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MINISTRY OF ENERGY, MINES
and PETROLEUM RESOURCES
Rec'd APR 26 1991
SMITHERS, B.C.

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS

EFFECTIVE DATE: March 21, 1991

#26/91

Scud Proj

Apex Energy Corp., 717 - 602 West Hastings Street,
Vancouver, British Columbia, V6B 1P2, 688-0607

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

3000 - 1055 West Georgia Street, Vancouver, British Columbia, V6E 3R3

ADDRESS OF REGISTERED AND RECORDS OFFICES OF THE ISSUER

Montreal Trust Company of Canada, 2nd Floor, 510 Burrard Street,
Vancouver, British Columbia, V6C 3B9

NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN
BRITISH COLUMBIA

OFFERING: 700,000 Common Shares

	Estimated Price to Public	Estimated Agent's Commission	Estimated Net Proceeds to be Received by Issuer
Per Share.....	\$0.50	\$0.0375	\$0.4625
Total.....	\$350,000	\$26,250	\$323,750

The shares will be offered for sale to the public through the facilities of the Vancouver Stock Exchange at a price to be determined by the Issuer and the Agent in accordance with the rules of the Vancouver Stock Exchange. (See "Plan of Distribution").

ADDITIONAL OFFERING

The Agent has agreed to purchase (the "Guarantee") any of the Shares offered hereby which have not been sold at the conclusion of the Offering, and in consideration will receive Agent's Warrants entitling it to purchase up to a total of 250,000 Common shares. (See "Plan of Distribution"). Any Shares acquired by the Agent under the Guarantee will be distributed under this Statement of Material Facts through the facilities of the Vancouver Stock Exchange at the market price at the time of sale. Any shares acquired by the Agent upon exercise of the Agent's Warrants may be sold by the Agent through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

The Issuer is, under the rules of the Vancouver Stock Exchange, a "Venture Company".

THE SECURITIES OFFERED HEREUNDER ARE SPECULATIVE IN NATURE. INFORMATION CONCERNING THE RISKS INVOLVED MAY BE OBTAINED BY REFERENCE TO THIS DOCUMENT; FURTHER CLARIFICATION, IF REQUIRED, MAY BE SOUGHT FROM A BROKER.

April 11/91

RECOMMENDED
PROGRAM OF WORK
NORTH SCUD PROPERTY

Liard Mining Division,
BRITISH COLUMBIA.

NTS 104G/6W

Prepared for: Apex Energy Corporation.
717-602 West Hastings St.,
Vancouver, B. C., V6B 1P2.

Prepared by: Erik A. Ostensoe, FGAC,
4306 West 3rd Avenue,
Vancouver, B. C., V6R 1M7.

Date of Recommendation: January 23, 1991.



Erik A. Ostensoe

A circular stamp is partially visible behind the signature, containing some illegible text and a central emblem.

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SUMMARY

The North Scud property, located in the Galore Creek district of northwestern British Columbia, has been explored in reconnaissance fashion by prospecting and sampling. Coverage is incomplete and results of initial work have been inconclusive with respect to mineral potential. Expenditures during 1990 totalled \$9,000.

A prospecting, mapping and sampling program at probable cost of \$20,000 has been recommended. That work will ensure complete coverage of parts of the claims that have known mineral potential or have not yet been examined. It is recommended that the work commence during August in order to take advantage of minimum snow cover conditions.

INTRODUCTION

The North Scud property is located in the Stikine area of northwestern British Columbia (Figure 1). Claims are owned by Equity Silver Mines Ltd. and are under option to Apex Energy Corporation of Vancouver, B. C. Work has been done by Equity, Homestake Mining Corporation, and Apex. The latter company engaged personnel employed by Quest Canada Exploration Services Ltd. and Coast Mountain Geological to carry out a rapid evaluation of the property during September, 1990. Results were reported to the company in "1990 Summary Report on the North Scud Property" by Erik Ostensoe, FGAC, and W.R. Kushner, B.Sc. That report includes all relevant field data collected by the Quest Canada/Coast Mountain personnel and is the technical basis for the recommendations that follow.

CLAIMS

The North Scud property comprises three modified grid system claims with area of approximately 1,290 hectares (Figure 2). Details are as follows:

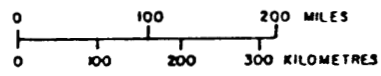
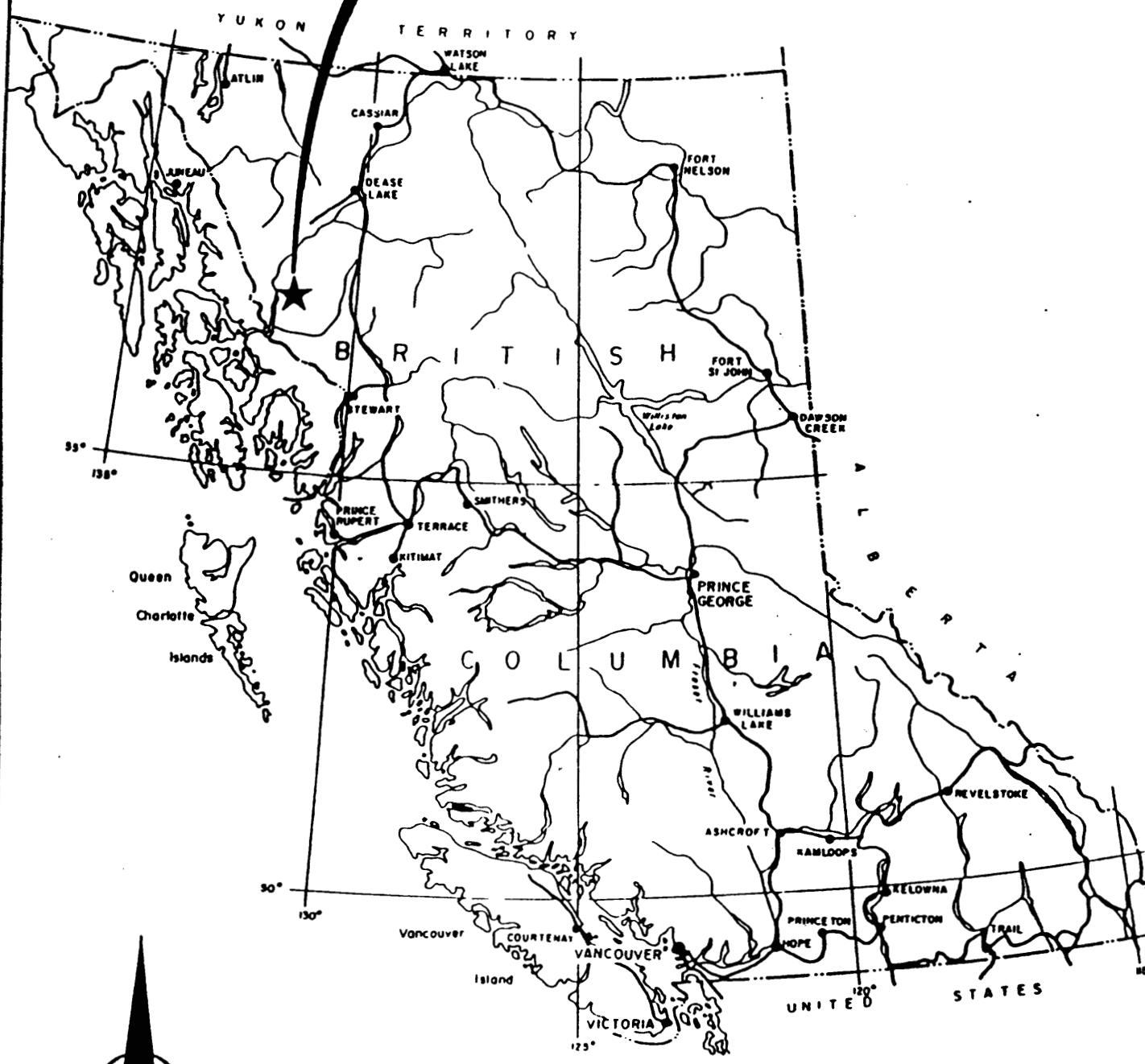
Claim	Record No.	No. of Units	Expiry Date
Gran 9	4666	18	14/06/91
Gran 10	4667	18	14/06/91
Canyon 17	4673	20	14/06/91

It is believed that the claims have been overstaked by the Scud 7 - 12 claims.

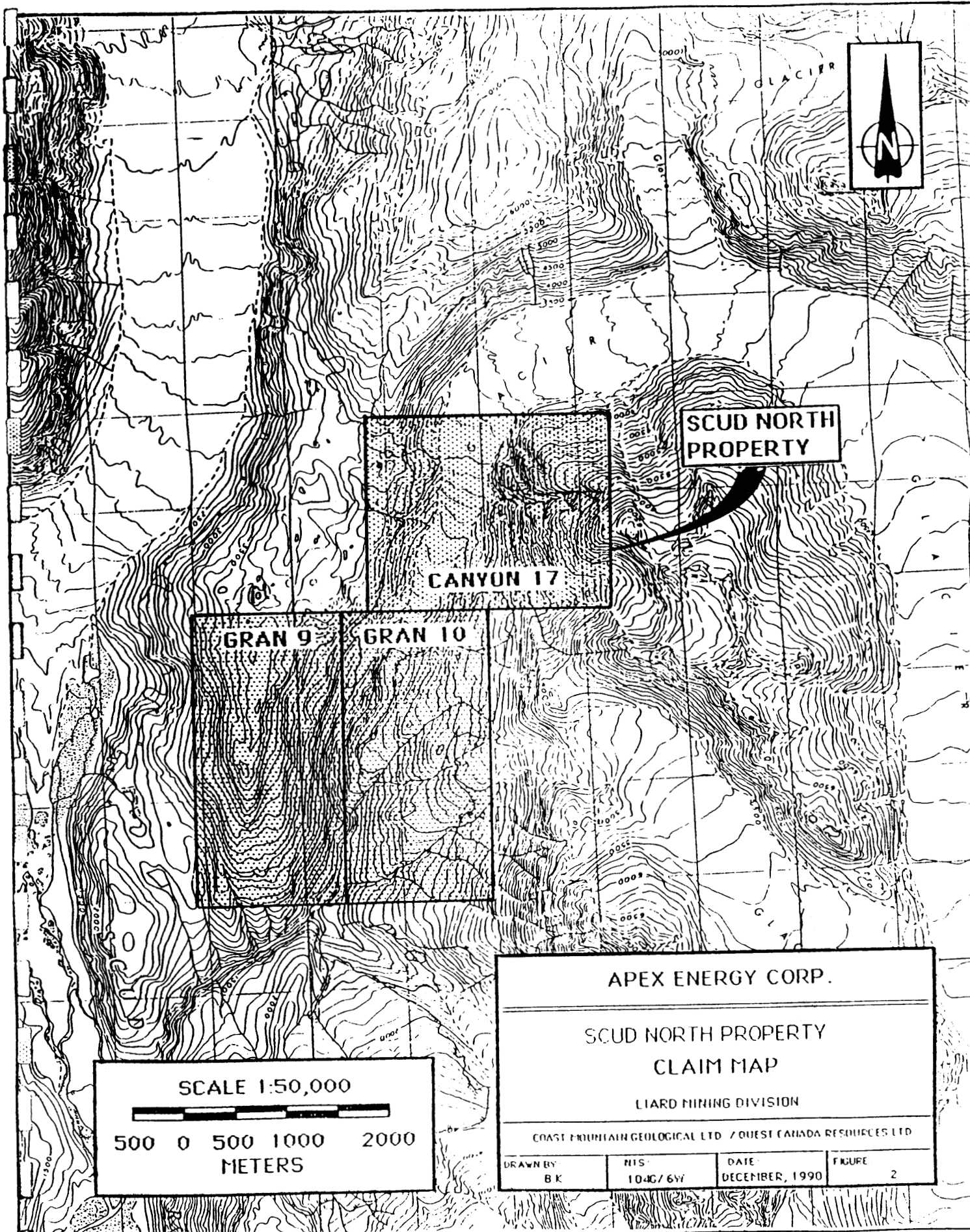
LOCATION AND ACCESS

The North Scud property is located in the Lower Stikine River area of northwestern British Columbia, about 70 kms south of Telegraph Creek, B. C. Galore Creek mining camp is 15 kms south and Scud Camp is 29 km west.

**PROPERTY
LOCATION**



APEX ENERGY CORP.			
SCUD NORTH PROPERTY PROPERTY LOCATION MAP			
LIARD MINING DIVISION			
COAST MOUNTAIN GEOLOGICAL LTD. / QUEST CANADA RESOURCES LTD.			
DRAWN BY: B.K.	NTS: 104G/6W.	DATE: DECEMBER, 1990	FIGURE: 1



SCUD NORTH PROPERTY

CANYON 17

GRAN 9

GRAN 10

APEX ENERGY CORP.

SCUD NORTH PROPERTY
CLAIM MAP

LIARD MINING DIVISION

COAST PRINCEPAIR GEOLOGICAL LTD / QUEST CANADA RESOURCES LTD

DRAWN BY: B.K.	RIS: 10.4C/6W	DATE: DECEMBER, 1990	FIGURE: 2
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SCALE 1:50,000

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The claims are in a rugged glacial mountain valley and access is entirely by helicopter. Seasonal exploration camps are operated at Galore Creek and at the confluence of Scud and Stikine Rivers (Scud Camp); helicopter service is normally available from each location during the summer months. Camps are serviced on a regular basis by regional air carriers based in Smithers and Terrace, B. C. and Wrangell, Alaska.

TERRAIN AND CLIMATE

The North Scud claims are located in an area of rugged topography. Elevation vary from 400 metres to 1950 metres. Ablation of the glacier that bisects the property has resulted in steep, rugged valley walls that are barren of vegetation. Higher elevations are typically alpine with scrubby evergreen growth and elsewhere there is a forest cover.

The prevailing climate is mid- to high-latitude marine: annual precipitation is heavy, mostly occurring as snow during the winter months. Summer weather is warm but storms frequently occur and can create miserable field conditions. Field workers should be physically fit and capable of working in difficult circumstances.

EXPLORATION HISTORY

The Stikine district has received attention from placer miners and prospectors since the last century. The Scud River area was barely accessible prior to the introduction of helicopter-supported field parties during the 1950s. At that time the major porphyry copper deposit at Galore Creek was discovered (137.6 million tons, 1.02% copper and 0.014 opt gold) and intensive prospecting was carried out in the entire region. Other important discoveries include the Schaft Creek calc-alkaline porphyry copper-molybdenum deposit (one billion tons with 0.4% copper and 0.05% molybdenum).

The district has experienced a resurgence of activity in recent years subsequent to the discovery and development of gold deposits at Iskut River. Major exploration programs, including at least four diamond drilling campaigns, were carried out in the Lower Stikine River area during 1990.

Regional geology of the area that includes the North Scud property is illustrated in Figure 3 of this recommendation.

NORTH SCUD PROPERTY HISTORY

The North Scud property has been partially explored by prospecting and sampling. Work by Homestake Mineral Development Company (1989) and Canamera (1990) has been reported elsewhere (see References). In addition it is believed that the owners of the Scud 7 - 12 claims that appear to overlie the Scud North claims have carried out preliminary assessments of the ground but no details of their work are available.

LEGEND
STRATIFIED ROCKS

TRASSIC OR OLDER

ITa DIORITE TO MONZONIC MAFIC TO FELSIC VOLCANIC ROCKS, AMPHIBOLITE, QUARTZ DIORITE, MAFIC METAPG AND GRANITE

STRONG ASSEMBLAGE

PENMAN

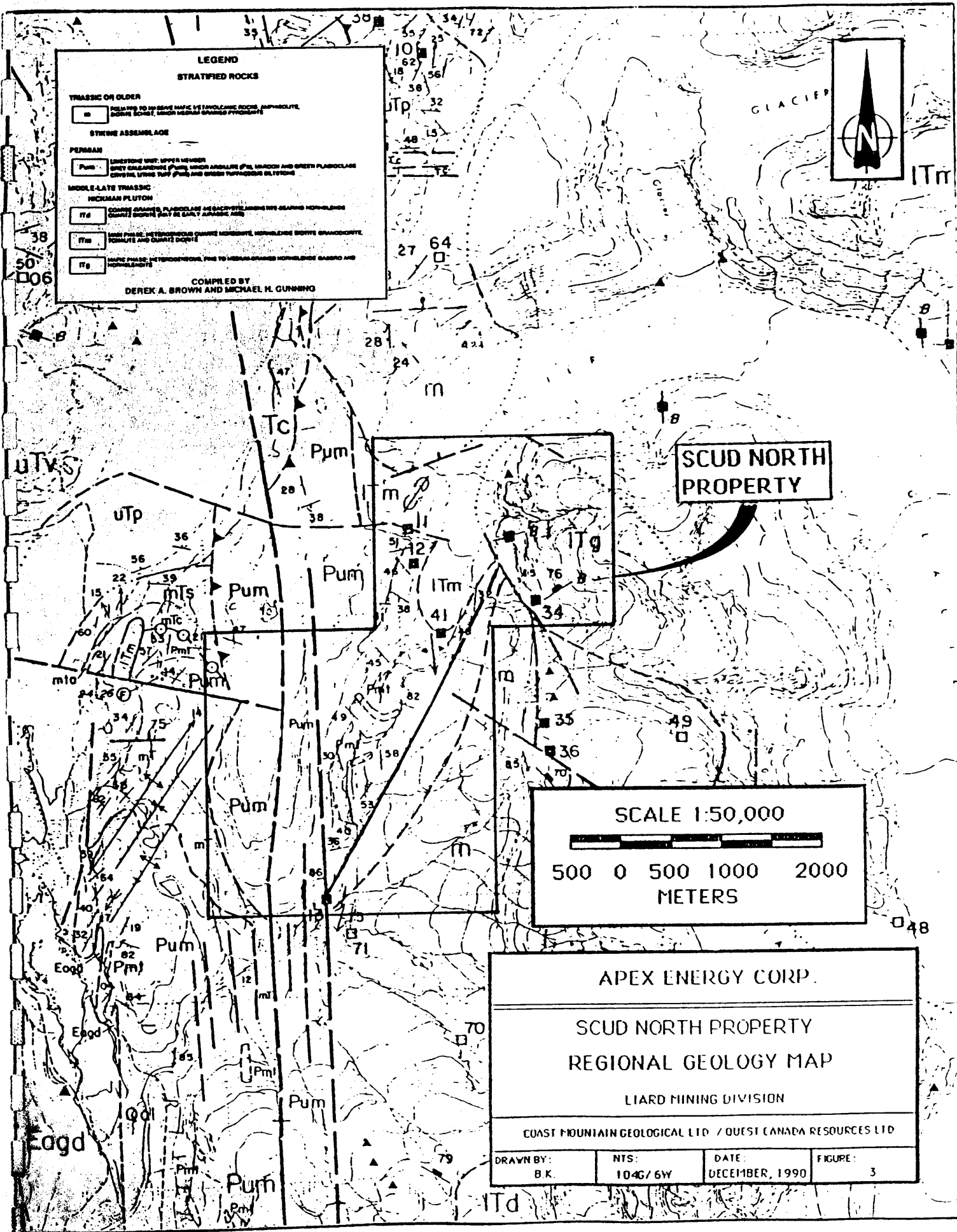
Pum LOWER MIDDLE TRASSIC, UPPER MEMBER
DIORITE GABBROIDS (Pum), MAFIC ANDALUSITE (Pm), MAFIC AND GREEN FELSIC GABBROIDS
QUARTZ MAFIC (Pm), AND GREEN TUFFS (Pm), AND GREEN TUFFS (Pm)

MIDDLE-LATE TRASSIC

ITm QUARTZ DIORITE, FELSIC GABBROIDS, AMPHIBOLITE, GRANITE, GABBROIDS, QUARTZ DIORITE, MAFIC METAPG AND GRANITE

ITs MAFIC PHASE, METACRYSTALLINE, FINE TO MEDIUM-GRAINED AMPHIBOLITE GABBROIDS AND
HORNBLANDITE

COMPILED BY
DEREK A. BROWN AND MICHAEL H. GUNNING



**SCUD NORTH
PROPERTY**

SCALE 1:50,000

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APEX ENERGY CORP.

**SCUD NORTH PROPERTY
REGIONAL GEOLOGY MAP**

LIARD MINING DIVISION

COAST MOUNTAIN GEOLOGICAL LTD / QUEST CANADA RESOURCES LTD

<small>DRAWN BY:</small> B.K.	<small>NTS:</small> 104G/6W	<small>DATE:</small> DECEMBER, 1990	<small>FIGURE:</small> 3
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The British Columbia Geological Survey Branch has carried out regional geological and geochemical mapping projects that cover the North Scud claims area and their data are available in Open File form.

1990 WORK PROGRAM

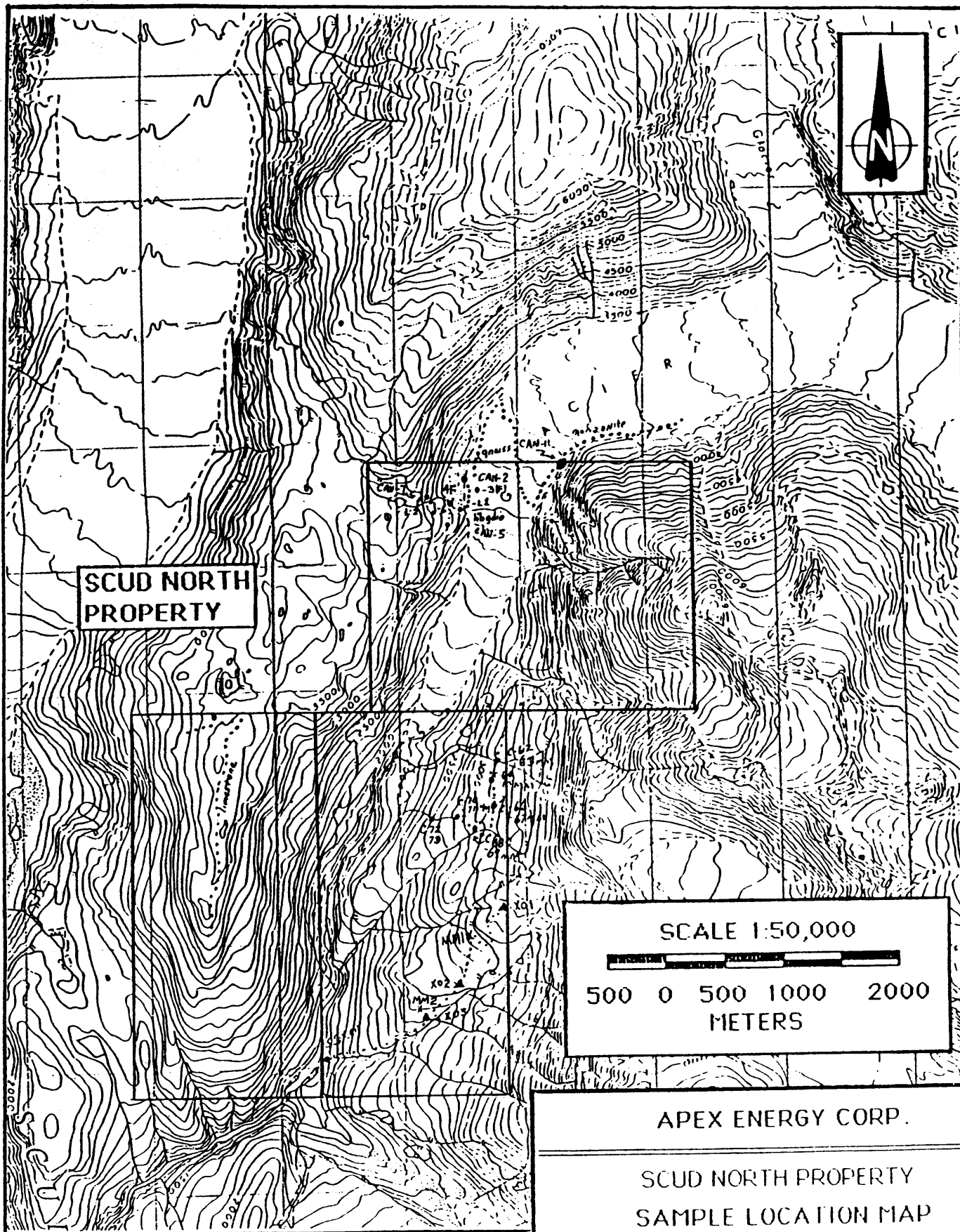
Personnel employed by the Quest Canada Exploration Services/Coast Mountain Geological joint venture traversed the high ridge that occupies the central part of Gran 9 claim, the margins of the glacier that bisects Canyon 17, the valley of Fault Creek on Gran 10, and the upper slopes immediately north of Fault Creek. Eight moss mat samples, 9 stream sediment samples, and 12 rock chip samples were collected. Figure 4 of this recommendation illustrates sample locations: more comprehensive information is provided in the 1990 Summary Report by Ostensoe and Kushner.

Results of field work were inconclusive: no particularly strong mineral zones were recognized on the claims but geological formations that are favourable host rocks for gold and base metal deposits elsewhere in northern British Columbia were found. Stikine Assemblage and Stuhini Group bedded rocks of both volcanic and sedimentary origin are intruded by crystalline rocks of the Hickman batholith. Grey limestone on Gran 9 claim appears to have little mineral potential but pieces of magnetite skarn found on the nearby glacier are apparently derived from a similar limestone formation. Two zones of alteration are present on the west side of the median glacier but only one was examined. A more comprehensive program of exploration, including further prospecting, mapping and geochemical sampling was recommended.

RECOMMENDATION

The writer participated in the September, 1990 work on the North Scud claims and has reviewed all data obtained. He confirms the recommendations stated in the December, 1990 report that was prepared for Apex Energy Corporation:

"On the basis of work by previous operators and on the recent work by the Coast Mountain/Quest Canada crew, it is recommended that a small amount of additional exploration work be directed to the west side of the "Gran" Glacier and to the east side of the Gran 10 claim. It is anticipated that a three or four person crew with helicopter support will be able to adequately prospect and sample the remaining areas of interest in a four or five day period. Of particular interest will be any epithermal veins in volcanic rocks close to the contact with Hickman-type quartz monzonite intrusions, and alteration zones observed along the west side of the "Gran" Glacier. The cost of field crews, mobilization, analyses, and helicopter support is likely to be about \$20,000. Work should commence in August when best field conditions occur."



SCUD NORTH
PROPERTY

SCALE 1:50,000

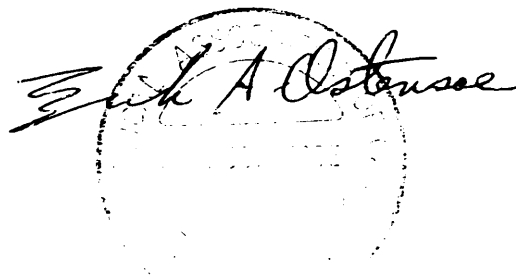
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APEX ENERGY CORP.			
SCUD NORTH PROPERTY SAMPLE LOCATION MAP			
LIARD MINING DIVISION			
COAST MOUNTAIN GEOLOGICAL LTD / QUEST CANADA RESOURCES LTD			
DRAWN BY: B.K.	NIS: 10-K/6W	DATE: DECEMBER, 1990	FIGURE: 4

The following is a breakdown of recommended expenditures:

1. Mobilization/demobilization expenses (shared with other operators)	\$3,000.00
2. Camp and living expenses (using one of the existing camps)	\$2,000.00
3. Personnel charges - geologist and two prospectors - four or five day period, allow	\$4,000.00
4. Assays and analyses, allow	\$1,000.00
5. Helicopter services, allow 1.2 hours/day, 5 days	\$4,800.00
6. Preparation of maps and reporting of data, allow	\$1,000.00
7. Allowance for overhead and management costs	\$1,500.00
8. Contingencies, delays and unforeseen expenses	\$2,000.00
Total cost of recommended work	\$19,300.00

It is recommended that \$20,000.00 be provided to carry out the recommended program of work at the North Scud property.

A handwritten signature in cursive script, reading "Erik A. Ostensen", is written over a circular stamp. The stamp is mostly illegible but appears to contain some text and possibly a date.

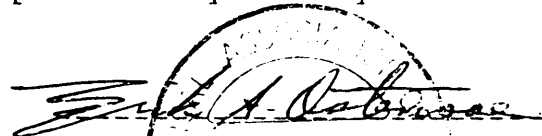
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- Ostensoe, E. and Kushner, W., 1990, 1990 Summary Report on the North Scud Property, Liard Mining Division, private report for Apex Energy Corporation
- Souther, J.G., 1971, Telegraph Creek Map Area, B. C., Geol. Surv. of Canada, Paper 71-44
- Wetherill, J., 1990, 1990 Prospecting Report on the Scud North property, Liard Mining Division - Assessment Report for Equity Silver Mines Ltd.

STATEMENT OF QUALIFICATIONS AND CONSENT

Erik A. Ostensoe, FGAC, states that

1. I am a consulting geologist with office and residence in Vancouver, British Columbia
2. I have been employed in mineral exploration in western Canada and northwestern United States for more than thirty years as an employee of major and junior companies and as a consultant
3. My professional work has included a wide range of responsibilities as well as exposure to mineral exploration techniques commonly employed in a variety of geological environments in most parts of western Canada and northwestern United States
4. I am a Fellow of the Geological Association of Canada (member no. 4128, and a member of the Association of Exploration Geochemists and the Canadian Institute of Mining, Metallurgy and Petroleum
5. I participated in field work on the North Scud property during September 1990 and am co-author of the Summary Report that discusses the results of that work
6. I prepared the Recommendation for Further Work that accompanies this statement
7. I consent to the use by Apex Energy Corporation of this Recommendation for Further Work in any document or instrument required in support of financing in accordance with provisions of the Office of the Securities Commission or the Vancouver Stock Exchange
8. I have no personal interest in the shares or properties of Apex Energy Corporation and I do not expect to acquire any such interest


Erik A. Ostensoe, FGAC.

Prepared and signed at Vancouver, B. C. on January 23, 1991.

ITEM 11 CERTIFICATE OF THE DIRECTORS AND PROMOTERS

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its Regulations.

March 12, 1991

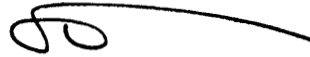


JOHN KENNETH RALFS,
Director, President,
Promoter, CHIEF EXECUTIVE
OFFICER & CHIEF FINANCIAL
OFFICER

ON BEHALF OF THE BOARD OF
DIRECTORS OF THE ISSUER:



DAVID ST. CLAIR DUNN,
Director



DONALD DOUGLAS SHARP,
Director

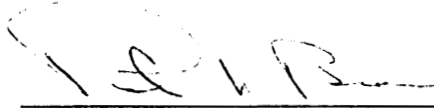
ITEM 11 CERTIFICATE OF THE AGENT

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its Regulations.

March 12, 1991

L.O.M. WESTERN SECURITIES LTD.

Per:



(authorized signatory)

Peter Brown

(name, please print)