirty days thereafter during normal business hours.

### Geology and Mineralization

The Carter Report states that the property is underlain by Early Jurassic subaerial volcanic pyroclastics and flows of the basal Hazelton Group. In the immediate property area, the volcanic sequence strikes northerly, dips moderately to the east, and consists of reddish, maroon and gray-green coarse pyroclastics and finer grained, well-bedded tuffs. Several quartz vein structures containing appreciable gold, silver and copper grades have been identified by limited work to date, including the Discovery, Main Upper, Lower West and Lower East zones. The Main Upper, Lower West and Lower East zones situate south and east of Tatsi Creek are quartz vein structures which trend north to northeasterly and are apparently vertical. <sup>x</sup>

### History

There is no documentation of mineralization in the Tatsi Creek area prior to 1988. Three hand trenches were discovered along a quartz carbonate-filled shear zone and Claims were staked and preliminary mapping and sampling were completed by Atna Resources Ltd. in 1988. No further work was done and the Claims were allowed to lapse. The ground was restaked in September 1994 by Angel Jade.

### E. Golden Quail Property

The Issuer holds a 32.2% interest in the Golden Quail Joint Venture which holds 154 Mineral Claims, comprising approximately 3,000 acres, situate in San Bernardino County, California. 11 of the Claims are subject to a \$500,000 U.S. Net Smelter Royalty, payable as to the greater of 7½% of Net Smelter Returns or \$5,000 U.S. annually. Golden Quail is the operator and holds a

50% interest in the Joint Venture. Golden Quail's shares are listed for trading on the Vancouver Stock Exchange. Windham, a private New York corporation, holds a 13.25% interest, and H&J, a private California corporation, holds a 4.55% interest. Glen Macdonald, a former director of the Issuer, is a director of Golden Quail.

### Location and Access

The Golden Quail property is situate at the southern end of the New York Mountain Range in San Bernardino County, California. Access is readily available off a county maintained road. The property is approximately 50 miles south of Las Vegas, Nevada and 50 miles north west of Baker, California.

<u>Claim Name</u>	<u>CAMC Nos.</u>
<u>Golden Quail</u>	<u>203865</u>
<u>Golden Quail Extension</u>	<u>203866</u>
<u>Golden Quail No. 2 - 29, inclusive</u>	<u>203867 - 203894, inclusive</u>
<u>Southern Cross No. 1 - 11, inclusive</u>	<u>203905 - 203915, inclusive</u>
<u>Quail 1 - 95, inclusive</u>	<u>233481 - 233575, inclusive</u>
<u>Quail 132 - 136, inclusive</u>	<u>233612 - 233617, inclusive</u>
<u>Quail 158 - 160, inclusive</u>	<u>233638 - 233640, inclusive</u>

A \$100 U.S. annual assessment fee is payable in respect to each Claim to the Bureau of Land Management on or before August 30th of each year. Failure to make such payment would result in forfeiture of the Claim.

### History

Golden Quail holds its interest through its wholly-owned subsidiary, Benson Minerals Inc. Golden Quail initially acquired the property during 1980 to 1983, during which period it carried out an exploration program consisting mainly of trenching, drilling, mapping, surveying, sampling and testing. 36 reverse circulation rotary drill holes totalling 8,297 feet were completed to outline grade and extent of mineralization, and 3 BQ wire line diamond drill holes totalling 1,501 feet were completed. Subsequently, 12 reverse circulation rotary drill holes were completed, for a total of 3,722 feet. Golden Quail optioned the property to Molycorp, Inc. in 1988, which option was terminated in March of 1989. Molycorp's exploration program consisted of 19 drill holes, for a total of 4,655 feet. In August 1989, the property was optioned to Atlas Precious Metals Inc. Atlas completed 7 drill holes totalling 3,200 feet. In November of 1990, Golden Quail reacquired the property. By Agreement dated March 28, 1991, Golden Quail granted to the Issuer an option to earn its interest in the property. Subsequently, in October of 1993, Windham was granted the right to earn a 13.25% interest in the property upon spending \$450,500 U.S. in exploration and development expenses.

The Issuer conducted two drilling programs on the property, first in July of 1991, which was completed in October of 1991, consisting of approximately 10,000 feet of reverse circulation drilling and 3,000 feet of core drilling in a total of 20 holes. In April 1992, a second drilling program was completed, which consisted of two diamond drill holes totalling 1,450 feet.

During the year ended May 31, 1994, Windham completed its program, which consisted of 21



- 7 -

diamond and reverse circulation drill holes, detailed geological mapping, drill sample analysis, and an aerial photographic survey. This program was designed to test both the southern extension of gold mineralization along the Gold Chief shear and some of the anomalous geophysical response zones outlined by the April 1992 induced polarization resistivity survey, and to fill in some areas of the main ore zone that required further delineation drilling. The exploration phase utilized both reverse circulation rotary drilling and diamond core drilling, while in-fill drilling utilized core drilling. As a result of this drilling program, a considerable increase in the drill indicated and probable gold reserves has been calculated. Syver W. More, an independent consulting geologist, in a report dated October 1, 1994, calculated 2,906,000 drill indicated and probable tons at 0.077 ounces per ton gold, with a contained gold content of 224,400 ounces. It is recommended that the Joint Venture proceed with engineering and economic feasibility studies, and initiate the permitting process to acquire the necessary operating permits.

**GROUP III** Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.

Not applicable.

### **Risk Factors**

The securities offered hereby are speculative investments and prospective purchasers should consider the following risk factors.

### **Exploration and Development**

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The profitability of the Issuer's operations will be in part directly related to the cost and success of its exploration programs which may be affected by a number of factors. Neither the Golden Quail property nor the Tatsi property are producing and the Tatsi property is without a known body of commercial ore. Substantial expenditures are required to establish ore reserves which are sufficient to commercially mine either the Golden Quail property or the Tatsi property, to develop metallurgical processes to extract the minerals from the ore and to construct and complete and install mining and processing facilities on these properties. There can be no assurance, even if mineral reserves are established, that a property can be commercially mined.

As the Tatsi property is located in a remote area, increased costs will be incurred in servicing the area through air and/or land transportation. In addition, unfavourable climatic conditions may impair production efficiency and increase project costs. There are no electrical power sources close at hand, which necessitates the importation of fuel and generators resulting in increased costs. The Tatsi property may be subject to native land claims. The Issuer will conduct a preliminary title examination prior to the commencement of exploration work and will complete a comprehensive title examination if and when a decision is made to place the property into commercial production.

The mining industry is intensely competitive in all its phases. The Issuer competes with many companies possessing greater financial resources and technical facilities than itself.

The market price of precious metals and other minerals is volatile and cannot be controlled. If the price of precious metals should drop significantly, the economic prospect of operations in which the Issuer has an interest could be significantly reduced or rendered uneconomic.

There is no assurance that the Issuer's mineral exploration activities will be successful.

#### Capitalization and Commercial Viability

The Issuer will require additional funds to further explore and develop the Golden Quail property and the Tatsi property. The Issuer has limited financial resources and there is no assurance that additional funding will be available to the Issuer for such further exploration or development or to fulfill its obligations under any applicable agreements. Although the Issuer has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Issuer will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of either the Golden Quail property or the Tatsi property with the possible loss of the Tatsi property or a substantial reduction of the Issuer's interest in the Golden Quail property.

If the Issuer proceeds to commercial production of either property, commercial viability will be affected by factors that are beyond the Issuer's control, including particular attributes of the deposit, fluctuation in metal prices, the cost of mining, processing and refining, the availability of transportation and sources of energy, government regulations, including regulations relating to prices, royalties, restrictions on production, quotas on exportation of minerals, as well as the protection of the environment. It is impossible to assess with certainty the impact of these factors.

#### Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks, and, in particular, unexpected or unusual geological or operating conditions, including rock bursts, cave-ins, fires and flooding, may occur. It is not always possible to fully insure against such risks and the Issuer may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in the value of securities of the Issuer.

#### Permits and Licences

In order to carry out exploration and development of the Golden Quail and Tatsi properties or to place either of these properties into commercial production, the Issuer will require licences and permits from various governmental authorities. There can be no guarantee that the Issuer will be able to obtain all necessary licences and permits that may be required. In addition, such licenses and permits are subject to change. The Golden Quail property is situated in an area which has been designated a wildlife preserve, which will make permitting more expensive and result in more stringent controls being imposed by governmental agencies.

In addition, if the Issuer proceeds to production in respect to any of its properties, it will have to obtain and comply with permits and licenses which may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Issuer will be able to obtain such permits and licenses or that it will be able to comply with any such conditions.

**Conflicts of Interest**

Certain directors and officers of the Issuer are and may continue to be involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Issuer. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Issuer. Directors and officers of the Issuer with conflicts of interest will be subject to and will follow the procedures set out in the *Company Act* (British Columbia).

**4. PARTICULARS OF NON-RESOURCE ASSETS**

The Issuer does not have any non-resource assets.

**5. CORPORATE INFORMATION**

The Issuer was incorporated under the *Company Act* of British Columbia on April 26, 1985 by Memorandum.

The Issuer has only one kind and class of shares. All of the Issuer's shares rank equally as to dividends, voting rights, participation in assets and in all other respects. The shares presently issued are not subject to any calls or assessments and the shares to be issued pursuant to this Offering will not be subject to any calls or assessments. The authorized capital of the Issuer consists of 10,000,000 shares without par value ("common shares"). There are 5,827,481 common shares currently issued and outstanding.

Since the date of the latest financial statements included in this Statement of Material Facts, 1,000,000 common shares were issued at \$.55 per share pursuant to the Private Placement as disclosed under Item 1 hereof. In addition, 24,264 shares were issued at a deemed value of \$.68 per share as a finder's fee payable in respect to the private placement.

**6. DIRECTORS, OFFICERS, PROMOTERS AND PERSONS HOLDING MORE THAN 10% OF THE ISSUED EQUITY COMMON SHARES**

Name, Municipality of Residence and Position with the Issuer	Common Shares Beneficially Owned	Principal Occupation For Past Five Years
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- 10 -

GEORGE WARREN HEARD North Vancouver, B.C. PRESIDENT/DIRECTOR	Nil	Mine Manager, Kaltim Prima Coal, Indonesia; President, Golden Hemlock Explorations Ltd. to present
JEFFREY L. ABBAS' <del>Coudersport, Pennsylvania</del> <del>Washington, D.C.</del> DIRECTOR	188,700	Attorney-at-Law, Washington, D.C.; Since August 1993, Senior Director of Programming, Adelphia Cable Communications
JAMES EDWARD McINNES Vancouver, B.C. DIRECTOR	<del>Nil</del> <u>20,000</u>	Barrister and Solicitor, Vancouver, British Columbia
ROBIN T. FORSHAW West Vancouver, B.C. DIRECTOR	15,000	Geologist, self-employed
STUART JOHN TENNANT Port Moody, B.C. SECRETARY	Nil	Geologist, self-employed

No shares are held in pool and there are 37,500 common shares held in escrow.

Some of the directors of the Issuer are also directors and officers of other reporting companies. It is possible, therefore, that a conflict may arise between their duties as a director or officer of the Issuer and their duties as a director or officer of such companies. All such conflicts will be disclosed by them in accordance with the *Company Act*, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Those of the directors who are members of the Issuer's audit committee are George Heard, ~~Michael Eisen~~ James McInnes and Robin Forshaw.

During the 12 months ended February 20, 1995, the aggregate cash compensation paid to executive officers of the Issuer for management services rendered was \$39,863. During the same period, management service fees of \$17,842 were paid to a wholly-owned subsidiary of Golden Quail Resources Ltd. or a director of Golden Quail Resources Ltd. in respect to exploration work carried out on the Golden Quail property.

The directors, officers and promoters of the Issuer have been directors, officers and promoters of other reporting issuers during the past five years. The following is a list of such reporting issuers which includes the periods during which the directors, officers and promoters of the Issuer acted in such capacity:

<u>Name of Director</u>	<u>Name of Reporting Issuers</u>	<u>Term of Office</u>
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- 11 -

<b>ROBIN T. FORSHAW</b>	<u>Abacus Minerals Corp.</u>	<u>93/03 to 93/06</u>
	<u>Barytex Resources Corp.</u>	<u>89/04 to 93/01</u>
	<u>Carlin Resources Corp.</u>	<u>85/12 to 90/08</u>
	<u>Consolidated Caprock Resources Ltd.</u>	<u>90/02 to 92/05</u>
	<u>Consolidated Sea Gold Corp.</u>	<u>88/03 to 94/04</u>
	<u>Dundee Resources Corp.</u>	<u>90/09 to 91/02</u>
	<u>Ella Resources Inc.</u>	<u>93/06 to date</u>
	<u>Falcon Ventures International Corp.</u>	<u>93/04 to date</u>
	<u>Glendale Resources Inc.</u>	<u>89/12 to 93/11</u>
	<u>Hector Resources Inc.</u>	<u>88/04 to 94/06</u>
	<u>International Prism Exploration Ltd.</u>	<u>90/05 to 94/05</u>
	<u>Kestrel Resources Ltd.</u>	<u>87/09 to 93/06</u>
	<u>Nepheline Resources Ltd.</u>	<u>90/02 to 91/01</u>
	<u>South Unuk Gold Corporation</u>	<u>90/04 to 91/06</u>
<b><u>JAMES McINNES</u></b>	<u>Seine River Resources Inc.</u>	<u>87/03 to date</u>
	<u>Almaden Resources Corp.</u>	<u>85/12 to date</u>
	<u>Williams Creek Explorations Ltd.</u>	<u>90/05 to date</u>
	<u>Horseshoe Gold Mining Inc.</u>	<u>91/03 to date</u>
	<u>Dentonia Resources Ltd.</u>	<u>91/11 to date</u>
	<u>International Buks Industries Corp.</u>	<u>93/06 to date</u>

No director, officer or promoter of the Issuer was a director, officer or promoter of any reporting issuer during the past five years that was struck off the register of companies by the British Columbia Registrar of Companies or other similar authority or was the subject of a cease trade or suspension order for a period of more than 30 consecutive days.

No director, officer or promoter of the Issuer during the past ten years has been the subject of any penalties or sanctions by a court or securities regulatory authority related to the trading in securities, the promotion, formation or management of a publicly traded company or involving theft or fraud.

To the knowledge of the directors of the Issuer, no person beneficially owns, directly or indirectly, more than 10% of the common shares of the Issuer.

## 7. OPTIONS TO PURCHASE SECURITIES OF THE ISSUER

### Options

As of the date of this Statement of Material Facts, the Issuer has granted options to purchase up to that number of common shares of the Issuer to directors and employees of the Issuer as set out below. The options are not assignable and terminate if the optionee ceases to be a director or employee of the Issuer.

- 12 -

<u>Optionee</u>	<u>Number of Common Shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Jeffrey L. Abbas, Director	25,000	\$ .25	Feb. 24/98
George Heard, Director	200,000	\$ .80	Oct. 14/96
James Edward McInnes, Director	50,000	\$1.25	Mar. 29/97
Employees	51,000	\$ .42	May 19/96
	50,000	\$ .80	Oct. 14/96
	50,000	\$1.25	Mar. 28/96
	50,000	\$2.25	Mar. 28/96
	5,000	\$1.25	Mar. 28/96

### Warrants

As at the date of this Statement of Material Facts, in addition to the Warrants outstanding as disclosed under Item 1 hereof, there are warrants to purchase 190,000 shares at \$.41 per share if exercised by May 31, 1995.

### 8. SECURITIES OF THE ISSUER HELD IN ESCROW, IN POOL OR SUBJECT TO HOLD RESTRICTIONS

There are no common shares of the Issuer held subject to the terms of a pooling agreement, and there are 37,500 common shares of the Issuer held in escrow.

Save and except for the common shares referred to under the heading "Plan of Distribution" herein, there are no common shares of the Issuer subject to an unexpired hold period imposed by the Exchange or the British Columbia Securities Act.

### 9. PARTICULARS OF ANY OTHER MATERIAL FACTS

#### Miscellaneous

The Issuer has not made, nor does it intend to make, any arrangements, written or oral, for promotional or public relation services on its behalf.

There are no legal proceedings to which the Issuer is a party or of which any of its properties is the subject, nor are there any such legal proceedings pending.

The directors, officers and promoters of the Issuer may also be directors, officers and promoters of other reporting companies (see Item 6). A list of the names of such other reporting companies and all contracts and engineering reports referred to in this Statement of Material Facts may be inspected at the Issuer's registered office, 10th Floor, 595 Howe Street, Vancouver, British Columbia, during normal business hours during the period of distribution of the securities offered hereby and for the period of thirty days thereafter.

The liabilities of the Issuer, including bonds, debentures, notes and other debt obligations, have not significantly increased or altered subsequent to the date of the financial statements included in and made part of this Statement of Material Facts.

**10. STATUTORY RIGHTS OF RESCISSION**

The British Columbia Securities Act provides purchasers with the right to rescind a contract for the purchase of securities where the Statement of Material Facts and any existing amendments thereto either contain a misrepresentation or are not delivered to the purchaser before delivery of the written confirmation of sale. For further information concerning these rights, and the time limits within which they must be exercised, refer to Sections 66, 114 and 118 of the Securities Act or consult a lawyer.

**CERTIFICATE OF THE ISSUER**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its Regulations.

Dated:

**GOLDEN HEMLOCK EXPLORATIONS LTD.**

\_\_\_\_\_  
**GEORGE HEARD**  
Chief Executive Officer

\_\_\_\_\_  
**ROBIN T. FORSHAW**  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

\_\_\_\_\_  
**JEFFREY L. ABBAS**  
Director

\_\_\_\_\_  
**JAMES E. McINNES**  
Director

**CERTIFICATE OF THE AGENT**

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its Regulations.

**GEORGIA PACIFIC SECURITIES CORPORATION.**

Per: \_\_\_\_\_