

GAL #20 31-10-79

MCP RESOURCES CORPORATION 082KSW037

082K/3E

SLOCAN GOLD PROPERTY IS - The Highland Surprise gold property is located in the Selkirk Mountains, two miles northeast of Retallack, in the Slocan area of B.C. MCP Resources Corporation holds the property and intends to make a bulk shipment of selected mineralization now on a 20,000 ton dump. This shipment is hoped to be made this fall.

An Oct. 22, 1979 report on the property by J.F. Kruzick, geologist, states in part, "The gold showings were discovered in the late 19th century, and some limited work was done intermittently up to 1937, when Highland Surprise Gold Mines Ltd. was formed. During the following four years the mine produced 5,151 dry tons of ore yielding 0.314 oz. gold per ton. A total of 3,247 ft. of underground work and 759 ft. of diamond drilling was done on four adit levels." MCP Resources has acquired from Pan Ocean Oil Ltd. of Calgary, Alberta, a lease on the property by an agreement dated March 8, 1979. "The host rock for the gold bearing quartz veins is a metamorphosed greenstone of the Kaslo series. The underground workings follow the margin of the serpentized ultrabasic, and the veins and dykes both parallel approximately the contact between the ultrabasic and the greenstone. The gold values appear to be associated with chalcopyrite and pyrite mineralization. Chip samples taken across the vein structure have given significant values for gold, eg. Sample No. 1 1.166 oz. gold per ton, 0.56 oz. silver per ton across two feet. Sampling of a number of dumps also gave high values for gold, eg. Sample No. 3A - 1.206 oz. gold per ton and 0.70 oz. silver per ton."

Following the approval of regulatory authority to acquire Alfazal Oil & Gas Ltd. of Calgary by MCP by the issue of 615,000 shares of MCP to the shareholders of Alfazal, control of MCP passed to the Alfazal shareholders. The assets acquired by the acquisition are oil and gas leases in the West Pembina area of Alberta and in the Chunut area of Kansas. The Kansas acreage would support some 60 shallow, plus or minus 1,000-foot, gas wells. It is expected that MCP will negotiate financing to proceed with this program as soon as possible.