

677006

QR

093A121

QPX
MINERALS INC.

June 11, 1990

FEASIBILITY STUDY RECOMMENDS PRODUCTION ON QR GOLD DEPOSIT

An independent feasibility study has recommended that the Company's Quesnel River (QR) gold deposit be placed into commercial production.

The QR gold deposit, 100% owned by QPX, is located 73 kilometres by road south-east of Quesnel, B.C. Since discovery in 1977, some 60,800 metres of diamond drilling has been completed on the 8 mineral claims comprising the property.


The present study identifies 1.2 million tonnes grading 5.22 grams gold per tonne and projects a production rate of 750 tonnes per day. A total of 190,000 ounces of gold would be produced over a 4.5 year period at an annual production rate of 44,000 ounces.

Cash operating costs have been projected at US \$200 per ounce and total costs (including recovery of capital) at US \$300 per ounce. Capital investment, including working capital would be \$22 million initially reducing by \$4 million in the first half-year of production. Subsequent capital investment (from cash flow in years 3 and 4) would total \$6 million.

The study, by Orocon Inc. of Vancouver, B.C., recommends initial open-pit production from the Main Zone (previously the subject of a preliminary feasibility study by Steffen Robertson and Kirsten) to be followed by underground mining of the adjacent West and Mid-West zones. All zones are amenable to low cost, bulk mining methods.

Extensive metallurgical test work shows recoveries in excess of 94% in a C.I.P. mill capable of treating 920 tonnes per day. Capital cost projections include a firm price bid for mill construction.

The study is currently being reviewed in detail by QPX management with a view to identifying preferred financing alternatives for the project.



T.J. Ryan
President