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Initial Public Offering

Prospectus Dated May 26, 1988

QPX

MINERALS INC.

Ministry of Energy, Mines and Petroleum Resources
 380 Ward Street
 Nelson, B.C. Nov. 21/86
 V1L 5S4

EXPLORATION AND DEVELOPMENT COMPANY
\$6,187,500

2,750 UNITS EACH CONSISTING OF
 FLOW THROUGH COMMON SHARES AND 200 COMMON SHARES

acquisition, exploration and development of natural resource properties. Placer Dome Exploration Associates Ltd. formed the Company as a vehicle to raise Canadian exploration number of precious metals properties.

transferring a number of properties, other than the QR property, to the Company, and a right to back in and acquire up to a ninety percent interest, depending on the number of the Company's properties at any time up to the feasibility stage.

approximately 80% of the gross proceeds of this offering to incur expenditures qualifying as Canadian for federal income tax purposes and to renounce C.E.E. in favour of investors in Units. The common shares in each Unit will be "Flow-Through" common shares entitling the investor to receive his C.E.E. The Company has agreed to expend these funds on or before March 1, 1989 on common shares comprising the Units by June 21, 1988.

highly speculative. All of the properties in which the Company has an interest are in the exploration and development stage only and are without a known body of commercial ore. Placer Dome Inc. and GoldQuest Minerals Corp. spent \$8,150,000 on exploration of the properties prior to their transfer to the Company. There is no market for the Units nor for the shares comprising the Units offered hereunder and none is expected to develop. The price of the Units was established through negotiation with the Agent. The effective offering price of \$2.25 per share for both the Flow-Through and non-Flow-Through common shares exceeds the net book value per share by \$1.36, representing a dilution of 60% if all the securities offered hereby are sold. If only the minimum subscription is obtained, the dilution will be 67%. For further particulars, see "Risk Factors" and "Dilution".

PROPERTY FILE

QR - 93A121 - I.F.V.
 RDL 82E5W490
 Mara 92I/9W
 Creighton 82L/5NW
 Egmonts 82L5W001
 True Blue - 82FNE002 - A.L.
 Whitesail - 93E/6W - D.L.
 Nahwitti Lake - 92L/12NW - P.W.

Price: \$2,250 per Unit
 Minimum Subscription: 1 Unit

	Price to the Public	Agent's Commission	Net proceeds to the Company ⁽¹⁾
Per Unit.....	\$2,250	\$180	\$2,070
Per Minimum Subscription.....	\$2,250	\$180	\$2,070
Total:			
Minimum ⁽²⁾	\$4,275,000	\$342,000	\$3,933,000
Maximum	\$6,187,500	\$495,000	\$5,692,500

(1) Before deducting expenses of the offering estimated at \$100,000 which, together with the Agent's commission, will be paid by the Company out of its general corporate funds.
 (2) All cheques and subscriptions for Units will be held by National Trust Company until subscriptions for a minimum of 1,900 Units are obtained. In the event that the minimum subscription is not met by June 21, 1988, National Trust Company will return the subscription funds to investors without deduction. See "Subscription Agreement".

The Vancouver Stock Exchange has conditionally approved the listing of the shares comprising the Units, subject to the fulfilment of all their requirements, including distribution of the shares to a minimum number of public holders on or before August 22, 1988.

We, as Agents, conditionally offer the Units on a best efforts basis, subject to prior sale, if, as and when issued and delivered by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters on behalf of the Company by Campney & Murphy, Vancouver, and on behalf of the Agents by Lawson, Lundell, Lawson & McIntosh, Vancouver.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of this offering is expected to occur on or about June 21, 1988.

the east consist of unmetamorphosed, northeast dipping lapilli tuffs which host the presently known mineralization. The major structure is expressed as a zone of intense shearing, crushing and shattering over a width up to fifty metres. The quartz-eye and feldspar porphyry dykes within the fault are unaffected and must represent late stage intrusive features.

The limited work on the property to date has resulted in the discovery of a number of fault structures and epithermal drusy quartz veins. Two principal vein directions are noted; northwest and north to northeast. The veins vary in width from thin stringers to massive quartz breccia structures with widths in excess of four metres. Individual veins branch, pinch and swell irregularly with hairline veinlets frequently swelling up to two metre widths over strike lengths of twenty metres. Certain veins maintain thirty to sixty centimetre widths over hundreds of metres of strike. Some of the veins comprise fault breccias formed with propylitic-argillic altered rock fragments cemented by banded vuggy quartz.

Vein quartz types include massive, banded, vuggy and coxcomb quartz generally white in colour. Most of the veins are low in sulphides containing less than 1% pyrite but locally to 15%. Only in the Chalco showing area, where chalcopyrite is present, are sulphides other than pyrite common. Other than quartz, fluorite is the only other common gangue mineral although some isolated lenses of calcite and siderite have been reported.

All the known vein mineralization is hosted in massive bedded lapilli tuffs and red tuffs of the Hazelton Group. The wallrocks adjacent to the faults and vein structures are intensely propylitized for several metres rendering the typically red Hazelton strata a pronounced green colour.

A limited program of soil sampling carried out by the Company for orientation purposes late in the 1987 season revealed some untested anomalies, especially for the indicator elements arsenic, selenium and tellurium but also in some cases for gold. The orientation survey indicated that soil geochemistry is a useful technique on this property.

The Company's property covers an area of numerous, widespread, epithermal quartz veins and shear-vein systems. Locally these veins are anomalous in precious metals and in some of the more common epithermal trace metals. The geological setting, on the edge of a major caldera complex, is favourable. The property remains virtually untested and considerable mapping, prospecting and sampling will be necessary to define targets for trenching and drilling.

Recommended Program

A comprehensive property exploration program recommended in the Westervelt Report includes detailed mapping and rock geochemical sampling, geophysical and soil geochemical grid surveys and initial trenching and drilling at an estimated cost of \$300,000.

NAHWITTI LAKE

The Nahwitti Lake property consists of thirteen contiguous mineral claims covering about 250 hectares and located at Nahwitti Lake, Nanaimo Mining Division about thirty kilometres due west of Port Hardy, B.C. Access to the property is via the all-weather Holberg Inlet road, which runs westward from Port Hardy and traverses the south shore of Nahwitti Lake.

The property covers an area of moderately steep topography with total relief of some 200 metres. Elevations range from 200 metres at Nahwitti Lake to about 400 metres at the highest point on the claims. Most of the area is covered by mature coast forest, with some areas of clear-cut logging and some dense underbrush at lower elevations.

History

The Company's property covers a number of copper-zinc-silver heavy sulphide prospects originally noted in the 1930's and on which the present phase of interest began some thirty years later. Interest to date has been primarily for copper.

In 1965, F.T. Russell began to acquire, by staking, the claims which make up the present property, which has been investigated in varying detail. In 1965, H. Naylor of Silver Standard Mines Ltd. examined and sampled the Lake Zone showings, mapped the property at 1:4800, and conducted a reconnaissance magnetic survey. In 1966, Falconbridge Nickel Mines completed mapping, soil sampling, magnetometer and self-potential ("SP") surveys and 59 metres of packsack diamond drilling in six holes on the Lake Zone showings. In 1968, Kodiak Mines Ltd. undertook an expanded program of geological, geophysical and geochemical surveys and drilled six diamond drill holes totalling 87 metres on the Raven Zone, some 600 metres east of the Lake Zone. In 1971, Nippon Mining Ltd. drilled three diamond drill holes totalling 366 metres in the footwall rocks of the Raven Zone. In 1978, Riocanex examined the property and completed a limited amount of IP geophysics.

Geology

The Company's property is located on northern Vancouver Island within Mesozoic volcanic and sedimentary rocks. The mineral occurrences known to date lie at or near the contact of the tholeiitic oceanic basalts of the middle to upper Triassic Karmutsen Formation and the overlying upper Triassic Quatsino Formation limestones. These rocks have been intruded, on the northern edge of the property, by a large body of granitic rocks of the Jurassic Island Intrusions. Scattered float and sub-outcrop of felsite may indicate later acid dykes or possibly areas of silicification associated with undersea fumarolic activity.

The mineralization exposed to date is mainly skarn with strongly disseminated to semimassive chalcopyrite. Some showings contain moderate amounts of sphalerite and pyrite, and magnetite is locally common. Smaller showings of zinc-lead mineralization have been noted in the limestone, but not investigated in detail.

The Lake Zone is exposed in a series of seven trenches over a strike length of 250 metres near the west end of the lake. Four of the six Falconbridge drill holes returned significant intersections, with reported values ranging from 2.4 m at 0.41% copper to 1.5 m at 1.59% copper. Two representative samples of dump material collected by R.D. Westervelt assayed 3.38% and 4.47% copper, 13.05% and 15.75% zinc, and 18.5 and 16.1 g/tonne silver. The Raven Zone is exposed over a strike length of 150 metres, about 600 metres east of the Lake Zone. All six diamond drill holes completed by Kodiak Mines Ltd. in this area returned significant intersections, with values ranging from 0.6 m at 1.16% copper, and 6.9 g/tonne silver to 3.0 m at 4.43% copper and 31.9 g/tonne silver.

Geophysical surveys on the property have been restricted to ground magnetics, SP and reconnaissance induced polarization. No E.M. surveys have been conducted to date. The magnetic survey results are erratic and appear to outline magnetite-bearing sections of the contact mineralization. Anomalies in the SP and IP surveys are interpreted as reflecting graphitic material within the overlying Quatsino Limestone.

Geochemical surveys, in the form of soil sampling, have outlined strong, discrete anomalies for zinc, copper and cobalt lying over and downslope from the known exposed mineralization. Anomalous zinc values range up to several hundred ppm against a background of less than 40 ppm. The highest copper values exceed 1,000 ppm against a background of about 60 ppm. Cobalt anomalies are somewhat more subtle; background is of the order of 7 ppm and anomalies range up to 74 ppm.

The geologic setting and geochemical signature of the Nahwitti Lake mineralization suggests that it may have formed in an environment and manner similar to that of massive polymetallic sulphide deposits presently forming on the floor of the Gulf of California and in the San Juan Ridge area off Vancouver Island. The Nahwitti Lake geological setting is similar in both age and lithologies to the Alexander and Wrangell Terranes in northwestern British Columbia, southwestern Yukon, and southeastern Alaska where significant heavy sulphide deposits have been defined (copper at Kennecot, copper-cobalt-gold at Windy-Craggy, and zinc-copper in the Mt. Henry Clay area).

Recommended Program

The geological setting and exposed mineralization are suggestive of the possibility of the property hosting significant massive polymetallic sulphide mineralization. A comprehensive property exploration program is recommended in the Westervelt report which includes grid preparation, mapping, a Max-Min II E.M. survey, initial diamond drilling and down-hole pulse E.M. surveys at an estimated cost of \$150,000.

OPTION AGREEMENTS

QR Option

Pursuant to an option agreement (the "QR Option") dated April 7, 1988, between the Company and Placer, the Company may earn an interest in the properties described above under "QR Property". Under the QR Option the Company was granted an option to earn a 50% undivided interest in eight claims (the "QR Claims") and in seven claims (the "Maud Claims"). The QR Claims and the Maud Claims (collectively the "QR Property") are located near Quesnel, B.C.

Pursuant to the terms of the QR Option, Placer will receive no cash or share consideration other than a prior share from the proceeds of production to the extent of \$8,000,000 in consideration of its earlier expenditures. To earn the 50% interest the Company must make annual expenditures of \$1,500,000 to an aggregate of \$6,000,000 by April, 1992. No interest will be earned by the Company if the entire \$6,000,000 is not spent. After the Company has earned its interest, the cost of further work on the property will be borne equally by Placer and the Company. See also "Work Commitments" below. Expenditures in any year in excess of the minimum annual commitments may be carried forward. The QR Option is subject to the Company obtaining financing of at least \$2,400,000