

MICROFILMED

PROSPECTUS
May 30, 1985.

DATE.....

062203

Geological Evaluation Report

for

GALLAGHER RESOURCES LTD.

on the

GAL CLAIM GROUP

Whitehorse M.D.

N.T.S. 105L/13

June 25, 1984
Vancouver, B.C.

L. Sookochoff, P.Eng.
Consulting Geologist

TABLE OF CONTENTS

INTRODUCTION -----	1.
SUMMARY -----	2.
PROPERTY -----	2.
LOCATION AND ACCESS -----	3.
HISTORY -----	3.
GEOLOGY -----	4.
GEOPHYSICAL SUMMARY -----	6.
GEOCHEMICAL SURVEY -----	6.
CONCLUSIONS -----	7.
RECOMMENDED EXPLORATION PROGRAM -----	7.
ESTIMATED COST OF RECOMMENDED PROGRAM -----	8.
CERTIFICATE -----	9.
BIBLIOGRAPHY -----	10.

ILLUSTRATIONS

FIGURE 1	CLAIM LOCATION MAP
FIGURE 2	LOCATION MAP
FIGURE 3	GEOLOGY MAP
FIGURE 4	1980 AIRBORNE GEOPHYSICAL ANOMALY
FIGURE 5	1984 GROUND MAGNETIC MAP

Geological Evaluation Report

for

GALLAGHER RESOURCES LTD.

on the

GAL CLAIM GROUP

INTRODUCTION

At the request of Mr. M. Boyles of GALLAGHER RESOURCES LTD. the writer prepared the following report on the geological potential of locating a massive sulphide zone on the GAL mineral claims.

The information for this report was obtained from pertinent publications as cited under bibliography and from a property examination carried out on April 16, 1984.

Mr. Roger W. Hulstein geologist, has supplied the writer with much of the information for the report. Mr. Hulstein has worked in the general Clear Lake area and is familiar with the Clear Lake deposit.

SUMMARY

GALLAGHER RESOURCES LTD. located the GAL claims over a helicopter borne magnetic and electromagnetic anomaly which was delineated in 1980. The property is located 230 km. north of Whitehorse Y.T. and 21 km. west of the Clear Lake Massive Sulphide deposit currently being explored by Getty Mines Ltd.

A localized 1984 ground geophysical survey outlined two magnetic lows 50 metres apart separated by a lineament. No follow up has been done on the electromagnetic conductors located in the 1980 airborne survey.

A geochemical soil survey in 1980 located two soil samples anomalous in lead and zinc that are possible spurious but they should be noted and checked.

Further work is definitely warranted as the geophysical target located in the 1980 airborne survey is virtually untested.

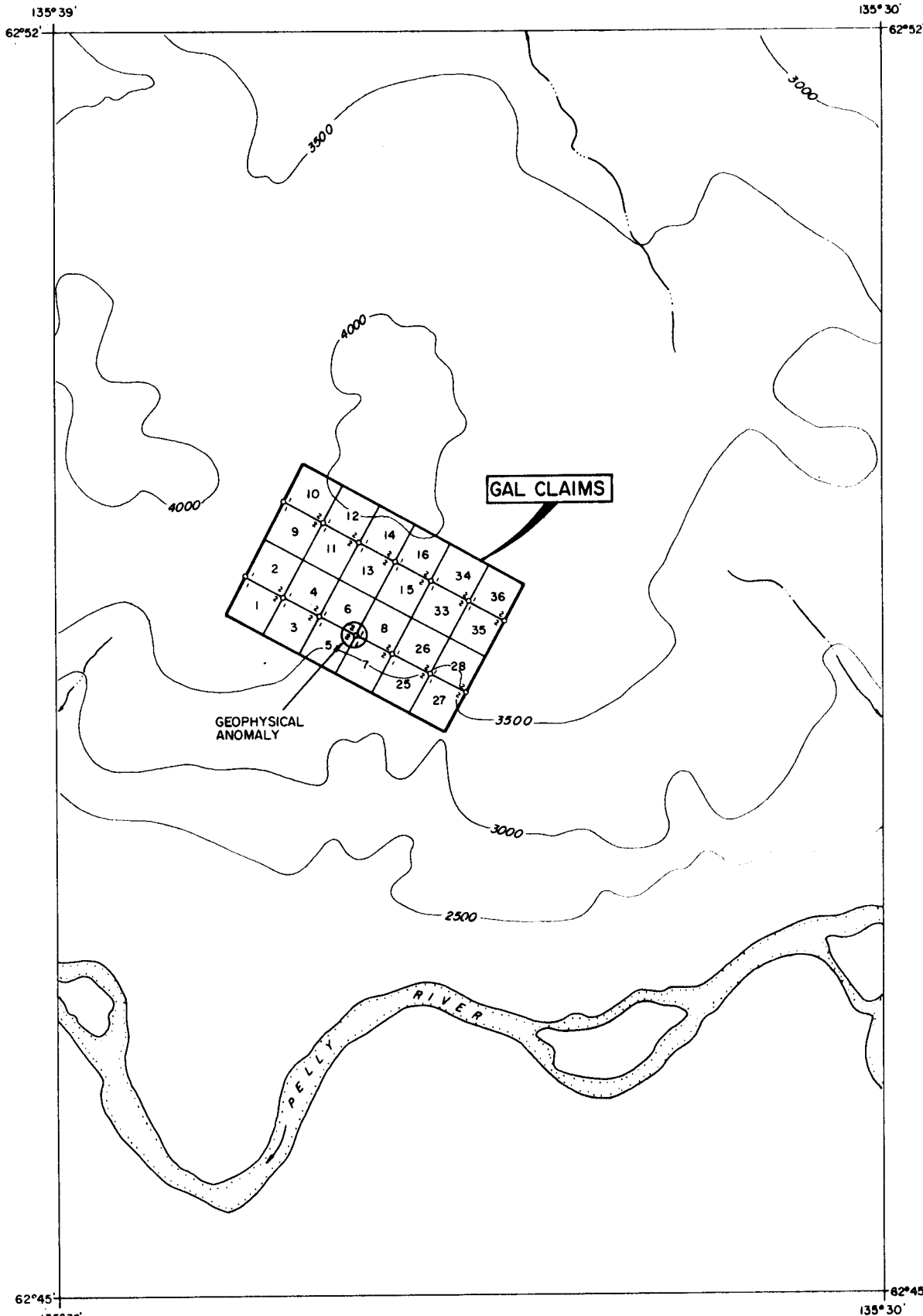
The area of the localized geophysical anomaly is indicated to be underlain by geological formations other than the Askin Group - the host of the Clear Lake deposit 21 km to the east where some 30 million tons of sulphide mineralization are reported.

A follow up and recce three stage exploration program estimated to cost \$216,000 is recommended on the GAL claims.

PROPERTY

The property is comprised of 24 contiguous located mineral claims (Fig. 1) owned 100% by GALLAGHER RESOURCES LTD.

<u>CLAIM NAME</u>	<u>GRANT NUMBER</u>
GAL 1-8	YA 81558 - YA 81565
GAL 9-16	YA 81566 - YA 81573
GAL 25-28	YA 81574 - YA 81577
GAL 33-36	YA 81578 - YA 81581



LEGEND




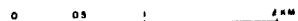
-  TWO-POSTS CLAIM POST
-  CONTOUR AT 500' INTERVAL
-  CREEK



FIGURE 1

SOOKOCHOFF CONSULTANTS INC.
GALLAGHER RESOURCES LTD.
GAL CLAIMS
CLAIM LOCATION MAP
 N.T.S. 105L-13 WHITEHORSE M.D., YUKON



SCALE 1:31,680 **APRIL 1984**

LOCATION AND ACCESS

The claims are located in the Whitehorse Mining District at latitude 62°48'N. and longitude 135°35'W., N.T.S. map sheet 105L, Glenlyon (Fig.2). The claims are situated on the Pelmac Ridge between the Pelly and MacMillan Rivers 18 km. east of their confluence. Topography in the area is hilly to gentle slopes with elevations ranging from 610 to 1,220 feet.

Access to the GAL claims is by helicopter based in Carmacks, Y.T. 85 km. to the south. The nearest town is Pelly Crossing, Y.T. 45 km. to the west of the Klondike highway. 21 kilometres to the east there is a good landing strip located near the Clear Lake Massive Sulphide Deposit. A winter road suitable for bulldozers and sled passes within 10 km. of the GAL claims.

HISTORY

The area immediately to the north was explored in the middle to late sixties following the discovery of the Faro ore body in the Anvil Rang, Y.T. The Clear Lake Massive Sulphide Deposit remained undiscovered at this time in spite of being covered by airborne geophysics and lake sediment geochemistry.

In the late 1970's the area was reevaluated resulting in the discovery by Conwest Exploration Co. Ltd. of the Clear Lake deposit in 1978. Following the discovery of the Clear Lake deposit, exploration in the area intensified in the search for similar deposits. In 1980 a helicopter borne electromagnetic and magnetic survey in the Pelly and MacMillan Rivers area was carried out. From the data collected five areas were staked as warranting further exploration for Clear Lake type deposits. The area of interest in this report, the GAL claims was staked by Welcome North Mines Ltd. as the Hugh claims in 1980. After a cursory geological inspection and a geochemical survey the Hugh claims were dropped.

In April 1984 GALLAGHER RESOURCES LTD. restaked one of the anomalous areas as the GAL claims.

During April 1984 R.F. Sheldrake conducted a small ground magnetic survey that confirmed the anomalous response recorded in the 1980 helicopter borne geophysical survey.

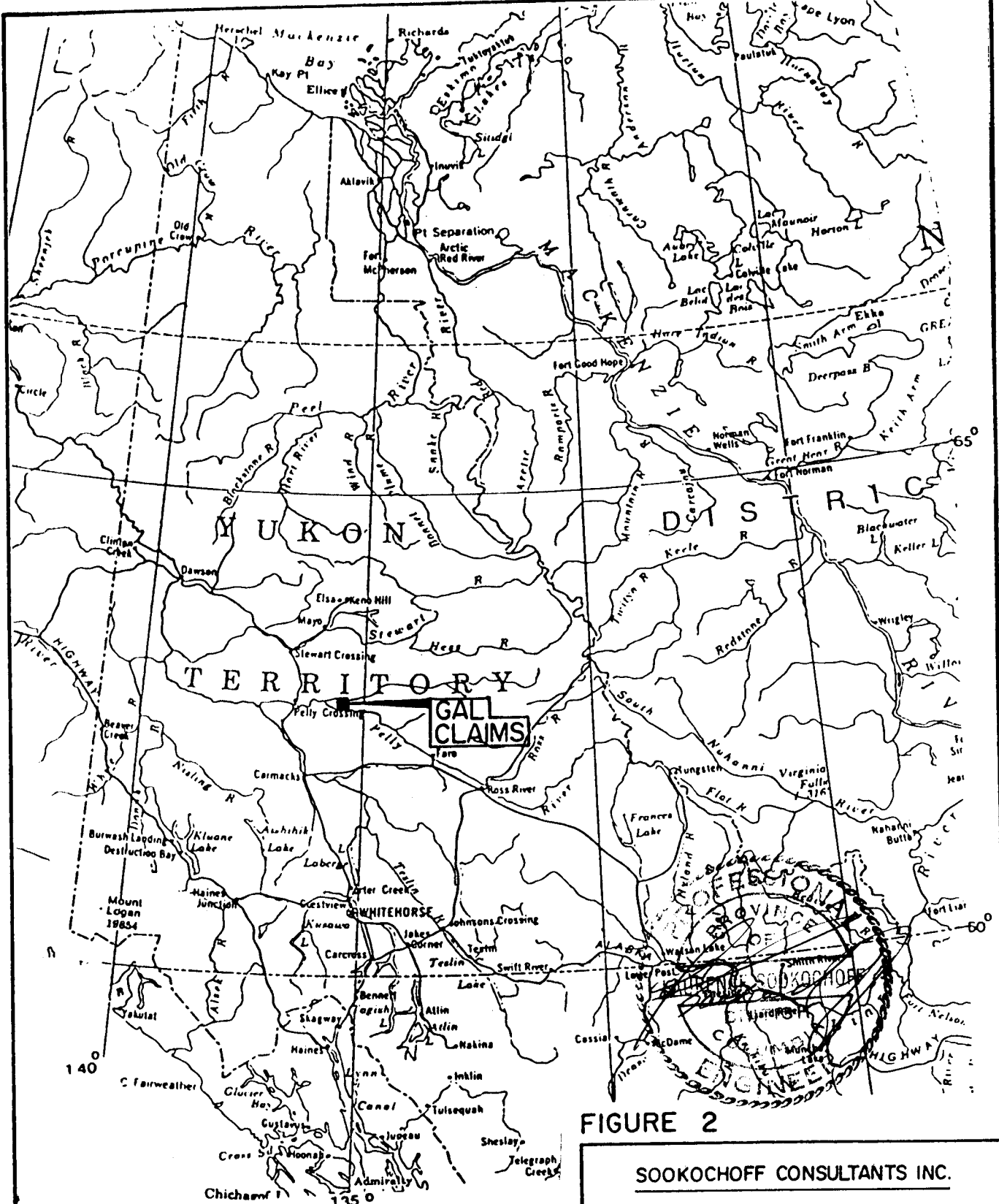
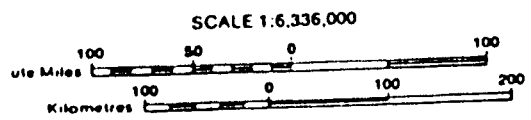


FIGURE 2

SOKOCHOFF CONSULTANTS INC.
 GALLAGHER RESOURCES LTD.
 GAL CLAIMS
 LOCATION MAP
 N.T.S. 105 L-13 WHITEHORSE M.D., YUKON
 APRIL 1984



GEOLOGY AND MINERALIZATION

The area of interest lies within the Yukon Crystalline Terrane (D.J. Templeman-Kluit, 1976). The Yukon Crystalline Terrane is bordered by the Selwyn Fold Belt with the Tintina fault as contact, 16 km to the north east of the GAL claims. Directly 12 km to the east is the tip of the Omineca Crystalline Belt as represented by the Askin Group, the presumed host rock of the Clear Lake Massive Sulphide deposit 21 km east of the GAL claims.

As mapped by Campbell (1967) there is no outcrop on the GAL claims. Bedrock is covered by Pleistocene glacial deposits, bogs and soils. Nearest outcrop to the GAL claims are within a kilometres distance and belong to units 2 and 3 as shown in Fig.3.

Unit 2 has been equated with Paleozoic limestone found elsewhere in the Yukon Crystalline Terrane (H. Gabrielse et al, 1980). The limestone with some dolomitic zones is mainly dark to medium grey, finely crystalline and grey weathering. It may be thin bedded or massive. The limestone occurs irregularly and does not form continuous units.

Unit 3 is presumed to be part of the Big Salmon Metamorphic Complex of Carboniferous to Permian age. The unit near the GAL claims is a phyllite of very fine grained, greenish grey or brownish grey, quartz-sericite-chlorite schist. Associated with this is both massive and schistose greenstone, dark grey phyllite, mica schist and grey finely crystalline limestone. White sericitic quartzite is prominent in the central part of the Pelmac Ridge. Bedding and schistosity are parallel, with schistosity being well developed.

Both units 2 and 3 have been metamorphosed to greenschist facies.

The lithology of the Silurian-Devonian age Askin Group is almost entirely quartzite; unit 1a, and dolomite with limestone; unit 1b. The quartzite of unit 1a is fine grained, locally cherty looking, dark to light grey or buff and grey to brownish weathering bedded to massive rock. Unit 1b is fine grained, buff or mottled grey, grey weathering dolomite with limestone and may be bedded or massive. The limestone is well bedded and locally silty or argillaceous.

GEOLOGICAL CONSULTANTS INC.
 GALLAGHER RESOURCES LTD.
 GAL CLAIMS
GEOLOGICAL MAP
 PELLY - MACMILLAN RIVERS AREA
 N.T.S. 05.11 39W 05.14 WHITEHORSE M.D. 11000
 SCALE 50000 APRIL 1984
FIGURE 3

SYMBOLS

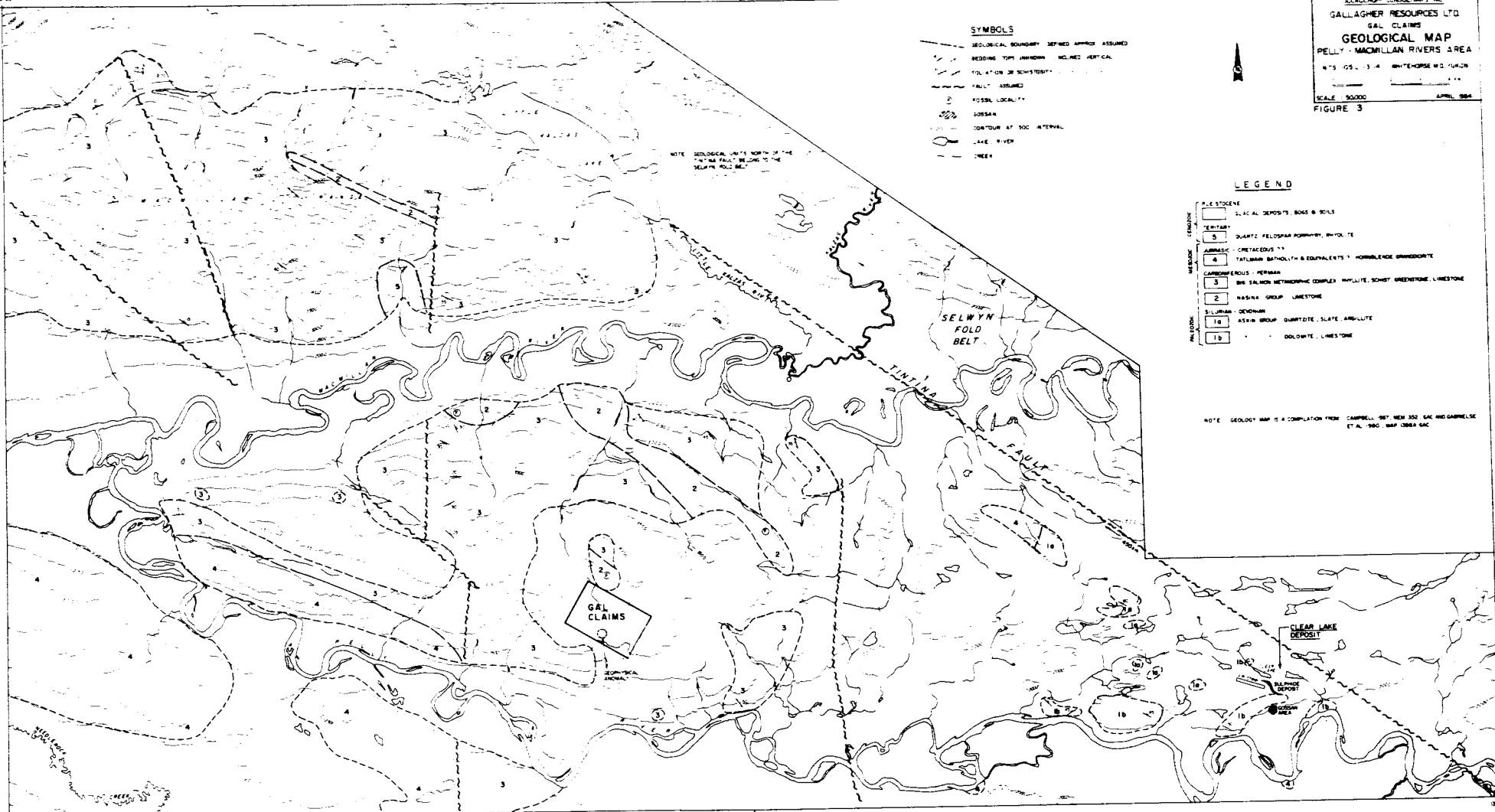
- - - - - GEOLOGICAL BOUNDARY - SHOWN APPROX ASSUMED
- - - - - BEDDING TOP (ARROW) INCLINED VERTICAL
- - - - - FOLIATION OR SCHISTOSITY
- - - - - FAULT - ASSUMED
- FOSSIL LOCALITY
- BORSEAN
- - - - - CONTOUR AT 500 INTERVAL
- LAKE RIVER
- - - - - TRAIL

NOTE: GEOLOGICAL UNITS NORTH OF THE "H" FAULT BELONG TO THE SELWYN FOLD BELT.

LEGEND

CENOZOIC	
1	PLIOCENE QUATERNARY DEPOSITS, BOGS & BOLS
5	QUARTZ FELDSPAR PORPHYRY, INVOLUTE
6	CRETACEOUS
7	TATLASHAN BATHOLITH & EQUIVALENTS + HORNBLENDE GRANODIORITE
8	CAMBRIAN PERMIAN
9	MS. SALMON METAMORPHIC COMPLEX, AMPHIBOLITE, SCHIST, GREENSTONE, LIMESTONE
2	NASANA GROUP, LIMESTONE
10	DENOMAN
11	ASHWIN GROUP, QUARTZITE, SLATE, AMPHIBOLITE
12	DOLMITE, LIMESTONE

NOTE: GEOLOGY MAP IS A COMPILATION FROM CAMPBELL, 1957, NEW 1:50,000 S.C. AND CAMPBELL ET AL., 1960, MAP 1386A S.C.



GAL CLAIMS

SELWYN FOLD BELT

TINTINA FAULT

CLEAR LAKE DEPOSIT

GEOPHYSICAL SUMMARY

All geophysical work to date has been carried out under the direction of R.F. Sheldrake, Apex Airborne Surveys Ltd. The following summary is from his 1980 and 1984 reports.

The anomaly recorded by the helicopter borne geophysical survey carried out in 1980 is a single flightline anomaly. It is a magnetic, resistive low flanked on three sides by electromagnetic anomalies. Figure 4 displays the data as well as a schematic interpretation by R.F. Sheldrake. Conductors are numbered 1,2,3,4,7,8, and 9 in Figure 4 while magnetic targets are numbered 5 and 6.

Figure 5 displays the ground magnetic data that was collected in April 1984 over the magnetic anomalies, numbers 5 and 6 in Figure 4. The ground data like the airborne data, indicate the presence of two distinct magnetic features each approximately 75x50 metres in area with an amplitude of over 1,000 gammas. The ground data with the lack of a positive flank to the south indicate a strong component of remnant magnetism and may be due to magnetic sulphides (i.e. pyrrhotite).

Based on the half width of the magnetic profiles the depth to the top of the target is in the range of 10-15 metres.

It should be noted at this time that the Clear Lake deposit has no magnetic anomaly and contains no magnetic minerals.

GEOCHEMICAL SURVEY

During the summer of 1980, Ketz Enterprises Ltd. was employed and supervised by Welcome North Mines Ltd. to undertake geochemical soil sampling of the then existing Hugh claims (B.S. MacDonald, 1980) which covers the area of interest.

Five hundred and forty soil samples were collected and analyzed for copper, lead and zinc. The soil sample grid consisted of a baseline 7,600 metres long with 2,600 metre crosslines at 400 and 200 metre intervals with sample stations at 100 metres. Background values are in the vicinity of 15 ppm copper, 11 ppm lead and 50 ppm zinc. Two anomalous samples were returned spaced 700 metre apart located near the south east corner of the GAL claims. Values returned were:

	copper	lead	zinc
#1	13 ppm	110 ppm	43 ppm
#2	13 ppm	275 ppm	1,500 ppm

These samples are possibly spurious and may be due to organic concentration.

The generally negative results might be due to a layer of Recent volcanic ash up to one metre thick that blankets the region.

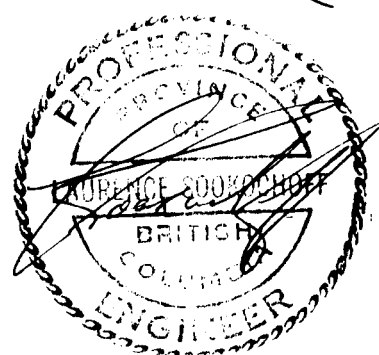
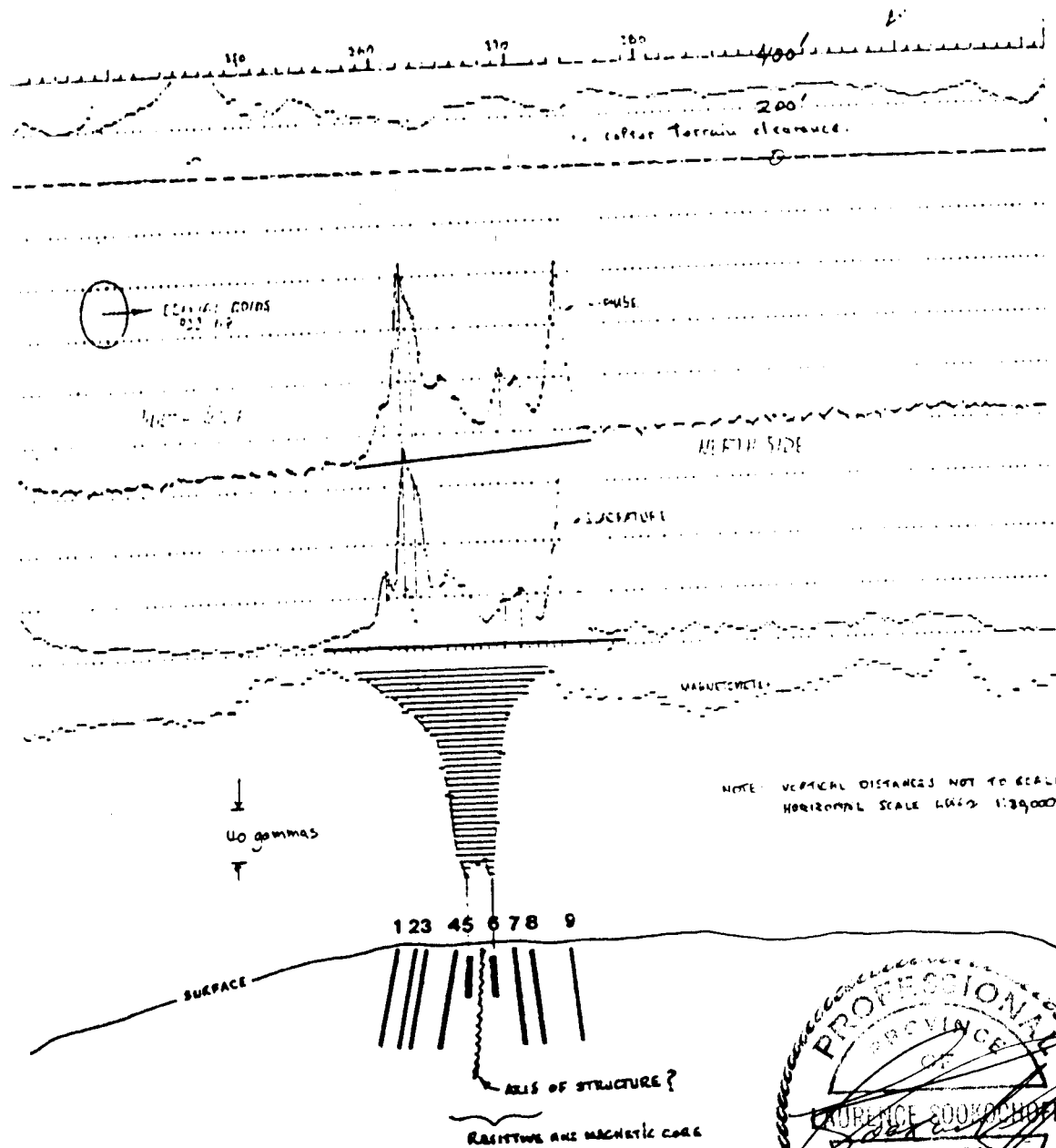


FIGURE 4

DRAWING ABOVE DISPLAYS THE DATA FROM FLIGHT RECORD THAT WAS COLLECTED DURING THE 1980 AIRBORNE SURVEY, AS WELL AS A SCHEMATIC INTERPRETATION.

AFTER R. F. SHELDRAKE, 1984

SOOKOCHOFF CONSULTANTS INC.
GALLAGHER RESOURCES LTD.
GAL CLAIMS
1980 AIRBORNE
GEOPHYSICAL ANOMALY
 N.T.S. 105L-13 WHITEHORSE M.D., YUKON
 APRIL 1984

ESTIMATED COST OF RECOMMENDED EXPLORATION PROGRAM

STAGE I

Grid establishment	\$ 5,000
Electromagnetic, magnetic and gravity surveys	20,000
Overburden geochemical sampling	2,000
Rock and soil geochemistry	1,000
Mobilization and demobilization	3,000
Geological	2,000
Engineering supervision and reports	<u>3,000</u>
	\$ <u>36,000</u>

STAGE II

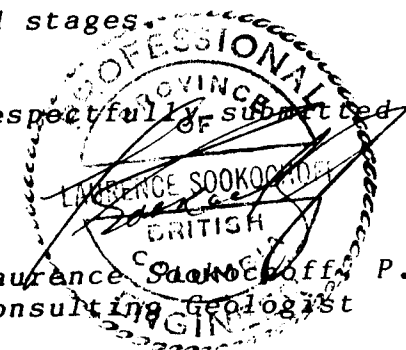
Test diamond drilling and/or additional surface work	\$ 65,000
--	-----------

STAGE III

Road and camp construction	
Diamond drilling	
Additional surface work	<u>\$160,000</u>
Estimated three stage cost:	\$261,000
	=====

The second and third stages would be initiated contingent on the results of the previously completed stages.

Respectfully submitted
LAWRENCE SOOKOFF
BRITISH COLUMBIA
Laurence Sookoff, P.Eng.
Consulting Geologist



June 25, 1984
Vancouver, B.C.

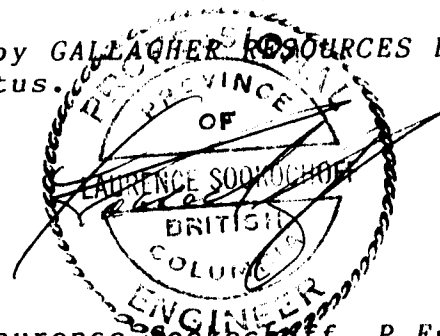
CERTIFICATE AND CONSENT

I, Laurence Sookochoff, of the City of Vancouver, in the Province of British Columbia, do hereby certify:

That I am a Consulting Geologist with offices at 311-409 Granville Street, Vancouver, B.C., V6C 1T2.

I further certify that:

1. I am a graduate of the University of British Columbia (1966) and hold a B.Sc. degree in Geology
2. I have been practising my profession for the past eighteen years.
3. I am registered with the Association of Professional Engineers of British Columbia.
4. The information for this report was obtained from sources as cited under bibliography and from a property examination carried out on April 16, 1984.
5. I have no direct, indirect or contingent interest in the property described herein or in the securities of GALLAGHER RESOURCES LTD. nor do I expect to receive any.
6. This report may be utilized by GALLAGHER RESOURCES LTD. for inclusion in a current prospectus.



Laurence Sookochoff, P.Eng.
Consulting Geologist.

June 25, 1984
Vancouver, B.C.

BIBLIOGRAPHY

CAMPBELL, R.B., 1967: Geology of Glenlyon map-area, Yukon Territory (105L); Mem. 352, G.S.C.

GABRIELSE, H., TEMPLEMAN-KLUIT, D.J., BLUSSON, S.L. AND CAMPBELL, R.B., 1980: MacMillan River, Yukon - District of MacKenzie Alaska; Map 1398A, G.S.C.

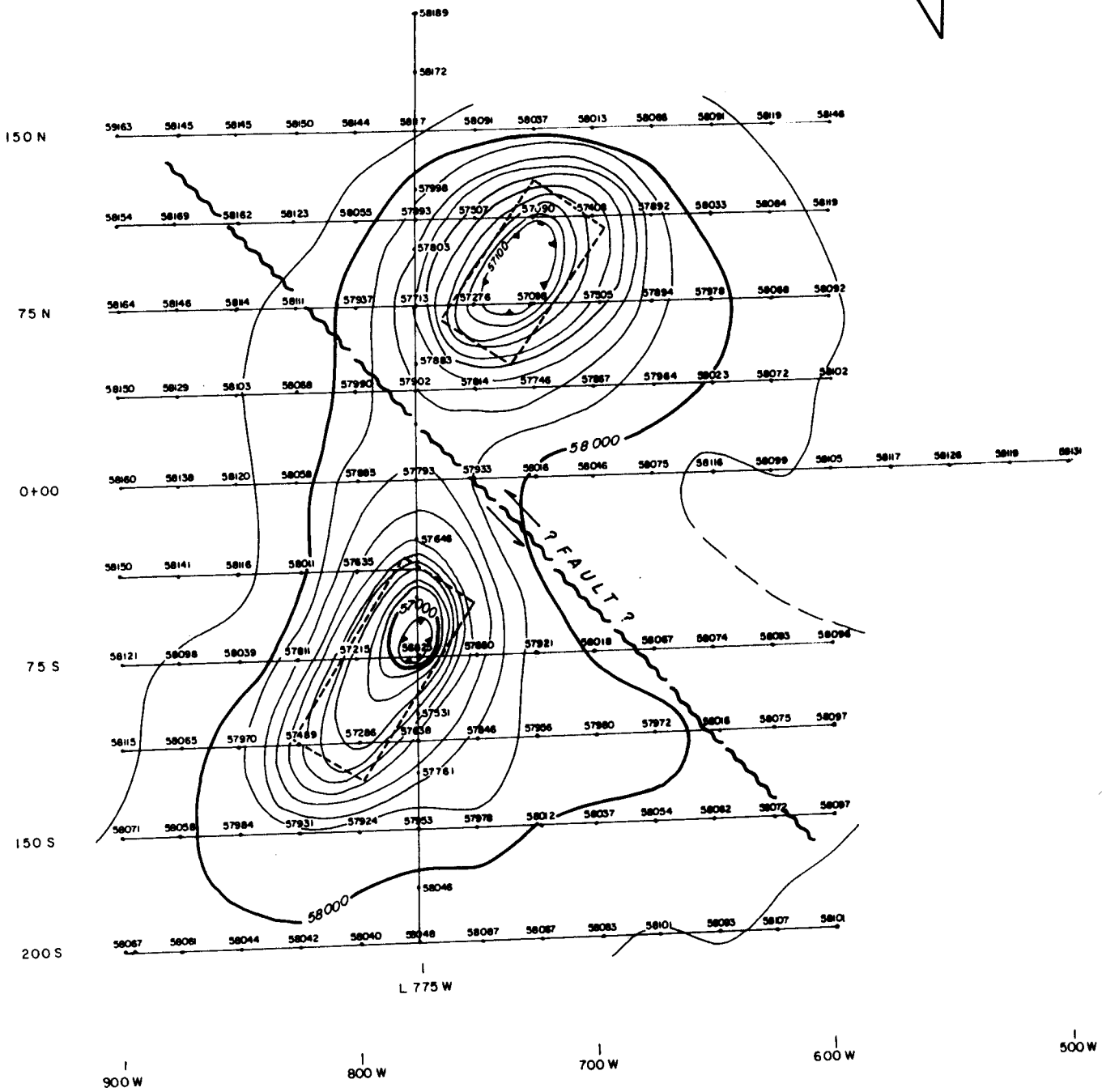
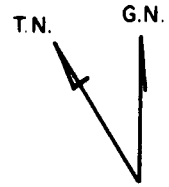
HULSTEIN, R.W. - Personal communication and information supplied on the GAL mineral claim area. May 1984.

MACDONALD, B.C., 1980: Geochemical Report Hugh 1-102; Ketz Enterprises Ltd., Internal Report, for Welcome North Mines Limited.

SHELDRAKE, R.F., 1980: Helicopter Magnetic and Electromagnetic Survey in the Pelly River Area Yukon Territories, Whitehorse Mining Division on behalf of Welcome North Mines Limited; Apex Airborne Surveys Ltd., Internal Report for Welcome North Mines Limited.

SHELDRAKE, R.F., 1984: An Internal Corporate Report on a Helicopter Borne Electromagnetic and Magnetic Survey and a Ground Detail Magnetic Survey in the Pelly and MacMillan River Areas, Y.T.; Apex Airborne Surveys Ltd., Internal Report for Gallagher Resources Ltd.

TEMPLEMAN-KLUIT, D.J., 1976: The Yukon Crystalline Terrane: Enigma in the Canadian Cordillera; Geol. Soc. of America, Bull. v. 87, p. 1343-1357.



LEGEND

- 58071 TOTAL FIELD MAGNETIC READING IN GAMMAS
- CONTOUR AT 100 GAMMAS INTERVAL
- MAGNETIC LOW
- OUTLINE OF MAGNETIC FEATURE

INCLINATION : 32°
DECLINATION : 78°

AFTER SHELDRAKE, 1984

FIGURE 5

SOOKOCHOFF CONSULTANTS INC.
GALLAGHER RESOURCES LTD.
GAL CLAIMS
GROUND MAGNETIC MAP
1984
 N.T.S. 105 L-13 WHITEHORSE M.D. YUKON

SCALE 1:2000 **APRIL 1984**