

REPORT  
ON THE  
LIKELY CLAIM GROUP  
OF  
APEX ENERGY CORP.  
Located at Likely, B.C.  
Cariboo Mining Division  
MAP No. 93A/11 W & 12E

Latitude 52°38'

Longitude 121°30'

JOHN DELEEN, P.Eng., M.E.

November 12, 1982

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### SUMMARY

Apex Energy Corp. have acquired a block of 3 claims located in the Likely area of British Columbia. These claims comprise 56 units and cover approximately 1325 hectares. These are lode claims and cover a portion of the old Likely Placer Gold area. There is a scarcity of outcrops; however, in the outcrops on the banks of Spanish and Cariboo Rivers, low gold values were obtained in exposures of quartz veins. The source of the gold in placer deposits located and mined prior to 1950 on the claim group is believed to be the quartz veins. A program of exploration is warranted to determine if there are any economic concentrations of gold located in the quartz vein zones.

### CONCLUSION

An initial program of exploration covering geological mapping, geochemical surveying and percussion drilling is warranted. The estimated expenditure for this Stage 1 portion of the exploration on the Likely claim group is \$ 75,000.

### INTRODUCTION

The Nov claims, which cover approximately 1325 hectares, are located in the Likely area of British Columbia. The claims, which were staked in 1979, were purchased by Apex Energy Corp in October 1982.

The Nov block of claims has been investigated by an aerial magnetometer and an EM survey, one drill hole and several short tunnels. A large pit located on the Cariboo River, in the northern portion of the claim group, was mined for placer gold after 1852. The gold production from this pit is unknown.

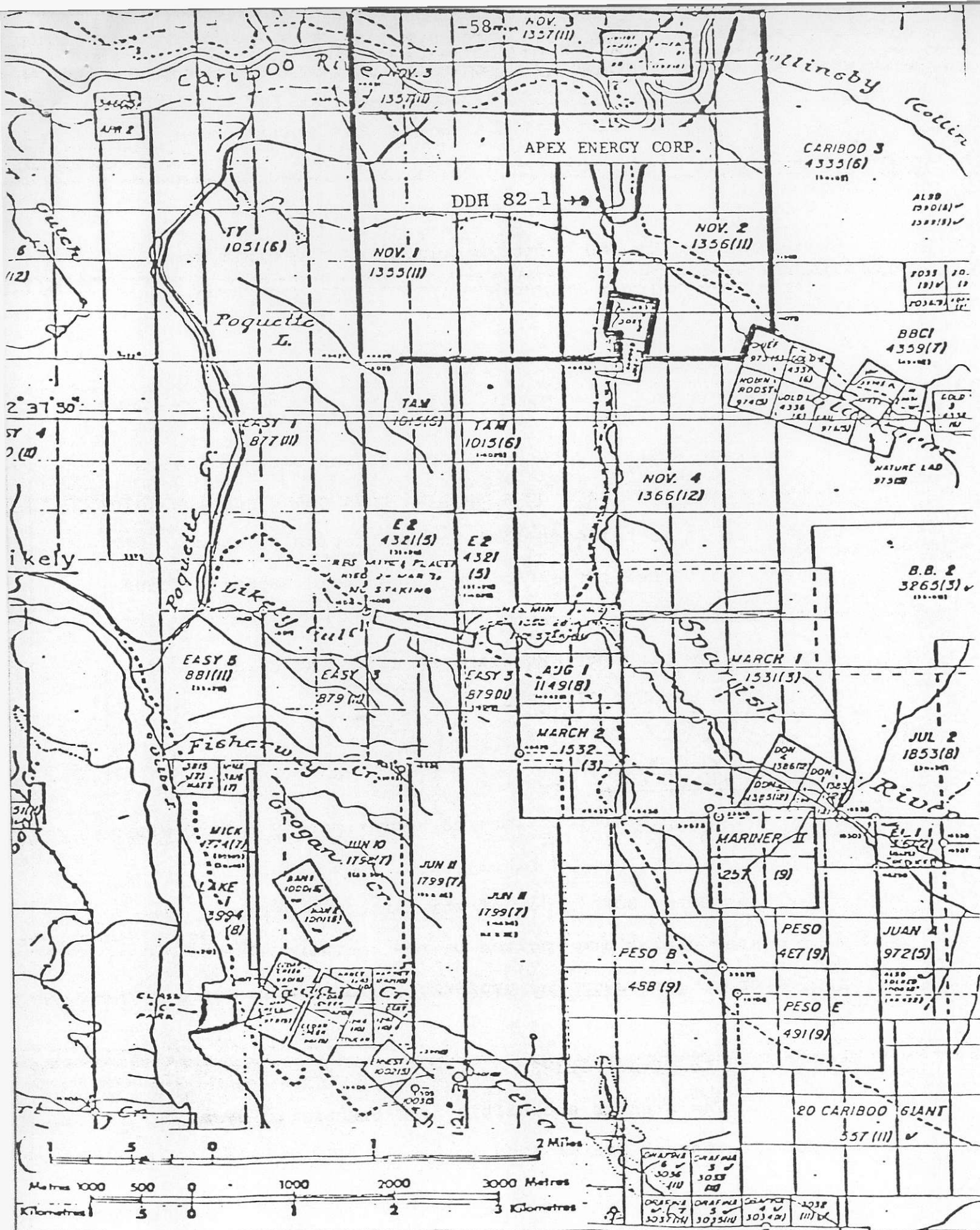
There is a scarcity of outcrops in the Likely area of British Columbia and the Nov claims have only a few outcrops along the banks of Spanish and Cariboo Rivers. The few veins that have been sampled have contained low gold values and it is believed that the weathering of these veins has produced the extensive placer gold deposits found in the Likely area.

The property was examined under the guidance of E. Angus on October 31, 1982.

#### LOCATION AND ACCESS

The property is located approximately 3 kilometers northeast of the town of Likely, B.C. (See Figure 1). The claims cover both sides of the Cariboo River. However, most of the claims are located on the southern side of the river (Figure 2). The property is located in the Cariboo Mining Division of British Columbia at Latitude  $52^{\circ}38'$  and Longitude  $121^{\circ}30'$ .

The area is accessible from Highway 97 by a 75 km all-weather gravel road to Likely (Figure 1). All weather roads lead from Likely to the claim group and



Claims in the Likely Area, B.C.

Figure 2

numerous logging roads provide access to the property. Since a portion of the claim group has been logged it is expected that some of the logging roads are not kept free of snow and would not be open during the winter months.

The elevation on the claims varies from approximately 1100 meters at the southern boundary of the claim group to 600 meters at the Cariboo River.

CLAIMS AND CLAIM GROUPS (See Figure 2)

The Nov claims consist of 3 claims, 56 units, which are owned by Apex Energy Corp.

The data on the claim group are as follows:

<u>CLAIM</u>	<u>UNITS</u>	<u>TAG NO.</u>	<u>RECORD NO.</u>	<u>EXPIRY DATE*</u>
Nov 1	20	48429	1355	29 Nov/82
Nov 2	20	48430	1356	29 Nov/82
Nov 3	<u>16</u>	48431	1357	29 Nov/82
	<u>56</u>			

(\*) A 235 foot drill hole, DDH 82-1, was completed on Nov 6 and will be submitted to cover the assessment requirements to keep the claims in good standing until 1983.

The claims are presently held in the name of William H. Grayson (see copies of title in Appendix "A"). Apex Energy have an interim agreement to purchase these claims outright. The agreement is expected to be completed in

November 1982 and the claims will be registered in the name of Apex Energy Corp.

HISTORY (Ref. Bulletin No. 28)

The record of production from the Cariboo Mining Division is greater than that of any other mining division in British Columbia. The Cariboo District produced approximately one quarter of the gold produced in British Columbia. The records of production are available from 1874 on, and the recorded production to 1945 is 539,572 ounces. It is believed that an additional amount of approximately 150,000 ounces was mined prior to 1874.

The first gold discovery in the Cariboo was in mid 1859 on the Horsefly River about 20 km south of the Likely Project. By late 1859, numerous miners were working shallow diggings on gravel bars around the junction between the Cariboo and Quesnel Rivers. Subsequent discoveries of richer placer deposits at Keithley Creek in 1860 and then the bonanza of Williams Creek in 1861 attracted a stampede of men through the area.

Placer mining in the Likely area is discussed in detail by Cockfield and Walker (1932), and is summarized as follows:

1. Shallow workings were mined on the gravel flat around the Quesnel Forks townsite where gold was found on certain clay layers. Glaciofluvial bench gravels were also productive along the Cariboo River.
2. High level gravels from buried channel deposits on bedrock were worked on a large scale at the Bullion

Mine hydraulic operation 5 km down stream from Likely. Another high level old channel deposit was worked along lower Morehead Creek, 13 km downstream from Quesnel Forks.

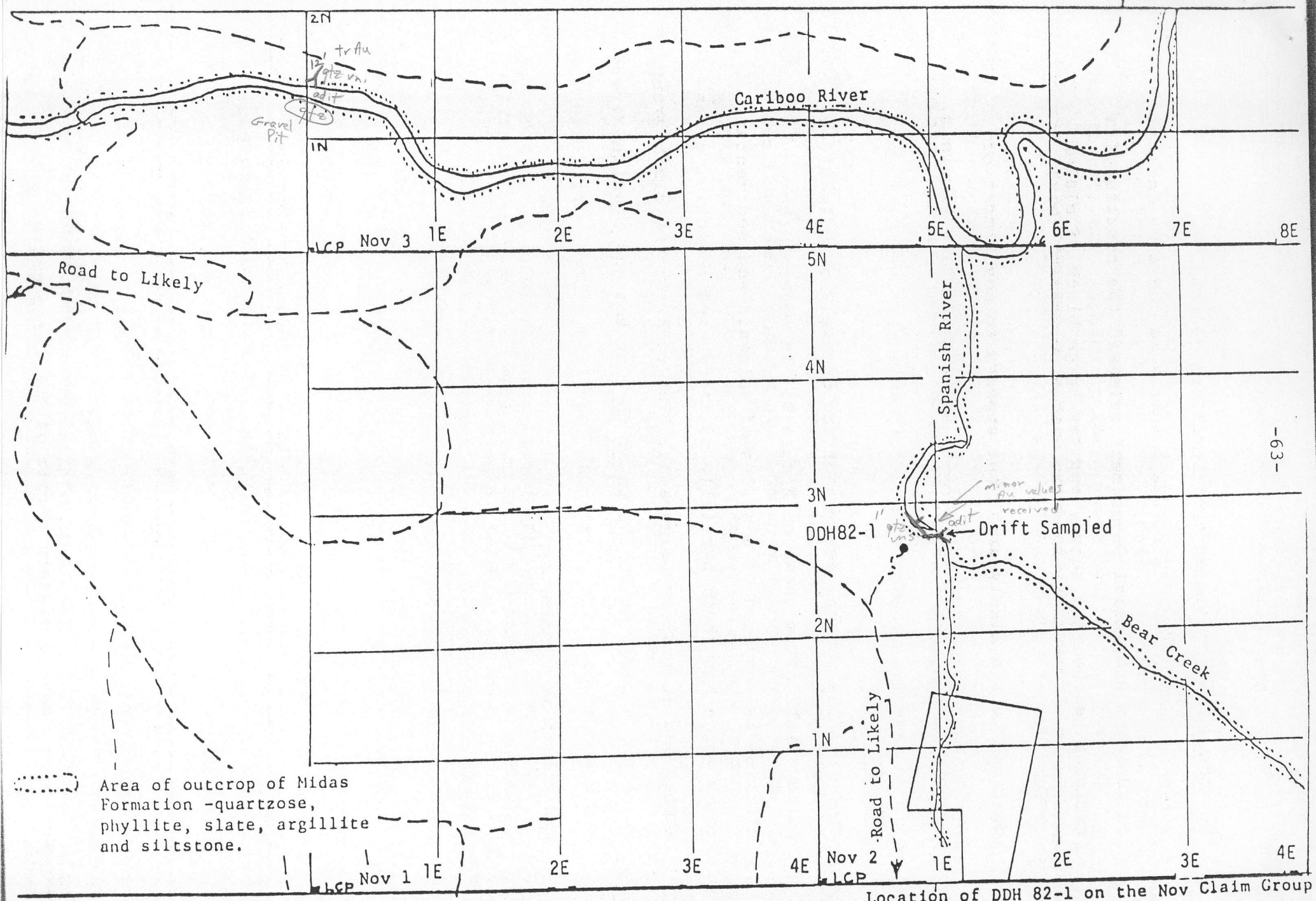
3. Recent bar gravels on the Quesnel River were deposited from small tributary creeks cutting the old high level channel. Gravels in the small tributary creeks were also extensively mined.
4. Apparently eluvial (residual) concentrations of gold were found in Cedar Creek and Poquette Creek Valley. } \*

The famous Bullion Mine operated from 1894 to 1905, when somewhat over 12 million yards of Pleistocene gravels were processed to yield \$ 1,233,900 (approximately 59,700 ounces). The Bullion Mine was operated on a small scale between 1933 and 1942.

Placer gold has been found in all creeks in the Likely area. The most notable production came from Cedar Creek, Likely Gulch, Gold Creek, and Spanish River. Spanish River (Figure 2) flows due north through the Nov claims and was perhaps the source area of the placer gold found in gravel deposits located at the junction of the Spanish and Cariboo Rivers.

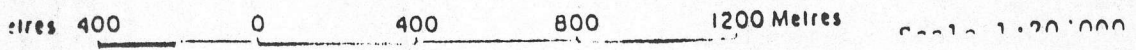
Exploration in the general area in 1965 resulted in the discovery of the Cariboo Bell Property. With the renewed interest in gold in 1979, the Likely area started to receive attention by prospectors, and many claim groups were staked. In 1980, Dome Mines started to drill their claim group, located 16 kilometers northwest of Likely (Figure 3). Dome stated in their Annual Report for 1981 that they have developed 900,000 tons containing 0.2 ounces of gold





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Location of DDH 82-1 on the Nov Claim Group



per ton. Dome continued their drilling on this property and optioned a second property in the area in 1982. In 1981 the Provincial Government released the results of a regional geochemical survey and the large block of claims indicated on Figure 3 were staked. The staking was not confined to the Likely area, but appears to cover most of the Quesnel-Horsefly River placer gold district in Figure 3.

### GEOLOGY

The general geology of the Quesnel-Horsefly River Placer District is shown on Figure 3. In general the district is composed of a series of volcanic and sedimentary rocks which have been partially metamorphosed to schist, greenstones and quartzites (Figure 3). The rocks on the claim group, which are exposed in the banks of the Cariboo and Spanish Rivers, are a series of black, quartzose, phyllite, slate, argillite and siltstone (Figure 4).

### MINERAL OCCURRENCES

A vein having a width of about 4 meters is located on the north bank of the Cariboo River, approximately one kilometer to the east of the bridge over the Cariboo River. A drift had been driven on the vein. Since the adit is caved, samples of the boulders of quartz and pyritic wallrock lying on the river bank were sampled. The samples, 11220 to 11223 inclusive, contained only trace values of gold. A large oxidized vein structure was noted on the southern side of the river, on the eastern margin of the large gravel pit.

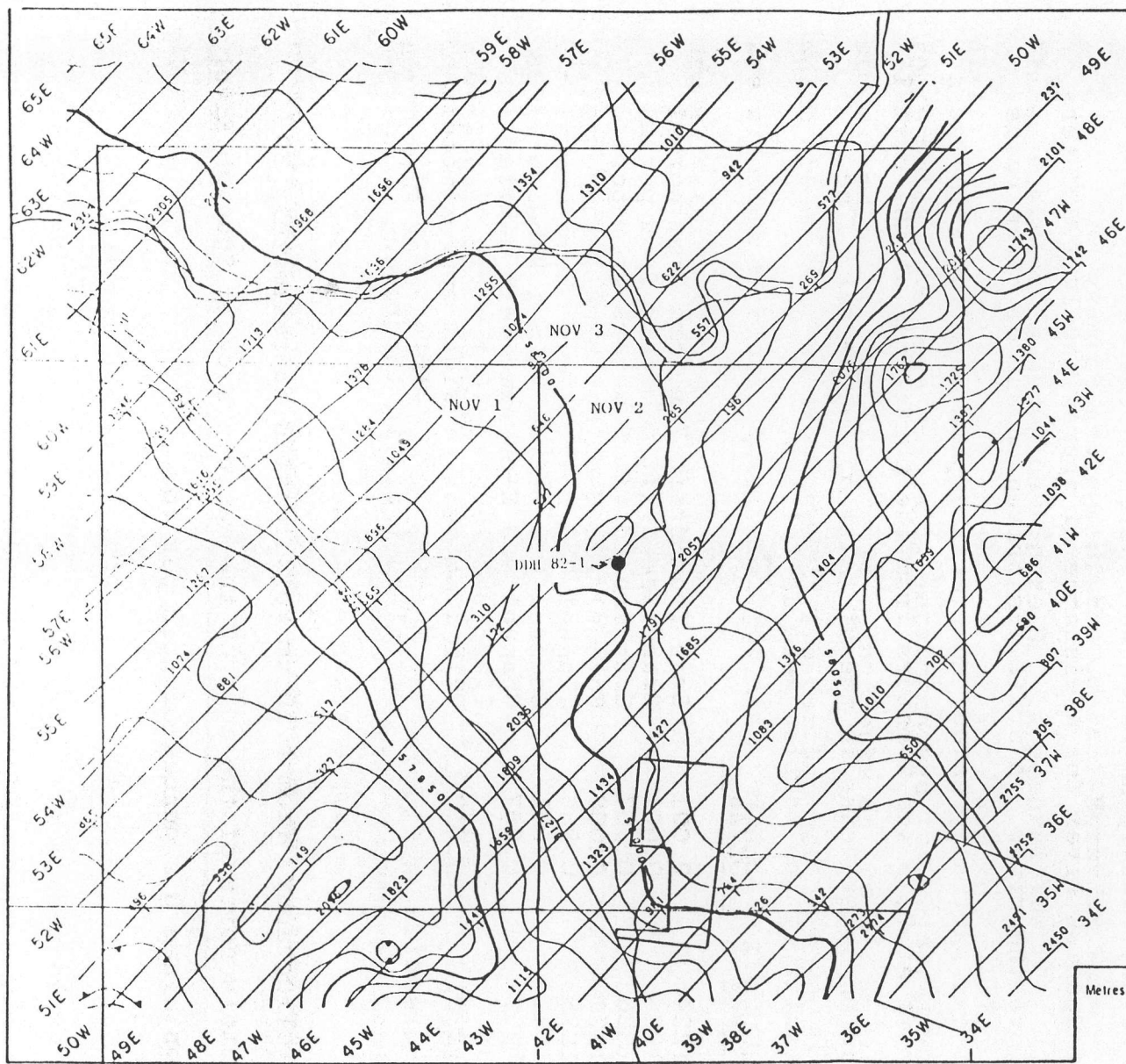
The vein was not sampled.

Veins having a northwest trend and a low dip to the northeast, are exposed on the western bank of the Spanish River approximately 100 meters north of the junction of Spanish River and Black Bear Creek. The veins have a thickness that varies from a few millimeter to approximately 20 centimeters. The lengths of the veins are unknown. The thickness of the vein zone in the phyllites is unknown. However, flat lying veins were noted on the western bank of Spanish River for a distance of approximately 100 meters above the river. A drift was driven on one of these veins. It was partially caved; however, samples were taken in the drift at 7, 5 and 2 meters from the portal and at the portal and on other veins in the vicinity of the portal. The results of the samples were as follows:

<u>SAMPLE</u>	<u>OZ/Au</u>	
11224	0.001	Grab from drift 7 meters from portal
11225	0.001	Grab from drift 5 meters from portal
11226	0.007	Grab from drift 2 meters from portal
11227	0.006	Channel 1.1 M-on north wall at portal
11228	0.056	Channel 0.2 M-from vein above portal
11229	0.001	Channel 0.2 M-from vein 1 M below 11228
11230	0.067	Channel 0.2 M-on same vein sampled in 11228 but located 10 M north of portal
112231	0.012	Grab from vein of width approximately 0.3 M located 75 meters south of portal on trail to the road.

A sample taken by J. McLeod, P.Eng. (see Bibliography) from a 10 cm vein located approximately 30 meters north of the adit on the western side of Spanish River contained 0.2 ounces of gold per ton.

A diamond drill hole, 82-1, was drilled into this series of flat-lying veins. It is located approximately



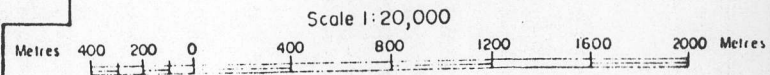
NOTES:

- VERTICAL CONTROL - RADAR ALTIMETER  
(MEAN SENSOR HEIGHT 50 METRES)
- HORIZONTAL CONTROL - 35 M M FILM,  
RECOVERY ON PHOTO MOSAICS
- REGIONAL TOTAL FIELD VALUE:  
58,000 GAMMAS
- MAGNETIC DECLINATION: 23° E.
- MAGNETIC INCLINATION: 72°
- CONTOURS UNCORRECTED FOR  
REGIONAL GRADIENT.
- MAGNETOMETER: GEOMETRICS G-803

LEGEND

- 57650 GAMMAS
- 10 GAMMA CONTOUR
- 57600 GAMMAS
- MAGNETIC DEPRESSION

TOTAL FIELD MAGNETIC MAP  
NOV CLAIMS  
LIKELY AREA  
CARIBOO MINING DIVISION  
BRITISH COLUMBIA



N. T. S. 93A/II  
121° 30' W  
52° 40' N

APEX RESOURCES CORP.

100 meters above and 100 m to the west of the adit. (See Figures 2 and 5) This hole was drilled to a depth of 71.32 meters. The expenditures on the hole will satisfy the assessment requirements and keep the Nov claims in good standing until 1983. The hole was sampled in approximately 2 meter lengths and assayed geochemically for copper, lead, zinc, silver, arsenic and gold. These samples, near the bottom of the hole, contained low precious metal values as follows:

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<u>SAMPLE</u>	<u>FROM</u>	<u>TO</u>	<u>INTERCEPT</u>	<u>Oz Ag/T</u>	<u>Oz Au/T</u>
44222	50.00	50.3M	0.3	0.02	0.005
44230	59.7	62.6M	2.9	0.02	0.003
44230	64.6	66.0M	1.4 m.	0.14	0.016 *

Drill Hole 82-1 did not have sufficient depth to penetrate the zone of flat-lying quartz veins which were sampled 6 meters above and on the west bank of Spanish River.

## EXPLORATION

To date an airborne magnetometer and EM survey have been completed. The results of the magnetometer survey are submitted on Figure 5. The EM survey did not indicate the presence of a conductor and the survey has not been included. The magnetometer survey indicated a build-up from a 1000 to 2000 gammas on the northeastern portion of the claim group. The reason for this increase is unknown.

The source of the placer gold in the District is believed to be the gold-bearing quartz veins which occur in the phyllites.

As noted, the veins sampled on the western bank of the Spanish River contained low values in gold. The thickness of this flat-lying zone of quartz veins is in excess of 75 meters. A program of exploration is warranted on the claim group to determine if there are economic concentrations of gold in the quartz veins.

The exploration program recommended is geological mapping, geochemical surveying, and some percussion drilling. The samples should be assayed for gold, arsenic and copper. The grid lines should be spaced

DIAMOND DRILL LOG  
NOV CLAIMS, CARIBOO MINING DIVISION  
CLAIM - NOV 2

Logged by: R. Hrkac & J. DeLeen Drilled by: Gilwil Holdings Ltd.

DDH 82-1

-1-

Started October 26- Completed November 6, 1982 Depth 71.32 m..... Dip -90° .....

Location: 1380m North-160m East-LGP Nov 2

METRES		DESCRIPTION	SAMPLE No.	METRES		LENGTH METRES.	Cu ppm	Pb ppm	Zn ppm	Ag ppm	As ppm	Au ppb
from	to			from	to							
0	6.1	Overburden										
0.1	26.25	Graphitic quartz-banded phyllite-quartz bands from 1 mm to 1 cm. Some quartz bands are contorted bands approximately @ 90° and varies from 70 to 90° to core - some cubes of pyrite to 1 cm	44201	6.1	8.0	1.9	22	16	105	.2	2	2
			44202	8.0	10.0	2	25	8	105	.2	4	10
			44203	10.0	12.0	2	26	5	99	.1	3	2
		Core Lost		12.0	14.0	2						
			44204	14.0	16.0	2	33	4	33	.5	8	30
			44205	16.0	18.0	2	25	4	25	.4	4	32
			44206	18.0	20.0	2	26	5	138	.2	10	12
			44207	20.0	22.0	2	12	5	115	.1	13	4
			44208	22.0	24.0	2	33	9	55	.1	12	7
			44209	24.0	26.25	2.25	42	14	71	.2	34	7
26.25	30.48	Light grey quartzite -banded with quartz veins same as 0-26.25 at 26.25 m to 26.40 m quartz vein	44210	26.25	28.25	2.00	35	114	82	.7	31	55
			44211	28.25	30.48	2.23	52	12	26	.3	22	11
30.48	44.35	Graphitic quartz banded phyllite same as 0-26.25	44212	30.48	32.50	2.02	27	4	61	.1	8	4
			44213	32.50	34.50	2	18	5	104	.1	15	2
			44214	34.50	36.50	2	23	4	75	.1	6	2
			44215	36.50	38.50	2	17	4	77	.1	11	6
			44216	38.50	40.50	2	19	8	119	.1	14	4
			44217	40.50	42.50	2	30	9	61	.1	11	4
			44218	42.50	44.35	1.85	34	6	68	.1	14	3
44.35	52.12	Mixed zone grey siltstone intermixed with small bands of phyllite - some pyrite - less bands of quartz - wispy to broken bands of quartz - some yellowish-green porphyroblasts - quartz vein	44219	44.35	46.0	1.65	59	55	83	.4	26	18
			44220	46.0	48.0	2	30	6	67	.1	23	5
			44221	48.0	50.0	2	62	18	60	.3	40	45
			44222	50.0	50.3	0.3	22	29	23	.7	18	180
			44223	50.3	52.12	1.82	64	8	87	.1	25	13
(*) 0.02	Oz/T Ag	0.005 Oz/ Au/T.										

METRES		DESCRIPTION	SAMPLE No.	METRES		LENGTH METRES.	Cu ppm	Pb ppm.	Zn ppm	Ag ppm	As ppm	Au ppb
from	to			from	to							
52.12	58.37	Graphite-quartz-banded phyllite, some as above - some yellow porphyroblasts - scattered quartz veins with odd specks of galena	44224	52.12	54.12	2	37	4	64	.1	15	5
			44225	54.12	56.12	2	37	6	87	.1	9	4
			44226	56.12	58.37	2.25	25	5	92	.1	11	2
58.37	62.54	Pale grey siliceous siltstone. Few random quartz veins. 58.37 - 59.74 - 10 cm quartz vein, 1 m core loss	44227	58.37	59.74	1.37	52	20	130	.4	38	22
			44228	59.74	62.64	2.90	100	151	792	.8	45	100
62.64	65.99	Graphitic - quartz banded argillite - few quartz bands - 1 mm to 2 cm @ 65.53 5 cm quartz vein with less than 1% galena	44229	62.64	64.64	2.0	47	20	106	.2	53	6
			44230	64.64	65.99	1.35	39	718	131	5.0	88	530
65.99	71.32	Pale to medium grey siltstone and bands of phyllite - some quartz bands 1 to 3 cm Some pyrite - some yellow porphyroblasts	44231	65.99	68.0	2.01	42	10	84	.1	15	8
			44232	68.00	70.0	2	27	4	79	.1	10	3
			44233	70.0	71.32	1.32	41	6	63	.1	12	5
		BOTTOM OF HOLE 71.32 - 84.8% recovery										
(*)		0.010% Cu, 0.0151% Pb, 0.0792% Zn, 0.02 Oz/T Ag, 0.0045% As, 0.003 Oz/T Au.										
(**)		0.0039% Cu, 0.0718% Pb, 0.0131% Zn, 0.14 Oz/T Ag, 0.0088% As, 0.016 Oz/T Au.										





To: John De Leen  
1015 - 837 W. Hastings St.,  
Vancouver, B.C.

-77- ACME ANALYTICAL LABORATORIES LTD.  
Assaying & Trace Analysis  
852 E. Hastings St., Vancouver, B. C. V6A 1R6  
Telephone: 253 - 3158

File No. 82-1461  
Type of Samples Rocks  
Disposition \_\_\_\_\_

# ASSAY CERTIFICATE

FA

No.	Sample	Au oz/ton						No.
1	11220	.004						1
2	11221	.001						2
3	11222	.001						3
4	11223	.001						4
5	11224	.001						5
6	11225	.001						6
7	11226	.007						7
8	11227	.006						8
9	11228	.056						9
10	11229	.001						10
11	11230	.067						11
12	11232	.012						12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20								20

All reports are the confidential property of clients.

DATE SAMPLES RECEIVED Nov. 2, 1982

DATE REPORTS MAILED Nov. 8, 1982

ASSAYER

*Dean Toye*

DEAN TOYE, B.Sc.  
CHIEF CHEMIST  
CERTIFIED B.C. ASSAYER

ICP GEOCHEMICAL ANALYSIS

A .500 GRAM SAMPLE IS DIGESTED WITH 3 ML OF 31% HCL TO HNO3 TO H2O AT 90 DEG.C. FOR 1 HOUR. THE SAMPLE IS DILUTED TO 10 ML3 WITH WATER.  
 THIS LEACH IS PARTIAL FOR: Ca, P, Mg, Al, Ti, La, Na, K, W, Ba, Si, Sr, Cr AND B. Au DETECTION 3 ppb.  
 AUI ANALYSIS BY AA FROM 10 GRAM SAMPLE. SAMPLE TYPE - CORE

DATE RECEIVED NOV 26 1982 DATE REPORTS MAILED Dec 2/82 ASSAYER D. Toye DEAN TOYE, CERTIFIED B.C. ASSAYER

SAMPLE #	DELEEN CONSULTING			FILE # 82-1582		Au** ppb
	CU ppm	PB ppm	ZN ppm	AG ppm	AS ppm	
44201	22	16	105	.2	2	2
44202	25	8	105	.2	4	10
44203	26	5	99	.1	3	2
44204	33	4	33	.5	8	30
44205	25	4	25	.4	4	32
44206	26	5	138	.2	10	16
44207	12	5	115	.1	13	4
44208	33	9	55	.1	12	7
44209	42	14	71	.2	34	7
44210	35	114	52	.7	31	55
44211	52	12	26	.3	22	11
44212	27	4	61	.1	8	4
44213	18	5	104	.1	15	2
44214	23	4	75	.1	6	2
44215	17	4	77	.1	11	6
44216	19	8	119	.1	14	4
44217	30	9	51	.1	11	4
44218	34	6	68	.1	14	3
44219	59	55	83	.4	26	18
44220	30	6	67	.1	23	5
STD A-1	30	35	169	.2	12	5
44221	62	18	60	.3	40	45
44222	22	29	23	.7	18	180
44223	64	8	87	.1	25	13
44224	37	4	64	.1	15	5
44225	37	6	87	.1	9	4
44226	25	5	92	.1	11	2
44227	52	20	130	.4	38	22
44228	100	151	792	.8	45	100
44229	47	20	106	.2	53	6
44230	39	718	131	5.0	88	530
44231	42	10	84	.1	15	8
44232	27	4	79	.1	10	3
44233	41	6	63	.1	12	5