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ASSESSMENT REPORT
LINECUTTING AND GEOLOGY PROGRAM
COMPLETED AT THE
MT. FREEGOLD PROPERTY, YUKON TERRITORY
JULY 15, 2000 AND SEPTEMBER 10-17, 2000

MAPSHEET: NTS 115I-06
LATITUDE: 62° 16' 10" N
LONGITUDE: 137° 06' 57" W

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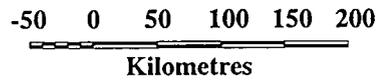
Report by: Chris Schultze, BSc., P.Geo.
Vancouver, BC
June 27, 2001

This report has been examined by
the Geological Evaluation Unit
under Section 53 (4) Yukon Quartz
Mining Act and is allowed as
representation work in the amount
of \$ 5600.00.

M. B. S.

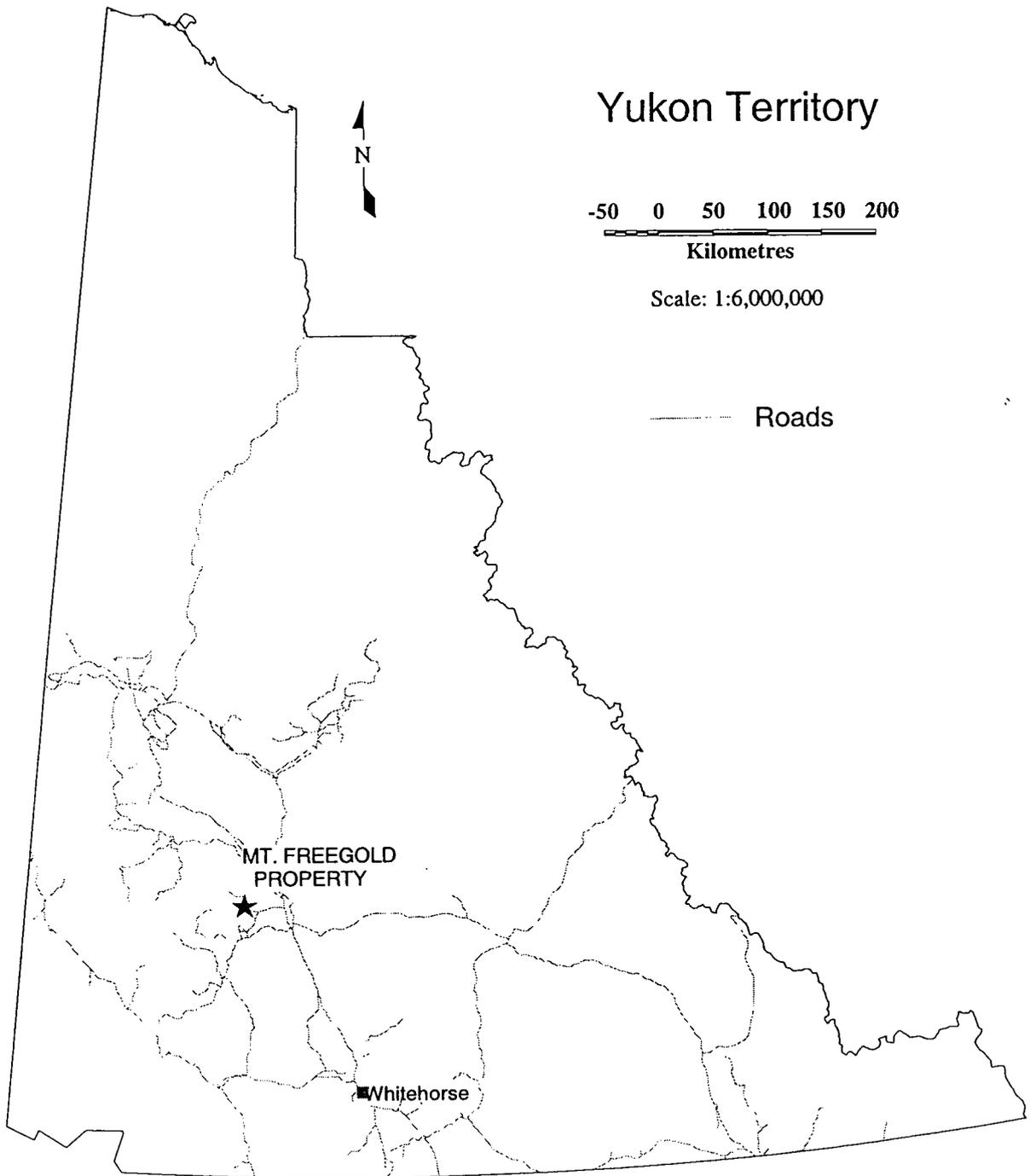
for Regional Manager, Exploration and
Geological Services for Commissioner
of Yukon Territory.

Yukon Territory



Scale: 1:6,000,000

----- Roads



Mt. Freegold Property
Location Map

NTS 115I-06

Figure 1

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1.0 Summary

A geological traverse was carried out on July 15, 2000 on the Goldstar 2 and 3 and Rick 22 and 23 mineral claims. The claims are situated on a gentle to moderate dipping northwest facing slope.

The traverse resulted in the identification and documentation of intermediate composition intrusive rocks of likely Late Cretaceous age. No major shear zones were identified however prominent linear features and ravines are observed on topographic maps and air photos trending through the area mapped. Some of these ravines may represent recessive zones arising from erosion of faulted or sheared lithologies. The recessive areas should be thoroughly prospected for quartz float and vein material and sampled by rock and soil geochemical methods for pathfinder elements and gold.

Eight kilometers of slope corrected cutline were established with 50 meters stations on the property in early September 2000. The cutlines will provide location control for future geological and geochemical field investigations.

2.0 Location and Access

The Mt. Freegold Property is situated on the southern flank of Mt. Freegold, which lies at the southeast end of the Dawson Range, in central Yukon (Figure 1). The property is located 66 km west of Carmacks and 220 km northwest of Whitehorse, at approximate geographic coordinates 62°16'N latitude and 137° 06'W longitude; NTS Map Sheet 1151-06. The total travel time from Whitehorse is about three hours by paved and gravel roads.

3.0 Tenure

The Mt. Freegold property comprises 44 quartz mineral claims and 32 leases that are owned or controlled by FM Resources Corp (Figure 2). A listing of the leases and claims with expiry dates prior to the application of work in 2000 is tabled below.

TABLE 1. Mt. Freegold Property Tenure

Quartz Claims (44 total)

Name	Grant Number	Expiry Date
Peggy 1; 2-4 Fr.	YA95146 -YA95149	14-Jan-2001
Peggy 5 Fr.	YA96268	19-Mar-2001
Goldstar 2-3 Fr.	YB37988 - YB37990	29-Jan-2001
Nat 1	YA86843	29-Jan-2001
Rick 22-23	YA92755 - YA92756	29-Jan-2001
Ant 1-5	YB38142 - YB38146	29-Jul-2001
Ant 6,8,15-24,31-40	YB38147 - YB38168	27-Jul-2001
Ant 7,9-14 Fr.	YB46568 - YB46574	29-Jul-2001

Leases* (32 total)

Mayflower	4212	19-Mar-2001
Pal	4222	19-Mar-2001
Key	4231	19-Mar-2001

Donalda 1-6	39169 - 39174	19-Mar-2001
Donalda 7	55626	19-Mar-2001
Donalda 8	55811	19-Mar-2001
Donalda 9	55840	19-Mar-2001
Donalda 13	60233	19-Mar-2001
Goose	39175	19-Mar-2001
Baker	55613	19-Mar-2001
Mona	55619	19-Mar-01
Connie	55627	19-Mar-01
Jim	55628	19-Mar-01
Yukonia 1-6	55645, -649, -651, -661, -680, -721	19-Mar-01
Neil	55662	19-Mar-01
Bill Fract Fr.	55669	19-Mar-01
Mill 1-2	55989, 55990	19-Mar-01
Mill 3	55995	19-Mar-01
Kim Fraction	73762	19-Mar-01
Liz Fraction	73763	19-Mar-01
Loon Fraction	73764	19-Mar-01

* The quartz mining lease payments and notice required to extend the leases tenures 21 years beyond 2001 have been made.

4.0 History

Most recently Redell Mining Corp. optioned the property in 1993 and then carried out development and exploration programs during the 1994-96 field seasons. Redell's work included diamond drilling 2012 m (6600 ft) in twenty-three (23) holes on the La Forma / G-3 vein system (Minfile# 115I 054). The G-3 vein system was discovered in 1931 and saw various stages of exploration, development, and mining over the following half century. Teck Explorations Limited in 1982/83 and Tally-Ho Explorations Limited in 1987 carried out additional underground exploration and development work.

In August, 1994 Redell added to their Laforma claim holdings by optioning and acquiring the adjoining Antoniuk (Minfile #105I 111), Ant (Minfile #115I 111) and Goldstar / Vindicator (Minfile #115I 053 and 115I 052) properties.

The claims have seen care and maintenance level activities since the 1996 field season. In 1998 Redell Mining Corp. was restructured and renamed FM Resources Corp. In 2000 FM Resources Corp. returned 76 of 80 quartz claims comprising the bulk of the Goldstar claim group to their original owners, leaving FM Resources with 44 quartz claims and 32 mining leases.

5.0 Regional Geology

The Mt. Freegold area is situated within the Dawson Trend Porphyry Belt and its geology is characterized by Late Triassic to Early Cretaceous granodiorite and quartz syenite bodies intrusive into Palaeozoic metasedimentary rocks ascribed the Yukon Tanana Terrane. The area is generally unglaciated and surface weathering and oxidation is pervasive.

Geological mapping suggests that the rhyolite dyke intrusions and associated gold-quartz vein formations have been controlled by small north-northeasterly trending extensional fracture system with some right-lateral displacement. These are conjugate to larger scale northwesterly trending dextral-compressional fault systems (McInnes et al., 1988).

6.0 Mineralization

Structure has played a significant role in localizing the igneous activity and resulting mineralization in the district and provided focus for the associated mineralizing fluids (Carlson, 1987). Deposit styles found on the property include gold-bearing veins, vein-stockwork / breccias and skarns which are summarized as follows:

The LaForma / G-3 gold-bearing vein system - occurs within a north-northeast trending, steep westerly dipping shear zone that crosscuts a granodiorite stock. Silica / sericite alteration in the granodiorite grades to weaker chlorite, epidote and pyrite alteration assemblages away from the veins. Pyrite, arsenopyrite, tourmaline, trace galena, sphalerite, and chalcopyrite mineral assemblages, gold and silver have been documented.

The Antoniuk deposit - described as a crudely elliptical gold-bearing breccia body occurring in or adjacent to a diatreme body intrusive into granodiorite. Fracturing is pervasive and gold in the oxide / weathered zone is associated with limonite on fractures. Quartz and carbonate veinlets are locally documented. At depth in the hypogene zone pyrite is found disseminated in the host rock and with small quartz / carbonate veinlets. Small amounts of arsenopyrite and trace amounts of chalcopyrite are also present. Trace amounts of stibnite, bornite, galena, sphalerite, and molybdenite have also been noted. The Rambler vein system, a La Forma style vein system occurs adjacent the Antoniuk deposit.

7.0 Work in 2000

The following fieldwork was undertaken at the LaForma property in the year 2000.

- One day of geological mapping
- Eight kilometers of linecutting

The geological traverse provided a preliminary assessment of the geology underlying the claims and will guide planning of future work. The cut lines were established to provide control for future field investigations on the underlying claims.

8.0 Geological Mapping

A geological traverse was carried out on July 15, 2000 on the Goldstar 2 and 3 and Rick 22 and 23 mineral claims. The claims are positioned on the northwest-facing slope of a prominent incised northeast-southwest oriented drainage tributary to Seymour Creek. The claims also immediately adjoin the quartz mining leases that encompass the LaForma gold deposit located less than one kilometer to the south. It is noteworthy that the northeast orientation of the drainage and claims parallels the orientation of the LaForma / G-3 mineralized system and G-3 extension offset. A Garmin model handheld global positioning system (GPS) device was used to survey in locations. Accuracy of the GPS measured positions is estimated to be within 3 to 10 meters of true positions. Conditions were overcast and rainy. An assistant accompanied the writer on the property.

Few rock exposures were encountered on the traverse. The majority of outcrops were exposed in an old cat trail / access road located on the immediate slope above Seymour Creek. Rock types encountered comprised massive jointed to blocky exposures of granodiorite that were medium to coarse crystalline, light gray, and slightly rusty weathering and to a lesser extent blocky, jointed quartz syenite that were buff weathering, fine to medium crystalline, with amphibole and white to pink one centimeter sized euhedral feldspar. Prominent joint sets with local thin slickensided shear planes were encountered in granodiorite in roadcut exposures immediately east of a switchback in the cat trail. The intrusive rocks are likely part of the Late Cretaceous magmatic domain documented regionally in the area.

Two prominent northwest-southeast oriented linear features transect the claims. The linear features are evident on airphotos and are believed to be the extensions of the Camp and Pal faults mapped by others near the Laforma mine. The Pal fault has right lateral displacement and truncates the Laforma / G-3 shear zone. The fault offset extension of the main G-3 zone exists 450 meters to the northwest and extends toward the Camp fault. Bedrock was not encountered in these recessive linear zones during the traverse.

9.0 Linecutting

Eight kilometers of slope corrected cutline were established with 50 meters stations by Coureur des Bois Ltd. of Whitehorse. The cutlines will provide location control for future geological and geochemical field investigations. Coureur des Bois utilized a GPS unit to establish the cutline positions in the field.

10.0 Conclusions and Recommendations

The geological traverse resulted in the identification and documentation of intermediate composition intrusive rocks of likely Late Cretaceous age. No major shear zones were identified however prominent linear features and ravines are observed on topographic maps and air photos trending through the area mapped. Some of these ravines may represent recessive zones arising from erosion of faulted or sheared lithologies. The recessive areas should be thoroughly prospected for quartz float and vein material and sampled by rock and soil geochemical methods for pathfinder elements and gold.

The cutlines will facilitate future field investigations on the property.

11.0 References

- Carlson, G., 1987. Geology of the Mount Nansen and Stoddart Creek Map Areas, Open File 1987-2
- Davidson, G.S., 1994. Exploration Report on the Ant Property, Freegold Mountain Area
- Gewargis, W.A., 1995. 1994 Diamond Drilling and Geological Report on the G-3 Orebody of the Laforma Gold Property for Redell Mining Corp., Internal Report
- Main, C.A., 1988. Report on Diamond Drilling Program Antoniuk Property for Big Creek Joint Venture. Assessment Report

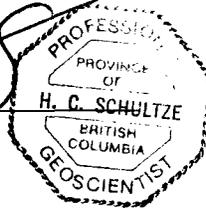
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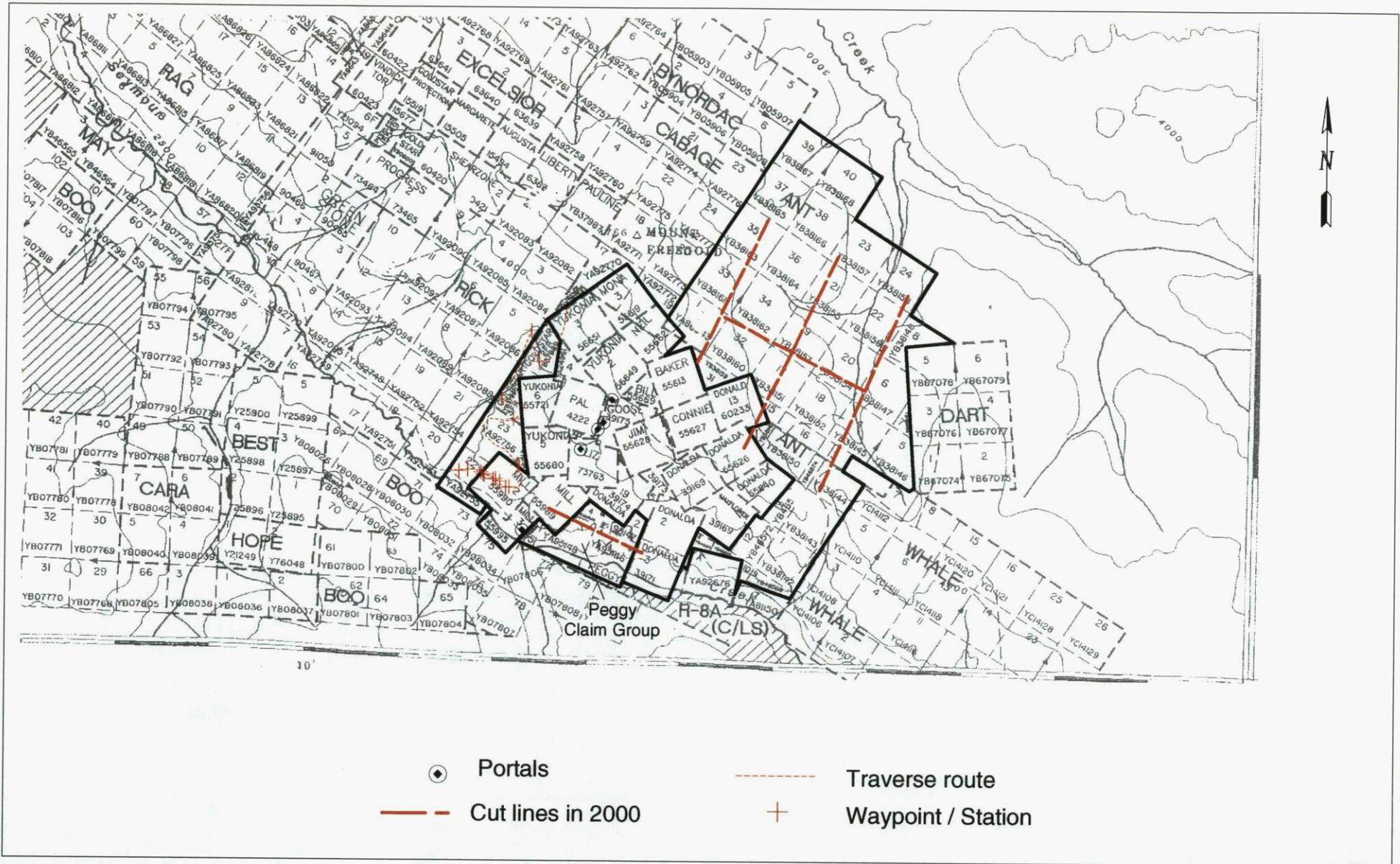
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Yukon Minfile, 1997. NTS 115I

Signed: _____

H.C. Schultze, P. Geo.





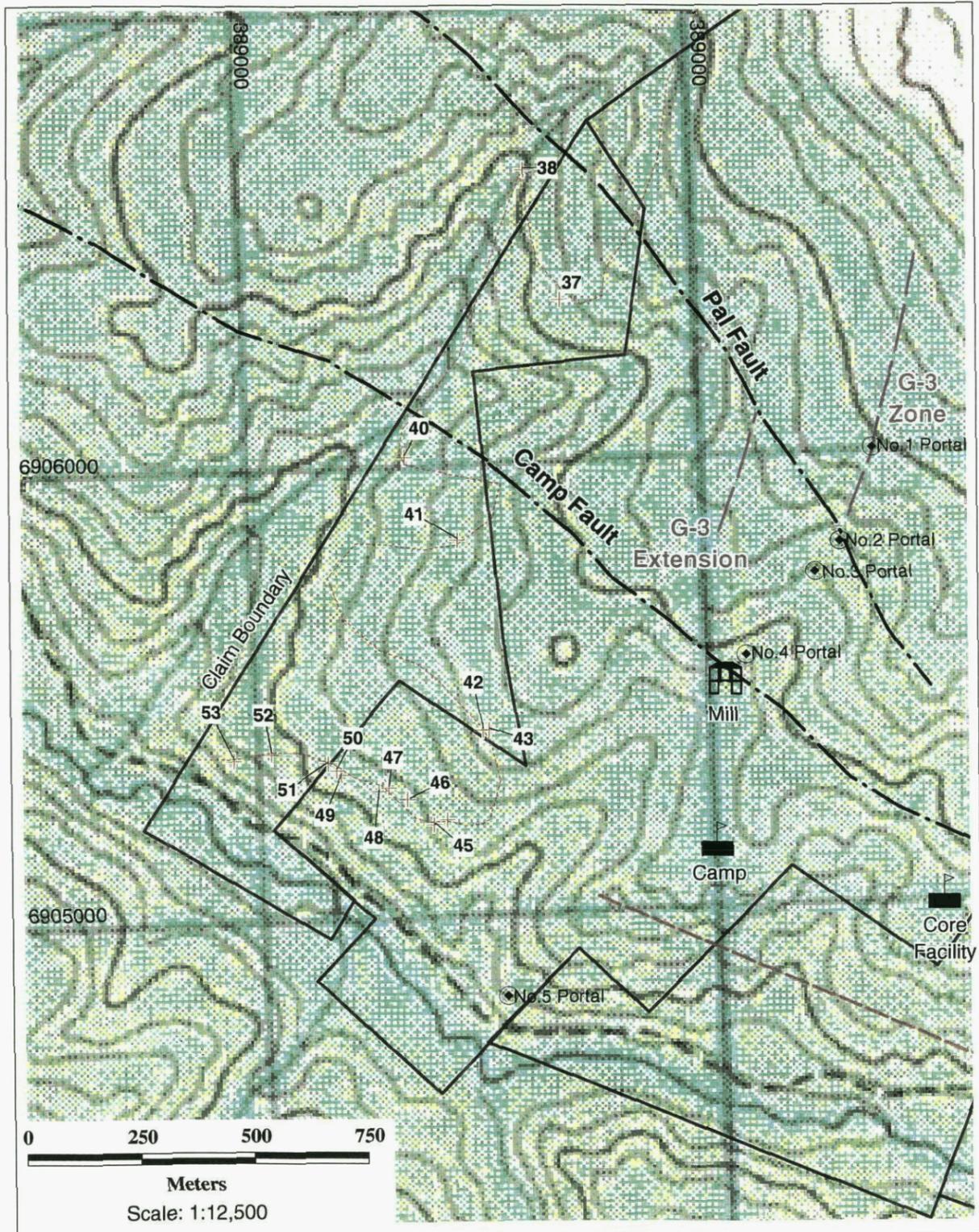
Mt. Freegold Property
Claim Map and Work in 2000

Figure 3: Mt. Freegold Property - July 15, 2000 Traverse - Airphoto



- ◊ Portals
- Cut lines
- - - Traverse route
- + Waypoint / Station

Figure 4: Mt. Freegold Property - July 15, 2000 Traverse - Descriptions



Mt. Freegold Property

Geology Traverse: July 15, 2001

Waypoint	StationType	RockType	Comments
37	Outcrop	Granodiorite	Med.-coarse crystalline, light gray, slightly rusty weathering; 10 x 2 m exposure
38	Outcrop	Granodiorite	Med.-coarse crystalline, light gray, slightly rusty weathering; small outcrop in creek
40	Waypoint		Waypoint on spur; no outcrop
41	Old cut line		Very old outline running East-West; unreadable picket; hard to follow
42	Old cut line		Very old outline running North-South; pronounced cut-way; easy to follow
43	Claim post		Weathered claim post; no tag
44	Bulldozer trail		Tracks in bush
45	Outcrop in roadcut	Granodiorite	Med. crystalline, light gray, slightly rusty weathering; several exposures within 25 m interval
46	Outcrop in roadcut	Syenite	Blocky, buff weathering, f.-med. crystalline, epidote rims on amphibole; white to pink 1 cm euhedral feldspar
47	Outcrop in roadcut	Granodiorite	Med. crystalline, light gray, buff weathering; calcareous; 10 m exposure
48	Outcrop in roadcut	Granodiorite	Med.-coarse crystalline, light gray, rusty weathering; good exposure; Prominent Jointing and thin slip planes
49	Outcrop in roadcut	Granodiorite	Med.-coarse crystalline, light gray, rusty weathering; good exposure; Prominent Jointing and thin slip planes
50	Outcrop	Granodiorite	Med.-coarse crystalline, light gray, slightly rusty weathering; small outcrop beyond switchback
51	Outcrop	Granodiorite	Blocky; 3 x 5 m outcrop
52	Outcrop	Granodiorite	Small outcrop
53	Outcrop	Granodiorite	Small outcrop above main road; end of July 15 traverse

Waypoint	StationType	NAD27 Easting	NAD27 Northing	Structure
37	Outcrop	389649	6906264	Joint1: 080/80
38	Outcrop	389580	6906552	Joint1: 085/90 Joint2: 130/65
40	Waypoint	389295	6905928	
41	Old cut line	389405	6905740	
42	Old cut line	389444	6905317	
43	Claim post	389457	6905317	
44	Bulldozer trail	389358	6905120	
45	Outcrop in roadcut	389328	6905112	Joint1: 335/90
46	Outcrop in roadcut	389271	6905170	Cleavage: 100/32
47	Outcrop in roadcut	389232	6905196	
48	Outcrop in roadcut	389209	6905189	Joint1: 060/50 Flt/slip planes: 140/85
49	Outcrop in roadcut	389119	6905239	
50	Outcrop	389119	6905239	
51	Outcrop	389100	6905255	
52	Outcrop	388976	6905279	
53	Outcrop	388894	6905266	

- Portals
- Traverse route
- Cut lines
- Waypoint / Station

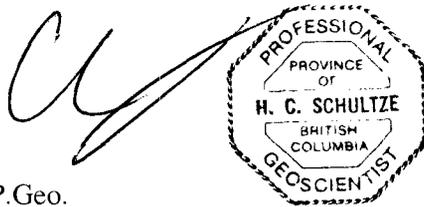
Appendix B

Statement of Qualifications

I, CHRIS SCHULTZE, of the City of West Vancouver, in the Province of British Columbia,
HEREBY CERTIFY:

1. That I have been engaged in mineral exploration on a full time basis as a geologist for over 13 years,
2. That I am a graduate of the University of Calgary (BSc. Geology, 1988),
3. That I am registered as a Professional Geoscientist with the Association of Professional Engineers and Geoscientist of British Columbia and have a current registration,
4. That effective February 10, 2000 I became President and a Director of FM Resources Corp. and prior to this date had no association or interests in the company,
5. That at the time of this report do not own any shares or retain a beneficial interest in the Company outside of remuneration for consulting services.

SIGNED at Vancouver, British Columbia this 27th day of June, 2001.



The image shows a handwritten signature in black ink, which appears to be 'H.C. Schultze'. To the right of the signature is a circular professional seal. The seal has a dashed border and contains the following text: 'PROFESSIONAL' at the top, 'PROVINCE OF' in the middle, 'H. C. SCHULTZE' in the center, 'BRITISH COLUMBIA' below the name, and 'GEOSCIENTIST' at the bottom.

H.C. Schultze, P.Geo.