

ASSESSMENT REPORT
LINECUTTING PROGRAM
COMPLETED AT THE
MT. FREEGOLD PROPERTY, YUKON TERRITORY
JUNE 5-11, 2002

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

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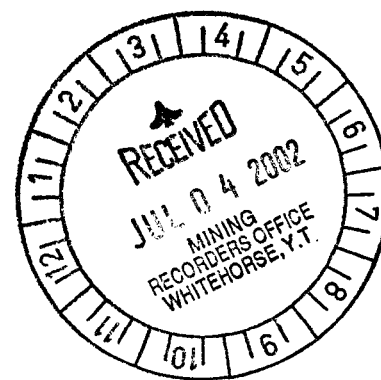
Owner: FM Resources Corp.
1100-609 West Hastings St.
Vancouver, BC
V6B 4W4

Report by: Chris Schultze, BSc., P.Ge.
June 28, 2002

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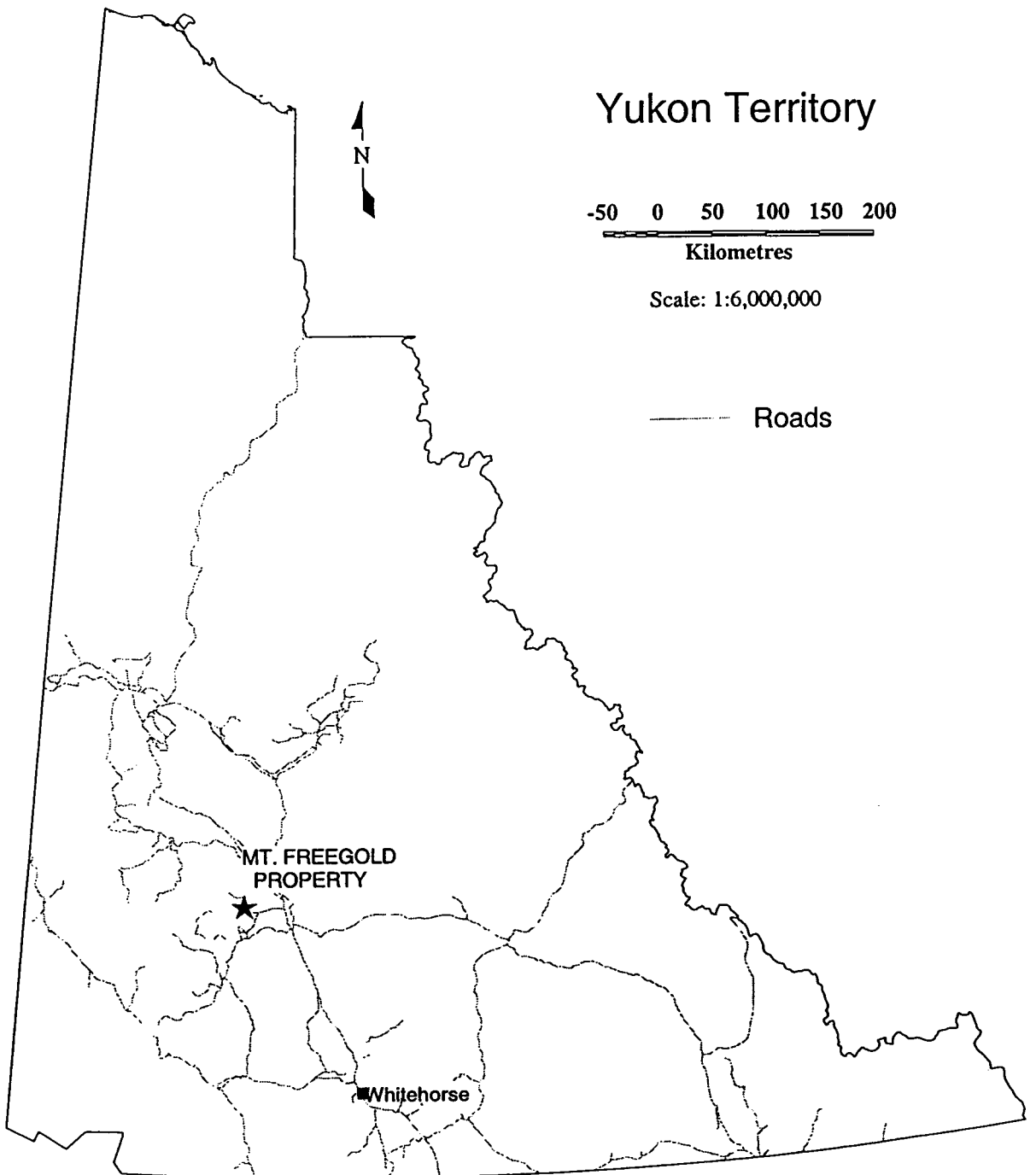
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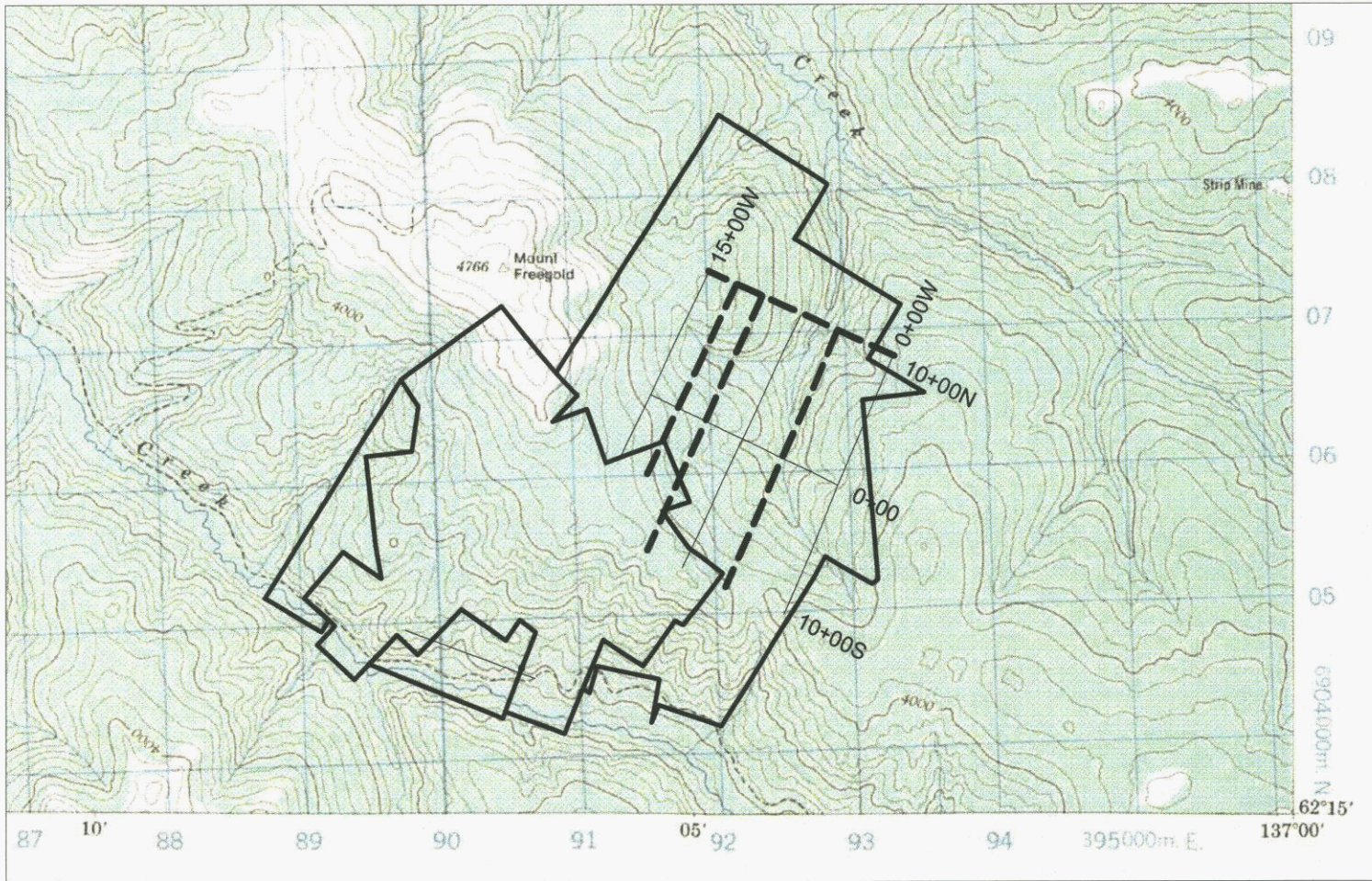
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Mt. Freegold Property
Location Map

NTS 115I-06
Figure 1



- - - - - Cutlines 2002
 ————— Cutlines 2000



Kilometres

Scale: 1:50,000

Mt. Freegold Property
2002 Cutline Map

NTS: 115I-06
Figure 3

1.0 Summary

Seven kilometers of slope corrected cutline were established with 50 meters stations on the Ant property in early June 2002. The cutlines complement seven kilometers of cut grid lines established on the property in September 2000. The cut grid will provide location control for future geological, geochemical, and geophysical 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 2002 is tabled below.

Quartz Claims (44 total)

Name	Grant Number	Expiry Date
Peggy 1; 2-4 Fr.	YA95146 -YA95149	14-Jan-2004
Peggy 5 Fr.	YA96268	19-Mar-2004
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-2003
Ant 6	YB38147	27-Jul-2002
Ant 7	YB46568	29-Jan-2003
Ant 8	YB38148	27-Jul-2003
Ant 9-14	YB46569 - YB46574	29-Jan-2003
Ant 15-17	YB38149 - YB38151	27-Jul-2003
Ant 18-24	YB38152 - YB38158	27-Jul-2002
Ant 31-32	YB38159 - YB38160	27-Jul-2003
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 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 2002

- Seven kilometers of linecutting

8.0 Linecutting

Seven 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 planned geological and geochemical field investigations on the Ant claims.

9.0 Conclusions and Recommendations

Seven kilometers of slope corrected cutline were established with 50 meters stations on the Ant property in early June 2002. The cutlines complement seven kilometers of cut grid lines established on the property in September 2000. The cut grid will provide location control for future geological, geochemical, and geophysical field investigations. A program involving soil sampling, geological mapping, and prospecting should be implemented on the Ant property using the cut grid lines for positioning control.

10.0 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. Role of structure in the emplacement of gold-quartz veins and rhyolite kes at Freegold Mountain, Dawson Range, Yukon; in Current Research, Part E, GSC Paper 88-E1, p.153-157, 1988

Schultze, H.C., 2001. Linecutting and Geology Program Completed at the Mt. Freegold Property, Yukon Territory Between July 15, 2000 and September 10-17, 2000. Assessment Report

Yukon Minfile, 1997. NTS 115I

Signed: _____

HS
H.C. Schultze, P.Geol.



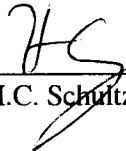
Appendix A

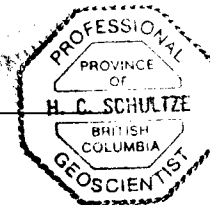
Statement of Expenditures

Linecutting
Seven kilometers at \$550 per kilometer \$3,850

Report / Planning
Chris Schultze 2 days at \$360 per day 720

Total: \$ 4,570

Signed: 
H.C. Schultze, P.Ge.



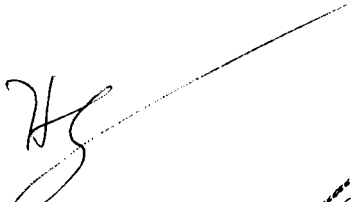
Appendix B

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 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 28th day of June, 2002.


H.C. Schultze, P.Geol.

