

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

PROSPECTUS

019395

DATED: July 22, 1987

SULPHURETS GOLD CORPORATION

Mintle
D.L.
PROPERTY FILE
104-3100-05

(the "Issuer")

809 - 675 West Hastings Street
Vancouver, B.C. V6B 1N2

Unit Offering - 180,000 Common Shares and 180,000 Non-Transferable Share Purchase Warrants, each entitling the holder to purchase one Common Share at \$2.00

	Price to Public ⁽¹⁾	Gross Proceeds to Issuer	Underwriting Discount ⁽²⁾	Net Proceeds to Issuer ⁽³⁾
Per Share	\$0.60	\$0.60	\$0.07	\$0.53
Total.....	\$108,000	\$108,000	\$12,600	\$95,400

Flow-Through Offering—180,000 Flow-Through Common Shares

	Price to Public ⁽¹⁾	Gross Proceeds to Issuer	Underwriting Discount ⁽²⁾	Net Proceeds to Issuer ⁽³⁾
Per Share	\$1.10	\$1.10	\$0.10	\$1.00
Total.....	\$198,000	\$198,000	\$18,000	\$180,000

(1) The price of the securities has been determined by the Issuer in negotiation with the Underwriter.

(2) The Underwriter has been granted options (the "Compensation Options") to acquire 45,000 shares at \$0.72 per share. See "Plan of Distribution".

(3) Before deduction of expenses of this issue estimated not to exceed \$15,000.

THERE IS NO MARKET THROUGH WHICH THE SECURITIES OF THE ISSUER MAY BE SOLD AND A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.

THE PROPERTY IN WHICH THE ISSUER HAS AN INTEREST IS IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF THE PROPERTY HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE MINING PROPERTY IS SITUATE, ITS EXISTENCE AND AREA COULD BE IN DOUBT.

NO PERSON IS AUTHORIZED BY THE ISSUER TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THIS ISSUE AND THE SALE OF THE SECURITIES OFFERED BY THE ISSUER.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. SEE "DIRECTORS AND OFFICERS" ON PAGE 16 FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 17.87% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 51.64% THAT WILL THEN BE BENEFICIALLY OWNED BY DIRECTORS AND SENIOR OFFICERS OF THE ISSUER. "UNDERWRITERS", AS DEFINED IN LOCAL POLICY #3-30 OF THE BRITISH COLUMBIA SECURITIES COMMISSION PURCHASED 44,000 SHARES OF THE ISSUER AT \$0.25 PER SHARE. SEE "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 19 FOR DETAILS OF SHARES HELD BY DIRECTORS AND SENIOR OFFICERS AND BY ASSOCIATES OF THE UNDERWRITER.

AN APPLICATION HAS BEEN MADE TO CONDITIONALLY LIST THE SECURITIES OFFERED HEREIN ON THE VANCOUVER STOCK EXCHANGE. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE.

THIS PROSPECTUS ALSO QUALIFIES FOR SALE TO THE PUBLIC ANY SHARES OF THE ISSUER WHICH THE UNDERWRITER MAY ACQUIRE PURSUANT TO THE COMPENSATION OPTION. SEE "PLAN OF DISTRIBUTION" ON PAGE 10.

BASED ON THE OFFERING PRICE OF \$0.60 PER UNIT AND \$1.10 PER FLOW-THROUGH SHARE THE NET TANGIBLE BOOK VALUE (AFTER PAYMENT OF THE UNDERWRITER'S FEE AND ESTIMATED COSTS OF THIS ISSUE) FOR EACH OF THE 2,014,000 COMMON SHARES THEN OUTSTANDING WOULD BE APPROXIMATELY \$0.33 PER COMMON SHARE RESULTING IN AN IMMEDIATE DILUTION OF APPROXIMATELY \$0.27 PER COMMON SHARE OR 45% AND \$0.77 PER FLOW THROUGH COMMON SHARE OR 70%. SEE "DILUTION" ON PAGE 9.

WE, AS PRINCIPALS, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE UNDERWRITING AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE 10 OF THIS PROSPECTUS.

McDermid, St. Lawrence Limited

1000 - 601 West Hastings Street
Vancouver, B.C. V6B 5E2

EFFECTIVE DATE: JULY 29, 1987

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will be entitled to receive as its sole remuneration and benefit in consideration of that assignment and conveyance, by way of royalty, 10% of the net profits, as and when available;

(i) the parties will grant each to the other a right of first refusal to acquire any part of an interest in the property of which either party wishes to dispose; and

(j) title to the property will be held in the name of WCM.

(k) if the Operator fails to propose a program for 1988 requiring Exploration Costs of more than \$180,000, and/or a program for 1989 requiring Exploration Costs of more than \$300,000, any non-Operator may, for either or both of such years, propose, and shall be entitled to implement, a program requiring Exploration Costs of not less than \$150,000 and not more than \$180,000. If the Operator fails to contribute its full proportionate share of either of the non-Operator's programs, it may maintain its property interest by paying 50% or 70% of the costs of the programs for 1988 and 1989, respectively, by the next following February 28.

In the Kerr Joint Venture Agreement:

(i) "Exploration Costs" means all Costs of Mining Operations recorded during the Exploration Period.

(ii) "Prior Exploration Costs" means those Costs, including deemed costs, if any, incurred by the parties in exploring and developing the property prior to the operative date.

There are no insiders common to Brinco, WCML and WCM on the one hand and the Issuer on the other hand.

Location and Access

The Kerr Claim Group, comprising 117 units, is located 5 kilometers due west of the Newhawk/Lacana/Granduc joint venture and 60 kilometers due north of the port of Stewart at the head of the Portland Canal, Skeena Mining Division, British Columbia.

Access is by helicopter from Snippaker Creek airstrip, 32 kilometers to the northwest of the Kerr Claim Group.

Prospecting History

As set forth in the Report (as hereinafter defined), placer gold was first discovered in the upper reaches of the Unuk River in 1893. The first mineral claims were staked in 1898. In 1901 the Unuk River Mining and Dredging Company established a small stamp mill on one of the claims and in 1903 attempted a road from Burroughs Bay to Sulphurets Creek which was never completed and

mining equipment for the project was left abandoned. Further prospecting was undertaken during the period 1929-32. In 1935 Bruce and Jack Johnson staked claims in the upper reaches of Sulphurets Creek.

In 1960 Newmont Mines ("Newmont") staked claims on behalf of Granduc Mines Ltd. ("Granduc") and these claims were worked by Newmont and Granduc between 1961 and 1967. Also in 1960 claims were staked by D. Ross, S. Bishop and W. Dawson, which claims were optioned to Granduc in 1968. Granduc continued work in the area until 1970 and again in the period 1975 to 1977. In 1979 the Granduc ground was optioned to Esso Resources Canada Limited who located a number of gold and silver vein zones in the southern part of the property as well as numerous large disseminated gold zones. Subsequent to termination of the Granduc-Esso agreement, Granduc optioned the property to the Newhawk/Lacana joint venture.

The Kerr Claim Group was staked in 1982 by the Alpha Joint Venture. The Alpha Joint Venture Group expended approximately \$18,410 on the property during 1983 with respect to exploration and development work. Brinco conducted work on the property during the period 1984-86.

Set forth below is an extract from the Report with respect to previous work conducted on the Kerr Claim Group:

- "1983 151 stream sediment and soil samples collected and analysed for silver (Ag), bismuth (Bi), arsenic (As), copper (Cu), manganese (Mn), molybdenum (Mo), lead (Pb), antimony (Sb), zinc (Zn) and barium (Ba) and gold (Au). Two anomalous zones outlined.
- 1984 Soil sampling (210 samples for Au, Ag, As, Cu, Zn and Pb), prospecting and mapping. Outlined gold anomaly 1 km long within a large pyritic phyllic alteration zone.
- 1985 Soil/talus sampling (409 samples, 100 m grid with follow-up detail sampling of anomalous area A to F), trenching (three geochem anomalies) and diamond drilling (3 holes on two anomalies) intersected sub-economic gold values (3.6 g/tonne over 4.0 m and 2.3 g/tonne over 14 m) in breccia and quartz pyrite zones.
- 1986 Grid established (north-south baseline with 100 m east-west grid lines). Geochemical sampling (593 soil and talus samples with 649 rock chips). Previous anomalies confirmed plus one additional anomaly outlined (L). VLF and magnetic surveys were completed over the central part of the schist zone. This data was not available when writing this report. VLF results are reported as being inconclusive. Mag data is reported as coherent, but not tied down to specific geological features."

Soil and talus sampling in 1984, 1985 and 1986 outlined a north-south oriented area of anomalous gold (greater than 250 ppb) and silver values. The range of soil/talus samples collected in 1984 for gold and silver were, respectively, 420 ppb to 17,000 ppb and 3.3 ppm to 96.5 ppm. Values for the base metals and arsenic were also anomalous (As 178-4140 ppm, Zn 289-3380 ppm, Cu 293-1900 ppm and Pb 172-3290 ppm).

In 1985 a more detailed soil sampling survey confirmed the anomalous gold and silver values for Zones A, B, C, D and E. Values ranged up to 10,000 ppb gold. Also in 1985, three diamond drill holes were completed on Zones A and C.

Drill Hole Summary

<u>Hole #</u>	<u>Interval</u>	<u>Width(m)</u>	<u>Gold g/t</u>	<u>Silver g/t</u>
KE 85-1	41.7-42.9	1.2	3.9	193.0
KE-55-2	12.0-16.0	4.0	3.6	16.7
	18.0-18.5	0.5	2.5	41.1
KE 85-3	56.0-70.0	14.0	2.37	(4.28)*

* - over 11.2m

In general, gold values were reported as correlating with pyrite and/or silicification and/or fracturing/brecciation.

In 1986 a grid was established over the geochemically anomalous area and 593 soil/talus samples were collected. All of the previous zones were confirmed and a new zone, L, was located. In addition, 649 rock chip samples were collected, of which 21 samples were in excess of 1,000 ppb gold and four were in excess of 10,000 ppb gold (85,000, 43,000, 15,500 and 11,000). Zones A, E, B and L were covered by VLF and magnetic surveys, the results of which are not available at the date of the Report.

Underground and Surface Plant and Equipment

There is no surface or underground plant or equipment on the Kerr Claim Group and there has been no underground exploration on the property except as herein set forth. **The property is without a known body of commercial ore and the proposed program is an exploratory search for ore.**

General Geology and Mineralization

As set forth in the Report on the Kerr Claim Group which has been filed with the British Columbia Securities Commission pursuant to Section 102 of the Regulations to the Securities Act (British Columbia), the Kerr Claim Group is located in the

north-central part of the Stewart Complex, a structurally complex area of Triassic to Middle Jurassic volcanics and sediments.

Soil and talus sampling over a pyritic schist zone have resulted in eight more or less discrete gold and silver anomalies with associated anomalous arsenic, zinc, copper and lead values. Gold values seem to relate to both quartz-sulphide vein structures and disseminated pyrite.

Work Already Undertaken by Issuer

The Issuer has not carried out any work on the Kerr Claim Group. However, it was agreed between Brinco Limited ("Brinco") and the Alpha Joint Venture ("Alpha") in July 1986 that Alpha would reimburse Brinco for 30% of all exploration expenditures incurred by Brinco after Brinco had exercised the Option and had acquired an undivided 70% interest in and to the Kerr Claim Group. This arrangement permitted Brinco to carry out a meaningful program of work on the property instead of curtailing work as soon as the Option had been exercised. Following the assignment from Alpha to the Issuer, as set out under the heading "Terms of Acquisition", the Issuer assumed the obligation to reimburse Brinco. In January 1987, therefore, the Issuer paid WCM the amount of \$35,758.35 as reimbursement of exploration expenditures.

At the meeting of the management committee of the Kerr Joint Venture held on February 17, 1987, the committee adopted as the 1987 work plan and budget the program recommended in the Report.

The Issuer has incurred fees with respect to engineering reports in the amount of approximately \$4,600.

Recommendations

The Issuer's 30% interest in the Kerr Claim Group is the subject of a report (the "Report"), dated December 15, 1986, prepared by I.S. Thompson and P.A. Tyler, of Derry, Michener, Booth & Wahl, of 410-20 Richmond Street East, Toronto, Ontario M5C 2R9. The Report is available for inspection at the registered and records office of the Issuer. The said Report recommends an exploration program be carried out at an estimated total cost of \$600,000, of which the Issuer's cost share would be \$180,000.

The Issuer intends to fund the recommended exploration program comprising geological sampling and geophysical surveys, geochemical sampling, backhoe trenching, sampling of rock outcrop, diamond drilling and assaying at an estimated cost to the Issuer of \$180,000 (with respect to its 30% interest), which amount will be raised from the proceeds of this offering.