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

MAPSHEET: NTS 1151-06
LATITUDE: 62° 16' 10" N
LONGITUDE: 137° 06' 57" W

Owner: FM Resources Corp.
1100-609 West Hastings St.
V6B 4W4

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 $500.00.

M.B.

Regional Manager, Exploration and
Geological Services for Commissioner
of Yukon Territory.
Mt. Freegold Property Location Map

NTS 115I-06

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Scale
1:6,000,000
1:50,000
1:15,000
1:15,000

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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 115I-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)**

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

**Leases* (32 total)**

<table>
<thead>
<tr>
<th>Name</th>
<th>Grant Number</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayflower</td>
<td>4212</td>
<td>19-Mar-2001</td>
</tr>
<tr>
<td>Pal</td>
<td>4222</td>
<td>19-Mar-2001</td>
</tr>
<tr>
<td>Key</td>
<td>4231</td>
<td>19-Mar-2001</td>
</tr>
</tbody>
</table>
* 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# 1151 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 #1051 111), Ant (Minfile #1151 111) and Goldstar / Vindicator (Minfile #1151 053 and 1151 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 north-easterly 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 intrusives 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


Yukon Minfile, 1997. NTS 1151

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

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

Scale: 1:12,500
Figure 4: Mt. Freegold Property - July 15, 2000 Traverse - Descriptions

Mt. Freegold Property
Geology Traverse: July 15, 2001

Waypoint | Station Type | Rock Type | 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 | Granodiorite | Waypoint on spur; no outcrop |
41 | Old cut line | Outcrop in roadcut | Very old cutline running East-West, undeveloped picnic; hard to follow |
42 | Old cut line | Outcrop in roadcut | Very old cutline running North-South; pronounced outway; easy to follow |
43 | Claim post | Outcrop in roadcut | Weathered claim post; no lag |
44 | Bulldozer trail | Outcrop in roadcut | 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 | Granodiorite | Blocky, buff weathering, (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 |
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 | Station Type | NAD27 Easting | NAD27 Northing | Structure |
--- | --- | --- | --- | --- |
37 | Outcrop | 389649 | 6906254 | Joint1: 080/80 |
38 | Outcrop | 389680 | 6906252 | Joint1: 080/90 Joint2: 130/65 |
40 | Waypoint | 389236 | 6905928 |
41 | Old cut line | 389405 | 6905740 |
42 | Old cut line | 389444 | 6905317 |
43 | Claim post | 389457 | 6905317 |
44 | Bulldozer trail | 389253 | 6905120 |
45 | Outcrop in roadcut | 389328 | 6905112 | Joint1: 335/90 |
46 | Outcrop in roadcut | 389271 | 6905170 | Cleavage: 100/02 |
47 | Outcrop in roadcut | 389332 | 6905165 |
48 | Outcrop in roadcut | 389209 | 6905189 | Joint1: 060/90 Fits dip planes: 140/85 |
49 | Outcrop in roadcut | 389119 | 6905209 |
50 | Outcrop | 389119 | 6905208 |
51 | Outcrop | 389100 | 6905265 |
52 | Outcrop | 389676 | 6905279 |
53 | Outcrop | 389984 | 6905286 |
Appendix A

Statement of Expenditures

Linecutting
Eight kilometers at $525 per kilometer $4,200.00

Geology
Chris Schultze: 1 day in field at $360 $360
Craig Bowers: 1 day in field at $150 $150

Airfare 2 airfares at $400 $800
Domicile 2 rooms at $80 for 2 nights $160
Vehicle and fuel

Report / Interpretation / Preparation / Planning
Chris Schultze 3 days at $360 per day $1,080.00

Total: $7,060

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.

H.C. Schultze, P.Geo.