APEX ROYALTY CORPORATION
CHESSTOWN CAPITAL INCORPORATED

TECHNICAL REPORT ON THE BURTON PROPERTY, ESTHER TOWNSHIP, PORCUPINE MINING DIVISION, ONTARIO, CANADA

National Instrument 43-101 Report

Karen Kettles, M.Sc., P.Geo.
February 7, 2011

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3.0 Summary

The Burton property is located in Esther Township, Porcupine Mining District, Ontario approximately 200 road kilometers north-northwest of Sudbury and approximately 150 road kilometers southwest of Timmins. The property is accessible by road which is maintained year round to within 16 kilometers of the property. The road is passable to the property by 2-wheel drive vehicle during the non-winter months.

The property is 100% owned by Martin L. Burton, Cummings S. Burton, and Archie S. Burton (the "Burton Brothers"). Under an agreement dated March 25, 2010 Apex Royalty Corporation ("Apex") has agreed to purchase an undivided 100% interest in the property upon the following terms and conditions:

- Payment of $60,000 and issuance of 50,000 common shares in the capital of Apex to M.L Burton on the closing date
- Payment of $120,000 and issuance of 50,000 common shares in the capital of Apex to M.L Burton on the first anniversary of the closing (12 months)
- Payment of $150,000 and issuance of 100,000 common shares in the capital of Apex to M.L Burton on the second anniversary of the closing (24 months)
- Apex is to spend a minimum of $500,000 on or in connection with exploration of the property within 2 years of the closing date.
- M.L. Burton will retain a 2.5% net smelter return. Apex may purchase up to 60% of the NSR from M.L. Burton at any time for $500,000 per 20% increment.

Apex has also entered into a Business Combination with Chesstown Capital Incorporated ("Chesstown"), a TSX Venture Capital Pool Company ("CPC") whereby the combined corporate entity is proposing to evaluate and explore the gold potential of the Burton property. The acquisition of 100% of Apex by Chesstown is to be the qualifying transaction to transition Chesstown from a CPC to a tier 2 listing on the TSX Venture Exchange. This National Instrument 43-101 Technical Report is being completed to support these transactions.

The Burton property is located in the Archean Swayze Greenstone Belt which is a succession of metavolcanic and metasedimentary rocks. Although historically thought to be a separate entity, the Swayze Greenstone Belt has relatively recently been correlated with and interpreted to be part of the Abitibi Greenstone Belt which hosts the world class Timmins and Kirkland Lake lode gold mining camps.

Gold mineralization was discovered on the Burton property in 1928 at what is referred to as the Shaft Zone. The property has been the subject of limited exploration since the discovery which has been dominantly diamond drilling and which has been primarily focused on the Shaft Zone. The most comprehensive exploration program was completed by Canadian Nickel Company ("Canico") during 1983-1984 and the most recent exploration was a diamond drill program completed in the fall/winter of 1996-1997 by

Rainbow Petroleum Incorporated ("Rainbow"). Gold mineralization exposed on surface and intersected in drill holes on the Burton property is typical of the lode gold class of gold deposit which is the dominant gold deposit type in the Abitibi Greenstone Belt.

Canico has estimated a "historical" resource of 17,460 tonnes at an average grade of 10.06 grams per tonne gold at the Shaft Zone. Combined with drill intersections at the East Zone, isolated drill intersections between the Shaft Zone and the East Zone as well as mineralization exposed in surface trenches, gold mineralization occurs discontinuously over a strike length of approximately 700 metres. This gold bearing horizon is a priority target to explore for zones of mineralization with geological and grade continuity. Due to the historical focus of drilling on the Shaft Zone, the remainder of the property is interpreted to have untested earlier stage potential.

The Canico resource estimate was reported in 1984 (reference: Perry, 1984). The methodology and parameters of estimation are not reported in Perry (1984) and the estimate is "Historical" as defined in National Instrument 43-101. Historical resource estimates that have not been prepared and classified in accordance with National Instrument 43-101 best practices and reporting should not be relied upon.

Past exploration work on the Burton property has been varied, and is interpreted as a clear indication of the potential of the property and the Burton property is interpreted to be a very good gold exploration opportunity. Recent exploration was carried out by Apex in order to determine if Induced Polarization ("IP") is a viable geophysical method to outline gold mineralization. The IP survey was completed by Caracle Creek International Consulting Inc. ("CCIC") over 10 gridlines, totaling 7.3 line kilometers, in November and December of 2010. The survey was an EarthProbe high resolution resistivity/induced polarization (DCIP) survey. Results of the survey indicated thirteen chargeability anomalies located near surface. Of these thirteen, eight appear to be anomalies related to a rock unit that is moderately chargeable and five are possibly related to vertical dykes. Total expenditures for this initial phase of exploration work came to $115,404

It is recommended that a phased exploration program be implemented at the Burton property where Phase 1 includes:

1) Data Compilation and interpretation.
2) Confirmation of geological and exploration models, 3D geophysical interpretation and modeling of the DCIP data.
3) Field exploration including geology, geochemistry, and initial diamond drilling to test the newly outlined DCIP anomalies and 3D targets.

Phase 2 exploration comprises diamond drilling where targets are:

1) Follow up of mineralization in the Shaft and East Zones geological environments.
2) Testing the strike length of the Shaft Zone – East Zone mineralized corridor.
3) Contingency to test earlier stage targets derived from phase 1 exploration.

A budget of approximately $220,000 is recommended for phase 1 and a budget of approximately $180,000 is recommended for phase 2.

4.0 Introduction

This report entitled 'Technical report on the Burton Gold Property, Esther Township, Porcupine Mining District, Ontario" is prepared at the request of Apex Royalty Corporation ("Apex") with a business address at 305 Davenport Road, Toronto, Ontario, and Chesstown Capital Inc. ("Chesstown") a TSX Venture Capital Pool Company ("CPC") with a business address at 855 Brant Street, Burlington, Ontario. Apex has entered into an option agreement with Martin L. Burton, Cummings S. Burton, and Archie S. Burton (the "Burton Brothers"), owners of the Burton property, to acquire a 100% interest, subject to certain terms and conditions, in the Burton property. Apex has also entered into a Business Combination with Chesstown whereby the combined corporate entity is proposing to evaluate and explore the gold potential of the Burton property. The acquisition of 100% of Apex by Chesstown is to be Chesstown's qualifying transaction to transition from a CPC to a tier 2 listing on the TSX Venture Exchange. This National Instrument 43-101 Technical Report is being completed to support these transactions.

Sources of information that have been utilized to inform this report include:

1. The Ontario Ministry of Northern Development, Mines and Forestry ("MNDMF"), Mines and Minerals Division, which administers Ontario's Mining Act has provided:
    i. Recorded description, including current status, of the Burton property unpatented claims as well as recorded adjacent claims and
    ii. Copies of archived assessment files which include work reports, maps, data, and diamond drill logs of exploration work completed on the property.

2. Public domain geological literature completed and published largely by the Ontario Geological Survey and the Geological Survey of Canada which describe and interpret the geological setting of the Burton property.

3. Various websites of mineral exploration company's currently active in the area of the Burton property.

4. Discussion and interviews with Apex personnel, one of whom formerly worked on the property, and

5. A site visit to the Burton property completed by the author and accompanied by Ed Stringer who has worked on the property for previous operators Rainbow petroleum Inc. on a consulting basis. The site visit was completed on January 16, 2011. The scope of the visit included confirmation of access, evidence of historical exploration, and confirmation of recent exploration work carried out by Apex. A previous site visit was conducted on May 4, 2010 by Jamie Lavigne, MSc. PGeo., this visit was also carried out to confirm access, confirm any historical exploration, confirm the existence of geology and gold bearing zones as described, and sampling for the purposes of assaying. The results of both site visits are presented in Item 16.

5.0 Reliance on Other Experts

This report has been prepared by Karen Kettles MSc. PGeo. (K. Kettles) for Apex. In preparing this report, the author has relied on reports provided by Apex and from other government sources. The author believes that the materials referenced describe the principle and technical aspects of the property sufficient to support this technical report. Information used in this report is referenced in Item 21. In addition, the information, interpretations, and conclusions contained in this report are based on information available to the author at the time of preparation of this report. Interpretations and conclusions are based on assumptions and conditions as set forth in this report.

For the purposes of this report, claim information on the Burton property was taken from the web site of the Ontario Ministry of Northern Development, Mines, and Forestry at: http://www.mndm.gov.on.ca/mines/lands/default_e.asp the information that appears in Item 4 on land tenure, including locations maps in the report, are from this source. Details on unpatented claims are provided on the website but detailed information, other than location, of patented claims is not available. The author has not otherwise searched or commissioned a search on property title or mineral rights for the subject properties and expresses no opinion as to the ownership status of the property.

An original version of this report was initially completed by Jamie Lavigne, M.Sc. P.Geo., as an internal report for Apex. Jamie Lavigne has since become a shareholder of Apex and as such is not independent of the Corporation. . This earlier version of the report was used as a basis of the information in the current report by K. Kettles, and she has relied on some of the ideas and conclusions presented by Jamie Lavigne. The current report has been updated to include recent exploration by Apex. The site visit information documented by Jamie Lavigne is presented in Item 16, and K. Kettles has examined all the data from this visit, and has verified the data. As well all information used in the earlier report has been examined and confirmed by K. Kettles.

6.0 Property Description and Location

The Burton property is located in Esther Township within the Porcupine Mining District, Ontario. It is approximately 200 kilometers north-northwest of Sudbury, approximately 150 kilometres southwest of Timmins (Figure 4-1), and at approximately 397200 m East and 5279325 m North (UTM NAD83, Zone 17N).

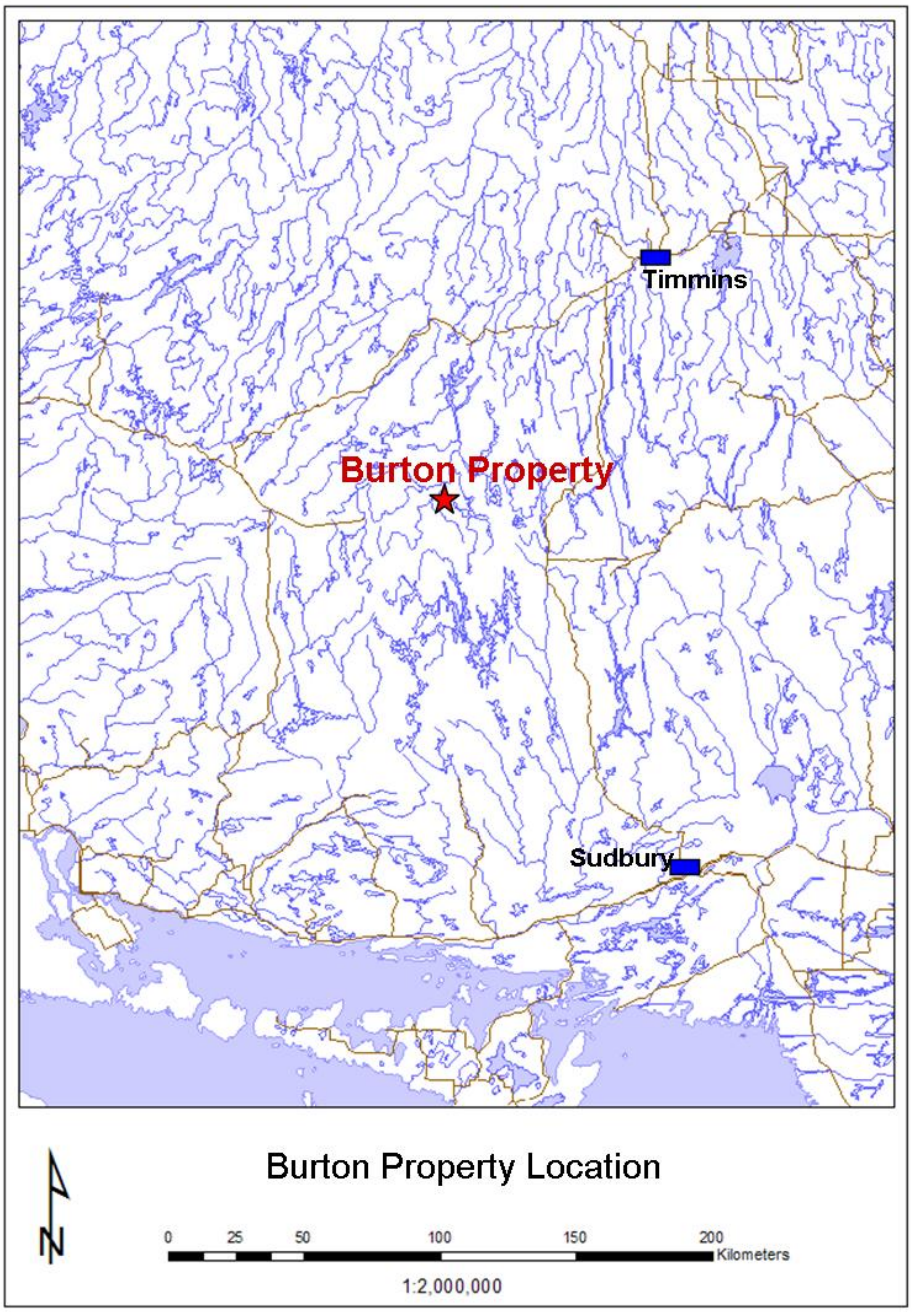

Figure 6-1: Location of the Burton Property

6.1 Mineral Tenure

The Burton Property consists of a contiguous block of 6 patented mining claims (see note below) and 16 unpatented mining claims (Figure 4-2). The patented claims which contain both of mining and surface rights are: S31116, S31117, S31226, S31227, S32578, and S32579. The unpatented claims, listed in table 4-1, are all in good standing until the summer and fall of 2017 at which time work expenditures of 400 per claim unit are due, as required by the Mining Act of Ontario.

Table 6-1: Burton Property Unpatented Claims with current status

Claim Number	Township/Area	Recorded Holder	Recording Date	Due Date	Units	Work Required
629911	Esther (G-1120)	Burton, Martin (100%)	1981-SEP-14	2017-SEP-14	1	$400
629912	Esther (G-1120)	Burton, Martin (100%)	1981-SEP-14	2017-SEP-14	1	$400
648044	Esther (G-1120)	Burton, Martin (100%)	1982-JUL-09	2017-JUL-09	1	$400
648045	Esther (G-1120)	Burton, Martin (100%)	1982-JUL-09	2017-JUL-09	1	$400
648046	Esther (G-1120)	Burton, Martin (100%)	1982-JUL-09	2017-JUL-09	1	$400
648047	Esther (G-1120)	Burton, Martin (100%)	1982-AUG-19	2017-AUG-19	1	$400
648048	Esther (G-1120)	Burton, Martin (100%)	1982-AUG-19	2017-AUG-19	1	$400
648153	Esther (G-1120)	Burton, Martin (100%)	1982-SEP-23	2017-SEP-23	1	$400
648154	Esther (G-1120)	Burton, Martin (100%)	1982-SEP-23	2017-SEP-23	1	$400
648155	Esther (G-1120)	Burton, Martin (100%)	1982-SEP-23	2017-SEP-23	1	$400
648198	Esther (G-1120)	Burton, Martin (100%)	1982-SEP-23	2017-SEP-23	1	$400
648285	Esther (G-1120)	Burton, Martin (100%)	1982-NOV-02	2017-NOV-02	1	$400
648286	Esther (G-1120)	Burton, Martin (100%)	1982-NOV-02	2017-NOV-02	1	$400
648362	Esther (G-1120)	Burton, Martin (100%)	1982-NOV-02	2017-NOV-02	1	$400
648363	Esther (G-1120)	Burton, Martin (100%)	1982-NOV-02	2017-NOV-02	1	$400
1094208	Esther (G-1120)	Burton, Martin (100%)	1989-OCT-17	2017-OCT-17	1	$400

The unpatented claims were acquired by ground staking and registered in 1981 and 1982 with the exception of claim 1094208 which was staked and registered in October 1989. The claims are held 100% by M.L. Burton and, to the author's knowledge, are not subject to any royalties, back-in agreements, or other payments/agreements/encumbrances. To the author's knowledge there are no registered aboriginal land claims or any known adverse environmental issues or public hazards associated with the lands. The property is an early stage exploration property, and has not been the subject of any mineral production.

Note: Freehold patented mining lands are lands originally granted for mining purposes or mining rights that were severed from the surface rights after their original grants.

APEX OPTION AGREEMENT

Under an agreement dated March 25, 2010 Apex Royalty Corporation has agreed to purchase an undivided 100% interest in the property upon the following terms and conditions:

- Payment of $60,000 and issuance of 50,000 common shares in the capital of Apex to M.L Burton on the closing date
- Payment of $120,000 and issuance of 50,000 common shares in the capital of Apex to M.L Burton on the first anniversary of the closing (12 months)
- Payment of $150,000 and issuance of 100,000 common shares in the capital of Apex to M.L Burton on the second anniversary of the closing (24 months)
- Apex is to spend a minimum of $500,000 on or in connection with exploration of the property within 2 years of the closing date.
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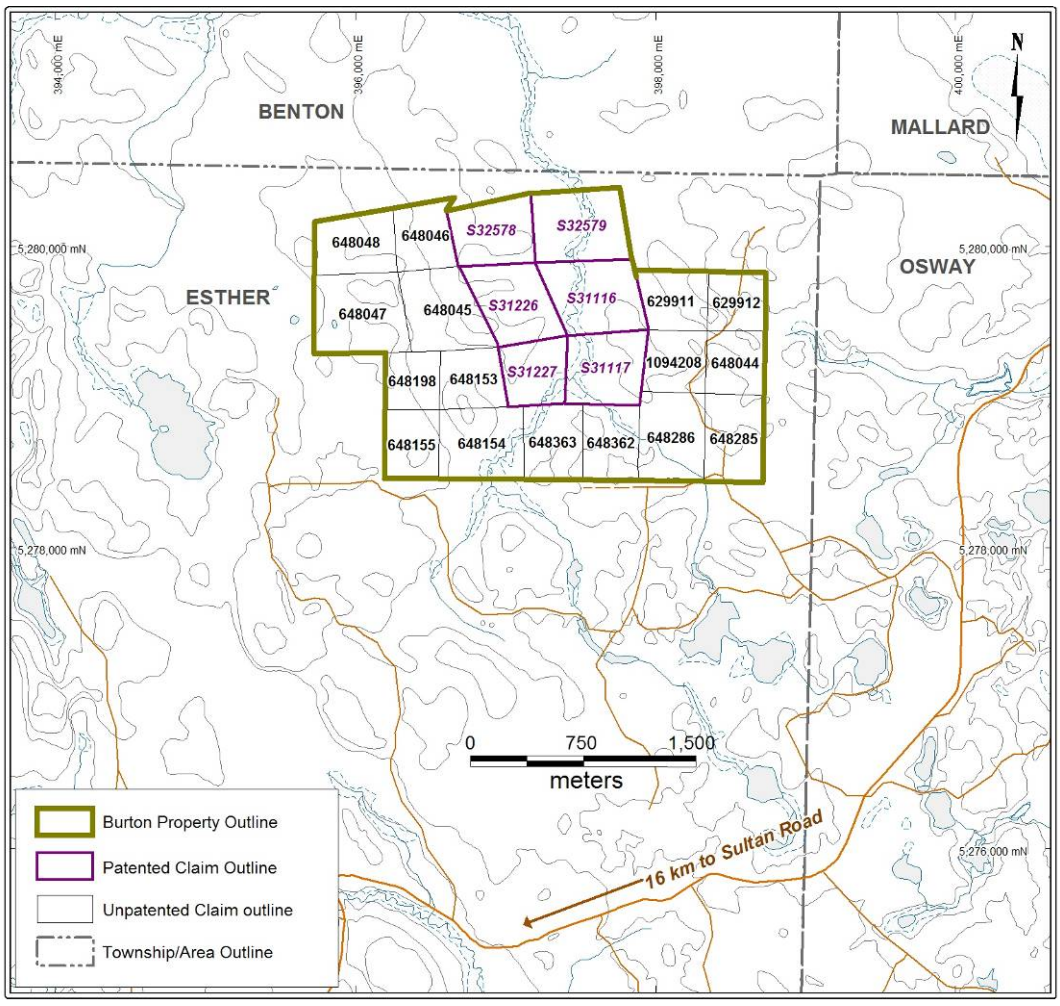

Figure 6-2: Burton Property Claims

7.0 Accessibility, Infrastructure, Climate, Local Resources, and Physiography

The Burton property is located approximately 200 kilometers north-northwest of Sudbury and approximately 150 kilometres southwest of Timmins (Figure 6-1). Access is via Highway 144 north from Sudbury for 156 kilometers to the intersections with the Sultan gravel haulage road (previously known as the Domtar road) and proceeding west on the Sultan road for 45.5 kilometres. A four way road intersection occurs at this point which is taken to the north for 16 kilometres. At this point a small bush road intersects the main road to the west, which is followed for 3.3 kilometres to patented claim S31117. The road to the center of the patented claims is in excellent shape and passable by 2 wheel drive vehicle.

The property is covered by Boreal forest and with the typical rounded ridges interspersed with areas of bog which together are characteristic of the Canadian Precambrian Shield. Typically, the trees and rock outcrops are confined to highland areas, while bog areas contain small bushes and grasses. Local relief seldom exceeds 20 meters, although local topography can be extremely rough. Overburden on the highlands varies from zero to 3 meters and is typically clay or unsorted glacial deposits. Overburden in the bog areas varies in depth from a few meters to nearly 30 meters, usually with a humus layer sitting on a thick clay bottom. Drainage in the area is sluggish and poor. The local streams flow generally northward into the Woman River, the Mattagami River System and, ultimately, into James Bay. The Burton property 1ies in the Arctic drainage basin near the divide (height of land) between the Arctic and Great lakes drainage systems.

Trees in the area are mostly mature jack pine with some poplar, birch, and alder. Areas outside the patented claims are mostly second growth, whi1e the patented claims are first growth. The patented claims permit the harvesting of the timber on them for mining purposes. Since the most recent work on the property in 1997 the area has been extensively forested.

The nearest town is Gogama, 92 road kilometers away. However, Timmins or Sudbury are the nearest population centers which supply services to much of Northeastern Ontario, and are located north of the city of Toronto. Lodging, supplies, and general services are available in Timmins and Sudbury. They have the suppliers, contractors, and personnel to support a mining operation, and are served by air, rail, and road transportation. The nearest electrical power line is available from lines near Highway 144, approximately 65 road kilometres to the east. There is sufficient water for a mining operation available on the property.

The climate in the area is typical of the northern temperate zones. Temperatures may reach 30^0C in the summer and -40^0C in the winter. Snowfalls in the area are frequent and snow accumulations reach over a meter in depth in a typical winter. Roads in the area are regularly plowed by the provincial government to within 19.3 kilometers of the property.

8.0 History

A summary (chronology) of historical exploration programs is presented below as well as historical resource estimates. Some description and detail of geology, mineralization, exploration and drilling programs is contained in Items 9 through 13.

8.1 General Summary

Gold was discovered on the property circa1928 by Archie Burton Sr. and Northern Aerial Minerals Exploration Ltd. and it appears from historical reports that the Burton family has controlled the ownership of mining claims in the immediate area since that time. The modern claims were recorded from September 1981 to November 1982 with one claim being recorded in October 1989 (Table 4-1).

The original discovery of 1928 is located on patented claim 31116. The original surface gold showing was trenched to the east for approximately 750 metres. A shaft was planned to intersect down dip of the original showing but was abandoned at approximately 10 metres depth, short of the target depth, due to flooding. Subsequently, the Burton property has been optioned to Hollinger Consolidated Gold Mines Limited ("Hollinger"), Burscott Mines Limited ('Burscott"), Canadian Nickel Company Limited ("Canico"), Grandad Resources Limited ("Grandad"), and Northern Mining Properties ("Northern"). The work and results of work programs completed by these companies has been summarized by Constable (1996). In 1996, Rainbow Petroleum Corp. optioned the Burton property and completed a diamond drill program.

In the late 1930's and early 1940's the Burton property was under option to Hollinger. Hollinger completed a 32-hole diamond drill program on the property. Their drill program consisted of a series of short drill holes in the immediate shaft area to establish the trend of the gold mineralization. Hollinger also stepped back from the shaft area and drilled a series of ho1es designed to intersect the shaft zone at great depth. While numerous gold intersections were encountered in the Hollinger drilling it was apparent that the geometry of mineralization was more complex in the Main Zone than a simple sheet-like gold-bearing horizon. Canico (Bell, 1984) is quoted as saying that the Hollinger drilling delineated: " *A zone consisting of a possible 38,000 tons grading 0.345 oz./ton gold down to the 300 foot level…*".

In 1945 Burscott carried out a l0-ho1e diamond drill program near the shaft and produced a historical estimate of possible reserves of 34,473 tons grading 11.83 g/T gold within the Main or Shaft Zone along a 76 meter long, west p1unging zone, all above the 91 meter 1evel (Constable, 1996).

Constable (1996) indicates that most of the details of the Hollinger and Burscott work no longer exist and only drill hole summaries and assays are available. Efforts at searching

archives for the present report did not find any additional information on these drill campaigns.

During the period 1982 to 1985 Canico optioned the property and carried out a systematic program of line cutting, mapping, geophysics, geochemistry, stripping, sampling, and drilling. The diamond drill program consisted of a total of 2,096 meters in 29 holes. Perry (1985) reports: *" … a preliminary estimate of 17,460 tonnes at 10.09 grams per tonne is calculated for the shaft* zone".

In 1987-88 Grandad Resources (Grandad) optioned the Burton property and comp1eted a 31-ho1e diamond drill program totaling 3,077 meters. Grandad also completed a limited humus sampling geochemical program and down hole Mise-a-la-Masse geophysics. Grandad's drilling was primarily located in the Shaft gold zone and G. R. Clark, consultant, concluded that the gold zone was striking north-south and dipping moderately westward (Clark, 1988). Clark recommended more drilling, which was not completed by Grandad.

In 1989 Northern Mining Properties optioned the property and re-assessed the work completed to date, focusing on previous drilling. This work included producing new vertical sections, longitudinal sections, and grade-thickness contours maps of the gold deposits (Bowen, 1989). An exploration program consisting of line cutting, magnetic and induced polarization geophysics, sampling, mapping, metallurgy, and diamond drilling was recommended. This work program was not initiated.

In 1996, Rainbow Petroleum Corp. ("Rainbow") optioned the Burton property and during the period October 1996 to February 1997 re-established the grid and completed 3327 metres of diamond drilling in 33 holes. The drilling completed by Rainbow included 22 drill holes centered over the Shaft Zone, six drill holes to the east of the Shaft Zone, and 5 drill holes immediately west of the Shaft Zone. Gold mineralization was intersected in both the east and west drilling areas as well as in the Shaft Zone drilling.

Under an agreement dated March 25, 2010 Apex Royalty Corporation has agreed to purchase an undivided 100% interest in the Burton property. The terms and conditions of this agreement are described in Item 4. Work carried out by Apex is described in Item 12 and 16.

8.2 Historical Resource Estimates

Two "historical" resource estimates are contained in the previous company exploration reports: 1) a resource estimate reported by Canico in Perry (1984), and 2) a resource estimate completed for Rainbow Petroleum and reported in Church (1998).

Perry (1984) calculated a resource tonnage for Canico of 17,460 tonnes at an average grade of 10.09 grams per tonne gold. The tabulation in Perry (1984) includes the distinction of tonnages and grades by section and it is therefore assumed that the estimate is a sectional polygonal type estimate. It is from the Shaft Zone over sections 100+00E, 99+80E, 99+60E, and 99+40E. Otherwise, no estimation parameters are included and no classification of the resources is included.

Church (1998) reports a calculation for Rainbow Petroleum based on the work in 1997, and included a statement " ... that the Shaft Zone contains a resource of 30,000 tonnes at an average grade of 10.55 grams per tonne gold." Estimation parameters and methodology are not included in the summary report by Church (1998).

These resource estimates are historical and are not to be considered current resource estimates for the Burton property. Neither the author of this report nor Apex Royalty Corporation considers the historical resource estimates presented above as current resources. Historical resource estimates that have not been prepared and classified in accordance with National Instrument 43-101 best practices and reporting should not be relied upon.

9.0 Geological Setting

9.1 Regional Geology

The Burton property is located within the Swayze Greenstone Belt which is located within the Abitibi Subprovince (Figure 9-1). The description of the Abitibi Subprovince that follows is summarized from Ayer et al. (2005).

The Abitibi Subprovince is an 800 x 300 kilometres granite-greenstone domain situated along the southern margin of the Superior Province. It is dominated by supracrustal and granitoid rocks that range in age from 2.75 to 2.67 Ga. Historically, the Abitibi greenstone belt was considered to be that portion of the Abitibi Subprovince extending to the western margin of the extensive granitoid complexes west of Timmins. New mapping and geochronological evidence shows that the Swayze Greenstone Belt contains many of the structures and stratigraphic ages typical of the Abitibi belt in the Timmins – Kirkland Lake area and is now interpreted to represent a deeper erosional level of a once-continuous Abitibi greenstone belt extending to the Kapuskasing Structural Zone.

The Porcupine (i.e. Timmins and area) and the Kirkland Lake - Larder Lake mining camps, as well as the Val d'Or mining camp in the Abitibi greenstone belt in Quebec, are three of the most prolific lode gold producing camps in the world (see distribution of deposits in Figure 9-1). In excess of 100 million ounces of gold have been produced from the Abitibi greenstone belt.

The description of the location and limits of the Swayze greenstone belt as well as the general geology is from Heather et al. (1996).

The Swayze greenstone belt is bounded to the west by the Kapuskasing structural zone and by the Nat River granitoid complex to the north, the Kenogamissi batholithic complex to the east, and the Ramsey-Algoma granitoid complex to the south. Volcanic and sedimentary rocks range in age from 2731 to 2690 Ma, whereas the intrusive rocks range in age from 2740 to 2660 Ma. The volcanic and sedimentary rocks form an upward-facing, upward-younging stratigraphic sequence that is complexly folded and faulted.

The location of the Jerome Mine, the only documented past producing gold mine in the Swayze greenstone belt, as well as numerous gold prospects and occurrences compiled and documented by the Ontario Geological Survey are contained in Figure 9-2.

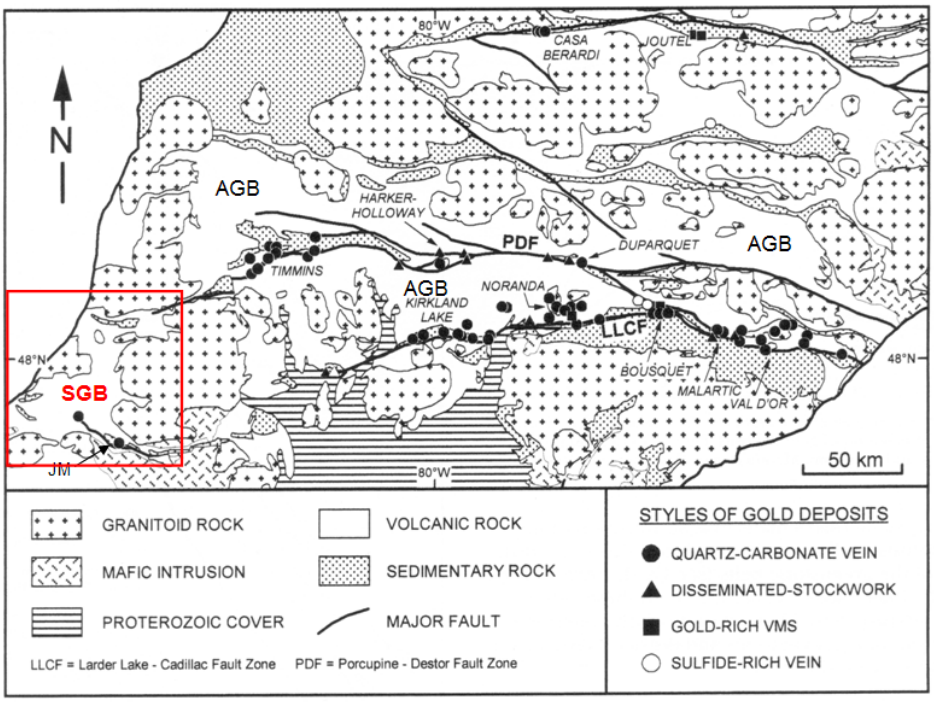

Figure 9-1: General Geology and Gold Deposits of the Abitibi/Swayze Greenstone Belts.
From Robert and Poulsen (2001). Added to the diagram are: SGB – Swayze Greenstone Belt, AGB – Abitibi Greenstone Belt, and JM – Jerome Mine. Area of Figure 9-2 is indicated by red outline.

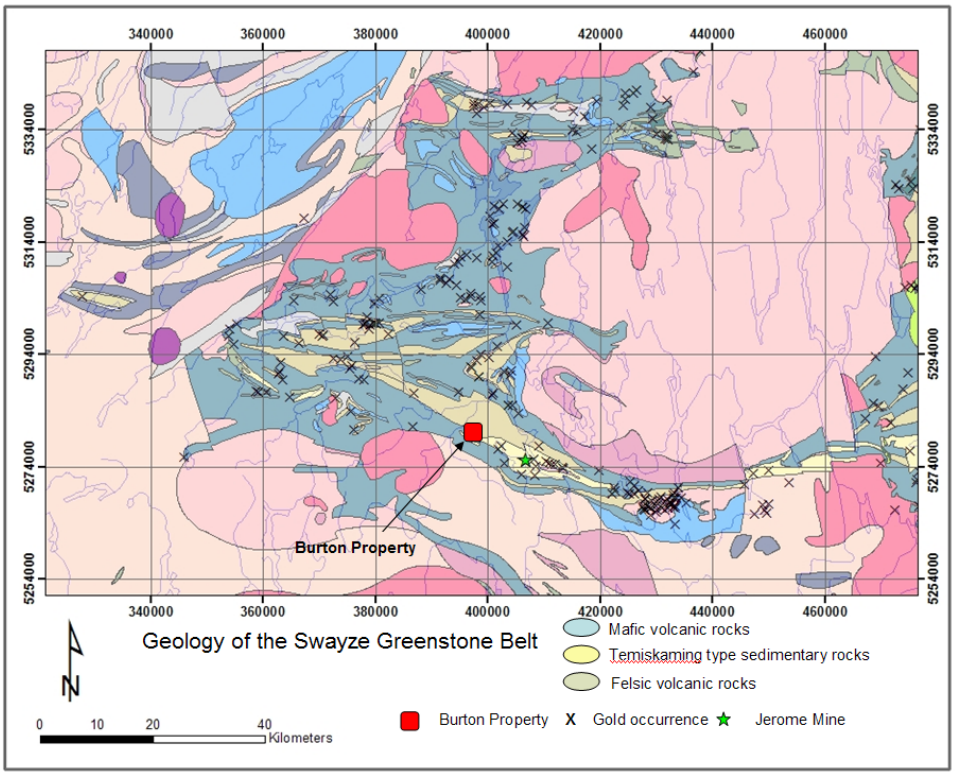

Figure 9-2: General Geology of the Swayze Greenstone Belt, Location of the Burton Property (Geology from OGS OFR6196).

9.2 Local Geology

The Burton property occurs near the southern margin of the Swayze greenstone belt where the belt consists dominantly of mafic to intermediate metavolcanic rocks and Timiskaming-type metasedimentary rocks. The volcanic rocks are locally intruded by ultramafic intrusive rocks. Felsic to intermediate volcanic rocks occur to the north of the mafic volcanic rocks and sedimentary rocks. Bedding and foliations in the area strike dominantly east-southeast parallel to the trend of the southern contact of the Swayze belt and dip steeply to the southeast.

As pointed out by Constable (1996) there are a number of gold occurrences, including the past producing Jerome Mine, which form a loosely defined belt trending north-northwest over an 80 km strike length from Chester Township in the southeast to Raney Township in the northwest. The Jerome Mine produced 56,878 ounces of gold over the period 1941 to 1945 and when operations ceased had a reserve of 344,000 tons at an average grade of 0.19 oz/ton (Canadian Mines Handbook, 1946; Siragusa, 1989). Recently announced drill intercepts including 1.88 g/t gold over an intersection length of 190.66 m and 8.70 g/t gold over an intersection length of 107.11 m announced by Trelawney Mining and Exploration Inc. occur in Chester Township. (http://trelawneymining.com/). The mineralization on the Burton property is part of this trend of occurrences (Figure 9-3).

9.3 Property Geology

In 1983, Canico completed a large grid covering the Burton property and performed detailed geological mapping producing a series of 1:2500 scale maps across the property. In 1984, they continued the work by completing detailed overburden stripping and geological mapping in the area of the mineralized zones. Constable (1996) has compiled the geological mapping on the property (Figure 9-4). The work done by Constable (1996) is the most comprehensive and up to date description of local property geology available, and is used here to describe the property geology.

Constable (1996) determined that the Burton property is *"..underlain by a sequence of 110° striking, steeply dipping gabbros, mafic metavolcanics and metasediments The gabbro has a high magnetic signature and can be traced across most of the Burton property. It is this gabbro which hosts both the Shaft and East gold zones. Just west of the Shaft Zone it appears that the gabbro is faulted or folded 60 meters to the south where it resumes its 110° strike. Altogether, the gabbroic unit can be traced for a total length of 4,650 meters across the property and it shows widths of up to 120 meters. The gabbro is most likely an ultramafic flow of komatiitic affinity. The rest of the metavolcanics are pillowed, tholeiitic basalts with south facing tops. Three bands of metasediments cross the property consisting of conglomerates and argillites. They are up to 200 meters across and show ductile shear effects.*

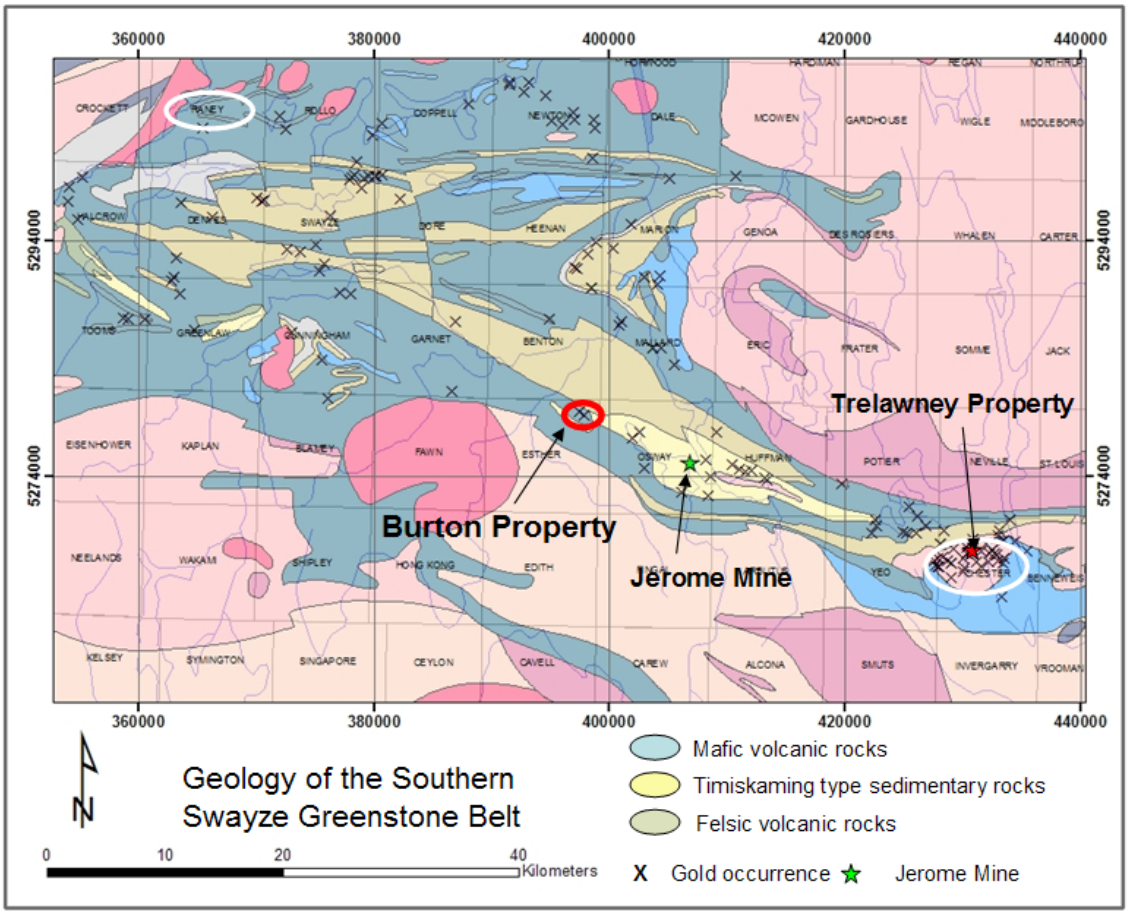

Figure 9-3: General Geology of the Southern Swayze Greenstone Belt and Location of the Burton Property and other Occurrences.
(Chester and Raney Townships circled in white. Geology from OGS OFR6196)

There are definite signs of at least two episodes of folding on the property. An axial plane cleavage is strongly developed parallel to the regional strike at 110°. A second, poorly developed cleavage cuts the first at 160°. Both cleavages are nearly vertical. In places, the bedding is transposed into the cleavage and, locally, cleavage may be mistaken for the bedding. The strongest folding (F1) is observed to have a vertical axial plane striking at 110° and to plunge at 40° to 45° to the west. The probable F2 folding is observed to affect the F1 locally through open folds which displace or roll the mineralized horizons about 3 to 5 metres. The best place to observe the F1 and F2 folding is in the Shaft area where it has affected at least one of the gold bearing zones."

Figure 9-4 below shows mafic volcanics from the shaft zone that have been affected by the strong axial planar cleavage, an F1 feature. Figure 9-5 is modified from the report by Constable (1996) and shows the mapped rock units and structures from the property.

Figure 9-4: Mafic Volcanic Rocks from the Shaft Zone area - showing strong F1 Foliation and alteration.

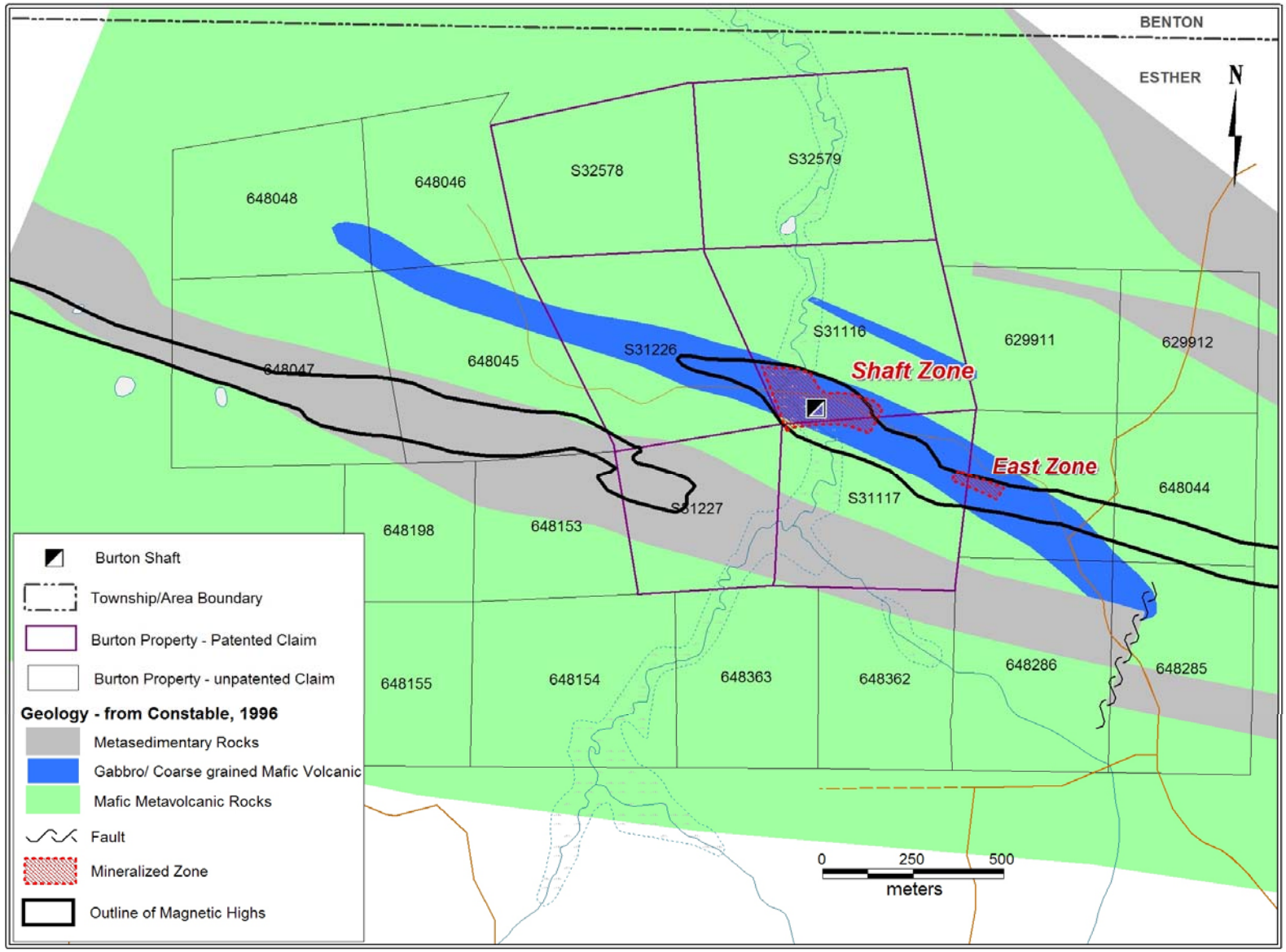

Figure 9-5: Geological Compilation of the Burton Property (after Constable, 1996)

10.0 Deposit Types

The gold mineralization on the Burton property belongs to the broad class of 'Lode-Gold' deposits and probably into the sub-class or deposit type referred to as Greenstone hosted quartz-carbonate vein (Poulsen et al., 2000). The deposits consist of veins (open space fill) and/or replacement bodies. The veins consist dominantly of quartz and lesser carbonate, albite, tourmaline, sericite, and chlorite. These minerals also comprise wall rock alteration and replacement bodies. Sulphide minerals are common but usually comprise < 10% of a vein by volume. The most common sulphides are pyrite, pyrrhotite, chalcopyrite, and arsenopyrite. Less common sulphide/opaque minerals include galena, sphalerite, molybdenite, stibnite, and scheelite. Native gold commonly occurs in veins and adjacent altered wall rocks.

The most common model for the occurrence of Greenstone hosted veins is emplacement at particular (locally significant) structural sites related to faults, folds, or shear zones during regional orogenesis that significantly post dates the deposition of the host rocks. A key component to application of this model in the exploration for lode gold deposits is the degree of deformation and transposition that post-dates deposit emplacement. A schematic section of the model is contained in Figure 10-1.

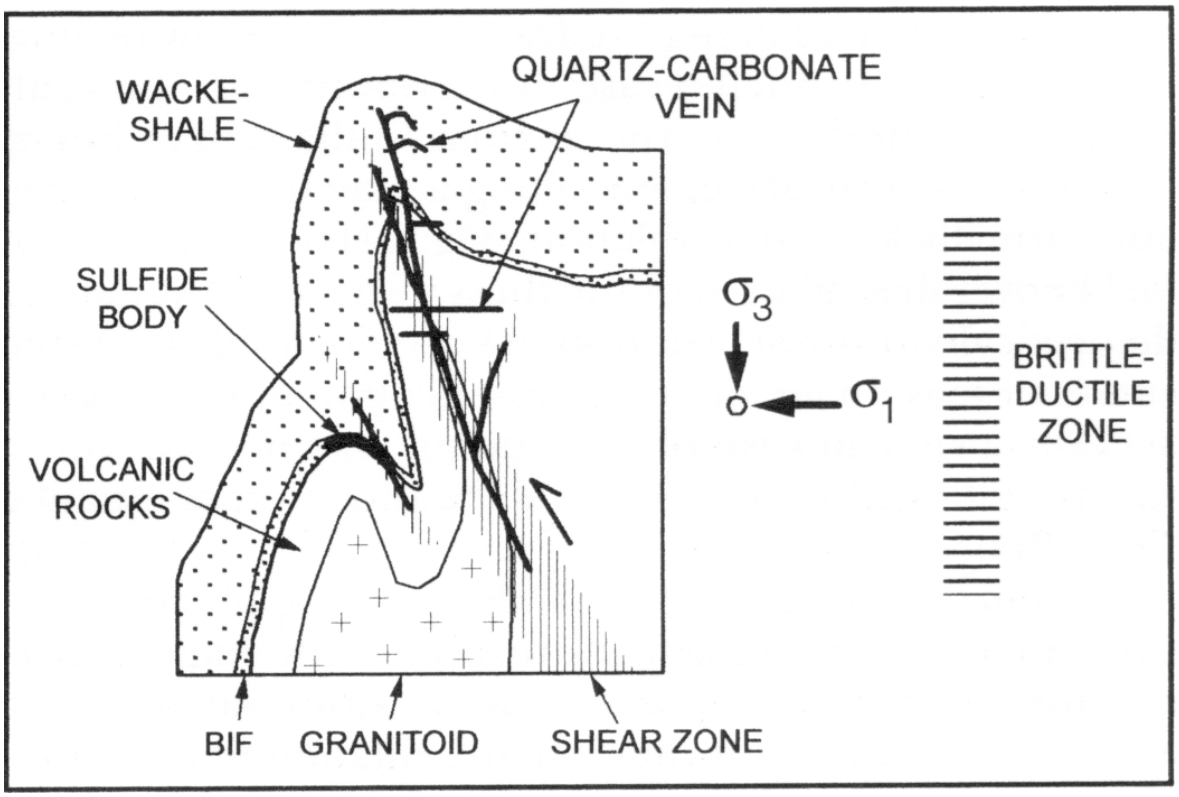

Figure 10-1: Schematic cross section of the geometry and structural setting of quartz veins in greenstone belts (Robert and Poulsen, 2001).

11.0 Mineralization

Mineralization on the Burton property occurs at two zones: the Shaft Zone and the East Zone. Mineralization is described in company and assessment reports that include those by Bell (1984), Perry (1985), Constable (1996) and Church (1997). In addition, mineralization on the Burton property is described by the Ontario Geological Survey in Siragusa (1989). The locations of the Shaft and East Zones are on Figure 9-4.

11.1 Shaft Zone

The description that follows is from Bell (1984) and describes the Shaft Zone as:

A stratigraphic section through the mineralized zone from bottom to top consists of basal fresh, massive, gabbroic textured basalt. Approaching the zone, foliation intensifies and spotty carbonatization develops. As carbonatization increases, minor quartz veins develop along with disseminated arsenopyrite and pyrite. Within the main zone foliation is fairly intense (dipping vertically +/-10^0) and carbonatization pervasive, locally 100%. At this point the host rock develops a dioritic appearance. Sulfide mineralization consists predominantly of arsenopyrite with lesser pyrite, pyrrhotite and chalcopyrite, either disseminated or massive. Gold tenor appears to be roughly proportional to the arsenopyrite content. Stratigraphically above the mineralized zone, the intensity of carbonatization and foliation decreases gradually until the rock grades into fresh "gabbro", which is magnetite rich. Above this lies a band of interflow metasediments overlain by another cycle of pillowed basalts.

Lithology, alteration, veining, and sulphide mineralization at the shaft zone is similarly described in other reports. However, mechanized overburden stripping of the Shaft Zone in 1984 revealed a fold which appears to control the orientation and geometry of mineralization. The stripping was completed during the Canico exploration program and the geology of the Shaft Zone surface exposure is described by Perry (1985):

The area underlain by the fold, apart from the margins, is almost completely rusted out. The gossan area is commonly a deep purplish-brown color; it is soft and friable in texture with only local competent patches where quartz veining exists. At the northern edge of the fold the mineralization consists of heavily disseminated arsenopyrite and pyrite in silicified basalt (gabbro?).A channel sample from the central portion of the fold yielded 14.00 ppm gold over 0.7 metres and a sample from the northern edge gave 18.65 ppm gold over 0.55 metres. Three plunge measurements from this area indicated that the fold had a plunge of 30 to 40 west.

Figure 11-1 below shows mafic volcanic rocks from the shaft area that contain sulphide mineralization that has subsequently been oxidized. This photo is from a site visit by Jamie Lavigne in May, 2010.

Figure 11-1: Oxidized sulphide bearing Mafic Volcanic Rocks, Shaft Area

Siragusa (1989) describes the detailed fabrics as a pervasive S1 that is folded and overprinted by S2 which are axial planar, and notes that the F2 folds plunge shallowly to the west. Constable (1996) describes mineralization and structure at the Shaft Zone stripped area as follows:

From my surface examination of the Shaft gold zone, I observed three distinct gold bearing zones. The lowest zone was exposed 10005E/1994N and clearly showed an Fl fold nose. It also showed two distinct mineralized limbs and a plunge of 45^0 to the west. It is my observation that this zone is a tight syncline with steeply dipping limbs and an axial plane cleavage striking at $110^{0.}$ The second or middle gold zone is exposed at 9966E/10120N. It appears to contain weaker mineralization on surface, but its lower contact shows small scale folds similar to the larger Fl structure in the lower gold zone as described above. Finally at 9960E/10006N, the third upper gold zone is partially exposed on surface. This was the original go1d discovery and the shaft, located 10 meters west of this showing, was clearly designed to expose the westward extension of this showing. The third gold zone is strongly mineralized.

11.2 East Zone

The mineralization at the East Zone is similar to the Shaft zone in terms of lithology, alteration, foliation, vein association, and sulphide mineralogy. However, in contrast to the structure described at the Shaft Zone, the East zone is described as a linear or planar zone with only minor rolls (Constable, 1996) or drawn-out folds (Siragusa, 1989). Description of mineralization and setting of mineralization at the East Zone below is taken from Perry (1995):

The country rocks consist of medium-grained basalts (gabbro?) which are interpreted to consist either of thick flow units or subvolcanic sills. Pillowing can be observed in adjacent rocks to the north and south of this zone but no pillows were noted in the footwall or hanging wall units. At several locations the mineralized area occupies shallow, rubb1y depressions and could not be examined; elsewhere the mineralization can be observed striking consistently E-W (grid) completely across the stripped area. The zone varies in width from about 0.5 m to 4.0 m and is variably mineralized throughout. The narrower zones, as at line 105+50E, are commonly very weakly mineralized, pyrite + pyrrhotite, with scattered erratic and narrow quartz veins. The zone also commonly shows a stronger foliation than the adjacent country rocks and a very sharp contact with the country rocks. Within the wider mineralized sections, quartz bands, veins and lenses are commonly much thicker and more persistent. Disseminated pyrite and arsenopyrite tend to be associated with the quartz rich sections; pyrrhotite is ubiquitous. Mineralization is not consistent across the zone but the less well mineralized portions still show heavy silicification and iron carbonate alteration. This appears to be more concentrated on the hanging wall (south) side. The mineralized zone displays very few small scale "Z" fold structures. Between 104+50E and 105+00E some possible indications of folding can be observed but these are not definite. The mineralization may be concentrated along quite narrow, tight, drag folds. A plunge measurement of 40^0 W was obtained from the folded sediments in the southwest corner of the stripped area. This confirms measurements taken in the Shaft area.

12.0 Exploration

Apex has completed exploration work on the Burton property, which is described in Item 12.3. As well, the exploration work completed by previous operators on the property, which was briefly outlined in Item 6, is also expanded upon in the following summary of historical exploration. This work is historical data, was not completed by Apex, and is included as not all the data is available in public files, and also the work is presented to demonstrate where more exploration work is needed on the property.

12.1 Historical Exploration

The exploration history of the Burton property has been outlined in Item 6. Since discovery of the Shaft Zone and associated trenching and sinking of the shaft, the dominant exploration activity, until 1983, has been diamond drilling. In 1983 and 1984 Canico completed an exploration program that included establishing a grid consisting of 5.82 kilometers of baseline and 98.4 kilometers of grid line. Exploration work completed by Canico on the property (grid) during 1983 and 1984 included:

- Detailed geological mapping
- A humus and soil geochemistry program.
- Magnetometer Survey
- VLF Electromagnetic survey
- Trenching

The geological mapping completed by Canico has been previously described in Item 9.3. The results of the geochemistry, geophysics, and trenching are summarized here.

12.2 Historical Exploration Results

Humus soil sampling was carried out over the immediate area of the showings and extended out along strike from the shaft area over the grid. Gold and arsenic were analyzed and single point anomalies of both gold and arsenic were reported. However, Canico reports the occurrence of only one coincident gold and arsenic anomaly sample site and that the survey did not outline high priority target areas (Perry, 1985). K. Kettles recommends that other soil geochemistry techniques should be evaluated and applied for future exploration of the Burton property.

The magnetometer survey was completed by Canico using industry standard equipment and procedures in 1983 and 1984. It appears that the survey was successful in distinguishing lithologies on the property (Canadian Nickel Company, 1984). Aside from the noted presence of pyrrhotite in the mineralization it is not expected that the mineralization would have a significant magnetic signature and Canico does not describe

any magnetic anomalies associated with mineralization. It is recommended by the author that the magnetic data be contoured utilizing modern day software and that appropriate images be developed.

The VLF-Electromagnetic survey completed by Canico (Canadian Nickel Company, 1984) used industry standard equipment and procedures. Numerous conductors were located and one conductor was coincident with a magnetic anomaly. This conductor was also coincident with anomalous arsenopyrite exposed in bedrock and trenches. All other conductors had no relation to the magnetic anomalies. Canico proposed that HLEM surveys be completed over some of the VLF conductors.

Canico performed overburden trenching in and around the East Zone and the Shaft Zone. Five trenches were dug in N-S orientation, each 100 to 125 m long, at 50 m intervals starting at approximately 300 m east of the East Zone and extending to approximately 500 m east of the East Zone. Mineralization was recognized in all of these trenches and description of the mineralization is the same as the description of mineralization at the Shaft and East Zones. The width of the mineralized zones in the trenches ranges from approximately 10 cm to 8 m (Perry, 1984). The widths quoted are geological widths and not based on assay grade-widths. The zones returned anomalous gold values up to 380 ppb gold (Perry, 1984).

Two short trenches, 25 m apart, were dug in an area approximately 200 m east of the Shaft zone. The zone was intercepted in only one of the trenches which returned an assay of 2.26 g/t gold over 0.4 m (Perry, 1985). The author recommends this trench should be re-stripped, if possible, and extended in an area around the anomalous gold assay.

12.3 APEX Exploration 2009-2010

Jamie Lavigne completed an initial assessment of the Burton Property in May, 2010 for Apex, and recommended compilation, interpretation and field exploration (including geological mapping and geophysics) be performed on the property. Part of his initial recommendations included a detailed Induced Polarization (IP) survey be carried out, over a newly established grid. Due to this recommendation, Caracle Creek International Consulting Inc. (CCIC) was contracted in November of 2010 to cut a 7.3 kilometer grid and perform a detailed IP Survey.

Apex completed line-cutting of a new grid over the Shaft Zone and East Zone, this grid was cut from November 8 to November 17, 2010, by CCIC. The grid consists of 10 lines, varying from 650 m to 950 m long, connected by a 1350 m long baseline. Gridlines were spaced 150 m apart, the total length of grid (not including the baseline) was 7.3 line kilometers. The grid was cut so that an EarthProbe high resolution resistivity/induced polarization (DCIP) survey could be performed.

The DCIP survey was carried out by CCIC at the request of Apex. The initial survey was completed between November 15 and November 30, 2010, including mobilization and

de-mobilization. The total production was 7.3 line kilometers. IP data was collected along 10 surface lines spaced 150 m apart (Figures 12-1 and 12-2). The electrode separation was 4.4 m to 16 m. The size of the area covered by the IP survey is 1.04 km^2. Electrode configuration used was the Wenner-alfa configuration. The electric current waveform was generated using a 2,048 millisecond (ms) square wave change cycle. The delay time used after the charge shut off was 128 ms. Processing, modeling, and interpretation of the DCIP data was completed between Dec. 2 and Dec. 23, 2010.

The results of this survey were received by Apex in late December 2010, and are presented below.

12.4 Apex Exploration Results

Results from the survey, in final report form, were made available to Apex on January 27, 2011, in the form of a report accompanied by resistivity and chargeability pseudosections and surface contour maps, all scaled at 1:10,000 (Palich and Qian, 2011). The report concluded that the *".. apparent resistivity across the survey area was high, and that a relatively conductive surface layer is indicated across the eastern portion of the survey area, becoming more intermittent in the west. The conductive surface layer is underlain by a moderately resistive unit that is pervasive across the survey area. .. No conductive anomalies were identified in the survey area"* (Palich and Qian, 2011).

The chargeability results indicate several anomalous chargeability signatures, and "*chargeabilities... ranged from less than 0 to 88 mV/V, with a mean value of all readings of 22 mV/V. Chargeability values greater than 30 mV/v have been interpreted as potentially anomalous in this environment"(*Palich and Qian, 2011). The following anomalous chargeability features on the property are identified by Palich and Qian (2011):

- *Broad chargeability response at the surface on lines 900 W and 600 W may represent a rock unit that is moderately chargeable.*
- *Several laterally extensive, horizontal chargeability features are present in the subsurface in lines 450 W, 300 W, and 150 E.*
- *Traditional pantsleg anomaly features are present in lines 000 (surface), 300 E, and 450 E (surface) and 150 W (at a depth greater than 150 m). This response may be indicative of a vertical dyke.*

CCIC outlined a total of thirteen chargeability anomalies; of these thirteen eight were related to broad horizontal chargeability features and five were possibly a reflection of vertical dykes. Several of the broad chargeability anomalies could be valid targets for drilling; however, CCIC recommended 3D inversion of the chargeability data to more appropriately determine the length and depth of the anomalies prior to drill testing. The author recommends that this procedure be completed.

Figures 12-1 and 12-2 are from the report by CCIC (Palich and Qian, 2011) and demonstrate the resistivity and chargeability at surface on the property.

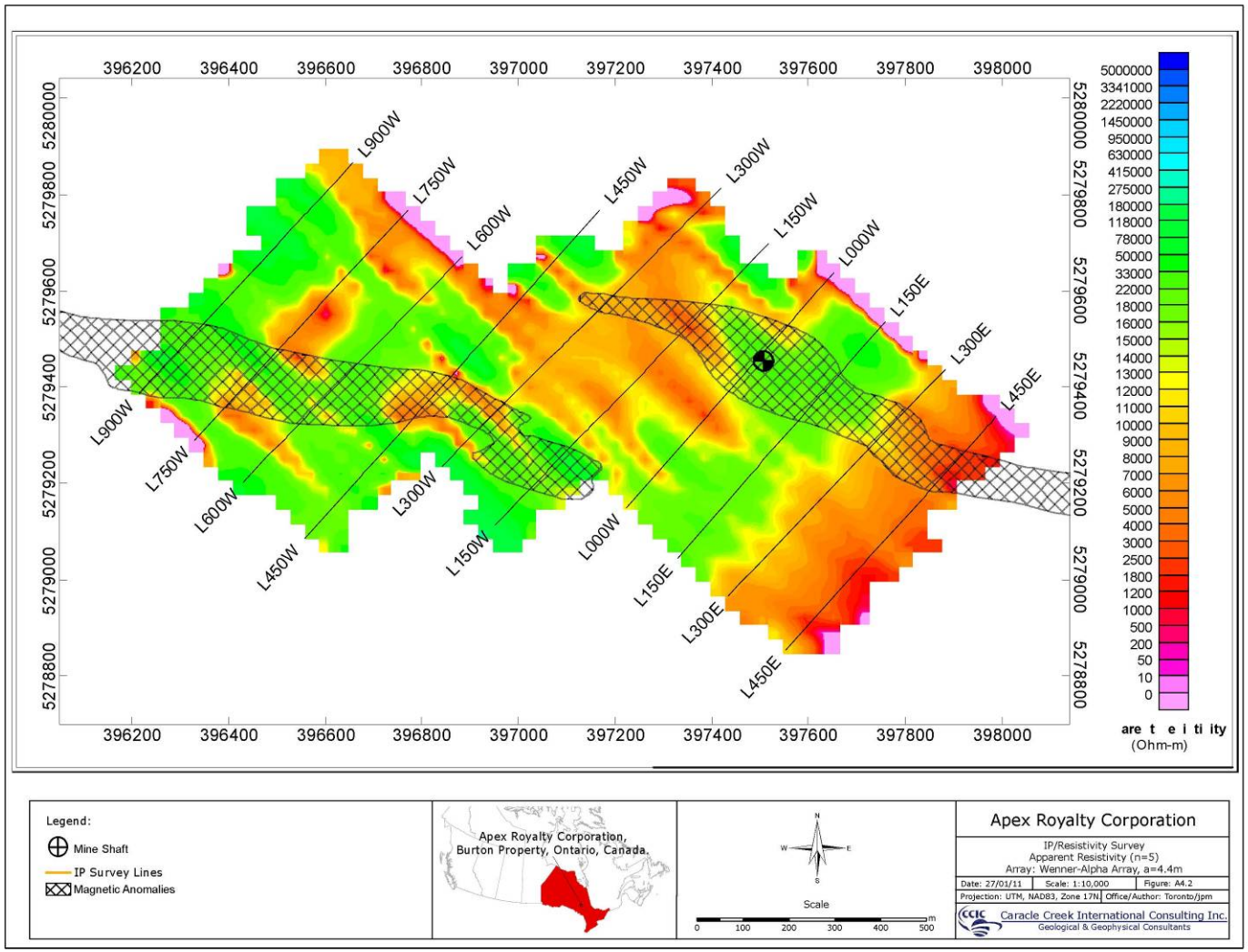

Figure 12-1: Results from the DCIP Survey - Resistivity close to surface, n=5

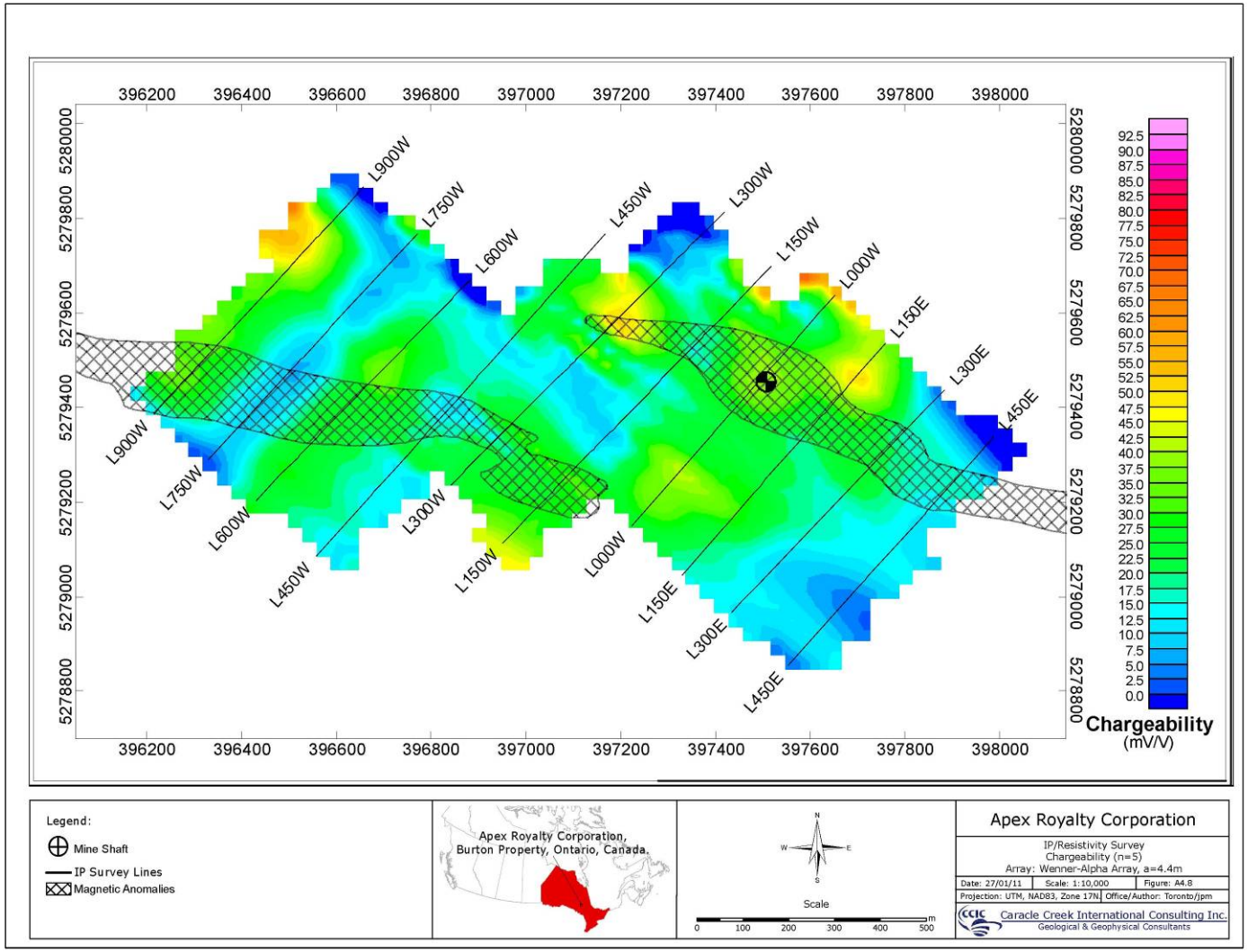

Figure 12-2: Results of DCIP Survey - Chargeability close to surface, n=5

12.5 Exploration Expenditures

Apex exploration expenditures on the Property from November 1, 2010 to December 31, 2010 amounted to approximately $115,404; this mainly includes the DCIP survey and line-cutting. Table 12-1 summarizes expenditures during this time.

Table 12-1: Summary of Exploration Expenditures on the Burton Property, Esther Township

Work Type	Cost
Site Visit, Project Scoping, and Map Generation	4978.00
Line Cutting	$6,390.00
Management	$633.00
Accommodation, Food	$12,500.00
DCIP Survey and Processing	$64,000.00
Data Processing	$6,900.00
Truck and ATV's	$5,120.00
GIS, Maps, Misc.	$1,713.00
HST	$13,170.00
Total	$115,404.00

13.0 Drilling

Apex has not completed any drilling on the Burton property. The drilling and results of drilling described below has been completed by previous operators on the property, and is considered historical data. It is included below as not all the data is available in public files, and the work is being used to demonstrate where more exploration work is needed on the property

Excepting the ground based exploration work described in Item 12, most of the exploration work completed on the Burton property has been diamond drilling (Item 8). Some holes drilled in 1987 by Grandad were completed at the East Zone, otherwise, to the author's knowledge; all of the diamond drilling in programs that pre-date the Canico program were drilled in or at the Shaft Zone. Canico drilled both at the Shaft Zone and the East zone completing a total of 11 holes at the Shaft Zone and 6 holes at the East Zone (Bell, 1984; Perry, 1985). Rainbow drilled a total of 33 holes. Twenty two of the holes by Rainbow were drilled at the Shaft Zone, 6 holes were drilled on sections between the Shaft Zone and the East Zone, and 5 holes were drilled west of previous drilling at the Shaft Zone to explore for a western extension to the Shaft Zone (Church, 1997). The Rainbow drilling results are particularly significant in that they intersected mineralization in the Shaft area, west of previous intersections, and also that they intersected mineralization approximately 100 meters east of the Shaft Zone in an area of no historic drilling (termed the 'Mid' Zone in table 13-1). Significant intersections for both the Canico and Rainbow drilling as well as selected intersections from earlier drill campaigns is presented in Table 13-1. The intervals noted for drilling represents the actual lengths encountered in the drill holes and do not represent true thickness. Due to the complex nature of the mineralization, which is folded and stacked, the true thickenss of the intervals at this time are unknown.

Drilling at the Shaft Zone has been in multiple directions and is characterized by some holes intersecting multiple gold-mineralized intersections, some holes with one gold-bearing intersection, and some holes with no gold bearing zones. Pre-Canico geological interpretation of the Shaft Zone was of a single north-south striking and west dipping gold zone. Canico (Perry 1985) recognized the multiple intersections and interpreted a number of stacked zones above the main zone.

Constable (1996) related his observations of multiple zones in the surface exposure of the Shaft Zone and the control evident on surface of a west plunging fold axis to the interpretation of three stacked gold horizons associated with a tight fold with axis at 110° and plunge at 45°, demonstrated in Figure 13-1. The work by Constable (1996) results in a geological/structural model that can form the basis for future interpretation. The author recommends that all of the drilling from the Shaft Zone, to the extent that it is possible with the older historical data, be integrated into a database and 3 dimensional modeling software where the fold control model can be tested and expanded to include all drilling.

Table 13-1: Burton Property - Selected Historical Drill Hole Intersections (Perry, 1985; Church, 1997).

Zone	Hole ID	From (m)	To (m)	Length (m)	Au (gpt)
Shaft	72508	5.61	6.32	0.71	9.98
Shaft	72509	7.69	9.95	2.26	8.13
Shaft	72510	9.14	11.41	2.26	17.82
Shaft	72511	15.54	15.96	0.42	1.82
Shaft	72512	9.74	10.36	0.62	14.45
Shaft	72513	4.20	4.88	0.68	7.52
		11.65	13.45	1.80	1.05
		13.45	14.50	1.05	7.80
		19.05	26.80	7.75	9.34
Shaft	72514	3.66	6.14	2.48	15.12
		6.14	7.42	1.28	1.75
		8.82	10.00	1.18	·1.39
		10.00	11.77	1.77	10.45
		11.77	12.35	0.58	1.44
		13.40	15.55	2.15	1.08
		17.43	19.65	2.22	1.37
		19.88	21.35	1.47	3.83
Shaft	72515	21.74	22.90	1.16	2.23
		23.61	31.61	8.00	8.91
Shaft	72519	16.17	16.41	0.24	2.54
		16.41	16.90	0.49	16.18
		16.90	17.83	0.93	2.26
		19.34	20.57	1.23	1.78
		21.39	22.50	1.11	10.42
		22.50	22.76	0.26	2.26
Shaft	97-28			0.21	3.09
Shaft	97-29			0.33	7.23
Mid	96-19			1.54	6.59
East	72518	9.56	11.35	1.79	4.40
		13.93	14.65	0.72	6.45
East	72520	26.45	27.13	0.68	7.89
		38.15	41.28	3.13	12.47
East	72521	11.85	12.15	0.30	2.81
		13.51	13.88	0.37	16.01
East	72522	20.22	21.02	0.80	1.54
		21.55	21.90	0.35	2.40
		21.90	22.62	0.72	7.03
		25.68	26.56	0.88	3.74
		27.43	27.96	0.53	5.04
East	72523	7.20	8.65	1.45	9.53
		8.65	9.54	0.89	1.37
East	87-3			0.52	4.97
East	87-8			3.07	4.56

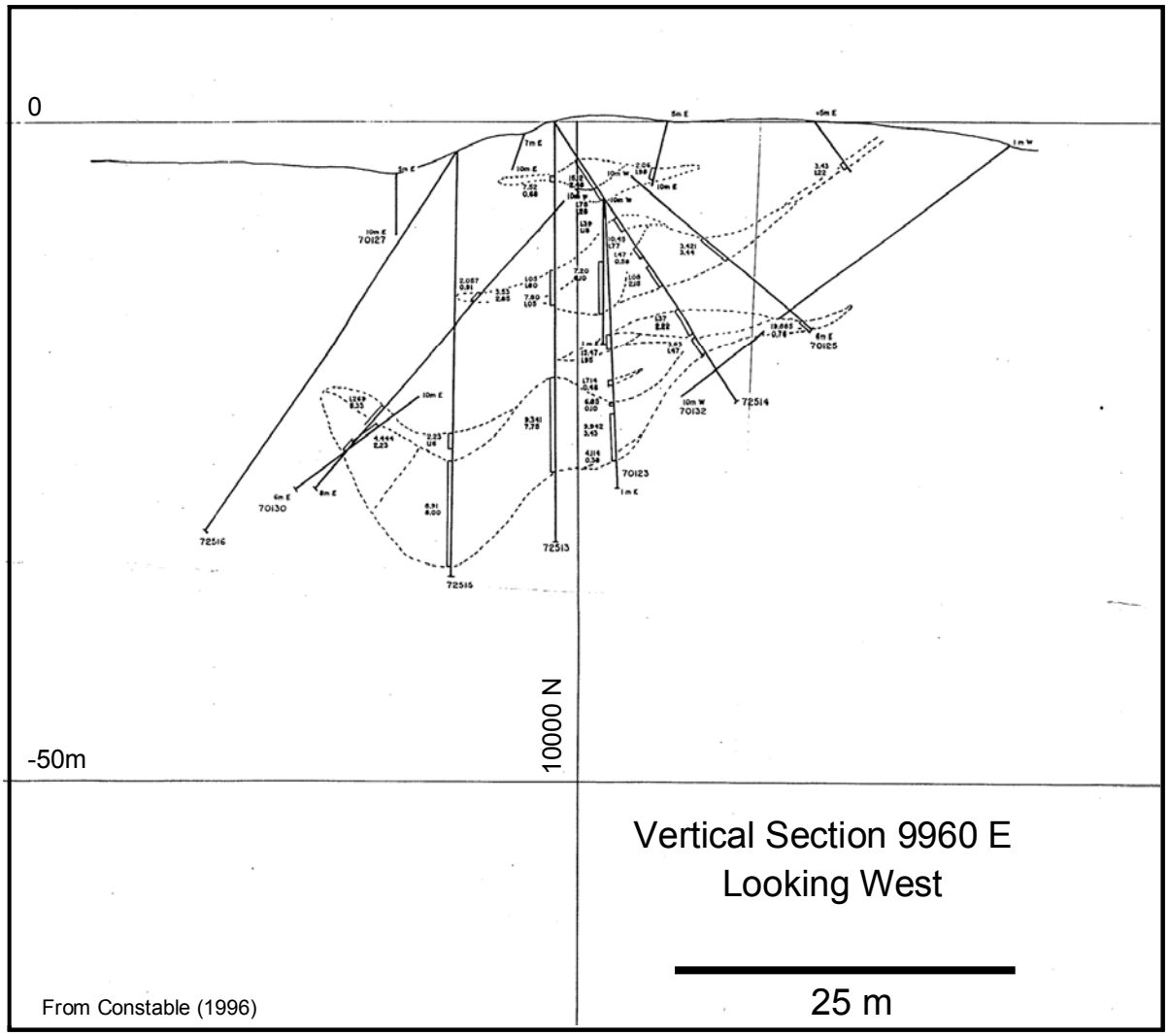

Figure 13-1: Shaft Zone Vertical Section 9960 E

13.1 Summary of Historical Work

The Shaft Zone has been the focus of historical exploration on the property and is the subject of historical resource estimates (Item 17). The East Zone is located approximately 450 metres to the east of the Shaft Zone. The results of diamond drilling by Rainbow are significant in that 1) they illustrate the potential for mineralization west of previously drilled mineralization at the Shaft Zone and 2) they illustrate potential in the corridor between the Shaft Zone and the east Zone. As indicated in Item 12, Canico trenching uncovered the mineralized structure to the east of the East Zone. Therefore, mineralization has been identified over a strike length of approximately 700 metres. The mineralization at these sites, as described in the historical exploration reports and logs, is similar mineralogically and texturally. Furthermore, the corridor of mineralization occurs within a co-incident magnetic anomaly that may be indicative of a distinct host rock.

14.0 Sampling Method and Approach

Apex Royalty Corporation conducted a brief property visit to the Burton Property in May 2010 to verify the location of the shaft, the presence and location of previous drill holes, and to determine if any old grids could be rehabilitated. During this visit, several rock samples were taken from the area around the Shaft zone. These samples were from the waste dump, and although not representative of mineralization in place are more indicative of the presence of mineralization on the property, and are partially representative of the shaft zone mineralization. They are described in section 16.0. Apex makes no extrapolations as to any extent or continuity of the gold mineralization. It must be stated that the nature of the gold mineralization makes it impossible to reproduce the sample results accurately as gold in the Archean rocks produces nugget effects, where one sample taken from the same area will be high in gold, and a second sample taken from the same area, or a split of the same sample pulp can be substantially lower. The purpose of the samples is to ascertain the presence of gold mineralization on the property, whether in anomalous, sub-anomalous or ore grade amounts. A total of four samples were taken, and are listed in Table 16-1 along with assay results. These samples were taken as grab samples, and each sample was taken of varying sulphide mineral percentages to see if the sulphide content was a true representation of gold mineralization. All samples were placed in plastic bags with sample tags, and then were transported directly to the laboratory.

All other sampling on the Burton property, as discussed below, has been completed by previous operators. The following are comments and general recommendations by the author.

The general exploration history of the property has been outlined in Items 6 and 12 of this report. Detailed description of historical sampling method and approach for the historical drill program are not available. However, based on inspection of drill logs available which include those from Grandad, M.L. Burton, Canico, and Rainbow it appears that the method and approach to sampling is consistent with historical industry standards and approaches. In some cases it appears that an approach to sampling standard core lengths was employed. The author does not recommend this method for core sampling but recommends that sample intervals be based on lithological, mineralogical, and textural criteria such that individual samples are comprised of like material. Furthermore, it is hereby recommended that future sample description, employed by Apex and used on the Burton property, include mineralogy, percent minerals, primary and deformation fabrics and textures, and related orientations relative to the core axis such that theses features can be related to assay grade and the mineralogical, textural, and geometric controls on mineralization can be established.

15.0 Sample Preparation, Analysis, and Security

Apex Royalty Corporation took four samples during an initial property visit in May of 2010. The samples were collected by Jamie Lavigne, a consultant at the time to Apex. The assay samples were taken from the field and then hand delivered by J. Lavigne to the sample preparation laboratory in Sudbury. Apex used AGAT Laboratories of Mississauga, Ontario, which is accredited by the Standards Council of Canada (SCC), to assay the samples.

Samples are dried, crushed, and then a split is pulverized to 75 microns. The pulverized material is then analyzed by fire assay with an AAS finish. AGAT has a policy of regularly re-analyzing selected samples, as well as analyzing internal standards and blanks. Samples assaying above 10 g/t gold were re-assayed using another pulp split by fire assay with a gravimetric finish. No aspect of the sample preparation or analysis was conducted by an employee, officer or director of Apex. Internal standards and blanks were used by AGAT Lab.

Apex relied on the internal analytical quality control measures implemented by AGAT for the grab samples. Quality control samples are inserted by AGAT within all batches assayed (typically from 10 to 25 samples) and consisted of either one of the following, a blank, duplicate, and/or a certified reference material sample. Assay results for internal quality control samples are submitted with assaying results and reviewed for consistency by Apex personnel.

In the author's opinion, the sample preparation, security and analytical procedures used by Apex is adequate for an initial property visit.

Apex has not initiated systematic exploration work on the Burton property that includes sample collection, transport, and analyses. Therefore all other sampling and assaying that has been completed on the Burton property, with the exception of those samples described above, which are reported in Section 16, has been historical.

Details of sample preparation, assay and analytical procedures, and quality control and quality assurance measures implemented for the historical exploration programs and related sampling is not documented. This is, in general, consistent with the vintage of the exploration programs which were out of the scope of current day best practices. Nonetheless, it is the author's opinion that the historical assay data can be relied on as an indication of gold grades, gold grade ranges, and the general presence of gold on the Burton property. To the author's knowledge, no employee, officer, director, or associate of Apex has been directly involved in any of the historical exploration programs. The author recommends that future sampling programs should include an industry standard quality assurance/quality control program that includes the use of standard reference materials, duplicate samples, and repeat pulp analyses.

16.0 Data Verification

16.1 Verification by Apex

To date comparatively little field exploration has been carried out on the property by Apex. With the exception of the recently completed DCIP Survey the majority of work completed by Apex has involved examination of past reports, and separate property and/or site visits to verify the location of the shaft, the two major zones of mineralization, the existence if any of the previous exploration grid, and the existence of past work which would include drill collar casings. Jamie Lavigne, MSc., P.Geo., on behalf of Apex, made a site visit on May 4, 2010 to verify the above. His observations are recorded below:

1. Access to the center of the patented claims is excellent and is essentially as described in the historical project reports. However, it appears that logging on the Patented claims and in the area in general since the most recent exploration program on the Burton property has resulted in higher quality roads than described. The Shaft area is currently accessible by 2-wheel drive vehicle.

2. The exploration shaft which was sunk circa 1928 was located. It is pictured in Figure 16-1.

3. Mineralization consisting of arsenopyrite and pyrite in strongly altered (quartz, carbonate, chlorite) mafic volcanic rocks was sampled from the dump pile adjacent to the shaft and is consistent with description of mineralization in historical work reports.

4. Trenched and cleared outcrop adjacent to the shaft and comprising the Shaft zone of mineralization was inspected. The host rocks comprised of mafic volcanic rocks (Figure 16-2) as described in historical reports and mineralization comprising disseminated arsenopyrite and pyrite in rusty zones and quartz veins (Figure 16-3) were traversed.

5. A number of casings for drill collars were observed (Figure 16-4) and a GPS location as well as collar azimuth and dip were recorded. No drill hole identification was associated with the casings.

6. The area of the patented claims has been forested since the most recent exploration work on the property. It appears as if the exploration grid established on the property has largely been obliterated, but some pickets and blazes were located and flagged.

7. Samples of variably sulphide mineralized rocks from the dump at the exploration shaft at the Shaft zone were assayed. The results are contained in Table 16-1 and confirm the presence of gold and association with arsenopyrite

Figure 16-1: Burton Property Shaft, Shaft Zone - picture taken May 4, 2010.

Figure 16-2: Pillowed Mafic Volcanic Rocks from the Shaft Zone Area, May 4, 2010.

Figure 16-3: Quartz vein in Fe carbonate & sulphidized Mafic Volcanic Rocks, Shaft Zone.

Figure 16-4: Historical diamond drill hole collar, May 4, 2010.

Table 16-1: Assay results from grab samples - dump area adjacent to the Burton Shaft.

Sample ID	Sample Description	Au ppb (AAS)	Au g/t (Grav)
BP-10-1	chl. alt. basalt minor aspy + cpy + py	44	nd
BP-10-2	qtz alt basalt fg 1% aspy + py	100	nd
BP-10-3	qtz-carb alt basalt 10% py + aspy	>10,000	17.87
BP-10-4	approx. rep. grab of dump	936	nd

Notes: 1) Assays completed at AGAR Laboratories, Mississauga, Ontario
2) ppb = parts per billion, g/t = grams per tonne
3) nd = not determined
4) chl = chlorite, qtz = quartz, carb = Fe carbonate, py = pyrite, aspy = arsenopyrite, cpy = chalcopyrite

16.2 Verification by CCIC

CCIC applied several QA/QC criteria during the implementation and completion of the DCIP survey to assess the quality of data produced. Acceptable thresholds for the survey were established by the operator based on industry accepted practices and site specific conditions. The QA/QC criteria used for their survey are presented in Table 16-2 below.

Table 16-2: DCIP Survey QA/QC data verification criteria

Survey Component	QA/QC Measure	Acceptable Threshold
Waveform	Current and voltage waveform must be a castle shape and the correlation of the current and threshold.	0.9
Injection current	Injected current must be within a defined range	Above 0.01 mA
Measured voltage	Measured voltage must be within a defined range	5 – 10,000 mV
Apparent resistivity	Apparent resistivity must be within a defined range	0 – 100,000 Ω.m
Stacked voltages 5%	Standard deviation of stacked voltage data must be below a defined threshold	5%
Self-potential	System self-potential must be below a defined threshold	100 mV

16.3 Verification by K. Kettles

In accordance with National Instrument 43-101 guidelines, K. Kettles visited the Burton Property on January 16, 2011. During the visit K. Kettles was given full access to project data. K. Kettles also reviewed project data with Jamie Lavigne between January 17 and February 4, 2011, including the interpretation of the mineralization from the previous drilling. During this review the Jamie Lavigne was also interviewed on aspects of the current exploration program and future recommendations. This review verified the geological descriptions and interpretations developed by Apex.
.
Private company reports were provided by Apex in hard copy and digital format. K. Kettles used this data to plot some of the Figures, Tables and Maps in this report, and also to verify data. In the opinion of K. Kettles the electronic data and hard copy data is reliable and documented.

In preparing the report, the author has relied on information and data supplied by Apex Royalty Corp. and other sources listed as references in Item 23. The author has confirmed the basic information on the exploration permits which comprise the Property via examination of the website of the Ministry of Northern Development, Mines and Forestry of Ontario. The author has reviewed the historical data, and can verify that the information has been presented accurately as it exists in those files and reports to the best of her ability.

16.3.1 Site Visit

The Burton property was visited on January 16, 2011 by K. Kettles , author of this report. The purpose of the site visit was to ascertain that the DCIP survey had been performed on the property, and that evidence of past exploration was available. Due to the nature of the winter conditions at the time of the site visit, no rock samples were taken, and the site visit involved confirmation of present exploration and the presence of the previously developed shaft on the property. However, a previous site visit by Jamie Lavigne, MSc. PGeo., in May of 2010, had resulted in confirmation samples being taken of the dump at the Shaft Zone, in order to ascertain that gold mineralization did exist on the property. This information is given in the previous Item, 16.1.

During the site visit of K. Kettles the following observations were made:

1. Access to the middle of the patented claims is excellent. This area was accessed by a 2-wheel drive vehicle during the site visit, as the road had been plowed before during the DCIP survey in December. Using previous directions the property was easily located. The Shaft Zone was located and accessed during this visit, and is shown below in a photo in Figure 16-5.

Figure 16-5: Burton Property Shaft, photo taken by K. Kettles, Site Visit Jan. 16, 2011

2. Three casings for drill collars were observed in the Shaft area (one drill collar shown in photo in Figure 16-6) and a GPS location along with collar azimuths and dips were recorded for each collar. No drill hole identification or tags were found with the casings.

3. Several cut grid lines were inspected, line 750 W was walked over by K. Kettles, and evidence of previous workers along this line and other lines was noted, due to newly cut stakes, and snow covered depressions left along the line. The gridline were well marked with stakes, and the width of the lines was sufficient for geophysical work to be carried out. Several GPS location points were taken at the end of lines, crossing of lines with the main road, and intersections of the cross lines with the base line. All GPS measurements corresponded with a margin of error with the CCIC line readings. The Base line (Figure 16-7) and lines 900 W, 750 W, 300 W, 0 W, and 150 E were photographed.

Figure 16-6: Historical Diamond Drill Hole Collar, Close to Shaft

Figure 16-7: Baseline between Lines 350E and 0 E looking eastwards.

17.0 Adjacent Properties

The reader is cautioned that information reported in this section is not necessarily indicative of mineralization on the Burton Property.

Claims adjacent to Burton property, to the south, east, and southeast are held by Augen Gold Corp. (Augen). These claims are part of a large claim group held by Augen which extends eastward into Osway and Huffman Townships and is termed the "South Swayze Project". The Project includes a group of patented claims over the historic Jerome Mine. The Jerome Mine is a past Gold and Silver producing mine is situated on the South Shore of the main north-northwest trending peninsula in the Opeepeesway Lake. The Jerome Mine and the South Swayze Project are mentioned as an adjacent property because of a gold-mineralized system with similarities to the mineralization on the Burton Property. The Jerome Mine operated from 1941 to 1943. During that period of time the production from the mine was 56,878 oz of Gold and 15,105 oz of Silver (Siragusa, 1989). The Jerome Mine ceased operations in 1945 due to severe manpower shortage, and at that point the ore reserve was 344,000 tons averaging 0.19 ounce/ton gold. These reserves are to be considered a historical estimate. Since that time there have been 7 drill campaigns conducted on the Jerome Mine Property spanning the period from 1939 to 2004 (http://www.augengold.ca/exploration). K. Kettles does not know the date or method of arriving at the historical ore reserve estimate, and makes no representation as to its relevance or reliability. It is mentioned here as an example of a known mineralized zone in an environment similar to the geology of the Burton Property. K. Kettles has been unable to verify the information, and the information is not necessarily indicative of the mineralization on the Burton Property that is the subject of this technical report.

Augen completed a drill program in 2008 (number of drill holes and lengths is not mentioned) in order to confirm historic drilling. Since 2008 Augen has performed various exploration surveys, including prospecting, but no detailed information is available on the website or news releases. No recent information is available on the Geology Ontario website. No recent reserves or resources are reported for this mine.

Claims immediately to the south of the Burton property are registered in the name of Cascadero Copper Corp., and on their website this group of claims is referred to as the "Jerome West Property". There is no other information available for this group of claims, and there are no documented gold or base metal occurrences on them.

Claims adjacent to the Burton property to the west and southwest are registered in the names of several individuals; Ken Pye, Normand Collins, Chad Gloster, and a company 6398651 Canada Inc.. This company and group of individuals have varying percentages of the group of claims, but again there are no documented gold or base metal occurrences on these claims.

18.0 Mineral Processing and Metallurgical Testing

To the author's knowledge, there has been no metallurgical test work completed on the Burton property gold mineralization.

19.0 Mineral Resource and Mineral Reserve Estimates

No mineral resource or mineral reserve estimates have been completed for the Burton property. Historical resource estimates have been described in Items 8 and 13.

20.0 Other Relevant Data and Information

The Burton claims are located in a jurisdiction that has supported a long mining history including mining of the deposits type likely to be discovered on the Burton property. The property has excellent location, access, and access to power, water, and population centers to support a mining operation. However, the author has not researched any social, regulatory, political or economic factors that may impact the development of a future mining project other than the geological, exploration, and other technical factors described and interpreted in the other sections of this report and does not hereby express an opinion on any future impact of these factors.

21.0 Interpretation and Conclusions

1. The Burton property is located in the Swayze greenstone belt within the Abitibi Sub-province of the Superior Province. Historically, the Swayze greenstone belt has been considered distinct from the Abitibi greenstone belt which hosts the prolific Timmins and Kirkland Lake lode gold mining camps. However, more recent geological mapping, geochronology, and compilation/interpretation, dating to the mid 1990's, suggests that the Swayze Greenstone Belt is correlative with the Abitibi Greenstone belt to the east and north-east. Put in the context of the time frame of lode gold exploration and development in the Timmins and Kirkland Lake camps, a consequence of this relatively recent interpretation is that the Swayze Greenstone Belt would be elevated, in schemes to rank and target Achaean greenstone belts, for lode gold mineralization potential.

2. The Burton property is located along the southern margin of the Swayze Greenstone Belt and appears to be part of a west-northwest trending cluster of gold occurrences which hosts: 1) the only historical gold producer in the Swayze greenstone belt at the Jerome Mine and 2) the Cote Lake deposit and the Chester 1, 2, and 3 deposits owned by Trelawney Mining, and located in Chester township. Recent exploration work on the Cote Lake area included an intersection of 8.2 g/t gold over a drill width of 107 m (hole E10-04), 1.88 g/t gold over a drill width of 191 m (E10-09), and 5.33 g/t gold over a drill width of 137 m (E10-27) (www.trelawneymining.com).

3. Mineralization on the Burton property is classified as lode gold, greenstone hosted quartz-carbonate vein sub-class, similar to the dominant mineralization style in the Timmins and Kirkland Lake mining camps.

4. The Burton property has been the subject of a number of exploration programs, dominantly drill campaigns, from which the following interpretations can be drawn and conclusions made:

    - The geological basis (i.e. geological model) on which resource estimation could be based, has not been established for mineralization on the Burton property.
    - Due to the lack of documentation and lack of implementation of procedures, the historical drilling, in itself, will not likely support resource estimation.

5. The historical drill campaigns were completed using procedures and practices consistent with those in use at the time and, although not consistent with current best practices, the author sees no reason that the historical drilling and exploration programs are not a completely valid representation of the mineralization intersected on the property. The author supports the use of the historical drilling and exploration data as an indication of property potential and for the basis of compilation, interpretation, and exploration program design. Potential for discovery and resource delineation on the property includes:

- The most advanced targets are down dip and in the areas of both the Shaft and East Zones.
- An established target area is the strike length of the mineralization defined by the Shaft Zone, the East Zone, and the trenches to the east of the East Zone (700 metres). Detailed mapping of lithological contacts in this area, both directly and remotely, and recognition of orientation changes along this contact could be a basis for more detailed work.
- Earlier stage potential property wide and the derivation of unrecognized mineralized horizons or structures.

6. The Burton property is located in a geographic area and jurisdiction with an extremely well developed mining history including mining the style of deposit likely to be discovered on the Burton property. Detailed evaluation of social, economic, and/or political conditions consistent with advanced level study and mining project evaluation is beyond the scope of this report; however, the author is not aware of any conditions that would inhibit continued project development on the Burton property.

22.0 Recommendations

The author is of the opinion that the Burton property offers a very good opportunity for gold exploration. A phased exploration program is recommended that utilizes and builds on the historical data base where phase 1 consists of a) data compilation and interpretation and b) ground geological and geochemical surveys, and initial diamond drilling. Phase 2 is planned to be largely diamond drilling. Phase 2 is not contingent on positive results in phase 1.

22.1 Phase 1: Data Compilation, Interpretation, and Execution of Ground Exploration Program

1. GIS based compilation of historical exploration data and compilation/integration of public domain geological, geophysical, topographical, and remote sensing data.
2. Drill hole data base compilation of historical drilling within an industry standard plotting and modeling software including all holes (to the extent historical data permits) and specifically for the Shaft Zone and the East Zone.
3. Preliminary re-mapping and data collection including detailed structural mapping by a qualified consulting structural geologist
4. Interpretation of compiled data sets as well as structural re-mapping in the area of the Shaft and East Zones and derivation of exploration program. The compilation is to include elucidation of geological model(s) for the controls on the distribution of gold on the property.
5. Design and execution of exploration program to include:
    - Geological mapping and including outcrop stripping and overburden trenching.
    - 3D inversion interpretation of DCIP data.
    - Follow up interpretation with three diamond drill holes which will test three DCIP anomalies, these will be one target from the west area, one in the shaft zone, and one over the east zone. Table 22-1 and Figure 22-1 outlines the location of the drill holes and the targets, the 3-D inversion should be completed before these holes are drilled in order to confirm the locations.
    - Surface (soil) geochemistry survey, possibly an MMI survey or a SGH survey.

Table 22-1: Proposed Drill holes - Phase 1

Drillhole	Easting	Northing	Line	Line Distance	Azimuth	Dip	Length	Target	Core Size
BP-11-01	397056	5279395	L 300 W	550	0	-90	200	Horizontal Chargeability at 110 m depth	NQ
BP-11-02	397456	5279168	L150 E	475	0	-90	250	Horizontal Chargeability at 40 to 120 m depth	NQ
BP-11-03	397596	5278888	L450 E	625	40	-60	250	Narrow Chargeability, target depth at 40 to 100 m vertical	NQ

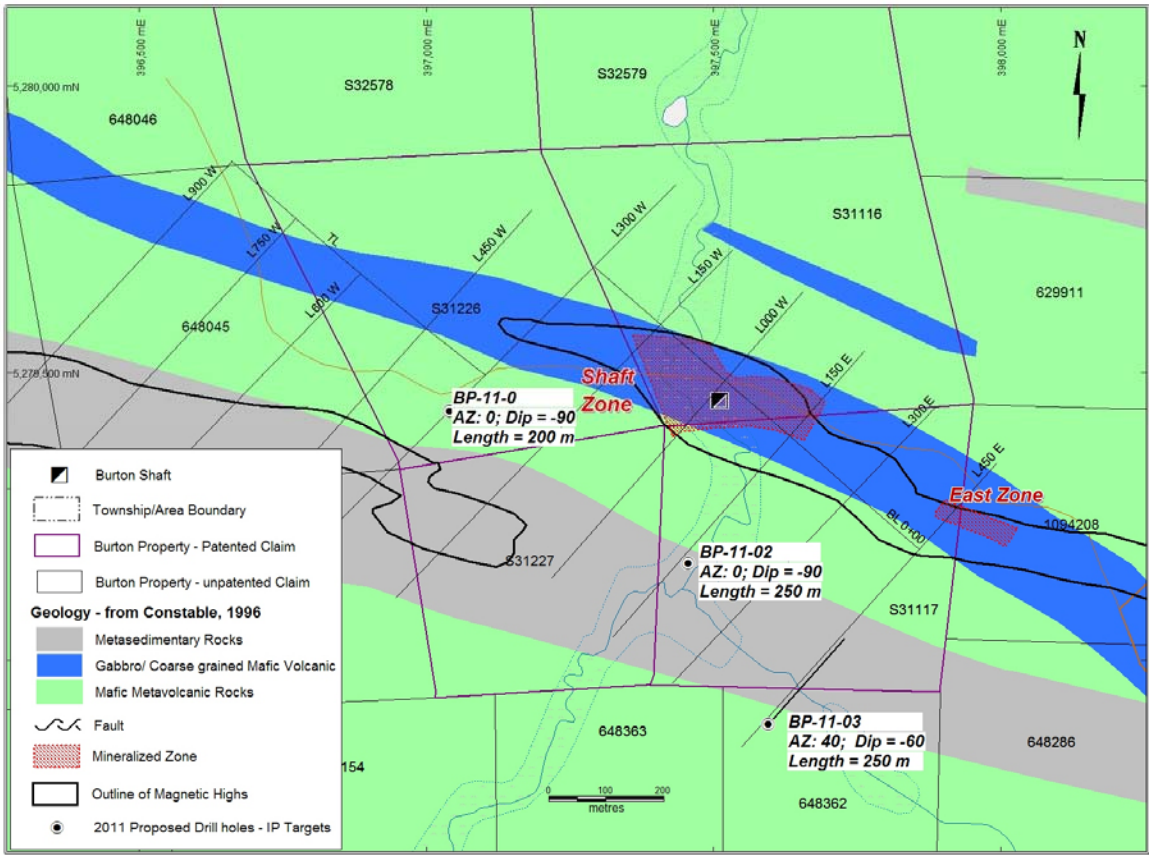

Figure 22-1: Proposed Drillholes, Phase 1

22.2 Phase 2: Diamond Drilling

1. Follow up of Shaft Zone and East Zone compilation, interpretation, and DCIP interpretation, and geological modeling.
2. Diamond drill program to target and test the Shaft Zone to East Zone corridor.
3. Selected diamond drill holes to test earlier stage targets on the property as derived from phase 1 exploration.

22.3 Budget

A budget has been estimated for phase 1, consisting of data compilation and interpretation and field exploration and initial drilling to confirm previous drilling; and phase 2 which consists of diamond drilling. The budget is presented in Tables 22-2 and 22-3.

Table 22-2: Exploration Budget - Phase 1

Item	Units, number and costs	Total Costs
Salaries		
Supervising Geologist	90 days @ $400/day	$36,000
Geological Assistant	60 days @ $200/day	$12,000
Transportation	20,000 km @ $0.50/km	$10,000
Camp Costs/ Lodging	100 days @ $90/day	$9,000
Compilation		
Data and digitizing	10 days @ $150/day	$1,500
Drill hole interp & modeling	20 days @ $600/day	$12,000
Structural consultant	10 days @ $800/day	$8,000
Soil Geochemistry		$35,000
Diamond Drilling (initial test holes)	700 m @ $80/m	$56,000
Assays of Drill core	100 samps @ $25/sample	$2,500
Extension of existing grid	92 km @ $200/km	$18,400
Subtotal		$200,400
Contingency	(10%)	$20,040
TOTAL		$220,440

Table 22-3: Exploration Budget - Phase 2

Item	Units, number and costs	Total Costs
Salaries		
Supervising Geologist	10 days @ $400/day	$4,000
Logging Geologist	60 days @ $400/day	$24,000
Geotechnician	60 days @ $200/day	$12,000
Transportation	5,000 km @ $0.50/km	$2,500
Camp Costs/ Lodging	420 days @ $90/day	$37,800
Diamond Drilling (direct)	1000 m @ $80/m	$80,000
Assay of drill core	400 samps @ $25/sample	$10,000
Subtotal		$170,300
Contingency	(10%)	$17,030
TOTAL		$187,330

23.0 References

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24.0 Date and Signature Page

This report titled "Technical report on the Burton Property, Esther Township, Porcupine Mining Division, Ontario, Canada" prepared for Apex Royalty Corporation and dated February 5, 2011 was prepared and signed by:

(Signed & Sealed)

Dated at Sudbury, Ontario
February 7, 2011

Karen Kettles, M.Sc., P. Geo.
Consulting Geologist

25.0 Certificate of Qualified Person

I, Karen Kettles, M.Sc., P.Geo. do hereby certify that:

- I am a Consulting Geologist residing at 18 Vintage Way, Sudbury, Ontario, P3E 6L3.
- I am the author of the report titled "Technical Report on the Burton Property, Esther Township, Porcupine Mining Division, Ontario, Canada" prepared for Apex Royalty Corporation and dated February 7, 2011.
- I am a graduate of University of Alberta, Edmonton, Alberta, Canada in 1982 with a B.Sc. Honours Geology degree. I obtained a M.Sc. in Geology from the University of New Brunswick, Fredericton, New Brunswick, Canada in 1987. I am a Practicing Member of the Association of Professional Geoscientists of Ontario (membership #331) and a member of the Prospectors and Developers Association of Canada. I have practiced my profession in mineral exploration continuously since graduation. I have over twenty years of experience in mineral exploration, with seven years experience in gold exploration, and have over ten years experience as an independent consultant.
- I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101. I have worked as a geologist since my graduation.
- I visited the Apex Royalty Corp. Burton Property in Esther Township on January 16, 2011.
- I am responsible for the entire technical report titled "Technical Report on the Burton Property, Esther Township, Porcupine Mining Division, Ontario, Canada" for Apex Royalty Corporation and dated 07/02/2011 (the "Technical Report").
- I am independent of the Issuer as described in Section 1.4 of National Instrument 43-101, other than providing consulting services.
- As of the date of this Certificate, to my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
- I have read National Instrument 43-101 and the Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.
- I consent to the filing of the Report with any stock exchange and other regulatory authority and any publication by them of the Report for regulatory purposes, including electronic publication on Sedar.com and in the public company files on their websites accessible by the public.

Dated this 7th Day of February, 2011
(Signed and Sealed)
Karen Kettles, M.Sc., P. Geo.