

Initial 2004 Exploration Results

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Summary

CMQ Resources Inc. has reported 2004 Exploration results from their Crescent Valley Property located in Northeastern Nevada's Battle Mountain Trend. CMQ's Montezuma and adjacent Vasquir properties are northeast of the recent Cortez Hills Discovery and the Pipeline Mine Complex operated by Placer Dome (PDG-TSX). Initial drill results indicate a widespread Carlin-type alteration assemblage with anomalous favourable geochemistry. Interpretation of the recently completed geochemical and geophysical surveys, combined with the drill results, will assist in defining specific targets for the next phase of 20 drill holes expected to commence in November. The shares of CMQ Resources are rated **Speculative BUY**.

Crescent Valley, Nevada

CMQ Resources has completed the first phase of this year's exploration on their Montezuma and Vasquir properties located in the Battle Mountain Trend of Nevada's Crescent Valley. Exploration included six widely-spaced drill holes on Montezuma averaging 1,780 ft. in depth (total of 10,675 ft.), 1,012 line-miles of airborne 3D gravity geophysics, soil and soil gas surveys, 25 line-miles of AMT survey and a tightly-spaced ground magnetic survey. Reportedly, the six drill holes contain strong hydrothermal alteration and anomalous arsenic, antimony and mercury – elements associated with Carlin-type gold mineralization. Anomalous gold up to 0.58 g/tonne over 6.1 m (0.017 ounces/ton over 20 ft.) was intersected. The drilling reported alteration in all holes and includes silicification, decalcification, argillization and pyritization. The wide spaced nature of the drill holes suggests an extensive area of Carlin-style alteration. The geochemical and geophysical results are being interpreted

| Speculative BUY | | Fiscal Y/E: Dec 31 |
|----------------------------|---------------------------|--------------------|
| Current Price | | \$0.75 |
| 52-Week Range | | \$0.49- \$1.05 |
| Basic S/O (mm) | | 51.5 |
| Market Capitalization (mm) | | \$38.7 |
| F.D. (mm) | | 63.9 |
| Working Capital (mm) | | \$8.0 |
| Key Management | Martin Lambert, John Hogg | |

| Key Assets | Interest | Target | Status |
|-------------------|----------|-------------|---|
| Montezuma, Nevada | 100% | Gold | Large prospective exploration target. |
| Vasquir, NV | 100% | Gold | Early-stage exploration, also in Crescent Valley. |
| Kuusamo, Finland | 100% | Ni, Cu, PGM | Layered mafic intrusive exploration project. |

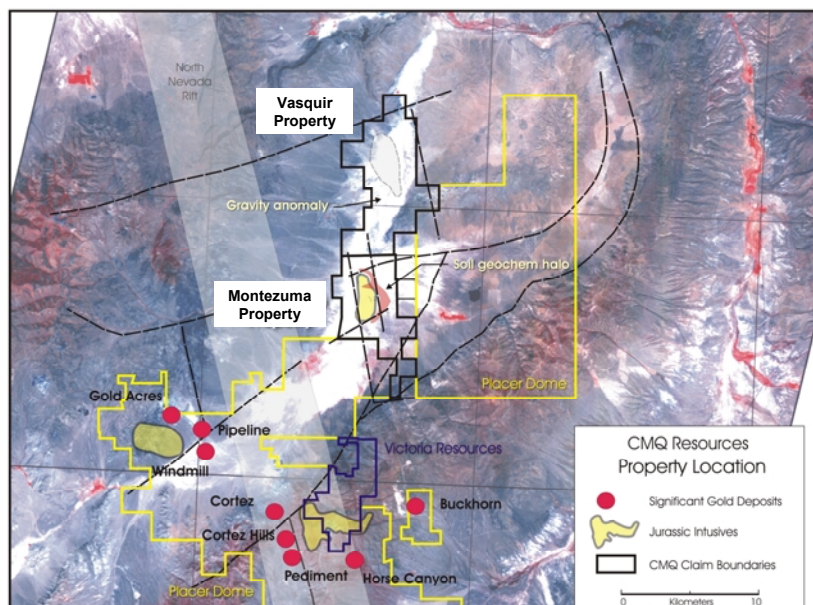
All figures in C\$ unless otherwise noted.

and, in conjunction with the results from the drill holes, will be used to generate specific drill targets in Phase 2.

The second phase of drilling is planned to commence in November and finish in March 2005. The program anticipates drilling 10 holes at Montezuma and an initial 10 holes into the Vasquir property where favourable stratigraphy is interpreted at shallower depths. The recent acquisition of an approximately 9.7% interest in CMQ by a subsidiary of Gold Fields Ltd. has contributed to the \$8 million working capital. Gold Fields will also supply technical expertise to assist CMQ.

CMQ's properties are favourably located in Crescent Valley near Placer Dome's Cortez Mine Complex. Placer Dome continues to encounter spectacular results at the newly discovered, nearby Cortez Hills deposit. Recent drilling intersected 1.035 oz/ton gold over 410 ft. (35.49 g/tonne over 125m). Reserves continue to grow and mining is targeted to commence in mid-2006, pending permitting as presented to analysts at a site tour this week. The Cortez Mine Complex, 60% Placer Dome and 40% Kennecott Minerals (subsidiary of Rio Tinto plc, RTP-NYSE) reports reserves of 12.74 million ounces with Cortez Hills contributing 5.25 million ounces (Exhibit-2).

Exhibit-1: CMQ Resources Property Locations



Source: CMQ Resources

Exhibit 2: Cortez Joint Venture Gold Reserves and Resources

| Proven & Probable Reserves (Gold Price US\$325/oz) | Tonnes (000) | Grade (g/t) | Ounces (000) |
|---|-----------------|----------------|-----------------|
| Pipeline | 34,106 | 1.43 | 1,569 |
| South Pipeline | 100,064 | 1.21 | 3,892 |
| Gap | 20,017 | 0.68 | 438 |
| Cortez Hills | 37,468 | 4.36 | 5,252 |
| Pediment | 38,884 | 0.97 | 1,213 |
| Stockpiles | 2,739 | 4.30 | 379 |
| Total Proven & Probable | 233,278 | 1.70 | 12,743 |

| Measured & Indicated Resources (Gold Price US\$450/oz) | Tonnes (000) | Grade (g/t) | Ounces (000) |
|---|-----------------|----------------|-----------------|
| Pipeline | 34,448 | 1.03 | 1,139 |
| South Pipeline | 56,256 | 0.81 | 1,457 |
| Gap | 20,686 | 0.66 | 442 |
| Crossroads | 62,943 | 1.52 | 3,080 |
| Cortez Hills | 3,588 | 4.72 | 544 |
| Pediment | 6,244 | 0.69 | 139 |
| Cortez NW Deep | 4,271 | 1.73 | 238 |
| Hilltop | 108,245 | 0.66 | 2,283 |
| Total Measured & Indicated | 296,681 | 0.98 | 9,322 |

| Inferred Resources (Gold Price US\$450/oz) | Tonnes (000) | Grade (g/t) | Ounces (000) |
|---|-----------------|----------------|-----------------|
| Pipeline | 1,841 | 0.90 | 53 |
| South Pipeline | 965 | 0.90 | 28 |
| Gap | 809 | 0.81 | 21 |
| Crossroads | 591 | 0.58 | 11 |
| Cortez Hills | 7,364 | 4.30 | 1,017 |
| Pediment | 1,394 | 0.51 | 23 |
| Cortez NW Deep | 689 | 1.63 | 36 |
| Hilltop | 16,866 | 0.44 | 237 |
| Total Inferred | 30,519 | 1.45 | 1,426 |

Source: Placer Dome Inc. December 31, 2003; AMEC Mining and Metals Technical Report, February 26, 2004.

Loewen, Ondaatje, McCutcheon Limited has acted in an underwriting and/or financial advisory capacity for CMQ Resources Inc. within the past 24 months.

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