

PROSPECTUS

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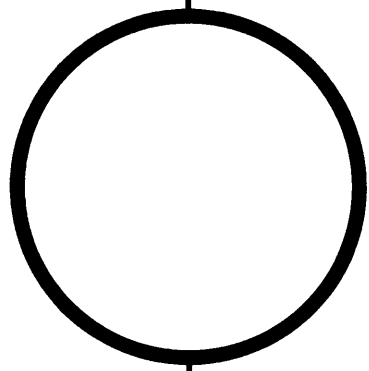
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**Apex
Exploration
and Mining
Company
Ltd.**

(N.P.L.)

001551

PROPERTY FILE



Prospectus

APEX

EXPLORATION AND MINING COMPANY LTD.

(NON-PERSONAL LIABILITY)

INCORPORATED IN THE PROVINCE OF BRITISH COLUMBIA

Directors: Norman E. Giddy
Harold S. Wish
Garnet E. Willis
Gordon Ramsay
Thomas Harold Hines
Cornel Neronovich

Registered Office: 125 Nanaimo Avenue, West, Penticton, B.C.

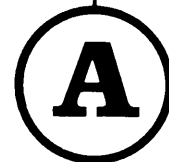
Consulting Engineer: W.J. Weymark, P. Eng.

Transfer Agent: Guaranty Trust Company of Canada

Auditors: Messrs. Gunderson, Stokes, Walton & Company

Solicitors: Messrs. Callaghan, Gilchrist & Collver

Capitalization: \$1,500,000.00 divided into 3,000,000 shares
with a nominal or par value of 50¢ each.



NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.

STATUTORY INFORMATION

(a) Apex Exploration and Mining Company Ltd. (N.P.L.) (hereinafter called "the Company") has its registered office at 125 Nanaimo Avenue, West, in the City of Penticton, Province of British Columbia and its head office at 306 Martin Street in the said City of Penticton.

(b) The Company was incorporated as a private company by Memorandum of Association under the Companies Act of the Province of British Columbia by Certificate of the Registrar of Companies issued on the 14th day of July, A.D. 1965. The Company was converted to a public company by Certificate of the Registrar of Companies issued on the 2nd day of December, A.D. 1966.

(c) On the 8th day of August, A.D. 1966, the Company was converted to a specially limited company and at the same time altered and increased its authorized capital from \$100,000.00 divided into 100 shares with a nominal or par value of \$1,000.00 each to \$1,500,000.00 divided into 3,000,000 shares with a nominal or par value of 50¢ each.

(d) The full name, occupation and home address of each Director and Promoter of the Company is as follows:-

NAME AND ADDRESS	OCCUPATION
Norman E. Giddy 1103 Woodland Drive Penticton, B.C.	Realtor
Harold S. Wish 1242 McPherson Crescent Penticton, B.C.	Real Estate Salesman
Garnet E. Willis Keremeos, B.C.	Rancher and Prospector
Gordon Ramsay Keremeos, B.C.	Rancher and Prospector
Thomas Harold Hines 1258 Main Street Penticton, B.C.	Businessman, now retired
Cornel Neronovich 305 Windsor Avenue Penticton, B.C.	Businessman, now retired

The Promoter of the Company may be deemed to be the Board of Directors as such, whose addresses and occupations are described above.

(e) The Auditor of the Company is Messrs. Gunderson Stokes Walton & Company, Chartered Accountants, 304 Martin Street, Penticton, British Columbia.

(f) The Registrar and Transfer Agent for the Company is Guaranty Trust Company of Canada, 624 Howe Street, Vancouver 1, British Columbia.

(g) The authorized capital of the Company is \$1,500,000.00 divided into 3,000,000 common shares with a nominal or par value of 50¢ each, of which 1,239,000 shares have been issued as fully paid and non-assessable. There is no other class of shares.

(h) The Company has not created or issued any bonds or debentures, nor does it propose to do so and no bonds or debentures are offered by this Prospectus.

(i) Pursuant to the terms of an Escrow Agreement, Certificates representing 750,000 shares of the capital stock of the Company are held in escrow by the Guaranty Trust Company of Canada, Vancouver, B.C., subject to release or transfer only with the written consent of the British Columbia Securities Commission. If the Company loses, or does not obtain good and marketable title to, or abandons, or discontinues development of any properties which was, or formed part of the consideration for any of the securities in escrow hereunder, or if the property is subsequently found not to be as represented, immediate notice thereof shall be given to the Superintendent of Brokers, and there shall be surrendered by way of gift to the Company for cancellation, such number of escrow shares, as the Superintendent of Brokers in his sole discretion deems fair and equitable and in such manner or proportion as the Superintendent of Brokers may direct.

(j) The Company has sold the following shares for cash to date:-

Number of Shares	Price Per Share	Discount	Total Cash Received
4,000	50¢	Nil	2,000.00
225,000	10¢	40¢	22,500.00
60,000	15¢	35¢	9,000.00
200,000	35¢	15¢	70,000.00
			\$103,500.00

No commissions were paid on the allotment and issue of the above shares.

(k) No securities other than shares have been sold for cash to date.

(l) Under the terms of an Agreement in writing dated September 27, 1966, the following parties transferred some of the Mineral claims referred to in paragraph (m) (i) herein to the Company in consideration for the allotment and issue by the Company of 735,000 shares of its capital stock as fully paid and non-assessable as follows:-

Gordon Ramsay Keremeos, B.C.	142,500 shares
Garnet E. Willis Keremeos, B.C.	142,500 shares
Jean Willis Keremeos, B.C.	135,000 shares

Irene Bellamy Keremeos, B.C.	135,000 shares
Norman E. Giddy 1103 Woodland Drive Penticton, B.C.	90,000 shares
Harold S. Wish 1242 McPherson Crescent Penticton, B.C.	90,000 shares

In addition, on the 30th day of September, A.D. 1966, Joseph McDonald, 202 Windsor Avenue, Penticton, B.C. received 15,000 shares in the capital stock of the Company as fully paid and non-assessable in consideration for the transfer by him to the Company of the Jill No. 1 – Jill No. 7 mineral claims which are included with the mineral claims more particularly described in paragraph (m) (i) herein. All of the mineral claims and leases owned by the Company, as described in paragraph (m) (i) herein are located in the Olalla-Keremeos area, Osoyoos Mining Division, Province of British Columbia.

(m) (i) The Company is the recorded owner of the following mineral claims which it acquired from the vendors described in paragraph (1) herein:—

NAME OF CLAIM	RECORD NUMBER
KOPR #1 – #4	9368 – 9371
KOPR #6	10326
PAPEX #1 – #6	10067 – 10072
PACHEX #1 – #2	10092 – 10093
PACHEX #3 FRACTION – #6 FRACTION	10094 – 10097
PACHEX #7 FRACTION – #8	10098 – 10099
PACHEX #9 – #10	10100 – 10101
PACHEX #11 – #18	10102 – 10109
LUCKY JEAN FRACTION	10091
MARBLE #1 – #2	8741 – 8742
GORDON #1 – #8	14867 – 14874
WAMPUS #1 – #10	14875 – 14884
WAMPUS #11 – #16	14885 – 14890
PROSPER #1 – #6	15539 – 15544
JILL #1 – #4	10110 – 10113
JILL #5 – #7	10322 – 10324

The Company is also the recorded or beneficial owner of the following mineral claims and leases which it acquired by staking at an approximate cost of \$2,000.00:—

NAME OF CLAIM OR LEASE	RECORD OR LEASE NUMBER
PACHEX #19 – #20	13579 – 13580
PACHEX #21 – #22	13581 – 13582
PAYCHEX #23 – #24	14630 – 14631
PAYCHEX #25 – #26	14632 – 14633
PROSPER #7 – #10	15545 – 15548
PROSPER #11 to #24	15549 – 15562
STORMY #1 – #6	16789 – 16794

GIDDY #1, #2, #4	16795, 16796, 16798
BOUNTY #1 - #3	16799 - 16801
SUMMIT #3 - #4	17151 - 17152
LINDA	17493
LINDA M.	17494
L. 692 L. 695 L. 694	
UTOPIA, ACADIA AND ACACIA	M49
AUSTRALIAN L. 690	M50
ALPHA L. 691	M62
APEX, GOLDSMITH, INDEPENDENCE, NELSON	M53
L. 659 L. 1101 L. 256	L. 1102

(all of the above mineral leases and claims shall hereafter be called "the said claims").

Nelson Cr. L. 1102

It would appear that Prosper #3 to #6 inclusive, bearing record No. 15541 to 15544, Stormy #4 and #6, bearing record No. 16792 and 16794, Stormy #5, bearing record No. 16793, Bounty #2, bearing record No. 16800 and Bounty #3, bearing record No. 16801 are staked in contravention of Section 12, sub-section 1 of the Mineral Act and the Company does not propose to spend monies on the development of these claims until good title has been established.

The Linda and Linda M Claims are presently in the name of Jean Willis, one of the Vendors, but the Company is the beneficial owner thereof and formal title to the said claims is to be transferred to the Company.

With the exception of the Linda, Marble claims, the said claims are situated in the Apex-Dividend-Anderson Mountain areas in the Okanagan Range, Interior Plateau area of the Osoyoos Mining Division of British Columbia. The Linda, Marble claims are in the Ashnola River-Bighorn Creek area, some 25 miles to the southwest. The Linda, Marble claims are 25 miles south-west of Keremeos and the remainder of the said claims 15 miles south-west of Penticton. The Linda, Marble claims represent a marble prospect, while the balance of the said claims represent a copper-gold-silver prospect.

(m) (ii) The names and addresses of all Vendors of the said claims as described in paragraph (m) (i) herein and the consideration received by each follows:-

NAME AND ADDRESS	CONSIDERATION
Gordon Ramsay, Keremeos, B.C.	142,500 shares in the capital stock of the Company.
Garnet E. Willis, Keremeos, B.C.	142,500 shares in the capital stock of the Company.
Jean Willis, Keremeos, B.C.	135,000 shares in the capital stock of the Company.
Irene Bellamy, Keremeos, B.C.	135,000 shares in the capital stock of the Company.
Norman E. Giddy, 1103 Woodland Drive, Penticton, B.C.	90,000 shares in the capital stock of the Company.
Harold S. Wish, 1242 McPherson Crescent, Penticton, B.C.	90,000 shares in the capital stock of the Company.

Joseph McDonald,
202 Windsor Avenue,
Penticton, B.C.

15,000 shares in the capital
stock of the Company.

All of the above shares were allotted and issued by the Company as fully paid and non-assessable and these are the shares referred to in paragraph (i) herein.

(m) (iii) So far as the signatories hereto are aware, no person or company has received or will receive from the Vendors of the said claims an interest in the consideration received greater in amount than one-twentieth (1/20) thereof.

(m) (iv) For a description of the means of access to the said claims, see the Report of William J. Weymark, P. Eng. dated the 1st day of November, A.D. 1966 attached hereto and forming part of this Prospectus.

(m) (v) For a description of all underground exploration, development, plant and equipment on the said claims, see the said Report of William J. Weymark, P. Eng.

(m) (vi) For a description of all surface exploration, development, plant and equipment on the said claims, see the said Report of William J. Weymark, P. Eng.

(m) (vii) For a history of the said claims and of the general area, see the said Report of William J. Weymark, P. Eng.

(m) (viii) To date, the Company under present management, has carried out prospecting, bulldozer trenching, grid-line cutting and establishment, geophysical and geochemical surveys, diamond drilling, surface and underground topographical surveys of the old workings, together with sampling and commencement of geological mapping at a total cost of approximately \$35,000.00. On the Marble claim group, the Company has carried out preliminary tests and bulldozer stripping with the result that samples have been shipped to Coast Eldridge Engineers and Chemists for assessment. The cost of this work was in the neighbourhood of \$5,000.00. For a further and more detailed description of work carried out by the Company on the said claims, see the said Report of William J. Weymark, P. Eng.

(n) There are no underwritings, options, sub-options, or sub-underwriting agreements outstanding at the present time. The Company offers by this Prospectus 200,000 shares at a price of 65¢ per share. No discount will be allowed on the purchase price of the shares offered hereby, but commissions of 25 percent (maximum) are payable.

(o) The Company intends to use \$130,000.00, being the proceeds from the sale of the aforesaid 200,000 shares as follows:-

1. Payment of Commissions (maximum)	\$32,500.00
2. To complete carrying out the recommendations of William J. Weymark, P. Eng. in his report attached hereto. (when combined with monies already on hand)	85,000.00
3. Legal and Audit	2,500.00
4. Reserve for contingencies	<u>10,000.00</u>
TOTAL:	\$130,000.00

At the date hereof the Company has approximately \$70,000.00 in its treasury, \$40,000.00 of which it intends to combine with the \$85,000.00 referred to above to complete carrying out the recommendations of William J. Weymark, P. Eng. in his said report.

No part of the proceeds will be used to invest, underwrite, or trade in securities other than those that qualify as investments in which Trust Funds may be invested under the laws of the jurisdictions in which the securities offered by this Prospectus may lawfully be sold.

Should the registrant propose to use the proceeds to acquire non-trustee type securities after the initial distribution of the securities offered by this prospectus, approval by the shareholders will be obtained and disclosure will be made to the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

(p) The Company has been incorporated for more than one year and no further expense on preliminary matters are contemplated.

(q) No indebtedness is to be created or assumed by the Company that is not shown on the balance sheet reported on by Messrs. Gunderson, Stokes, Walton & Company, dated the 31st day of October, A.D. 1966, attached hereto and forming part of this Prospectus, save and except costs that are incurred in carrying out the said program

(r) The principal business of each Director of the Company for the past three years and the present business is as follows:-

NAME AND ADDRESS	OCCUPATION
Norman E. Giddy 1103 Woodland Drive Penticton, B.C.	Manager – Mercier & Neil Realty, Penticton, B.C.
Harold S. Wish 1242 McPherson Crescent Penticton, B.C.	Real Estate Salesman – Mercier & Neil Realty
Garnet E. Willis Keremeos, B.C.	Self-employed Rancher, Prospector
Gordon Ramsay Keremeos, B.C.	Self-employed Farmer, Prospector
Thomas Harold Hines 1258 Main Street Penticton, B.C.	Hardware Merchant, now retired.
Cornel Neronovich 305 Windsor Avenue Penticton, B.C.	Sawmill Owner, now retired.

(s) Norman E. Giddy, Harold S. Wish, Garnet E. Willis and Gordon Ramsay, all being Directors of the Company and whose addresses have been provided herein, have an interest in property acquired by the Company in that they are Vendors of the said claims, as described in paragraph (m) (ii) herein.

(t) No remuneration has been paid by the Company to any of its Directors or Officers as such. Garnet E. Willis has been paid the sum of \$1,954.00 for services rendered to the Company in the form of assistance in exploration and development work in the field since the 14th day of July, A.D. 1965 to November 30, 1966. During the same period of time, Gordon Ramsay received the sum of \$1,113.50 for similar work and Harold S. Wish was paid the sum of \$1,000.00 for similar work during the period July 14, 1965 to August 31, 1966. Norman E. Giddy was paid the sum of \$1,000.00 as general manager for the Company during the period July 14, 1965 to August 31, 1966.

(u) It is not anticipated that remuneration will be paid by the Company to any of its Directors or

Officers as such during the current fiscal year. Harold S. Wish has been acting as general manager for the Company since September 1, 1966 at a salary of \$200.00 per month. If any of the other Directors are employed by the Company, they shall be paid at a salary commensurate with their responsibilities.

(v) The owners of shares issued for a consideration other than cash being Gordon Ramsay, Garnet E. Willis, Jean Willis, Irene Bellamy, Norman E. Giddy, Harold S. Wish and Joseph McDonald could, if they voted in concert, elect or cause to be elected a majority of the Board of Directors of the Company. So far as the signatories hereto are aware, there is no agreement to vote these shares in concert. The total number of shares issued for consideration other than cash and owned by the above individuals is 750,000 shares and these are the shares referred to in paragraphs (i) and (1) herein.

(w) No dividends have been paid by the Company.

(x) (i) When the escrowed shares referred to in paragraph (i) herein are released from escrow by the British Columbia Securities Commission from time to time, those shares may be sold by the owners thereof, as shown in paragraph (1) of this Prospectus under this or subsequent Prospectuses at the offering price to the public from time to time in those Prospectuses without the proceeds of the sale accruing to the benefit of the treasury of the Company.

(x) (ii) Certificates representing 489,000 shares sold for cash are being held in pool by Messrs. Callaghan, Gilchrist & Colver, Barristers and Solicitors, 125 Nanaimo Avenue, West, Penticton, B.C., until completion of primary distribution of the securities offered hereby and pending receipt of written consent of the British Columbia Securities Commission to their release. These are the shares referred to in paragraph (j) herein.

There are no further material facts which are not disclosed by this Prospectus.

(y) The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of the securities referred to above, as required by the Securities Act of the Province of British Columbia, and there is no further material or information applicable other than in the financial statements or reports where required.

DATED at Vancouver, B.C. this 6th day of December, A.D. 1966.

"Norman E. Giddy"

NORMAN E. GIDDY - Director,
Promoter

"Harold S. Wish"

HAROLD S. WISH - Director,
Promoter

"Garnet E. Willis"

GARNET E. WILLIS - Director,
Promoter

"Gordon Ramsay"

GORDON RAMSAY - Director,
Promoter

"Thomas Harold Hines"

THOMAS HAROLD HINES - Director,
Promoter

"Cornel Neronovich"

CORNEL NERONOVICH - Director,
Promoter

APEX EXPLORATION & MINING CO. LTD. (N.P.L.)
 REPORT ON THE APEX MINERAL CLAIM HOLDINGS

Olalla - Keremeos Area, Osoyoos Mining Division, British Columbia, 1 November 1966

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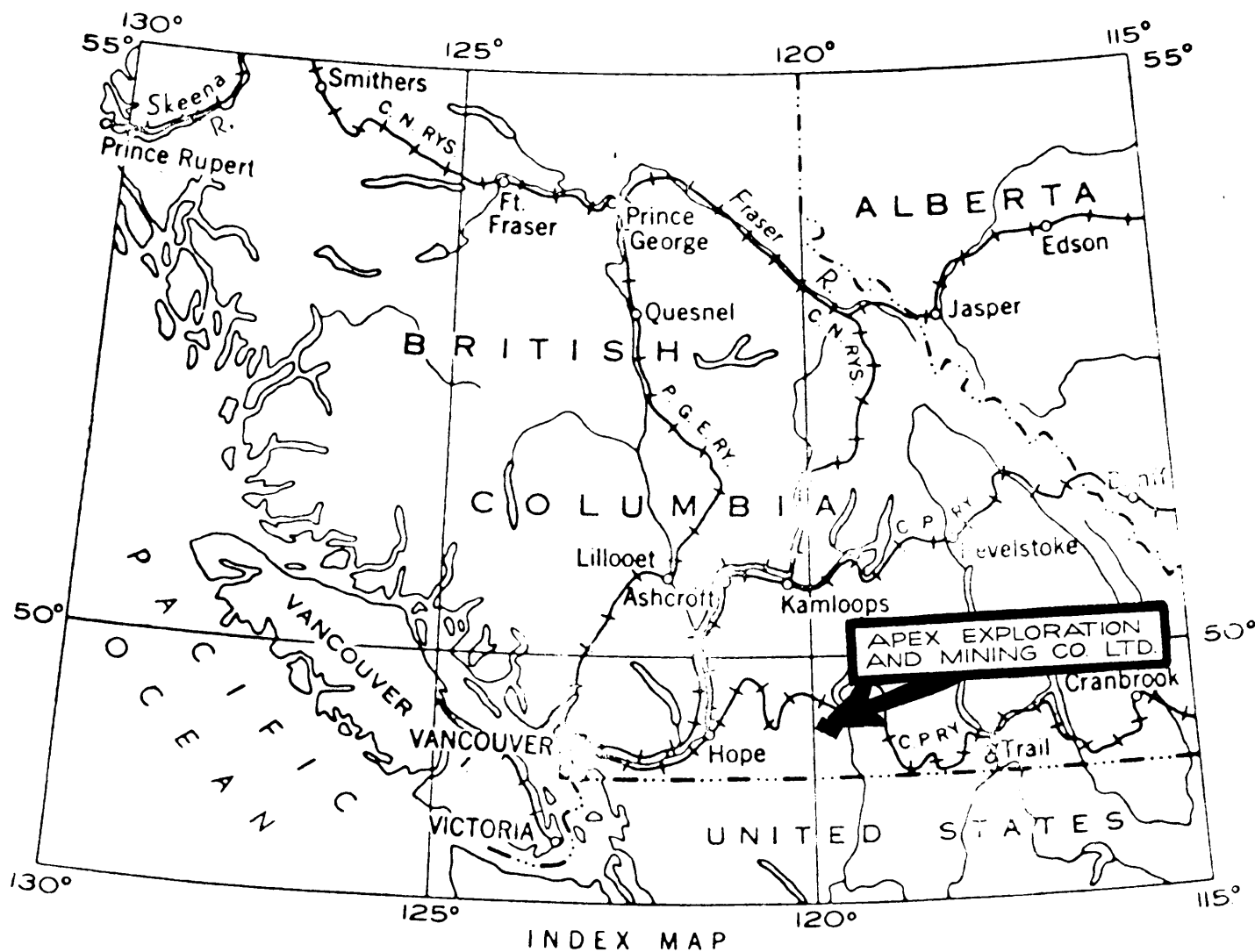
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LOCATION - APEX EXPLORATION & MINING CO. LTD. CLAIM HOLDINGS
 OSOYOOS MINING DIVISION—BRITISH COLUMBIA

REPORT ON THE MINERAL CLAIM HOLDINGS, OLALLA-KEREMEOS AREA
OSOYOOS MINING DIVISION, BRITISH COLUMBIA

for

APEX EXPLORATION AND MINING COMPANY LTD.

by

W.J. Weymark, P. Eng., President, Weymark Engineering Ltd.

Vancouver, B.C.

1 November 1966

1.0 INTRODUCTION

This report presents a general description of the mineral claim holdings of Apex Exploration and Mining Co. Ltd. (N.P.L.), situated in the Olalla-Keremeos Area, Osoyoos Mining Division of British Columbia, together with a review of the exploration work carried out to-date.

The text of the report covers the background history of mining activities carried out by previous holders and investigators in the area, the scope of the investigation programme completed and currently underway on the claims since procurement by Apex Exploration & Mining Co. Ltd. (N.P.L.) hereinafter designated "Apex".

During this period general supervision of the work has been under the direction of F.G. Ramsey of Keremeos. Engineering direction of the work has been under the supervision of Weymark Engineering Ltd, since the 15th September 1966.

Recommendations are included in the report relating to the continuation and extension of a programme of investigation to assess the mineral potentialities of the claims holdings.

2.0 OBSERVATIONS

On the basis of the available information and results of the field analyses and conducted tests reviewed in the report, the following general observations are presented.

- (a) The Apex mineral claim holdings situated in the Osoyoos Mining Division of British Columbia are favourably situated with respect to geological formations suitably known in the area as host rocks for commercial mineral deposition and resources to support mineral exploration and mining.
- (b) The geological formations of the Apex Mountain and Anderson Mountain designated claim groups are similar to those underlying the previously producing Hedley Mascot and Nickel Plate mines which produced significant quantities of gold-silver and copper ores.
- (c) The Anderson Mountain and Apex Mountain claim groups presently afford opportunities in the exposed mineral zones (surface and in old underground workings) for the location of commercial gold-silver-copper ore potentialities.

(d) The Marble and Linda claims groups contain deposits of marble, conforming to A.S.T.M. classification for calcite marble but have not been sufficiently tested to determine industrial building or other usage potentialities, however they do present opportunities for commercial exploitation.

(e) Additional investigation of the mineral potentialities of the Apex claims, on the basis of presently available information, is warranted and should be carried out so as to extend the located mineral zones and the possibilities in the unexplored sections of the claims.

The works programme should consist of geological surveys, trenching, diamond drilling, engineering and laboratory tests to determine the association and geometry of mineral deposition with the host rock formations.

In addition, marketing studies should be conducted to assess the commercial potentialities of the marble deposits located on the Marble and Linda claim groups.

3.0 OPINION

I consider that further exploration and investigation of the mineral, metallic and industrial, potentialities of the Apex Exploration & Mining Co. Ltd. (N.P.L.) claim holdings situated in the Osoyoos Mining Division of British Columbia is warranted. The recommended programme of exploration, involving geological surveys, trenching, diamond drilling (surface and underground) sampling, engineering and laboratory tests and analyses should be undertaken as soon as practicable. The cost of the programme of investigation for 1966-67 is budgeted at \$125,000.

4.0 PROPERTY, LOCATION AND DESCRIPTION

4.1 Property

The mineral claim holdings of Apex are located in the Olalla-Keremeos Area, Osoyoos Mining Division of British Columbia. Reference is to the Frontispiece and consist of 9 mineral claims held under 4 leases and 103 recorded or located claims. See Figures 2 and 3.

All of the mineral claim holdings are currently in good standing with respect to the requirements of the Mineral Act of British Columbia, insofar as assessment work provisions require, and extend to the earliest date of 24 March 1967 with others extending at various dates through to 29 October 1968. According to legal opinion Apex is the beneficial holder of the claims and other mineral holdings itemized in this report.

The designated name record number and expiry date for each claim holding currently held by Apex is listed in the tabulation given below and shown graphically on Figure 2.

Name and Number	Record Number	Tag Number	Expiry Date
i. Recorded Claims			
KOPR 1-4	9368-71	481060-63	August 24, 1968
KOPR 6	10326	592027	October 29, 1968

4.0 Property, Location and Description – Continued

i Recorded Claims

Name and Number	Record Number	Tag Number	Expiry Date
PAPEX 1-6	10067-72	560631-36	June 2, 1968
PACHEX 1-2	10092-93	560637-38	June 14, 1968
PACHEX 3Fr-6Fr	10094-97	560639-42	June 14, 1968
PACHEX 7Fr-8	10098-99	414160-61	June 14, 1968
PACHEX 9-10	10100-01	481064-65	June 14, 1968
PACHEX 11-18	10102-09	481185-92	June 14, 1968
PACHEX 19-20	13579-80	592035-36	March 24, 1967
PACHEX 21-22	13581-82	592041-42	March 24, 1967
PAYCHEX 23-24	14630-31	592039-43	May 9, 1967
PAYCHEX 25-26	14632-33	691106-05	May 9, 1967
PROSPER 7-10	15545-48	69165-68	June 20, 1967
PROSPER 11-24	15549-62	691673-86	June 20, 1967
STORMY 1-6	16789-94	671625-30	September 8, 1967
GIDDY 1-4	16795-98	713634-37	September 8, 1967
BOUNTY 1-3	16799-16801	713631-33	September 8, 1967
JILL 1-4	10110-13	562877-80	June 16, 1968
JILL 5-7	10322-24	491939-41	October 25, 1968
SUMMIT 3-4	17151-52	713641-42	September 22, 1967
LUCKY JEAN Fr.	10091	236195	June 14, 1968
MARBLE 1-2	8741-42	394371-72	February 18, 1967
GORDON 1-8	14867-74	6911107-14	May 20, 1967
WAMPUS 1-10	14875	691115-24	May 20, 1967
WAMPUS 11-16	14885-90	691577-82	May 20, 1967
PROSPER 1-6	15539-44	691659-64	June 20, 1967
LINDA		713752	October 12, 1966
LINDA M		713751	October 12, 1966

ii. Mineral Leases

Utopia, Acadia and Acacia	No. M49	Rental period to June 1, 1967
Australian	No. M50	Rental period to June 1, 1967
Alpha	No. M62	Rental period to June 20, 1967
Apex, Goldsmeth, Independence, Nelson	No. M53	Rental period to August 15, 1967

Mineralized zones and areas have been located on various parts of the Apex claim holdings, containing various types and degrees of enrichment of copper, gold and silver minerals as well as deposits of industrial marble. All of these minerals are of economic significance. However, to date no deposits of metallic minerals have been located of commercial value, although other deposits in the area with similar mineralization have been exploited in the past.

The noted producing mines in the area in the past with commercial importance were Hedley Mascot, the Nickel Plate and the Stemwinder Mines. See Figure 4.

Readily available statistics relating to the Hedley Mascot mining operations during the 1936-49 period record a production of 682,385 tons producing 223,082 ounces of gold, 54,882 ounces of silver, and 1,919,832 pounds of copper.

According to the same information source, Index No. 3, entitled "Recorded Lode-Metal Production", published by the British Columbia Department of Mines, the Nickel Plate Mine produced 3,099,396 tons during the 1904-1953 period containing 1,272,185 ounces of gold, 125,065 ounces of silver, and 2,157,473 pounds of copper.

In addition to the past notable mines, there has been small tonnage-output recorded from several smaller mineral claim holdings in the area, including that from the Apex Mine in the immediate area of the current Apex holdings. Deposits of marble have been currently located on the Marble and Linda group of claims.

4.2 Location

The location of the Apex group of claims is shown on the Frontispiece - Figure 1 and the individual claims with respect to one another on Figures 2 and 3. The approximate geographical reference is 120°00' West and 49°15' North. The location of Linda claims is shown on Figure 3.

Geographically the claims are situated in the Okanagan Range, Interior plateau area of British Columbia and, more particularly, located in the Apex Dividend-Anderson mountain areas, except the Linda group which is in the Ashnola River-Bighorn Creek area some 25 miles to the southwest. The Apex group is situated 15 miles southwest of Penticton and the Linda group 25 miles southwest of Keremeos. The respective applicable reference maps are the Penticton, B.C. Sheet 82 E/SW, Second Status Edition and the Princeton B.C. Sheet 92 H/SE, Second Edition, National Topographic System, Department of Lands and Forests, British Columbia.

The major distributing centers in the area are Penticton and Keremeos. Vancouver is 240 miles by automobile road.

4.3 Description

As noted previously, the Apex claim holdings consist of 9 claims held under four leases and 103 recorded claims. For the purpose of this report the claim holdings have been divided into four groups designated as follows and as shown on Figures 2, 3 and 4.

(a) The Apex Mountain Group - involving the claims held under mineral leases Nos. M49, M50, M53 and M62 and recorded claims Stormy Nos. 1-6, Giddy Nos. 1-4, Bounty Nos. 1-3, Summit Nos. 3 and 4.

(b) The Anderson Mountain Group - involving Kopr claims Nos. 1-4, 6, the Papex claims Nos. 1-6, the Pachex claims Nos. 1-24, the Paychex claims Nos. 23-26, the Wampus claims Nos. 1-16, the

Lucky Jean Fr., the Prosper claims Nos. 1-24, the Jill claims Nos. 1-7 inclusive.

- (c) The Marble Group – consisting of Marble claims Nos. 1 and 2.
- (d) The Linda Group – consisting of Linda and Linda M claims.

There are no structures or equipment on any of the aforementioned claims belonging to Apex Exploration & Mining Co. Ltd. (N.P.L.). Workings consist of various amounts of surface trenches, test pits, underground adits, shafts, drifts and crosscuts in addition to access roads.

5.0 ACCESSIBILITY, CLIMATE AND LOCAL RESOURCES

5.1 Accessibility

The Apex Mountain claim group is readily accessible from Penticton via an 11-mile paved road to Apex Resort, then an improved secondary gravel road for a distance of 9 miles to the Apex Ski Lodge and then four miles to the Apex Mine Portal, a total distance of 24 miles.

The Anderson Mountain claim group is reached either by the newly constructed bulldozer road from the Apex Mine Portal involving a distance of 5 miles or alternatively from Olalla via the Cedar Creek Ranch Road, involving a distance of 10 miles.

The Marble group of claims is reached by logging road from Highway No. 3 at Olalla and involves a distance of 6 miles.

The Linda group of claims is reached from Highway No. 3 via a logging road which parallels the Ashnola River, from a turn-off point located 8 miles west of Keremeos.

All of the claims may be reached by automobile during the snow-free seasons, however, they are relatively inaccessible during the winter months due to snow conditions.

Transportation and haulage of heavy equipment to the claim areas is restricted, except during the summer months.

Commercial airlines maintain regular daily service from Vancouver to Penticton and truck and rail-haul facilities are also available at Penticton. These provide transshipment facilities for freight to and from the claims.

No telecommunication facilities are available in the claim areas, except at Highway No. 3 communities.

5.2 Climate

Climatic conditions of the claim areas are continental in nature, being classified as the Interior South Climatic Division of British Columbia. The prevailing climate in the vicinity of the claims, especially at altitudes over 5000 feet, is normally considered to be dry. The elevation of the Apex Lookout area (Apex Mine Portal) is 7372 feet above sea level. During winter months, there is considerable snow fall and in respect of this climatic feature, the Apex Ski Lodge is established and maintained nearby.

Comparative climatological statistics are given in the following tabulation for Hedley and Penticton, the nearest published records. Data are collected at Apex Lookout, but these are not readily available.

Temperature and Precipitation Records

Location	Elevation	Temperature			Precipitation		Years of Record
		Mean Max.	Mean 0 F	Mean Min.	Total Inches	Snow	
Hedley	1720	106	44	-27	10.7	29.9	56
Penticton	1140	105	48	-16	11.7	26.7	56

It is considered that climatic conditions would limit to a degree, mining and exploration operations during the winter months under present conditions of access but should operations require, then adequate facilities could be provided to overcome these apparent climatic difficulties.

5.3 Physiography

The claims in the vicinity of Apex Mountain Lookout are located between the 6500 to 7400-foot elevation and extend across the curve that forms the basin on the northern slope. See Figure 4.

The claims located in the vicinity of Anderson Mountain are located in the 5000 to 6500-foot elevation range.

The Marble claim group are located on the eastern face of the escarpment forming the drainage watershed of Olalla Creek and are at the 5000-5500-foot elevation range.

The Linda claims are located along the southeastern slopes forming the divide between Skwekust Creek and Cathedral Creek and are at about the 5000-foot elevation range in altitude.

In general, the topographical background of all the claims is rugged and mountainous with slopes ranging from steep to moderate in altitude. General topographic features are shown on Figure 4.

There are several rivers, streams and lakes with perennial flows located within and adjacent to all the claim areas. There appears to be sufficient water available for any reasonable scale of mining operations that may be developed in the future. Reference is Figure 4.

5.4 Local Resources

Supplies of timber and water are sufficient on the mineral claims to support mining development and operations on the scale that ever might be considered. All other mining resource requirements such as building materials, equipment, supplies and labour would have to be obtained from the nearby centers of Penticton, Keremeos and Princeton. Major store and equipment items would have to be obtained from Vancouver and other outside centers.

The nearest power source is the transmission system of West Kootenay Light and Power Company Ltd. which follows Highway No. 3 and services the communities in the area.

Petroleum products are available in the bulk loading stations at Penticton, Princeton and local centers.

6.0 HISTORY

6.1 General

Gold, silver, copper and other commercial mineral depositions have been known to exist in the Hedley-Olalla area since before the turn of the century. The most notable producing mines in the past were the Hedley Mascot, 1936-49 with a recorded production of 682,355 tons containing 223,032 ounces of gold, 54,882 ounces of silver and 1,919,832 pounds of copper; the Hedley Monarch (1948) with a production of 255 tons containing 137 ounces of gold, 121 ounces of silver and 461 pounds of copper; the Nickel Plate (including French) with a production of 3,099,396 tons containing 1,272,185 ounces of gold, 1,272,185 ounces of silver and 2,157,473 pounds of copper. In addition to these producers ores were marketed from several of the smaller mineral zones, some of which are located within the claim areas of Apex. Reference is to the B.C. Minister of Mines Reports 1900-1965.

The recorded production of the Apex mine proper in 1945 was 109 tons containing 185 ounces of gold, 54 ounces of silver and 1518 pounds of copper, equivalent to a gross value of \$7,881.20 with gold priced at \$38.50 per ounce, silver at \$1.40 per ounce and copper at \$0.45 per pound. On a tonnage basis, this ore would be valued at \$72.30 per ton.

According to the available records, Apex Exploration & Mining Co. Ltd. (N.P.L.) was formed in July 1965 and acquired the Anderson Mountain claim group from the original locators, subsequently in 1966 the Apex Mountain group and leases were acquired. The Marble group was staked in February 1963 and later transferred to Apex. The Linda group was staked in September 1966 and an application to lease the claims area has been made to the Gold Commissioner, B.C. Department of Mines and Petroleum Resources.

Progressively since acquisition of the claims, Apex has carried out the necessary assessment work in accordance with the regulations of the Department of Mines and Petroleum Resources of British Columbia. Reference is to Section 4 with respect to the status and controlling expiry dates of the claim holdings.

7.0 GEOLOGY

7.1 General

In this section of the report a brief resume is given of the geological, lithological and structural characteristics of the rock formations on a regional as well as local control basis of the Hedley-Olalla area in the vicinity of the Apex holdings.

7.2 Regional

The regional geology consists of a great thickness of banded argillaceous, calcareous and quartzitic sediments intruded by irregular masses of igneous rocks. The intrusions consist of masses of hornblende and augite diorite in the form of stocks, dykes, and sills. The outer rim formations of the area consist primarily of large bodies of younger granodiorite and dykes of andesitic and lamprophyric characteristics. Reference is to Figure 5, being map 628A, Olalla Sheet of the Mines and Geology Branch, Department of Mines and Resources, Geology by H.S. Bostock, 1927.

Considerable faulting has taken place in the area and the most notable is the Bradshaw fault which passes through the lowermost section of 20-mile Creek on the west side of Nickel Plate Mountain. The

sediments generally dip northwesterly throughout the area. The dip is gentle on Nickel Plate Mountain but becomes steeper to the west. Locally in places the sediments are contorted, faulted and have reversals in dip.

Mineralization in the area consists of arsenopyrite, pyrrhotite, Pyrite, chalcopyrite, and sphalerite disseminated in the rock formations. The arsenopyrite generally contains all of the gold values, although some values have been obtained in the pyrrhotite.

References relating to the geological characteristics of the area are reports of Charles Camsell, Geological Survey of Canada, Memoir 2, 1910; H.S. Bostock, Geological Survey of Canada, Summary Report, 1929, Part A; Annual Reports of the Minister of Mines, 1901 to 1935.

7.3 Local Geology

Specific details relating to the rock formations underlying the Apex mineral claim holdings are lacking at the present time because of the preliminary nature of the investigations carried out to date by Apex and the lack of information relating to the work carried out by previous investigators.

In general, the dominant rock formations underlying the claims in the vicinity of Lookout Mountain are argillites and related volcanics and sediments, intruded by hornblende augite diorite and porphyritic masses.

The rock formations exposed in the Anderson Mountain area appear to be mostly composed of cherts, tuffs, greenstone and limestones of the Shoemaker Formation which have been intruded by masses of dioritic composition.

The rock formations in the marble deposit areas are primarily limestone-argillites with basic intrusives acting as controls.

Structurally the dominant feature in the Anderson Mountain area is the wide shear zone ranging in widths to several hundred feet and extending for miles. See Figure 5. This zone is well fractured and oxidized.

The features controlling structural characteristics in the Apex Mountain area are fissures and fractures in sediments which appear to be related to intrusive activity. Although the trend of these fissures and fractures appears to be persistent in direction, they have been subject to considerable step faulting and displacement with consequent irregularity in dip and bearing of individual sections.

Considerable geological investigation is required on all the Apex claim holdings before an understanding of lithological and mineralogical characteristics may be obtained.

8.0 EXPLORATION AND DEVELOPMENT WORK

8.1 General

To date investigation of the possible mineralized areas of the Apex holdings has involved prospecting, trenching, diamond drilling, geophysical, geological and geochemical surveys. To the 31st October 1966, approximately \$40,000 had been spent on this work. Details relating to this work are presented in the following paragraphs.

8.2 Exploration and Development Work Completed

The work completed on the various claim groups to date has consisted of the following

(a) Anderson Mountain Group

To date some \$20,000 has been spent in exploring the mineral possibilities of this group of claims. Involved has been prospecting, bulldozer trenching, grid-line cutting and establishment, geophysical and geochemical surveys, diamond drilling and commencement of geological mapping. Some grab and other representative samples have been taken to assess mineral characteristics.

The dominant geological feature presently exposed on this claim group is the wide shear zone which extends from Papex No. 4 across Loak Creek to and beyond Kopr No. 2 claim. This zone strikes in a north-south direction and has a variable dip of about 70° to the east. Within exposed sections, including the six-foot adit on Papex No. 4 claim and the 100-foot or more adit and related test pits and trenches on Kopr No. 2 claim, there are several mineralized zones containing chalcopyrite, pyrrhotite, arsenopyrite and other sulphides.

The following assay values were obtained from representative chip samples taken by W.J. Weymark, P. Eng., on September 17, 1966.

	Number	Gold oz/ton	Silver oz/ton	Copper %	Location
Apex	17966N1	0.04	Tr	0.41	10,000N-00W
	17966N2	0.50	Tr	0.21	10,000N-20W

Assays of samples taken by others in this zone have ranged from 6.0% to 0.10% copper, trace to 0.01 oz. of gold and trace to 0.95 oz. of silver per ton.

No assays, logs or cores are available from the 400 feet of diamond drilling which was undertaken near the portal of the adit on Kopr No. 2 claim during 1965. It is apparent from examination of the location of the collars of the three holes drilled that they were not directed to intersect the mineralized sections of the shear zone in this location. The core and boxes have been upset and scattered over the portal area and therefore cannot be used as a reference.

In the exposed sections of the shear zone, there are several mineralized sections containing chalcopyrite, pyrrhotite and other sulphides extending over widths of a few feet to fifty or more feet in exposed areas. The cross trenched length extends over 2000 feet.

On the Papex No. 4 claim the shear zone has been traced for a length of over 500 feet and widths of 50 to over 150 feet. A 4-foot adit has been excavated in a heavily mineralized section, exhibiting chalcopyrite, pyrrhotite and other sulphides. Samples of this section have been taken, but the results are not available as of the date of this report.

Geochemical and magnetometer surveys of some of the Anderson claim group completed during the summer of 1966, involving an area of 6000 by 4400 feet have indicated several anomalous zones, however, no confirmatory work has been undertaken to the present date with respect to assessing commercial mineral possibilities.

(b) The Apex Mountain Group

Work to date on this group has involved some \$15,000 and included bulldozer road and trench construction, 50,000 lineal feet of grid line establishment, a geomag-geophysical survey, surface and under-

ground topographical surveys of the old workings and to date some 500 feet of underground diamond drilling in the Apex Mine, together with prospecting, sampling and commencement of geological mapping.

There are several exposed mineralized zones on the Apex group of claims, especially in the Apex Cirque as well as on the southern slope of Apex Mountain. These zones occur either as fissure veins or as replacement zones near the contact between the intrusives and the basement volcanic-sedimentary complex. Several of the mineral zones have been worked upon in the past and commercial ore has been mined.

The Apex mine was apparently explored in the early part of the century and some 108 tons were mined and shipped containing gold, silver and copper in the amount of about \$7,800 with metal priced at current levels.

The total length of the drifts, crosscuts and drill stations of the Apex mine totals 1650 feet, see Figure 6. Exposed on surface and underground are several mineralized sections which are not continuous, but maintain more or less a consistent strike. Diamond drilling is presently being undertaken primarily for the purpose of assessing geological structural characteristics and secondarily, the nature and extent of the mineralized sections. Several mineral intersections have been cut in the holes completed to date, containing arsenopyrite, pyrrhotite, chalcopyrite and other sulphides. Assay results for the samples taken have not been received to the date of this report.

Samples taken from other old workings of the Apex claim group have yielded the following results.

	Number	Gold oz/ton	Silver oz/ton	Copper %	Location
Apex	17966L1	0.03	Tr	1.10	North Adit, Portal Dump
Apex	17966S1	0.06	Tr	0.25	North Adit, Upper Zone
Apex	17966S2	0.02	0.34	1.00	North Adit, Portal Wall
Apex	81066QV	0.32	Tr	—	24-inch Quartz Vein, 2000 feet SE Apex Lookout

Spectrographic analysis conducted by the Department of Mines and Petroleum Resources on two samples recorded the following results.

Sample No. 3512B — A fraction of one percent of copper, and a very small fraction of one percent of nickel and cobalt were found; the other base metals found, and their percentages, were those occurring normally in rocks.

Assays: Gold . . . nil
 Silver . . . Trace
 Copper . . . 0.71%
Radioactivity: None was detected.

Sample No. 3513B — Copper, and very small fractions of one percent of lead, nickel and cobalt were found, the other base metals found, and their percentages, were those occurring normally in rocks.

Assays: Gold . . . Trace
 Silver . . . Trace
 Copper . . . 1.42%
Radioactivity: No greater than that occurring normally in rocks.

Petrographic analyses are not being conducted on various specimens of the base rocks and mineral bearing rocks.

The field work for the geomag-geophysical survey undertaken in the vicinity of the Apex mine and Cirque has been completed and office studies are now underway. Preliminary analyses have indicated that several anomalous areas have been indicated particularly along the southern slope of Apex Mountain.

Apart from preliminary examinations, no work or investigations have been carried out on behalf of Apex on other exposed mineralized zones located in the Cirque and the southern slope of Apex Mountain. These surficial examinations have confirmed the presence of chalcopyrite arsenopyrite and gold containing quartz veins and replacement zones.

(c) The Marble Claim Group

Some preliminary tests and bulldozer stripping have been undertaken of the marble deposit located on these claims. The exposed deposit extends across a variable width of 200 feet or more and 500 feet or more in length. Colours range from white, reddish, blue and green. According to previous reports, a 25 ton sample order was shipped to Zuliani Brothers in Vancouver in 1965 and was found suitable both with respect to colour and quality. Current tests by Coast Eldridge Engineers and Chemists, Vancouver, assess conformity with ASTM standards for industrial calcite marble, see Annex A.

No investigations have been undertaken to determine definitive geometry and quality characteristics of the deposit as of the date of this report.

(d) The Linda Claim Group

This claim group was not examined at the date of this report, however, according to reports, there is a marble deposit located within the boundaries of the claims. No samples or tests have been made available for the purposes of this report.

9.0 MINERAL DEPOSITS, ORE RESERVES, ECONOMICS OF PRODUCTION

General

Because of the limited information available with respect to the mineral zones explored to date on the Anderson and Apex Mountain claim group, no assessment can be made at this date with respect to the commercial significance of the copper-gold-silver deposits that have been located in the mineralized zones on the Apex holdings.

It is to be noted, however, that the geological formations underlying several of the claims are similar to the host rocks in which the commercial gold-silver-copper deposits were located at the nearby Hedley Mascot and Nickel Plate mines.

Similarly, no statement may be prudently made at this time with respect to the range of economics that would control commercial mining on the Apex Mountain and Anderson claim groups.

Additionally, no assessment can be made of the commercial significance of the marble deposits located on the Marble and Linda claim groups at this time due to the fact that there is not sufficient information available with respect to the acceptability of the marble for industrial purposes and the related market-economics controls that will affect production.

10.0 EXPLORATION PROGRAMME

10.1 General

In order to extend the information and data relating to the geological mineralogical characteristics and the economic possibilities of the Apex mineral claim holdings with the expectation of locating ore reserve possibilities in the favourable geological formations underlying the claims, the following works programme should be undertaken as soon as possible.

10.2 Work Programme Details

(a) Anderson Mountain Claim Group

i.	Geological mapping	\$ 5,000.00	
ii.	Topographic surveys	2,000.00	
iii.	Sampling of existing and surface and underground workings	1,000.00	
iv.	Bulldozer trenching	10,000.00	
v.	Diamond drilling (2000 ft)	20,000.00	\$38,000.00

(b) Apex Mountain Claims

i.	Geological mapping	\$ 5,000.00	
ii.	Topographic surveys	3,000.00	
iii.	Sampling of existing surface and underground workings	2,000.00	
iv.	Bulldozer trenching	5,000.00	
v.	Diamond drilling (3000 ft)	30,000.00	\$45,000.00

(c) Marble/Linda Claim Groups

i.	Geological mapping	\$ 1,000.00	
ii.	Topographic surveys	1,000.00	
iii.	Sampling and tests	2,000.00	
iv.	Diamond drilling (2000 ft)	10,000.00	
v.	Market studies	1,000.00	\$15,000.00

(d) General

i.	Road maintenance	\$ 2,000.00	
ii.	Camps and establishment	5,000.00	
iii.	Administration & travel	5,000.00	
iv.	Engineering and tests	15,000.00	\$27,000.00

(e) Total			\$125,000.00
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In the carrying out of the aforelisted programme of works, it must be duly recognized that some variations in the scope and extent of the work must be exercised from time to time in accordance with the results obtained. Frequent appraisal of the programme as it advances will be necessary, however, for budgeting purposes, the sum of \$125,000 will be required in order to obtain a realistic evaluation of the mineral potentialities of claims presently held by Apex Exploration & Mining Co. Ltd. (N.P.L.).

CERTIFICATE

I, William James Weymark, P. Eng., Consulting Engineer, President of Weymark Engineering Ltd., of the Municipality of West Vancouver, of the Province of British Columbia, hereby certify that:-

- i. I am a graduate of Mining Engineering of Queen's University, Kingston, Ontario, B. Sc. 1940 and have been practicing my profession for twenty-five years.
- ii. I am a practicing Consulting Engineer and reside at 3310 Westmount Road, West Vancouver, Province of British Columbia.
- iii. I am a member of the Association of Professional Engineers of the Province of British Columbia and also the Consulting Engineers' Division of the Association of Professional Engineers of British Columbia.
- iv. I am a member of the Canadian Institute of Mining and Metallurgy and of the American Institute of Mining, Metallurgical and Petroleum Engineers.
- v. I have no direct or indirect interest whatsoever in Apex Exploration & Mining Co. Ltd. (N.P.L.).
- vi. The findings of the accompanying report is based on my personal examination of the property during September and October 1966, and a review of all available background data obtained from previous operations, investigators and from the investigation programme conducted by Apex Exploration & Mining Co. Ltd. (N.P.L.) to the present date.

DATED at West Vancouver, British Columbia, this 1st day of November, 1966.

"William J. Weymark," P. Eng.
Province of British Columbia
President
Weymark Engineering Ltd.

APPENDICES

CABLE ADDRESS: "ELDRICO"
TELEX: 04-50353

Annex - A

COAST ELDRIDGE
ENGINEERS & CHEMISTS LTD.

125 EAST 4TH AVE., VANCOUVER 10, B.C.

TELEPHONE: 876-4111

REPORT OF:	Chemical Analysis	FILE NO.	C.3-W.1-66-30843
AT:	Vancouver Laboratory	DATE	November 2, 1966
PROJECT:	Limestone	REPORT NO.	
	Sample of Marble		
	Marble Claims		
	Apex Exploration & Mining Co. Ltd. (N.P.L.)	ORDER NO.	
REPORTED TO:	Weymark Engineering Co., 1289 Davie Street, Vancouver, B.C.		

ATTENTION: Mr. W.J. Weymark

We have tested one sample of Limestone submitted by you on Oct. 19, 1966 and report as hereunder:

RESULTS

Calcium Oxide (CaO)	-	54.88%
Magnesium Oxide (MgO)	-	0.07%
Specific Gravity (18°C)	-	2.6882

REMARKS

From the results of the above analysis, the A.S.T.M. classification for this material, would be calcite marble.

COAST ELDRIDGE

W. WONG,

SENIOR CHEMIST

/ps

GUNDERSON STOKES WALTON & CO.
Chartered Accountants
PENTICTON, B.C.

APEX EXPLORATION AND MINING COMPANY LIMITED (N.P.L.)

BALANCE SHEET AS AT OCTOBER 31, 1966

ASSETS

CURRENT ASSETS

Cash in bank	\$ 1,039.23	
Bank term deposits	70,000.00	
Due from shareholders	750.00	
Prepaid insurance	198.00	\$ 71,987.23

MINERAL CLAIMS

Apex Group, valued at par value, less discount of shares issued therefore		75,000.00
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FIXED ASSETS, at cost

Office equipment and fixtures	\$ 587.13	
Truck	4,138.05	4,725.18

DEFERRED EXPENSES

Administrative	\$ 2,102.46	
Exploration and development	33,841.75	
Incorporation costs	1,495.37	\$ 37,439.58

\$189,151.99

LIABILITIES AND SHARE CAPITAL

CURRENT LIABILITIES

Accounts payable		\$ 10,651.99
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SHARE CAPITAL

Authorized		
3,000,000 shares with a nominal or par value of 50¢ each	\$1,500,000.00	
Issued and fully paid		
489,000 shares for cash	\$ 244,500.00	
750,000 shares for mineral claims	375,000.00	
1,239,000	\$ 619,500.00	
Less discount on shares	441,000.00	178,500.00

\$189,151.99

APPROVED ON BEHALF OF THE BOARD

“N.E. Giddy”

N.E. GIDDY, Director

“H.S. Wish”

H.S. WISH, Director

APEX EXPLORATION AND MINING COMPANY LIMITED (N.P.L.)

STATEMENT OF ADMINISTRATIVE AND EXPLORATION AND DEVELOPMENT EXPENSES
FOR THE PERIOD JULY 14, 1965 TO OCTOBER 31, 1966

ADMINISTRATIVE EXPENSE

Advertising Leases	\$	108.80	
Bank interest and exchange		25.80	
Insurance		103.00	
Leasehold improvements		135.20	
Management salary		600.00	
Office expense		280.17	
Rent		300.00	
Telephone		97.05	
Travel		452.44	\$ 2,102.46

EXPLORATION AND DEVELOPMENT EXPENSE

Assays	\$	185.63	
Bulldozing, road and trenching		7,459.75	
Claim recording		1,188.50	
Consulting fees		7,790.01	
Drilling		5,444.50	
Equipment rentals		1,512.00	
Licenses		200.00	
Magnetometer survey		2,224.00	
Road maintenance		561.50	
Staking		1,408.00	
Supplies		215.02	
Surveying		5,422.30	
Truck expense		300.54	
	\$	33,911.75	
Less marble revenue		70.00	33,841.75
			\$ 35,944.21

AUDITOR'S REPORT

We have examined the balance sheet of Apex Exploration and Mining Company Limited (N.P.L.) as at October 31, 1966 and the statement of administrative and exploration and development expenses for the period July 14, 1965 to October 31, 1966. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the above balance sheet and related statement of administrative and exploration and development expenses present fairly the financial position of the company as at October 31, 1966 and the results of its operations for the period July 14, 1965 to October 31, 1966 in accordance with generally accepted accounting principles.

Penticton, B.C.
November 18, 1966.

CHARTERED ACCOUNTANTS.