

Initial Public Offering

Prospectus Dated May 26, 1988

QPX

MINERALS INC.

Ministry of Energy, Mines and
Petroleum Resources
3101 - 14th Street
Nelson, B.C. V1L 5S4
M.V. 21/88
~~57/88~~

EXPLORATION AND DEVELOPMENT COMPANY

\$6,187,500

93E 060

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

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

By transferring a number of properties, other than the QR property, to the Company, investors have been given 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 exploration expenditures 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".

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.

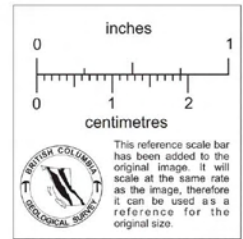
We, as Agents, conditionally offer the Units on a best efforts basis, subject to prior sale, if, as and when issued and delivered by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to approval 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.

PROPERTY FILE

QR - 93A121 - I.F.V.
 Pdt 82E5V1A0
 M... 92I/9W
 Creighton 82I/9W
 Egberts 82L5W-081
 True Blue - 82FNE002 - A.L.
 Whitesail - 93E/6W - D.L.
 Nahwithi Lake - 92L/12NW - P.W.

QPX: Property Portfolio



YUKON TERRITORY



△ NORTH

Legend

□ Producer or near production

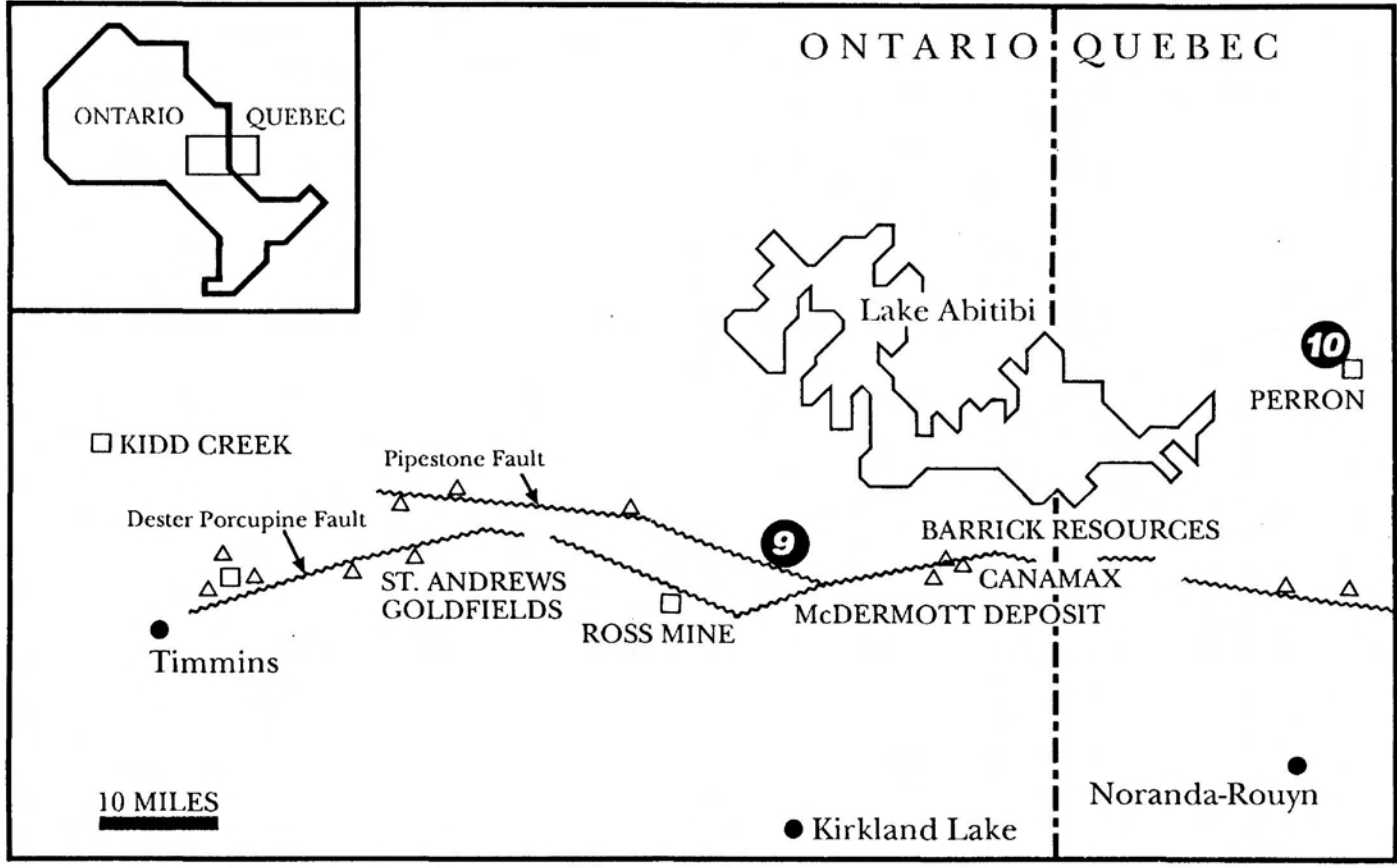
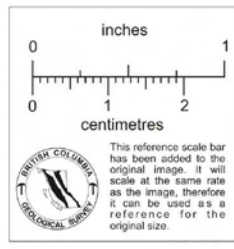
△ Active exploration

● QPX Minerals Inc. property

0 400KM

- 1. **QR** (Gold)
Quesnel, B.C.
- 2. **Whitesail** (Gold/Silver)
Smithers, B.C.
- 3. **Mara** (Gold)
Kamloops, B.C.
- 4. **Equesis** (Gold)
Vernon, B.C.
- 5. **Creighton** (Gold)
Vernon, B.C.
- 6. **True Blue** (Copper/Zinc)
Kaslo, B.C.

- 7. **Nahwitti** (Copper/Zinc)
Port Hardy, B.C.
- 8. **PDL** (Gold)
Keremeos, B.C.
- 9. **Belore** (Gold)
Matheson, Ont.
- 10. **Glandelet** (Gold)
Amos, Que.



Recommended Program

The exposed mineralization and geological features are evidence of a classic volcanogenic massive sulphide environment. The available grade data are very encouraging. Numerous grab and chip samples of material representative of the 75 to 150 centimetres of banded massive sulphides have been assayed and graded 5 to 6% copper, about 2% zinc, 25 to 35 grams silver per tonne, and 0.9 to 2.2 grams gold per tonne. A comprehensive property exploration program is recommended in an addendum memorandum to the Westervelt Report, which includes access improvement, mapping, geophysical and geochemical grid surveys and initial limited drilling at an estimated cost of \$415,000. Contingent on favourable results from the first phase program, a second stage of diamond drilling has been recommended at an additional cost of \$400,000.

WHITESAIL

The Whitesail property, covering an area of 2,000 hectares, consists of four mineral claims located in the Omineca Mining Division between Coles and Little Whitesail Lakes about 190 kilometres south of Smithers, B.C. Access is by floatplane or helicopter directly from Smithers. There is rough road access to a point about twenty-five kilometres north of the claim group.

The Company's property covers an area of moderately steep topography with a total relief of about 800 metres. Elevations range from 1,100 metres at Coles Lake to 1,900 metres on the highest point on the claims. About half the property is covered by subalpine scrub timber with the upper elevations being occupied by alpine meadows, cliffs and scree slopes and small areas of ice and permanent snow.

History

The first known discovery of precious metal mineralization on the property was in 1982 when Dr. T.A. Richards and associates encountered quartz veins carrying anomalous gold and silver values. Richards located four mineral claims of twenty units each in May, 1983 to cover the principal vein showings and in June, 1983, two additional mineral claims of twenty units each were staked.

In the summer of 1983, Nuspar Resources Ltd. of Vancouver acquired an option on the property and initial mapping, prospecting and sampling were carried out. A second short program was completed in September, 1984. Nuspar Resources Ltd. subsequently dropped their option and the claim group eventually lapsed in 1987. The present claim group was located in July, 1987.

Geology

The Whitesail area lies along the eastern margin of the Coast Plutonic Complex. Immediately east of the Coast Plutonic Complex, Lower Jurassic volcanic and sedimentary rocks of the Hazelton Group predominate. These are overlain by generally epiclastic rocks of the Upper Jurassic Ashman Formation and the Lower Cretaceous Skeena Group followed by volcanic rocks of the Upper Cretaceous Kasalka Group. These rocks in turn are locally overlain by Tertiary volcanics including the Ootsa Lake Group of siliceous flows and the Endako Group of basalts.

The area is cut by major systems of generally northeasterly or northerly trending faults. A resurgent caldera (the Tahtsa Caldera) was mapped about seven kilometres north of the present property. The collapsed caldera centre is occupied by rocks of the Kasalka and Skeena Groups and by a variety of intrusions. Several significant mineralized zones are associated with small granodioritic stocks around the periphery of the caldera and are probably localized in intersections between ring and radial fractures related to caldera development. Recent work has indicated that a section of the caldera ring fracture zone underlies the Company's property.

The Company's property is underlain by volcanic and minor sedimentary rocks of the Lower Jurassic Telkwa Formation of the Hazelton Group cut by a few dykes of intermediate to rhyolitic composition. This assemblage is dominated by generally subaerial, thick-bedded red to maroon to purple and green lapilli tuffs with a few flows and locally interbedded tuffaceous mudstones, volcanic sandstones, conglomerate and minor argillite. The rocks appear to form a homocline dipping moderately to the northeast. A complex of steeply dipping fault zones, with a northwesterly trend and a subsidiary northeasterly trend, extends across the claim group. These zones are characterized by heavy breccias with abundant drusy quartz fillings. In places, quartz-feldspar porphyry and hornblende-feldspar porphyry dykes are present within the fault structures.

A major north to northwesterly trending shear zone transects the northwest portion of the claims and can be traced southward to Little Whitesail Lake. The strata west of this fault consist of indurated and hornfelsed Hazelton Group Volcanics with numerous dykes associated with apophyses of the nearby Coast Intrusions. The strata to

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.