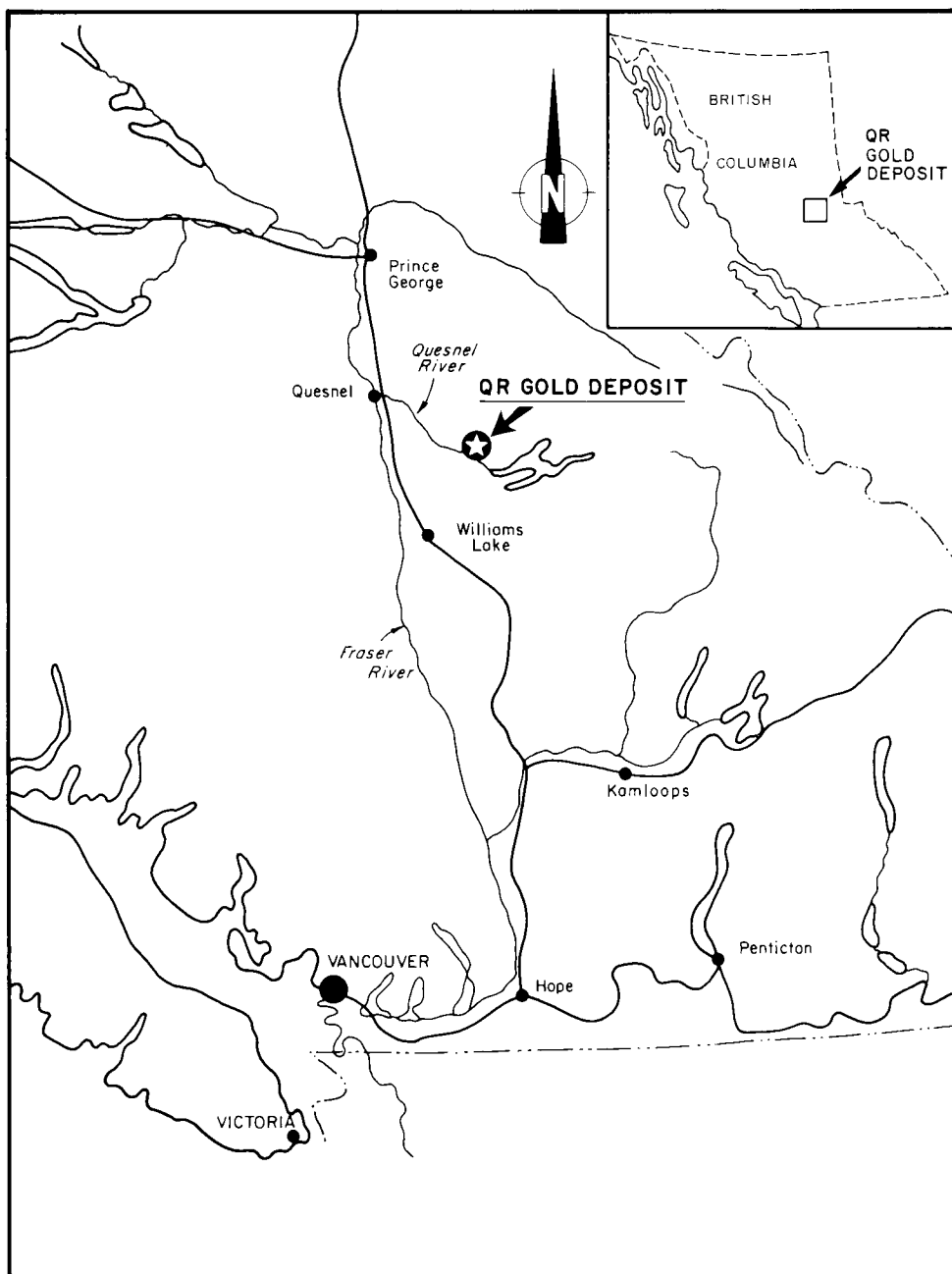


**UPDATE
TO JULY '90**

QPX
MINERALS INC.

LISTED: TSE / VSE
SYMBOL: QPX

THE QR GOLD DEPOSIT



THE QR GOLD DEPOSIT

RECENT DEVELOPMENTS

- * On July 5, 1990 Stage I approval in principle was granted by the Northeast Mine Development Review Committee (NEMDRC) for the open-pit development of the Main Zone.
- * Simultaneously, the NEMDRC waived Stage II of the Mine Development Process and consigned the project to Stage III permitting and licensing.
- * Cash operating costs are projected at US\$199 per ounce. Total costs (including capital) are projected at US\$304 per ounce.
- * Financing alternatives ranging from project finance through joint venture are being pursued.
- * Imperial Metals and Corona announced completion of a feasibility study for the Mt. Polley copper/gold deposit, 15 kilometres southeast of the QR deposit.

BACKGROUND

An independent feasibility study dated June 1, 1990 recommends that the Company's 100 % owned Quesnel River ("QR") gold deposit be placed into commercial production. The QR was acquired by QPX in 1988 from its major shareholder, Placer Dome Inc. and is located 73 kilometres by road south-east of Quesnel, B.C. Since discovery in 1977, some 60,800 metres of diamond drilling on the 8 mineral claim property has identified economic gold/silver mineralization in several zones. Three of these zones, the open-pit Main Zone and the underground West and Mid-West Zones were the focus of the study by Orocon Inc. of Vancouver, B.C.

ANNUAL PRODUCTION 44,000 OUNCES

The present study identifies diluted mineable ore reserves of 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 4.3 year period at an annual production rate of 44,000 ounces.

At US\$380 per ounce, the after-tax rate of return on a project basis is 21.5%. **Cash operating costs have been projected at US\$199 per ounce and total costs (including capital costs) are projected at US\$304 per ounce.** Capital investment, including working capital would be C\$22 million initially reducing by \$4 million in the first half year of production. Subsequent capital investment (to be financed from project cash flow in years 3 and 4) would total \$6 million.

THE PROPERTY

The QR minesite is at an elevation of 1,030 metres on the north bank of the Quesnel River. It is readily accessible by an all weather road from Quesnel, B.C. permitting easy commuting by the labour force. The construction site is essentially cleared of trees, except for part of the proposed tailings site.

Three separate but related ore zones provide the mineable ore reserves for the project. These reserves are within 100 metres of surface and ore zone geometry is amenable to low cost bulk mining methods. Initial production would be derived by open pit mining of the Main Zone with development of the underground West and Mid-West Zones taking place during the later production years. Additional reserves currently classed as possible may be expected to add to the mine life.

The property can be brought to initial production in a 19 month time frame with full production attained in a further 3 months.

Extensive metallurgical work has been completed and recoveries exceeding 94% can be expected. A C.I.P. mill capable of treating 900 tonnes per day has been evaluated and costed. Orocon Inc. has provided a fixed price bid to construct this mill.

A good tailings disposal area has been identified and geotechnical and dam design investigations are completed. The dams are essentially ready for construction.

A program of environmental investigation culminated in the submission of an Environmental and Socioeconomic Assessment Report to the Steering Committee for new mine development in B.C. As noted above, Stage I approval-in-principle and waiver of Stage II has been obtained. Permitting applications will proceed in parallel with the development of financing plans.

Power will be supplied from the B.C. Hydro grid, the cost of which is included in the capital estimates.

The workforce will be drawn from Quesnel and the surrounding communities. Manpower on the site will range from 75 to 100 permanent employees.

QR GOLD DEPOSIT
BASE CASE AT A GOLD PRICE OF US\$380

CASH FLOW BEFORE CAPITAL AND TAXES \$47,305,000

CAPITAL INVESTMENT

Net cost to full production:

Preproduction Capital	\$15,403,000
Development & Startup	4,718,000
Working Capital & Inventory	2,000,000
	\$22,121,000

PRODUCTION DATA (3 zones only):

Mine life	4.3 years
Payback	2.6 years

	<u>Tonnes</u>	<u>Ounces</u>
Mineable reserves at 5.22 g/T	1,213,000	190,000
Annual production	275,000	44,000
Daily production	750	
Cash operating costs	C\$35.59	US\$199
Total costs (including capital)		US\$304

PROFITABILITY AT VARIOUS GOLD PRICES

All data assumes project basis (ie. no allowance made for cost of financing):

Gold Price (\$US)	BEFORE TAX			AFTER TAX		
	Rate of Return (%)	NPV @ 10% \$C(000)	*Net Cash \$C(000)	Rate of Return (%)	NPV @ 10% \$C(000)	*Net Cash \$C(000)
\$350	20.0	4,000	11,800	13.6	1,300	7,300
\$380	31.2	8,300	18,300	21.6	4,100	11,100
\$400	38.8	11,100	22,500	26.8	5,700	13,500
\$425	43.6	12,900	25,200	30.1	6,700	15,000

* Net cash return after repayment of capital costs