

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THE 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 SE OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

019279

PROSPECTUS

DATED: July 22, 1987

**SULPHURETS GOLD
CORPORATION**

(the "Issuer")

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

D.L.
PROPERTY FILE
104B100-05

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

Sulphurets Gold Corporation (the "Issuer")

PROSPECTUS SUMMARY

This selective summary is not in itself complete and is qualified by more detailed information appearing elsewhere in this Preliminary Prospectus.

The Offering

Securities Offered: 180,000 Units, each consisting of One Common Share and One Non-Transferable Share Purchase Warrant (the "Unit Offering")
180,000 Flow-Through Shares (the "Flow-Through Offering")

Non-Transferable Share Purchase Warrants: One Warrant will entitle the holder to purchase one Common Share for \$2.00 at any time up to the close of business 120 days from the date of listing of the Issuer's Common Shares on the Exchange but in any event no longer than one year from the date of the Final Prospectus.

Proceeds: Unit Offering: \$108,000 (gross); \$95,400 (net)
Flow-Through Offering: \$198,000 (gross); \$180,000 (net)

Price: Unit Offering: \$0.60 per Unit
Flow-Through Offering: \$1.10 per Share

This Prospectus also qualifies for sale to the public any shares of the Issuer which the Underwriter may acquire pursuant to the Compensation Option.

Use of Proceeds: The net proceeds of this issue will be used to fund an exploration program on the Kerr Claim Group, Skeena Mining Division, British Columbia. The balance will be added to the working capital of the Issuer.

Dilution: The price of each Common Share and each Flow-Through Share offered hereby exceeds the book value of the net tangible assets per common share of the Issuer on a fully diluted basis at February 28, 1987 by \$0.27 and \$0.77, respectively, after giving effect to this offering and assuming no exercise of the Underwriter's Compensation Option to purchase additional Common Shares.

(b) a management committee consisting of a representative from each party will be formed to supervise the development and exploration of the Property;

(c) voting in the management committee is weighted in proportion to property interests;

(d) the management committee will select the Operator of the Property;

(e) the Operator and any other party may prepare programs (containing a statement of proposed Mining Operations and estimates of all Exploration Costs, including a 10% allowance for cost overrun) for consideration and adoption by the management committee, at its discretion, no later than December 31 of the year preceding the year to which the program relates.

(f) the Operator will manage and carry out such programs (with such modifications, if any) as the management committee may direct;

(g) each party may by March 31 of the year to which the program relates give notice to the Operator, and if the Operator is a party, such party shall give notice to the other parties committing itself to contribute toward the Exploration Costs on the program in proportion to its interest or to contribute some lesser proportion thereof. In the latter event the proportion to be contributed by the other parties who have elected to participate in proportion to their respective interests will be increased pro rata but subject to the right of any of those parties to elect not to contribute more than its proportionate share. If any party fails to give notice by March 31, or gives notice that it declines to contribute it will not be entitled to contribute to the Exploration Costs on that program. In the event, or if it elects to contribute some lesser proportion of Exploration Costs than it is entitled to do, its interest will be reduced;

(h) if a party fails to make any election or elects not to contribute to the Exploration Costs of any program proposed or elects to contribute less than its proportionate share thereof, the interest of that party will be decreased and the interest of each participant contributing in excess of its proportionate share will be increased so that at any time during the Exploration Period the interest of each party is that percentage which is equivalent to its Exploration Costs and Prior Exploration Costs expressed as a percentage of the Exploration Costs and Prior Exploration Costs of all parties; provided that if the effect of the application of the foregoing provisions is to reduce the interest of any party to 10% or less, the party whose interest is reduced to 10% or less will then be deemed to have assigned and conveyed its interest and its interest in the assets to the other participant and in consideration therefor

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.

Valuation Report

A Valuation Report, dated December 5, 1986, prepared by I.S. Thompson and P.A. Tyler, of Derry, Michener, Booth & Wahl, have estimated the fair market value of the Kerr Claim Group, to be \$1,000,000 Cdn. so that the 30% interest deemed to be held by the Issuer is accordingly valued at \$300,000 Cdn.

The Valuation Report is available for inspection at the registered and records office of the Issuer during normal business hours while primary distribution of the shares offered hereunder is in progress and for 30 days thereafter.

RISK FACTORS

The shares offered hereby are considered speculative due to the nature of the Issuer's business and the present stage of its development. A prospective investor should consider carefully the following factors:

Miscellaneous

1. There is at present no market for the shares of the Issuer.
2. The Issuer is a relatively new company and has no proven history of performance or earnings and its ability to develop into a viable business enterprise is largely dependent upon its management.
3. Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, importing and exporting of minerals and environment protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital or the investment retaining its value.
4. The existence of title opinions should not be construed to suggest that the Issuer has good and marketable title to all the properties described in this Prospectus. The Issuer follows the usual industry practice in obtaining title options with respect to its lands.