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BC Geological Survey

Assessment Report
Title Page and Summary

TYPE OF REPORT [type of survey(s)]: Geological and Geochemical

TOTAL COST: $11,994.46

AUTHOR(S): Linda Dandy **SIGNATURE(S):** Linda Dandy

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S): N/A **YEAR OF WORK:** 2016

STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S): 5636376 - 2017/02/03

PROPERTY NAME: Cloud

CLAIM NAME(S) (on which the work was done): Gaye 9 - 1044070

COMMODITIES SOUGHT: Au, Ag, Cu

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: 104B614

MINING DIVISION: Skeena **NTS/BCGS:** 104B.028

LATITUDE: 56 ° 16 ' 25 " **LONGITUDE:** -130 ° 27 ' 41 " **(at centre of work)**

OWNER(S):
1) Apex Resources Inc 2)

MAILING ADDRESS:
2000-1066 W. Hastings Street
Vancouver, BC, V6E 3X2

OPERATOR(S) [who paid for the work]:
1) Apex Resources Inc 2)

MAILING ADDRESS:
2000-1066 W. Hastings Street
Vancouver, BC V6E 3X2

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):
Coast Plutonic Complex, Eocene Saddle Lake Pluton, Upper Triassic Stuhini Group sedimentary and volcanic rocks, dyke swarms, quartz veinlets

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: Cremonese (1998) AR16910, Fox, Lentz & Lee-Beale (2011) AR32600, McGuigan & McKinley (2004) AR27511, Wasteneys (2006) AR28912

Next Page

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	PROJECT COSTS APPORTIONED (incl. support)
GEOLOGICAL (scale, area)			
Ground, mapping	recce 400 x 200 m	1044070	$1,350.00
Photo interpretation			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
GEOCHEMICAL (number of samples analysed for...)			
Soil			
Silt			
Rock	9 - Au/Ag by fire assay, 36 elem by ICP	1044070	$9,424.46
Other			
DRILLING (total metres; number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling/assaying			
Petrographic			
Mineralographic			
Metallurgic			
PROSPECTING (scale, area)	recce 300 x 500 m	1044070	$1,220.00
PREPARATORY / PHYSICAL			
Line/grid (kilometres)			
Topographic/Photogrammetric (scale, area)			
Legal surveys (scale, area)			
Road, local access (kilometres)/trail			
Trench (metres)			
Underground dev. (metres)			
Other			
		TOTAL COST:	$11,994.46

GEOLOGICAL AND GEOCHEMICAL REPORT ON THE CLOUD PROPERTY

SKEENA MINING DIVISION, BC
MAPSHEET: 104B.028
UTM COORDINATES: 6237500 NORTH, 409500 EAST, ZONE 9

for

APEX RESOURCES INC.
SUITE 2000, 1066 WEST HASTINGS STREET
VANCOUVER, BC
V6E 3X2

by

LINDA DANDY, P.Geo.
Consulting Geologist

March 23, 2017
Amended February 28, 2018

Linda Dandy, P.Geo., Box 95, Atlin, BC, V0W 1A0 Phone:250-651-7531 Email: lindadandy@telus.net

SUMMARY

The Cloud Property ("the Property"), a volcanogenic massive sulphide and precious metal prospect, is located 46 kilometres northwest of Stewart, British Columbia. The property is underlain by dioritic rocks intruding the Upper Triassic Stuhini Group marine sediments and volcanics. The rocks are cut by dyke swarms and narrow quartz veinlets.

Intermittent exploration programs have been conducted throughout this region since the discovery of the Granduc Mine with past production of 15.2 million tonnes of gold, silver and copper ore. Also, approximately 5 kilometres north of the Cloud Property, the Doc occurrence (Minfile 104B 014) has undergone several stages of exploration beginning in the late 1940s. Minfile states a pre NI43-101 inventory of 426,337 tonnes grading 44.9 g/t silver and 9.2 g/t gold.

In 2001, Cash Minerals Inc. conducted a one day sampling program on claims which included the Cloud Property. They collected 21 rock samples for analyses with 5 of those returning gold values between 0.250 and 0.828 g/t gold. To the southeast at the Nurse mineral occurrence (Minfile 104B 342), 9 samples were collected from a mineralized boulder train with results up to 4.75 g/t gold, 989 g/t silver, 0.16% copper, 53% lead and 7.2% zinc.

In 2016, Apex completed a small prospecting and rock sampling program on the Cloud Property. Strong colour anomalies (gossans) are visible on the Property and on adjacent ground. Glacial ice covers approximately 80% of the Property, although in recent years the ice has been retreating. During Apex's work program, weather conditions were poor and a dusting of new snow obscured much of the outcrops. Helicopter landing sites in these conditions were limited.

Although the results proved inconclusive, the favourable property location and strong alterations zones visible warrant additional prospecting and sampling.

For 2017, a two phase exploration program is recommended. Phase I will consist of an airborne magnetic and electromagnetic survey to test for magnetic and conductive features buried beneath the extensive glacial cover. Phase II will be field prospecting, mapping and sampling of gossanous areas, plus exploring anomalous zones as identified by the geophysical survey in areas without glacial cover.

Linda Dandy, P.Geo., Box 95, Atlin, BC, V0W 1A0 Phone: 250-651-7531 Email: lindadandy@telus.net

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1) INTRODUCTION

The Cloud Property, a precious metal prospect, is located 46 kilometres northwest of Stewart in northwestern British Columbia. The Cloud Property was acquired by Apex Resources Inc. ("Apex") from vendors Richard and Gaye Billingsley in August 2016.

Apex optioned this property after examination of geological information from government websites and from previous exploration programs, and noting that this area is currently in an exploration and development rush.

In 2016, once the property was under agreement, Apex conducted a small prospecting and sampling program late in the season. Apex collected 9 rock grab and chip samples from the Cloud Property. In conjunction with prospecting and sampling, some basic outcrop mapping was initiated. The 2016 exploration program is the subject of this report.

2) LOCATION AND ACCESS

The Cloud Property is located in an area of steep terrain and glacial cover. The property is 46 kilometres northwest of Stewart in the Skeena Mining Division of northwestern British Columbia (Figure 1). The claims cover an area of approximately 1580 hectares and are centred at UTM coordinates 6237500 North, 409500 East, Zone 9, within mapsheet 104B.028.

Access to the Cloud Property is via helicopter from Stewart, BC. Poor weather conditions related in standby incurred and short field days.

3) PHYSIOGRAPHY

The Cloud Property is located in an area of rugged terrain. Topography on the property is steep with elevations ranging from 1200 to 2000 metres on two rocky peaks. Outcrop is extremely limited on the property, generally confined to areas of glacial retreat and on ridges or steeper slopes. The area of the 2016 rock samples is on a little rocky ridge surrounded by glaciers, lying at an elevation of about 1800 metres.

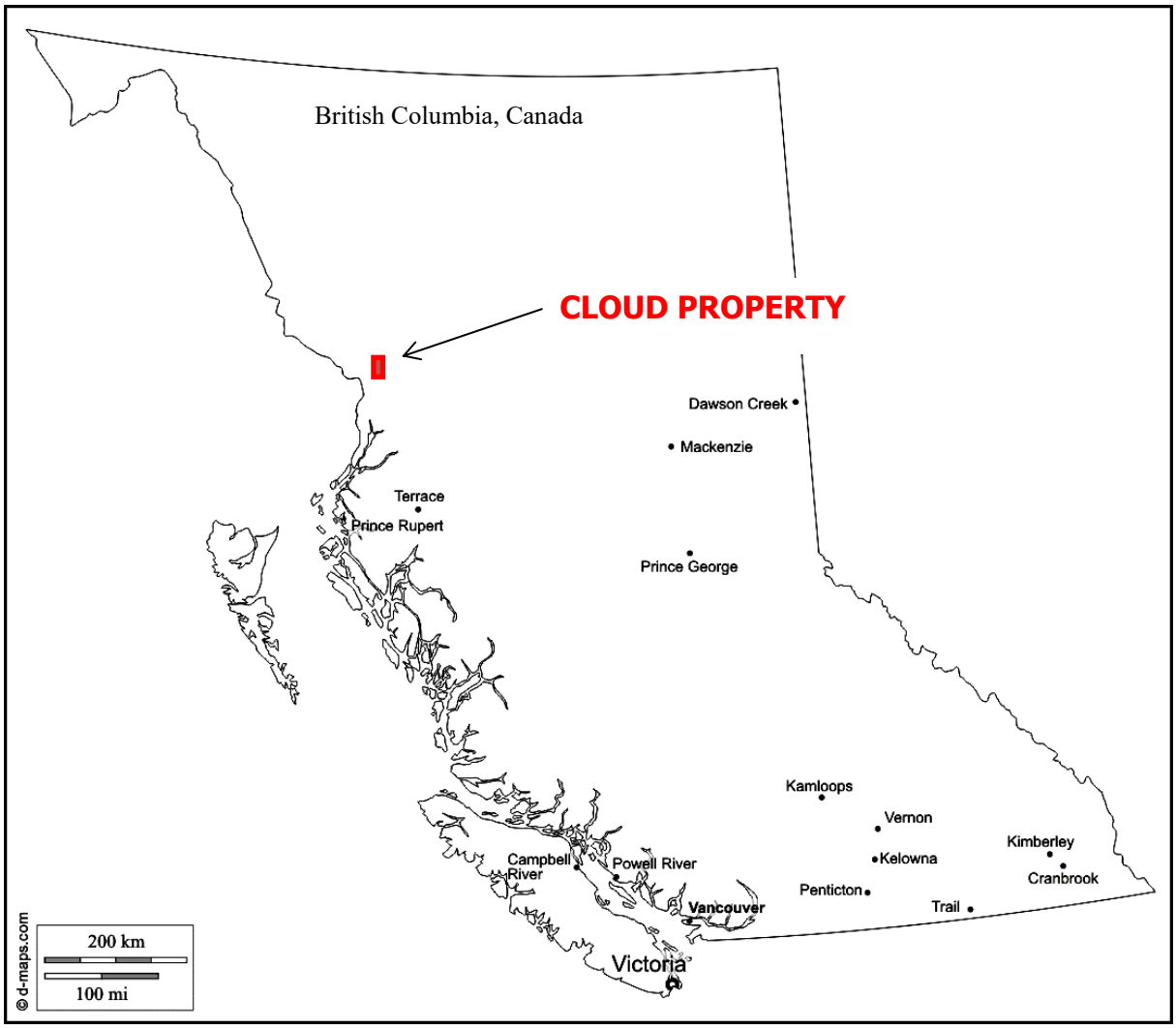

FIGURE 1 – CLOUD PROPERTY LOCATION MAP

4) HISTORY

Exploration history in the area of the Cloud Property and to the east was likely initiated by the discovery of the Granduc deposit. Although mineralization in the area closer to Stewart area was first discovered by prospectors in the early 1900s, including what was to become the Silbak-Premier Mine initially found in 1910.

The following summary is from Minfile 104B 021 (Granduc) and H. Wasteneys' Assessment Report #28912.

Icefield barriers delayed discovery of the well-exposed mineralization around Granduc Mountain until 1931 when prospectors Dawson and Fromholz hiked into the Leduc Valley from the Unuk River in Alaska. However, the copper showings were not staked until

1951 when Kvale and McQuillan staked them for the Helicopter Exploration Company Ltd. The Granby Mining company did the first systematic surface and underground exploration in 1952, but development did not take place until a joint venture by ASARCO and Newmont Mining Corporation Ltd. were able to finance the challenging work needed to put the deposit into production. Mine development commenced in the early 1960s punctuated by the February 18, 1965 avalanche disaster in the Leduc camp. Production began in 1968 utilizing the 18 kilometre Tide tunnel connecting the mine workings to the Upper Salmon River valley to produce 2000 tons per day of copper ore. Production ceased in 1977 because of low metal prices. In 1979 the mine was acquired by Esso Minerals Canada Ltd. and operated until closure in May 1984.

The Granduc Mine had production of 15.2 million tonnes of gold, silver and copper ore. Following the closure in 1984, the property remained dormant and the mill structure at Tide Lake was removed after heavy snow collapsed the roof.

Intermittent exploration programs have been conducted throughout this region since the discovery of the Granduc Mine. Approximately 5 kilometres north of the Cloud Property, the Doc occurrence (Minfile 104B 014) has undergone several stages of exploration beginning in the late 1940s. Minfile states a pre NI43-101 inventory of 426,337 tonnes grading 44.9 g/t silver and 9.2 g/t gold.

In 2001, Cash Minerals Inc. conducted a one day sampling program on claims which included the Cloud Property. They collected 21 rock samples for analyses with 5 of those returning gold values between 0.250 and 0.828 g/t gold, plus anomalous silver, copper, lead and molybdenum (Minfile QE, 104B 614). Cash did not sample the ridge that was sampled in 2016 by Apex.

To the southeast at the Nurse mineral occurrence (Minfile 104B 342), 9 samples of sulphide-bearing quartz veins were collected from a mineralized boulder train with results up to 4.75 g/t gold, 989 g/t silver, 0.16% copper, 53% lead and 7.2% zinc.

5) WORK DONE BY APEX RESOURCES INC. IN 2016

Work completed on the Cloud Property from September 20 to 29, 2016 consisted of prospecting and collection of 9 rock grab samples. Work was conducted by a 3 person crew working out of the town of Stewart, BC, and was directly supervised by the author.

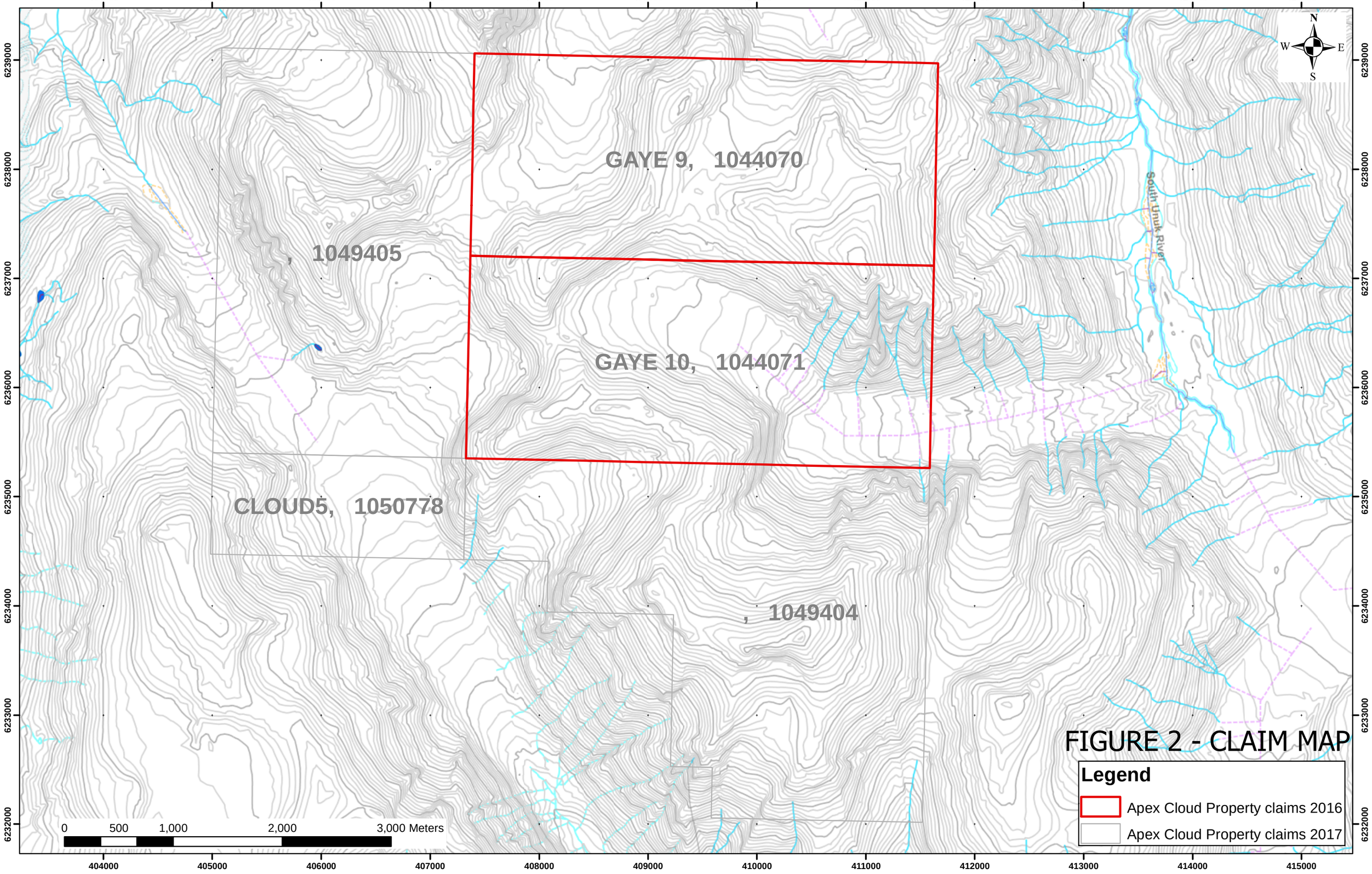

FIGURE 2 - CLAIM MAP

6) CLAIM INFORMATION

The Cloud Property is located within the Skeena Mining Division and consists of 2 mineral tenures totalling 1581 hectares (Figure 2). The claims are centred at UTM coordinates 6237500 North, 409500 East in Zone 9, within Mapsheet 104B.028.

Apex has 100% ownership in the claims. All of the claims are located on Crown lands. The claims have not been surveyed.

Claims are listed in Table I below. All the claims are currently in good standing and the next expiry year is shown in the table.

TABLE I
CLAIM INFORMATION

TENURE	CLAIM NAME	ANNIVERSARY DATE	HECTARES
1044070	GAYE 9	June 6, 2019	790.34
1044071	GAYE 10	June 6, 2019	790.68

7) GEOLOGY

The geology of the Stewart-Unuk River area has been documented by Grove (1986) and presented on Open File Map 1992-22 by Alldrick and Britton.

REGIONAL GEOLOGY (after Grove (1986)

This area includes part of the contact of the eastern Coast Plutonic Complex with the west-central margin of the successor Bower Basin. Sedimentary, volcanic and metamorphic rocks bordering the Coast Plutonic Complex range in age from Paleozoic to Quaternary. Geologically, geographically, and economically the country rocks of the area form a well-defined entity that Grove has called the Stewart Complex.

Several distinct periods of metamorphism, plutonism, volcanism and sedimentation marked by deformation and erosion have been identified. The intensity of deformation has apparently decreased since the mid-Triassic Tahltanian orogeny, although plutonism has increased in activity since the Triassic and reached a climax in the Tertiary along the eastern margin of the Coast Plutonic Complex. Neogene volcanic activity marked by alkali olivine basalt flows has occurred periodically along major north-south, north-easterly and east-west fractures.

Within this orogenic cycle, metallogenesis is related to volcanic, sedimentary and plutonic processes during each major tectonic phase, and these processes have combined to

produce broad mineral zoning and a large array of mineral deposits which characterize this portion of the Western Cordillera. The numerous fissure vein and replacement vein deposits in the Stewart Complex, including the Silbak-Premier mine comprise a common group of simple ore and gangue minerals. The major massive sulphide deposits include the Granduc Mine at Granduc Mountain, and the Hidden Creek, Double Ed, Redwing and Bonanza Properties at Anyox. Porphyry deposits include the molybdenum deposit at Kitsault and the gold-copper-molybdenum property at Mitchell-Sulphurets Creek.

Four major assemblages are present in the region (McGuigan and McKinley, 2004):

- Upper Paleozoic Stikine Assemblage
- Upper Triassic Stuhini Group
- Lower and Middle Jurassic Hazelton Group
- Middle and Upper Bowser Lake Group

The Paleozoic Stikine Assemblage is located northwest of the property and is composed of coralline limestones and intercalated mafic to felsic flows and volcaniclastic rocks, and siliceous siltstone, turbidite, chert and conglomerates.

The Upper Triassic Stuhini Group, which mostly dominates the area around the property, consists of two divisions, Upper and Lower. The Lower Division is dominantly sedimentary; undifferentiated fine-grained, well bedded rocks, and coarser conglomerate layers. The Upper Division is dominantly volcanic and volcaniclastic; mafic to intermediate tuff and volcanic breccia, mafic porphyritic flows, felsic flows and flow breccia.

The Lower to Middle Hazelton Group, located to the east of the property includes the Unuk River and Betty Creek Formations. Primarily andesitic tuffs with black siltstone members dominate the Unuk River Formation. The Betty Creek Formation consists of interbedded tuffs, flows and hematitic sedimentary rocks.

The Middle to Upper Jurassic Bowser Lake Group is composed of marine basin turbidites, black siltstones, fine-grained sandstones and conglomerates (Alldrick and Britton, 2004).

Within the property area, the Stuhini Group is cross-cut by the granitoid batholith and stocks of the Eocene Coast Plutonic Complex that displays a range of rock types including medium to coarse grained biotite +/- hornblende granite and granodiorite with minor quartz diorite. The complex also includes co-genetic dyke swarms between 50 and 65 Ma.

Bucke Glacier Stock

Stuhini Group

GAYE 9, 1044070

104B 614

Saddle Lake Pluton

, 1049405

John Peaks Stock or Unuk Meta-Diorite

Coast Plutonic Complex(?)

GAYE 10, 1044071

Stuhini Group

104B 342

CLOUD5, 1050778

, 1049404

FIGURE 3 - GEOLOGY MAP

Legend

ROCK_TYPE

- dioritic intrusive rocks
- intrusive rocks, undivided
- marine sedimentary and volcanic rocks
- quartz dioritic intrusive rocks
- quartz monzonitic intrusive rocks
- Apex Cloud Property claims (name, tenure no.)
- 104B MINFILE

0 500 1,000 2,000 3,000 4,000 Meters

PROPERTY GEOLOGY

Figure 3, geology map shows the Cloud Property to be entirely underlain by quartz monzonites of the Eocene Saddle Lake Pluton (part of the Coast Plutonic Complex) in pink. This pluton intrudes the Upper Triassic Stuhini Group marine sedimentary and volcanic rocks shown in green. To the east, mapping shows Triassic-Jurassic dioritic intrusive rocks of the Johns Peak Stock or Unuk Meta Diorite (shown in orange), which may in fact be correlative to the rocks observed on the Cloud Property. Figures 2 and 4 show the areas covered by glaciation in pale blue and by outcrop in white. Historically, it is likely that the entire claim block was covered by glaciers; therefore detailed mapping has not been possible.

A brief examination of the outcrops encountered during the rock sampling program shows the area is underlain by weakly foliated diorite cut by dyke swarms. The dykes include both mafic and felsic compositions. Dyke orientations are generally striking east-west and dipping moderate to steeply to the south. Narrow quartz veinlets of 2-5 cm widths cut both the intrusive rock and the dykes. No fresh sulphide mineralization was observed, although iron oxide coated fracture surfaces in several locations.

8) GEOCHEMISTRY

Lithogeochemistry

Figure 4 shows the location of 9 rock grab samples collecting during the mapping and prospecting program on the Cloud Property. Table II gives the UTM coordinates and descriptions of the rock samples. Bureau Veritas Certificates of Analyses for the rock samples can be found in Appendix I.

Rock grab samples consist of 2 or 3 fist size rock pieces indicative of a certain lithology or mineralization type. Sample sites were marked in the field with numbered flagging tape and samples were put into correspondingly labelled plastic bags.

Rock samples were delivered to Bureau Veritas Labs Ltd. in Whitehorse, YT for sample preparation and then shipped to Bureau Veritas facility in Vancouver for analyses. All sample preparation was done at the laboratory by their staff. In the laboratory, rock samples were crushed, then a 250 gram sub-sample was pulverized –200 mesh and sieved. 50 grams of sieved material was fire assayed for gold and silver, plus analysed for 36 elements using the ICP-MS technique.

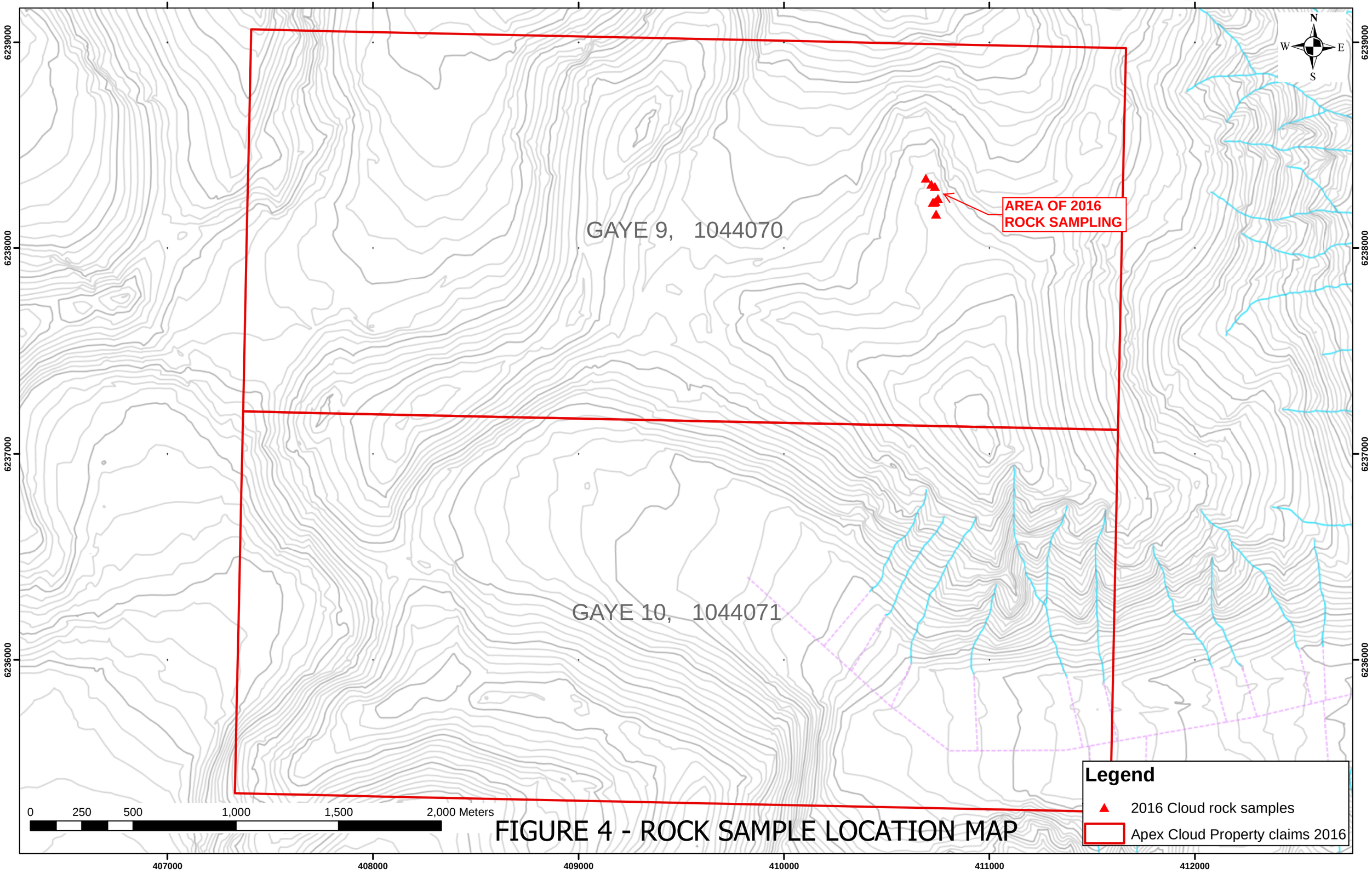

FIGURE 4 - ROCK SAMPLE LOCATION MAP

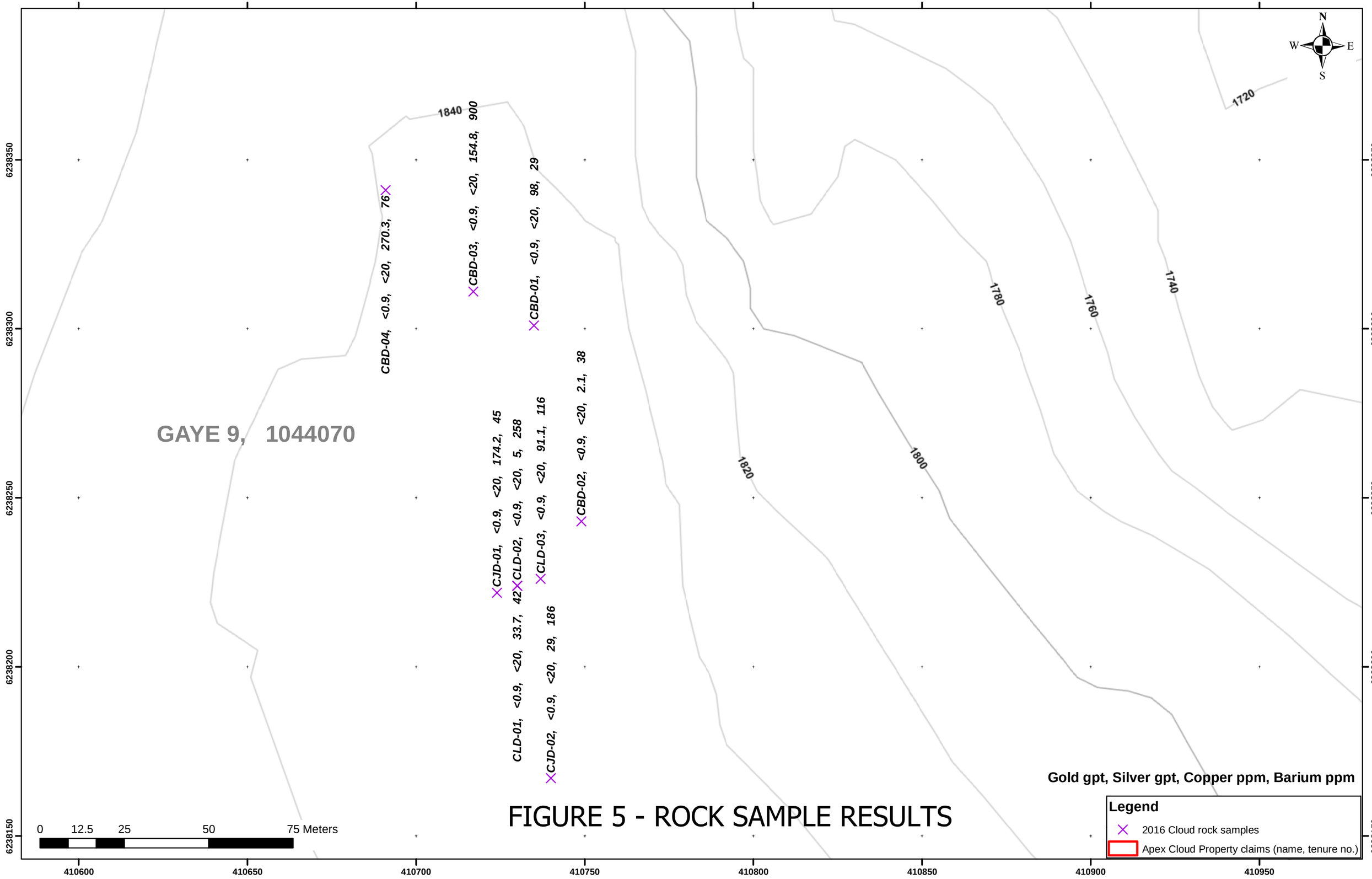

FIGURE 5 - ROCK SAMPLE RESULTS

TABLE II
ROCK SAMPLE LOCATIONS AND DESCRIPTIONS

SAMPLE	TYPE	DESCRIPTION	UTM E	UTM N
CLD-01	GRAB	Mafic dyke	410730	6238224
CLD-02	GRAB	Felsic dyke	410730	6238224
CLD-03	GRAB	Quartz veinlets in granite	410737	6238226
CJD-01	GRAB	Rusty seds over granite	410724	6238222
CJD-02	GRAB	Fine grained granite	410740	6238167
CBD-01	GRAB	Quartz vein and stringers	410735	6238301
CBD-02	GRAB	Outcrop	410749	6238243
CBD-03	GRAB	Rusty granite with veining	410717	6238311
CBD-04	GRAB	Rusty granite with veining	410691	6238341

None of the rock samples returned gold or silver fire assay values above the detection limit. Figure 5 shows rock sample numbers plus gold, silver, copper and barium analytical results. Sample CJD-01 contained elevated copper of 174 ppm, CBD-03 copper of 155 ppm plus barium of 900 ppm and CBD-04 had copper of 270 ppm. Although low, these elevated values of copper and barium suggest a potential for massive sulphide mineralization laterally.

9) CONCLUSIONS

The Cloud Property is underlain by foliated dioritic rocks intruding marine volcanic and sedimentary rocks of the Stuhini Group. Limited outcrop exposure, combined with poor weather conditions did not allow for extended field examination and sampling to be conducted. Gossanous zones were observed from the helicopter but were inaccessible in the late season field conditions and require sampling.

Glacial ice covers about 80% of the property, but recent retreating ice conditions have exposed new areas of outcrop which have not previously been seen.

The exploration targets on the Cloud Property include massive sulphide mineralization such as seen at the Granduc Mine, located 7.5 kilometres to the northeast. As such, airborne magnetics and electromagnetics will assist in locating targets beneath the glacial cover.

Also, in the vicinity of the Cloud Property, the Doc occurrence (Minfile 104B 014) has a pre NI43-101 inventory of 426,337 tonnes grading 44.9 g/t silver and 9.2 g/t gold. In 2001, Cash Minerals Inc. collected 21 rock samples on the Cloud Property with 5 of those returning gold values between 0.250 and 0.828 g/t gold. In 1987, to the southeast at the Nurse mineral occurrence (Minfile 104B 342), 9 samples were collected from a

mineralized boulder train with results up to 4.75 g/t gold, 989 g/t silver, 0.16% copper, 53% lead and 7.2% zinc.

These three occurrences also point to the potential for the Cloud Property to host precious metal exploration targets.

10) RECOMMENDATIONS

Due to the favourable location and strong visible alteration features (gossanous zones and geologic structures) an exploration program is recommended for the Cloud Property in 2017. This two phase program should consist of airborne magnetic and electromagnetic surveys (Phase I), followed by soil sampling, prospecting, and mapping (Phase II). Estimated cost for this 2 phase program is $225,000.

Respectfully submitted,

"Linda Dandy"

Linda Dandy, P.Geo.
March 23, 2017
Amended February 28, 2018

11) REFERENCES

ALLDRICK, D.J., 1993; Geology and Metallogeny of the Stewart Mining Camp, Northwestern British Columbia: BC Ministry of Mines Bulletin 085.

ALLDRICK, D.J., and BRITTON, J.M., 1992; Unuk River Area Geology: BC Geological Survey Branch Open File 1992-22.

BC MINFILE: 104B 614 QE, Quinn-Eskay; 104B 342 Nurse, Galena, Cliff, Duke 9; 104B 014 Doc; 104B 021 Granduc.

CREMONESE, D., 1988; Assessment Report on Geochemical and Geological Work on the Nurse and Clara 4 Claims: BC Ministry of Energy and Mines Assessment Report #16910.

FOX, A., LENTZ, D. and LEE-BEALE, K., 2011; 2011 Assessment Report on Prospecting and Geochemical Analysis of Rock Samples, Quinn-Eskay Property: BC Ministry of Energy and Mines Assessment Report #32600.

GROVE, E.W., 1986; Geology and Mineral Deposits of the Unuk River-Salmon River-Anyox Area, British Columbia: BC Ministry of Mines Bulletin 63.

McGUIGAN, P.J. and McKINLEY, S., 2004; Geological and Geochemical Assessment Report of the Corey Property: BC Ministry of Energy and Mines Assessment Report #27511.

WASTENEYS, H., 2006; Diamond Drilling and Geochemistry at Granduc: BC Ministry of Energy and Mines Assessment Report #28912.

12) COST STATEMENT

September 23 to 27, 2016

EXPLORATION WORK TYPE	COMMENT	UNIT	RATE	SUBTOTAL	TOTALS
Personnel / Position	**Field Days**	**Days**			
Linda Dandy/Geologist	Sept 24, 27, 2016	2	$850.00	$1,700.00	
Jack Denny/Prospector	Sept 23, 24, 27, 2016	2.25	$400.00	$900.00	
Robert Denny/Sampler	Sept 23, 24, 27, 2016	2.25	$320.00	$720.00	
				$3,320.00	**$3,320.00**
Office Studies					
Report preparation	Linda Dandy	2.5	$850.00	$2,125.00	
				$2,125.00	**$2,125.00**
Geochemical Surveying	**Number of Samples**	**No.**			
Rock	9	9.0	$53.11	$477.96	
				$477.96	**$477.96**
Transportation		**No.**			
truck rental		1.75	$100.00	$175.00	
Helicopter (hours)		2.4	$2,042.85	$4,902.85	
				$5,077.85	**$5,077.85**
Accommodation & Food	**Rates per day**				
Hotel	hotel + meals	6.00	$165.60	$993.65	
				$993.65	**$993.65**
TOTAL Expenditures					**$11,994.46**

13) QUALIFICATIONS

I, Linda Dandy, hereby certify that:

1. I am an independent Consulting Geologist having an office at 4900 Warm Bay Road, Atlin, British Columbia, V0W 1A0.

2. I am a graduate of the University of British Columbia with the degree of Bachelor of Science in Geology (1981).

3. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia (Registration No. 19236) and a Fellow of the Geological Association of Canada (Membership No. F5201).

4. I have practiced my profession in North America since 1981, having worked as an employee and consultant for Major Mining Corporations and Junior Resource Companies and Government.

5. This report is based upon a personal examination of available company and government reports pertinent to the subject property, and upon fieldwork undertaken on the property from September 23 to 27, 2016. I directly supervised the 2016 field work on the property.

"Linda Dandy"

March 23, 2016
Atlin, BC
Amended: February 28, 2018

Linda Dandy, P.Geo.
Consulting Geologist

APPENDIX

ROCK SAMPLE RESULTS
CERTIFICATES OF ANALYSES

BUREAU VERITAS MINERAL LABORATORIES Canada

www.bureauveritas.com/um

Bureau Veritas Commodities Canada Ltd.
9050 Shaughnessy St Vancouver British Columbia V6P 6E5 Canada
PHONE (604) 253-3158

Client: **Apex Resources Inc.**
2000 - 1066 West Hastings Street
Vancouver British Columbia V6E 3X2 Canada

Submitted By: Linda Dandy
Receiving Lab: Canada-Whitehorse
Received: September 29, 2016
Report Date: October 12, 2016

CERTIFICATE OF ANALYSIS WHI16000325.1

CLIENT JOB INFORMATION

Project:	Cloud
Shipment ID:	1
P.O. Number	
Number of Samples:	9

SAMPLE DISPOSAL

STOR-PLP	Store After 90 days Invoice for Storage
STOR-RJT	Store After 90 days Invoice for Storage

Bureau Veritas does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Procedure Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
PRP90-250	9	Crush (>90%), split and pulverize 250g rock to 200 mesh			WHI
FA550	9	50g Lead collection fire assay fusion - grav finish	50	Completed	VAN
AQ200	9	1:1:1 Aqua Regia digestion ICP-MS analysis	0.5	Completed	VAN
SHP01	9	Per sample shipping charges for branch shipments			VAN

ADDITIONAL COMMENTS

Invoice To: Apex Resources Inc.
2000 - 1066 West Hastings Street
Vancouver British Columbia V6E 3X2
Canada

CC: Arthur Troup

BRITISH COLUMBIA CERTIFIED ASSAYER
MARCUS LAU
Production Manager

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.
All results are considered the confidential property of the client. Bureau Veritas assumes the liabilities for actual cost of analysis only. Results apply to samples as submitted.
"*" asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.

BUREAU VERITAS MINERAL LABORATORIES Canada

www.bureauveritas.com/um

Bureau Veritas Commodities Canada Ltd.

9050 Shaughnessy St Vancouver British Columbia V6P 6E5 Canada
PHONE (604) 253-3158

Client: **Apex Resources Inc.**
2000 - 1066 West Hastings Street
Vancouver British Columbia V6E 3X2 Canada

Project: Cloud
Report Date: October 12, 2016

CERTIFICATE OF ANALYSIS WHI16000325.1

	Method	WGHT	FA550	FA550	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200
	Analyte	Wgt	Ag	Au	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Au	Th	Sr	Cd	Sb	Bi	V
	Unit	kg	gm/t	gm/t	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppb	ppm	ppm	ppm	ppm	ppm	ppm
	MDL	0.01	20	0.9	0.1	0.1	0.1	1	0.1	0.1	0.1	1	0.01	0.5	0.5	0.1	1	0.1	0.1	0.1	2
CLD-01	Rock	0.80	<20	<0.9	0.4	33.7	8.2	47	<0.1	16.1	10.7	466	2.38	<0.5	1.2	5.3	28	0.1	<0.1	<0.1	58
CLD-02	Rock	0.80	<20	<0.9	0.3	5.0	4.9	52	<0.1	17.6	9.5	474	2.73	<0.5	<0.5	5.8	25	<0.1	<0.1	<0.1	60
CLD-03	Rock	1.30	<20	<0.9	0.5	91.1	8.4	51	0.2	11.9	11.2	428	2.61	<0.5	4.2	4.4	41	0.2	0.2	<0.1	45
CJD-01	Rock	1.01	<20	<0.9	4.8	174.2	7.3	38	0.4	4.2	10.0	328	2.48	<0.5	1.4	14.2	16	0.1	<0.1	0.1	31
CJD-02	Rock	0.92	<20	<0.9	0.8	29.0	21.7	87	<0.1	41.6	23.8	335	4.12	<0.5	<0.5	2.3	61	0.2	<0.1	<0.1	78
CBD-01	Rock	0.97	<20	<0.9	0.8	98.0	13.3	21	0.5	10.3	6.2	266	1.81	0.6	<0.5	1.3	24	0.1	0.1	0.1	70
CBD-02	Rock	1.04	<20	<0.9	<0.1	2.1	5.4	43	<0.1	18.8	10.5	355	2.06	<0.5	<0.5	5.2	74	<0.1	<0.1	<0.1	36
CBD-03	Rock	0.90	<20	<0.9	9.0	154.8	1.5	78	0.2	6.6	7.3	610	4.04	<0.5	<0.5	1.8	22	<0.1	<0.1	0.1	169
CBD-04	Rock	1.36	<20	<0.9	2.6	270.3	7.4	23	0.4	11.1	8.6	187	3.04	<0.5	<0.5	2.2	53	<0.1	0.2	0.2	58

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Project: Cloud
Report Date: October 12, 2016

CERTIFICATE OF ANALYSIS WHI16000325.1

	Method	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200
	Analyte	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Hg	Sc	Tl	S	Ga	Se	Te
	Unit	%	%	ppm	ppm	%	ppm	%	ppm	%	%	%	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm
	MDL	0.01	0.001	1	1	0.01	1	0.001	20	0.01	0.001	0.01	0.1	0.01	0.1	0.1	0.05	1	0.5	0.2
CLD-01	Rock	0.72	0.043	4	14	0.70	42	0.138	<20	1.13	0.083	0.09	<0.1	<0.01	5.3	<0.1	<0.05	5	<0.5	<0.2
CLD-02	Rock	0.30	0.051	6	25	1.06	258	0.149	<20	1.67	0.072	0.32	<0.1	<0.01	7.3	<0.1	<0.05	7	<0.5	<0.2
CLD-03	Rock	0.67	0.096	6	15	0.65	116	0.123	<20	1.31	0.087	0.20	0.1	<0.01	4.5	<0.1	<0.05	6	<0.5	<0.2
CJD-01	Rock	0.47	0.052	7	3	0.38	45	0.144	<20	1.05	0.081	0.12	<0.1	<0.01	4.0	<0.1	<0.05	5	<0.5	<0.2
CJD-02	Rock	1.91	0.253	17	57	1.83	186	0.221	<20	2.14	0.133	0.43	<0.1	<0.01	1.6	0.1	0.05	9	<0.5	<0.2
CBD-01	Rock	0.74	0.061	4	8	0.43	29	0.182	<20	0.69	0.100	0.06	<0.1	<0.01	4.8	<0.1	<0.05	3	<0.5	<0.2
CBD-02	Rock	0.33	0.033	4	28	0.89	38	0.076	<20	1.26	0.076	0.01	0.1	<0.01	3.2	<0.1	<0.05	6	<0.5	<0.2
CBD-03	Rock	0.29	0.104	7	29	1.53	900	0.377	<20	2.09	0.102	1.64	<0.1	<0.01	15.0	0.4	0.30	8	1.0	<0.2
CBD-04	Rock	0.44	0.080	5	10	0.47	76	0.117	<20	0.94	0.080	0.07	0.2	<0.01	5.7	<0.1	0.52	4	2.5	<0.2

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Project: Cloud
Report Date: October 12, 2016

QUALITY CONTROL REPORT WHI16000325.1

	Method	WGHT	FA550	FA550	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200
	Analyte	Wgt	Ag	Au	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Au	Th	Sr	Cd	Sb	Bi	V
	Unit	kg	gm/t	gm/t	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppb	ppm	ppm	ppm	ppm	ppm	ppm
	MDL	0.01	20	0.9	0.1	0.1	0.1	1	0.1	0.1	0.1	1	0.01	0.5	0.5	0.1	1	0.1	0.1	0.1	2
Pulp Duplicates																					
CBD-03	Rock	0.90	<20	<0.9	9.0	154.8	1.5	78	0.2	6.6	7.3	610	4.04	<0.5	<0.5	1.8	22	<0.1	<0.1	0.1	169
REP CBD-03	QC				8.4	148.5	1.5	73	0.2	6.2	7.4	600	3.99	<0.5	<0.5	1.8	22	<0.1	<0.1	0.1	168
Reference Materials																					
STD AGPROOF	Standard		95	<0.9																	
STD DS10	Standard				15.0	154.0	141.6	348	1.6	74.9	12.7	869	2.71	44.1	81.2	6.9	63	2.8	7.7	11.4	41
STD OREAS45EA	Standard				1.4	660.9	14.5	30	0.2	385.5	53.3	397	21.05	10.3	55.0	9.8	3	<0.1	0.2	0.3	296
STD SP49	Standard		61	18.3																	
STD SQ70	Standard		152	38.3																	
STD AGPROOF Expected			94	0																	
STD SP49 Expected			60.2	18.34																	
STD SQ70 Expected			159.5	39.62																	
STD DS10 Expected					13.6	154.61	150.55	370	2.02	74.6	12.9	875	2.7188	46.2	91.9	7.5	67.1	2.62	9	11.65	43
STD OREAS45EA Expected					1.6	709	14.3	31.4	0.26	381	52	400	23.51	10.3	53	10.7	3.5	0.03	0.32	0.26	303
BLK	Blank		<20	<0.9																	
BLK	Blank				<0.1	<0.1	<0.1	<1	<0.1	<0.1	<0.1	<1	<0.01	<0.5	<0.5	<0.1	<1	<0.1	<0.1	<0.1	<2
Prep Wash																					
ROCK-WHI	Prep Blank		<20	<0.9	0.7	5.0	1.4	30	<0.1	0.8	4.0	411	1.80	0.6	0.6	2.2	23	<0.1	<0.1	<0.1	22

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Project: Cloud

Report Date: October 12, 2016

QUALITY CONTROL REPORT WHI16000325.1

	Method	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200	AQ200
	Analyte	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Hg	Sc	Tl	S	Ga	Se	Te
	Unit	%	%	ppm	ppm	%	ppm	%	ppm	%	%	%	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm
	MDL	0.01	0.001	1	1	0.01	1	0.001	20	0.01	0.001	0.01	0.1	0.01	0.1	0.1	0.05	1	0.5	0.2
Pulp Duplicates																				
CBD-03	Rock	0.29	0.104	7	29	1.53	900	0.377	<20	2.09	0.102	1.64	<0.1	<0.01	15.0	0.4	0.30	8	1.0	<0.2
REP CBD-03	QC	0.28	0.104	6	30	1.52	851	0.392	<20	2.05	0.098	1.61	<0.1	<0.01	16.0	0.4	0.30	7	0.9	<0.2
Reference Materials																				
STD AGPROOF	Standard																			
STD DS10	Standard	1.04	0.080	16	55	0.77	404	0.081	<20	1.00	0.068	0.33	3.1	0.27	2.9	5.0	0.29	4	2.1	4.5
STD OREAS45EA	Standard	0.03	0.029	7	823	0.10	151	0.097	<20	3.17	0.021	0.05	<0.1	0.02	72.8	<0.1	<0.05	12	1.0	<0.2
STD SP49	Standard																			
STD SQ70	Standard																			
STD AGPROOF Expected																				
STD SP49 Expected																				
STD SQ70 Expected																				
STD DS10 Expected		1.0625	0.0765	17.5	54.6	0.775	412	0.0817		1.0259	0.067	0.338	3.32	0.3	2.8	5.1	0.29	4.3	2.3	5.01
STD OREAS45EA Expected		0.036	0.029	7.06	849	0.095	148	0.0984		3.13	0.02	0.053			78	0.072	0.036	12.4	0.78	0.07
BLK	Blank																			
BLK	Blank	<0.01	<0.001	<1	<1	<0.01	<1	<0.001	<20	<0.01	<0.001	<0.01	<0.1	<0.01	<0.1	<0.1	<0.05	<1	<0.5	<0.2
Prep Wash																				
ROCK-WHI	Prep Blank	0.53	0.045	5	4	0.41	64	0.082	<20	0.86	0.098	0.09	0.1	<0.01	2.3	<0.1	<0.05	4	<0.5	<0.2