

ASSESSMENT REPORT
GEOLOGICAL MAPPING PROGRAM
COMPLETED AT THE
MT. FREEGOLD PROPERTY, YUKON TERRITORY
AUGUST 17-20, 2001

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

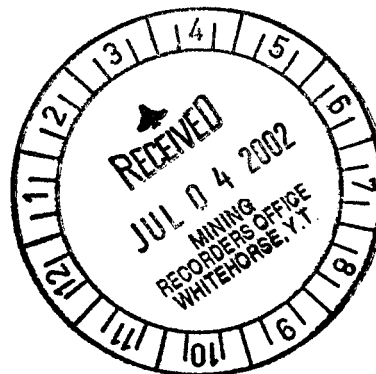
094305

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

Report by: Chris Schultze, BSc., P.Geo.
June 25, 2002

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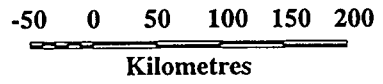
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This report has been examined by
the Geological Exploration Unit
under Section 53 (4) Yukon Quartz
Mining Act and is allowed as
representation work in the amount
of \$ 3000.

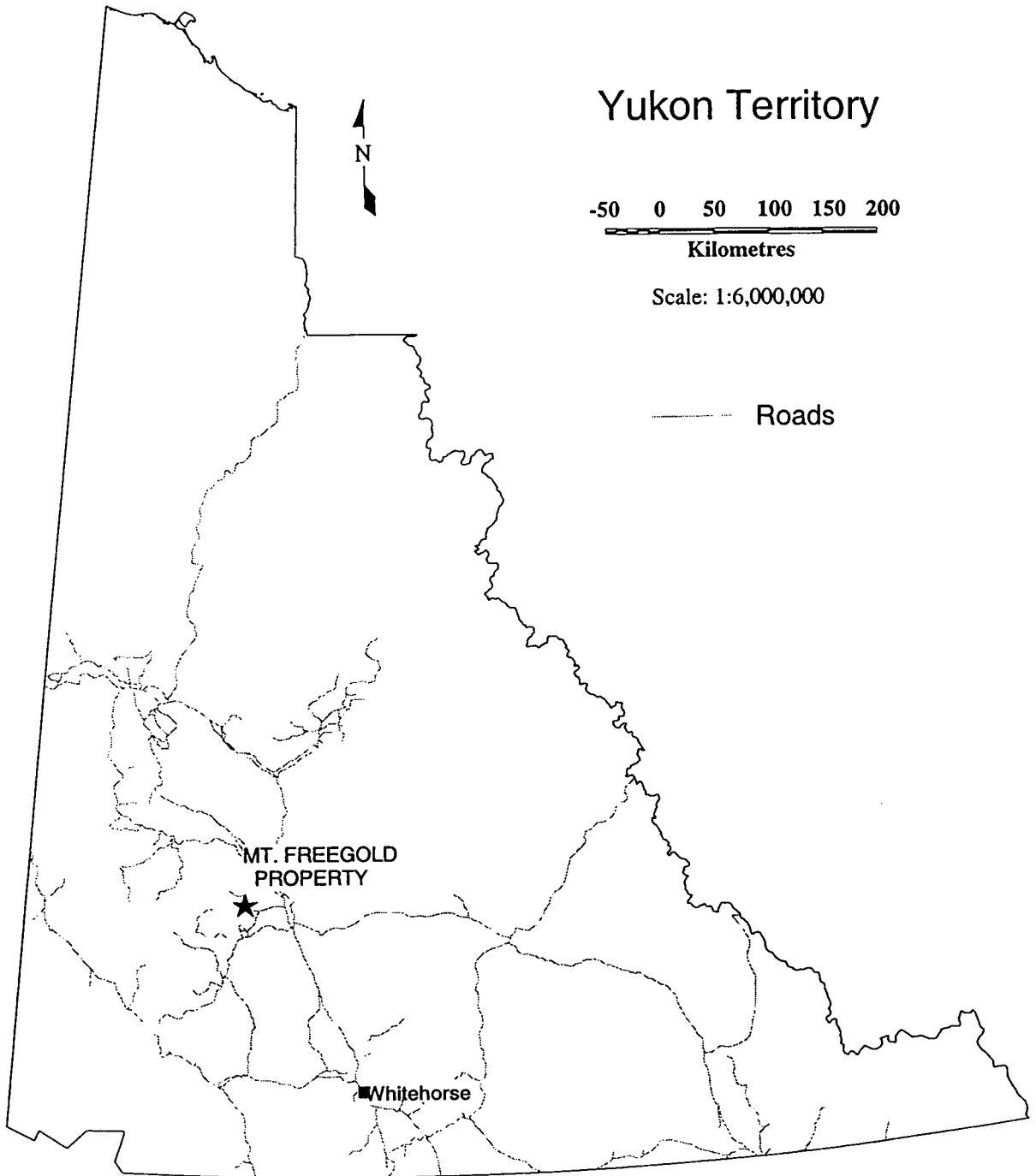
MB
for Regional Manager, Exploration and
Geological Services for Commissioner
of Yukon Territory.

Yukon Territory



Scale: 1:6,000,000

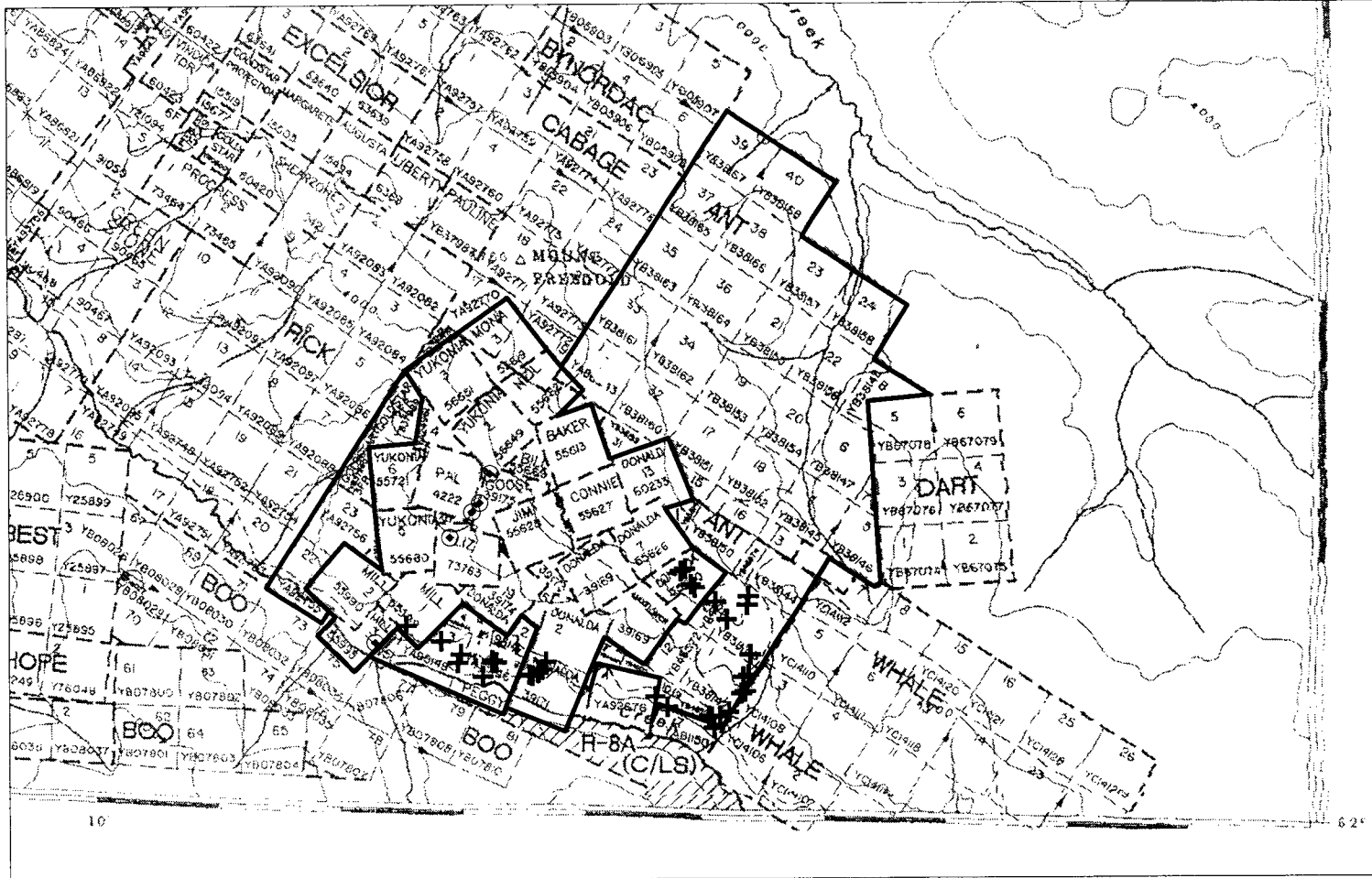
— Roads



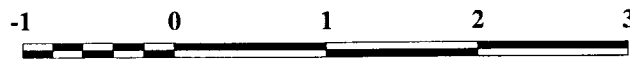
Mt. Freegold Property
Location Map

NTS 115I-06

Figure 1



- ⊙ Portals
- + Waypoint / Traverse Station



Kilometres

Scale: 1:50,000

Mt. Freegold Property
2001 Traverse Location Map

NTS: 1151-06
Figure 2

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1.0 Summary

Geological traverses were carried out on August 18 and 19, 2000 on the Peggy and Ant mineral claims. The most commonly encountered rock types comprised massive jointed to blocky exposures of granodiorite that were medium to coarse crystalline, light gray, and slightly rusty weathering or blocky, jointed syenite and/or quartz syenite exposures that are buff weathering, fine to medium crystalline, with amphibole and white to pink one centimeter sized or greater euhedral feldspar (Figure 5). These intrusive rocks are part of the Late Cretaceous magmatic domain documented regionally in the area. Also encountered were siliceous, aphanitic, light grey to apple green felsic units of likely rhyolitic composition.

A two and half meter wide brecciated fault zone with gouge was identified in a road cut in the Grizzly Gulch area from which three chip samples returned a mean average 476 ppb gold, 491 ppm arsenic, with elevated lead and zinc values. Future investigations should focus on a property wide detailed 2,500 scale geological mapping and sampling program with high resolution satellite ground image and GPS control as part of a broader compilation of existing information of record produced by operators over the years.

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 2001 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-2002
Peggy 5 Fr.	YA96268	19-Mar-2002
Goldstar 2-3 Fr.	YB37988 - YB37990	29-Jan-2005
Nat 1	YA86843	29-Jan-2002
Rick 22-23	YA92755 - YA92756	29-Jan-2005
Ant 1-5	YB38142 - YB38146	27-Jul-2002
Ant 6	YB38147	27-Jul-2002
Ant 7	YB46568	29-Jan-2002
Ant 8	YB38148	27-Jul-2002
Ant 9-14	YB46569 - YB46574	29-Jan-2002
Ant 15-17	YB38149 - YB38151	27-Jul-2002
Ant 18-24	YB38152 - YB38158	27-Jul-2002
Ant 31-32	YB38159 - YB38160	27-Jul-2002

Ant 33-40

YB38161 - YB38168

27-Jul-2002

Leases (32 total)

Mayflower	4212	19-Mar-2022
Pal	4222	19-Mar-2022
Key	4231	19-Mar-2022
Donalda 1-6	39169 - 39174	19-Mar-2022
Donalda 7	55626	19-Mar-2022
Donalda 8	55811	19-Mar-2022
Donalda 9	55840	19-Mar-2022
Donalda 13	60233	19-Mar-2022
Goose	39175	19-Mar-2022
Baker	55613	19-Mar-2022
Mona	55619	19-Mar-2022
Connie	55627	19-Mar-2022
Jim	55628	19-Mar-2022
Yukonia 1-6	55645, -649, -651, -661, -680, -721	19-Mar-2022
Neil	55662	19-Mar-2022
Bill Fract Fr.	55669	19-Mar-2022
Mill 1-2	55989, 55990	19-Mar-2022
Mill 3	55995	19-Mar-2022
Kim Fraction	73762	19-Mar-2022
Liz Fraction	73763	19-Mar-2022
Loon Fraction	73764	19-Mar-2022

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 Corp. 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 on the west side of the Antoniuk deposit.

7.0 Geological Mapping and Rock Sampling

Geological traverses were carried out August 18 and 19, 2001 on the Peggy and Ant mineral claims. The claims groups adjoin the quartz mining leases that encompass the La Forma and Antoniuk mineral deposits. 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 dry and sunny.

The traverses followed existing roads and trails to in order to maximize the potential to observe exposures of rock in the short time frame available for mapping. The most commonly encountered rock types comprised massive jointed to blocky exposures of granodiorite that were medium to coarse crystalline, light gray, and slightly rusty weathering or blocky, jointed syenite and/or quartz syenite exposures that are buff weathering, fine to medium crystalline, with amphibole and white to pink one centimeter sized or greater euhedral feldspar (Figure 5). These intrusives rocks are likely part of the Late Cretaceous magmatic domain documented regionally in the area. Also encountered were siliceous, aphanitic, light grey to apple green felsic units of likely rhyolitic composition, generically mapped as felsites herein, and are observed to be in sharp structural juxtaposition to the aforementioned igneous bodies.

The felsites are documented by others to be in close spatial proximity to known gold bearing quartz vein occurrences such as the La Forma and Rambler quartz vein systems and Antoniuk breccia body existing on the property and described earlier in the report.

The Ant claim traverse extended up the Grizzly Gulch access trail that rises up steeply northward from the Seymour Creek valley bottom to the ridge above. Graham Davidson (1994) established a soil line with 25 m spacing along the trail in 1993 on behalf of Richlode Investments Corp. Davidson's survey returned several gold values exceeding 100 ppb from soil samples collected at 3,250 feet elevation, at 3,500 feet elevation, and at 3,800 feet elevation. The 2001 traverse was intended to also follow up on these soil anomalies and ascertain their source.

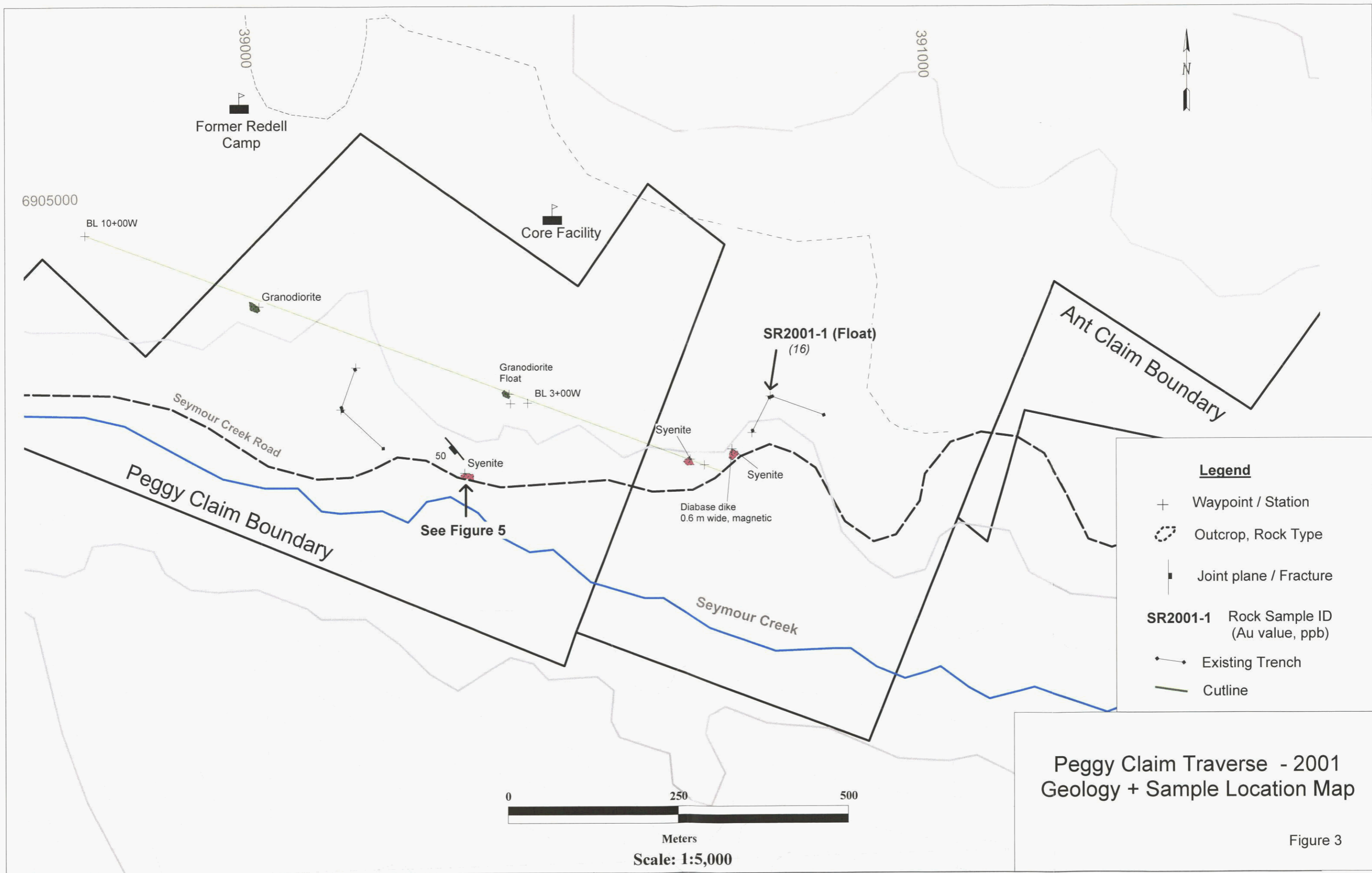
At approximately 3,500 feet elevation, UTM coordinates 392215N, 6904570E a 2.4 meter wide fault zone was observed in the road cut and three 0.8 m chip samples were collected (Samples SR2001-3,4, and 5 (Figures 4 and 6)) from the clay rich, angular pebble sized fragments of material within the fault zone. The fault is oriented at 140 / 80 SE and is bound on its hangingwall, south side by a siliceous apple green felsite unit / rhyolite dike and on its footwall, north side by quartz syenite. The quartz syenite at the fault margin is very fractured and chloritized. The chip samples returned gold values of 581 ppb, 440 ppb, and 407 ppb respectively along with elevated values in Pb, Zn, and As. The fault zone material would appear to be the source of the mineralized soils collected by Davidson in this vicinity.

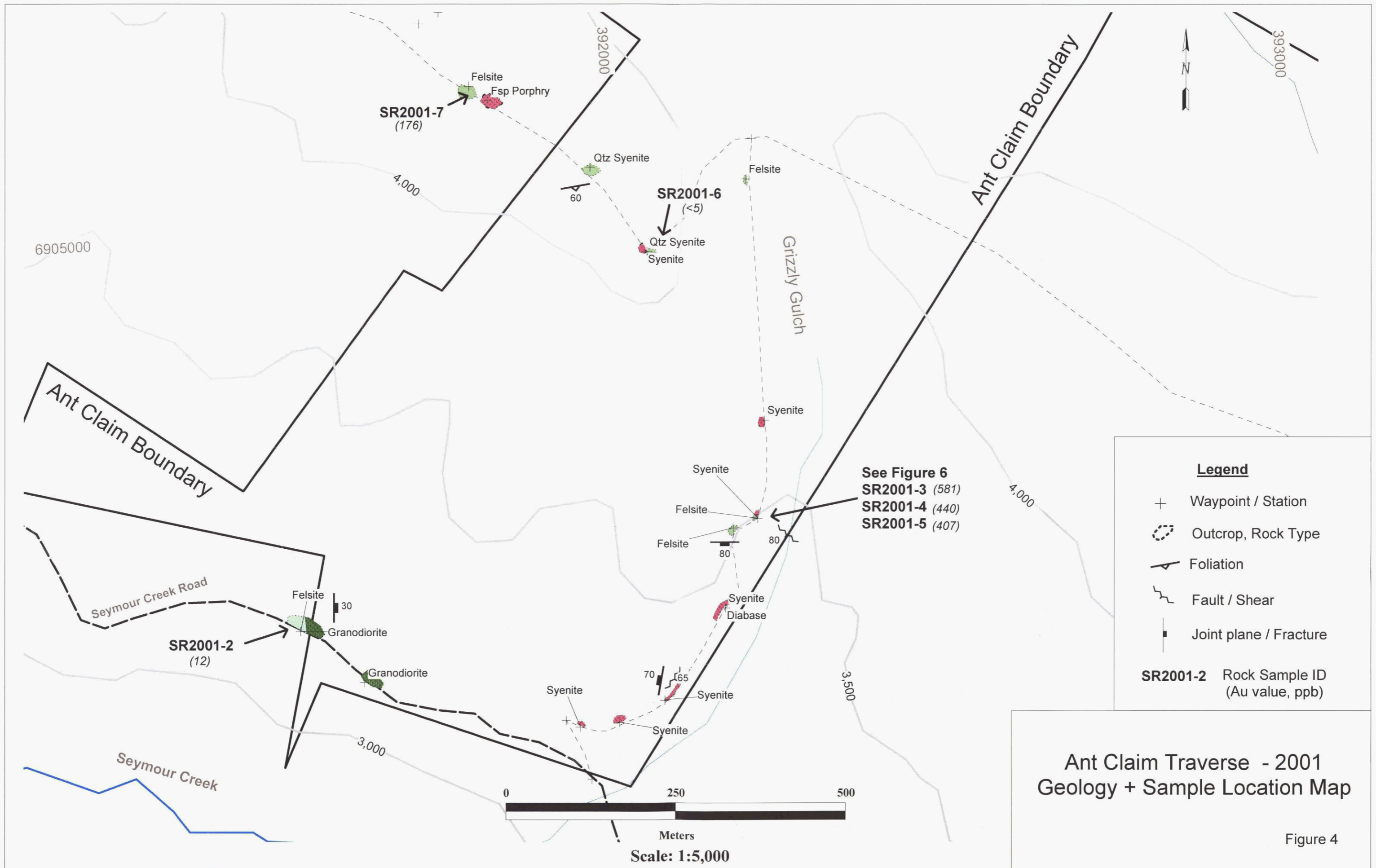
The table below portrays sample descriptions and analytical values from rocks gathered sampled in 2001. Copies of the laboratory geochemical report are attached as Appendix A.

Sample ID	Au30 ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Mo ppm	Bi ppm	As ppm	Sb ppm	Hg ppm
SR2001-1	16	0.8	5	36	56	11	<5	13	<5	0.033
SR2001-2	12	<0.2	4	8	26	<1	<5	24	6	0.078
SR2001-3	581	<0.2	4	66	168	2	<5	632	6	0.191
SR2001-4	440	<0.2	3	99	173	1	<5	574	6	0.316
SR2001-5	407	<0.2	5	83	123	<1	<5	268	10	0.164
SR2001-6	<5	<0.2	2	10	21	<1	<5	23	<5	0.019
SR2001-7	176	5.6	14	277	32	<1	<5	126	12	0.116

Sample ID	UTME27	UTMN27	Rock Type
SR2001-1	390726	6904623	Quartz Vein (float)
SR2001-2	391537	6904424	Felsite massive blocky
SR2001-3	392215	6904570	Gouge Clay+fragments
SR2001-4	392215	6904570	Gouge Clay+fragments
SR2001-5	392215	6904570	Gouge Clay+fragments
SR2001-6	392064	6904967	Qtz Syenite
SR2001-7	391809	6905217	Felsite

Sample ID	Description
SR2001-1	Manganese stained, cockscomb quartz vein; float
SR2001-2	F.gr, tan to l.brwn, aphanitic quartz phyric rhyolite?; fragmented and sharded. Juxtaposed against massive blocky granodiorite
SR2001-3	80 cm chip sample; Clay+fragments
SR2001-4	80 cm chip sample; Clay+fragments
SR2001-5	80 cm chip sample; Clay+fragments
SR2001-6	Light green, quartz phyric; juxtaposed against fsp porphyry
SR2001-7	Slightly rusty weathering, light green / white siliceous aphanitic rhyolite; Qtzose seams; locally cocks comb texture





Syenite in Roadcut



Easting	Northing	RockType1	Comment1
390,302	6,904,577	Syenite	Blocky, buff weathering, coarse crystalline, pink euhedral feldspar with amphibole

Figure 5

Grizzly Gulch
 Chip Sample Locations
 View looking West



Sample_ID	___Au30	___Ag	___Cu	___Pb	___Zn	___Mo	___Bi	___As	___Sb	___Hg
SR2001-3	581	-0.2	4	66	168	2	-5	632	6	0.191
SR2001-4	440	-0.2	3	99	173	1	-5	574	6	0.316
SR2001-5	407	-0.2	5	83	123	-1	-5	268	10	0.164

Easting	Northing	RockType1	RockType2	Comment1
392,215	6,904,570	Felsite	Syenite	units separated by 2.4 m wide brittle fault zone; one centimeter gouge at contacts

Figure 6

Samples were prepared and analyzed by Bondar Clegg of North Vancouver, BC. The samples were digested in aqua regia and analyzed for gold with 30 g fire assay and multielement induced coupled plasma detection techniques.

8.0 Conclusions and Recommendations

The geological traverse resulted in the identification and documentation of intermediate to potassic composition intrusive rocks of reported Late Cretaceous age along with felsic dikes of rhyolitic composition. A two and half meter wide brecciated fault zone with gouge was identified in a roadcut in the Grizzly Gulch area from which three chip samples returned a mean average 476 ppb gold, 491 ppm arsenic, with elevated lead and zinc values. Future investigations should focus on a property wide detailed 2,500 scale geological mapping and sampling program with high resolution satellite ground image and GPS control as part of a broader compilation of existing information of record produced by operators over the years.

9.0 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
- McInnes, B.I.A et al., 1988 Role of structure in the emplacement of gold-quartz veins and rhyolite dikes at Freegold Mountain, Dawson Range, Yukon; in Current Research, Part E, GSC Paper 88-E1, p.153-157, 1988
- Yukon Minfile, 1997. NTS 115I

Signed: _____

H.C. Schultze, P. Geo.



Appendix A

Lab Geochemical Report



BONDAR CLEGG



Geochemical Lab Report

REPORT: V01-02536.0 (COMPLETE)

REFERENCE: FMR-WK-001

CLIENT: FM RESOURCES CORP.
PROJECT: ANT

SUBMITTED BY: C. SCHULTZ
DATE RECEIVED: 05-JAN-02 DATE PRINTED: 22-JAN-02

DATE APPROVED	ORDER	ELEMENT	NUMBER OF ANALYSES	LOWER DETECTION LIMIT	EXTRACTION	METHOD
020115	1	Au30 Au - FA30	7	5 PPB	Fire Assay of 30g	30g Fire Assay - AA
020115	2	Ag Ag - IC01	7	0.2 PPM	HCL:HNO3 (3:1)	INDUC. COUP. PLASMA
020115	3	Cu Cu - IC01	7	1 PPM	HCL:HNO3 (3:1)	INDUC. COUP. PLASMA
020115	4	Pb Pb - IC01	7	2 PPM	HCL:HNO3 (3:1)	INDUC. COUP. PLASMA
020115	5	Zn Zn - IC01	7	1 PPM	HCL:HNO3 (3:1)	INDUC. COUP. PLASMA
020115	6	Mo Mo - IC01	7	1 PPM	HCL:HNO3 (3:1)	INDUC. COUP. PLASMA
020115	7	Bi Bi - IC01	7	5 PPM	HCL:HNO3 (3:1)	INDUC. COUP. PLASMA
020115	8	As As - IC01	7	5 PPM	HCL:HNO3 (3:1)	INDUC. COUP. PLASMA
020115	9	Sb Sb - IC01	7	5 PPM	HCL:HNO3 (3:1)	INDUC. COUP. PLASMA
020115	10	Hg Hg - CV01	7	0.010 PPM	HCL:HNO3 (3:1)	COLD VAPOR AA

SAMPLE TYPES	NUMBER	SIZE FRACTIONS	NUMBER	SAMPLE PREPARATIONS	NUMBER
R ROCK	7	2 -150	7	CRUSH/SPLIT & PULV.	7

REMARKS: SAMPLES SENT TO ASL CHEMEX FOR PREP.

REPORT COPIES TO: MR. HANS C. SCHULTZE

INVOICE TO: MR. HANS C. SCHULTZE

This report must not be reproduced except in full. The data presented in this report is specific to those samples identified under "Sample Number" and is applicable only to the samples as received expressed on a dry basis unless otherwise indicated



BONDAR CLEGG



Geochemical Lab Report

CLIENT: FM RESOURCES CORP.

PROJECT: ANT

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PAGE 1 OF 3

SAMPLE NUMBER	ELEMENT UNITS	Au30 PPB	Ag PPM	Cu PPM	Pb PPM	Zn PPM	Mo PPM	Bi PPM	As PPM	Sb PPM	Hg PPM
R2 SR2001-1		16	0.8	5	36	56	11	<5	13	<5	0.033
R2 SR2001-2		12	<0.2	4	8	26	<1	<5	24	6	0.078
R2 SR2001-3		581	<0.2	4	66	168	2	<5	632	6	0.191
R2 SR2001-4		440	<0.2	3	99	173	1	<5	574	6	0.316
R2 SR2001-5		407	<0.2	5	83	123	<1	<5	268	10	0.164
R2 SR2001-6		<5	<0.2	2	10	21	<1	<5	23	<5	0.019
R2 SR2001-7		176	5.6	14	277	32	<1	<5	126	12	0.116

5



BONDAR CLEGG



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PAGE 2 OF 3

STANDARD NAME	ELEMENT UNITS	Au30 PPB	Ag PPM	Cu PPM	Pb PPM	Zn PPM	Mo PPM	Bi PPM	As PPM	Sb PPM	Hg PPM
HX12 Oxide		6239	-	-	-	-	-	-	-	-	-
Number of Analyses		1	-	-	-	-	-	-	-	-	-
Mean Value		6239.3	-	-	-	-	-	-	-	-	-
Standard Deviation		-	-	-	-	-	-	-	-	-	-
Accepted Value		6600	-	-	-	-	-	-	-	-	-
ANALYTICAL BLANK		-	<0.2	2	3	<1	<1	<5	<5	<5	<0.010
Number of Analyses		-	1	1	1	1	1	1	1	1	1
Mean Value		-	0.10	1.7	3.2	0.5	0.5	2.5	2.5	2.5	0.0050
Standard Deviation		-	-	-	-	-	-	-	-	-	-
Accepted Value		5	0.2	1	2	1	1	2	5	5	0.005
GS91-1 In-House		-	0.7	92	8	70	<1	<5	11	<5	0.047
Number of Analyses		-	1	1	1	1	1	1	1	1	1
Mean Value		-	0.70	92.1	8.5	69.9	0.5	2.5	11.2	2.5	0.0470
Standard Deviation		-	-	-	-	-	-	-	-	-	-
Accepted Value		-	0.7	95	11	80	2	1	8	1	0.044



BONDAR CLEGG



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PAGE 3 OF 3

SAMPLE NUMBER	ELEMENT UNITS	Au30 PPB	Ag PPM	Cu PPM	Pb PPM	Zn PPM	Mo PPM	Bi PPM	As PPM	Sb PPM	Hg PPM
SR2001-7		176	5.6	14	277	32	<1	<5	126	12	0.116
Duplicate			5.2	13	271	31	<1	<5	118	8	0.125

Appendix B

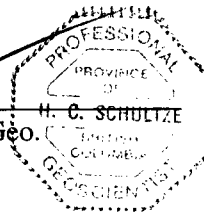
**Statement of Expenditures
Supplemental**

Geochemistry		
Assays : Seven Rock samples, Fire assays and ICP		\$210
Geology		
Chris Schultze:	2 days on property at \$360	\$720
	1 day travel (0.5 days each way) between Whitehorse and property	\$360
Domicile		\$160
Vehicle and fuel		\$150
Report / Interpretation / Preparation / Planning		
Chris Schultze	5 days at \$360 per day	<u>\$1,800.00</u>

Total: \$ 3,400

Signed: _____

H.C. Schultze, P.Geo.



Appendix C

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 14 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 25th day of June, 2002.



H.C. Schultze, P.Geo.

