

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: APAC RESOURCES INC. (the "Issuer").

Trading Symbol: APG

Number of Outstanding Listed Securities: 20,132,000 common shares

Date: July 4, 2017 (for the month ended June 30, 2017)

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 - Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

On June 14, 2017, the Issuer announced that it had entered a non-binding letter of intent ("Letter of Intent") with XORTX Pharma Corp. ("XORTX"), an early development stage life science company, to complete a reverse take-over transaction with the shareholders of XORTX (the "Proposed Transaction"). XORTX is a privately held Calgary-based company focused on developing drug

therapies for rare "orphan" disease indications such as polycystic kidney disease, and the treatment of health consequences caused by chronic high serum uric acid (hyperuricemia), including Type 2 diabetic nephropathy, cardiovascular disease and diabetes. XORTX holds and controls patents and patent applications that include U.S. and worldwide claims and rights for the development of certain uric acid lowering agents to treat diabetic nephropathy, hypertension, insulin resistance, metabolic syndrome and diabetes. XORTX's patents and submitted patent applications have been validated by successful, investigator led, phase II clinical trials in peer reviewed publications. Recent, successful, investigator led phase II clinical trials that decreased and managed hyperuricemia in patients with autosomal dominant polycystic kidney disease or chronic kidney injury, showed clinically meaningful benefit. When approved by the FDA and other regulators, this new therapeutic approach for patients with progressive kidney disease may be an option, where no other options are currently available.

The Letter of Intent is non-binding with respect to commercial terms, but includes certain typical binding obligations relating to a period of exclusive dealing and confidentiality. Pursuant to the Letter of Intent, prior to the closing of the Proposed Transaction, the Issuer has agreed to consolidate its issued and outstanding common shares on the basis of four (4) shares for every one (1) new post-consolidated share, with fractional shares being reduced to the nearest lower whole number (the "Consolidation"). The Issuer's post-Consolidation common shares are referred to hereafter as the "APAC Shares". Following the Consolidation, there will be approximately 5,033,000 APAC Shares issued and outstanding.

Under the Proposed Transaction, immediately following the Consolidation, the Issuer will acquire all of the issued and outstanding Class A common shares of XORTX ("XORTX Shares"), in exchange for the issuance of up to 49,383,093 post-consolidated APAC Shares, such that XORTX shareholders will receive 2.311 APAC Shares in exchange for each XORTX Share currently held. The structure of the Proposed Transaction is subject to corporate, securities, and tax advice; however, it is anticipated that all prior issued warrants and stock options of XORTX will either be converted or exercised in accordance with their terms, or cancelled on terms acceptable to the Issuer. It is anticipated that following the share exchange (and the proposed private placement mentioned below), approximately 7.8% of the then total issued APAC Shares will be held by the existing shareholders of the Issuer, 78.6% will be held by the current shareholders of XORTX, and 13.6% will be held by new subscribers under the private placement.

The Proposed Transaction is subject to, among other things, (i) the execution of a definitive agreement between the Issuer and XORTX, (ii) the satisfactory completion of the parties' due diligence investigations, (iii) the completion of a \$2.0 million private placement by XORTX, (iv) the receipt of all required board, shareholder, court and regulatory approvals, and (v) other conditions precedent and customary for the Proposed Transaction. When completed, the Proposed Transaction will constitute a "reverse takeover" under the applicable policies of the Canadian Securities Exchange (the "Exchange"). The Proposed Transaction is an arm's length transaction and the Parties have agreed to negotiate in good

faith on the terms and conditions of the definitive agreement and related documentation on or before June 30, 2017, or such other later mutually acceptable date.

Trading in the common shares of the Issuer may remain halted, until the execution of the definitive agreement. There can be no assurance that trading in the APAC Shares will resume prior to the completion of the Proposed Transaction. Further details concerning the Proposed Transaction and XORTX (including financial information) will be set out in a further disclosure filing, if and when a definitive agreement is reached between the parties, in accordance with the policies of the Exchange.

Upon completion of the Proposed Transaction, it is anticipated that the name of the Issuer will be changed to "XORTX Pharma Ltd." (or such other name as may be acceptable to the Issuer, XORTX and regulatory authorities), and the resulting issuer will carry on the business of XORTX (the "Resulting Issuer"). The Parties anticipate that the Resulting Issuer will continue to be listed on the Exchange as a Life Sciences Issuer following the completion of the Proposed Transaction.

2. Provide a general overview and discussion of the activities of management.

During the month of June, 2017, management was engaged in completing the letter of intent with XORTX as described above, as well as general management and administrative matters.

Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None

3. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No drilling, exploration or production programs have been amended or abandoned during the month of June, 2017.

4. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None

5. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

6. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together

with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None

7. Describe the acquisition of new customers or loss of customers.

Not applicable.

8. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable.

9. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

There were no employee hirings, terminations or lay-offs during the month of June, 2017.

10. Report on any labour disputes and resolutions of those disputes if applicable.

There were no labour disputes or resolutions to labour disputes during the month of June, 2017.

11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

The Issuer is not aware of any legal proceedings to which the Issuer has become a party during the month of June, 2017.

12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

The Issuer did not incur or repay any indebtedness during the month of June, 2017.

13. Provide details of any securities issued and options or warrants granted.

The following table shows the shares, options and warrants issued or granted during the month of June, 2017.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
None			

⁽¹⁾ State aggregate proceeds and intended allocation of proceeds.

14. Provide details of any loans to or by Related Persons.

There were no loans to or by Related Parties during the month of June, 2017.

15. Provide details of any changes in directors, officers or committee members.
- There were no changes in directors, officers or committee members during the month of June, 2017.**
16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.
- The Issuer has no history of earnings and there are no known commercial quantities of mineral reserves on the Issuer's property. The Issuer's property is currently in the exploration stage only. There is also no guarantee of the Issuer's title to its property. The Issuer's activities may require permits or licenses which may not be granted to the Issuer. The Issuer competes with other companies with greater financial resources and technical expertise. The Issuer is currently largely dependent on the performance of its directors and there is no assurance the Issuer can maintain their services. In recent years both metal prices and publicly traded securities prices have fluctuated widely.**

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: July 4, 2017.

Robert Coltura
Name of Director or Senior Officer

s/ "Robert Coltura"
Signature

President, Chief Executive Officer
and Director
Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer			YY/MM/DD
APAC Resources Inc.		June 30, 2017	17/07/04
Issuer Address			
Suite 200 – 551 Howe Street			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Vancouver, British Columbia V6C 2C2		(604) 683-8605	(604) 683-8610
Contact Name		Contact Position	Contact Telephone No.
Robert Coltura		President, Chief Executive Officer and Director	(604) 683-8610
Contact Email Address		Web Site Address	
rcoltura@matalia.ca		None	