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Item 21

SUMMARY

The Paradise Peak deposit area is composed of Tertiary volcanic rocks of andesitic to rhyolitic composition emplaced as lava and pyroclastic flows. Silver and gold anomalies are associated with epithermal hot spring alteration. Higher precious metal values occur in silicified rhyolite tuffs surrounded by argillic alteration.

Metallized rock crops out at the top of a low rounded hill which is approximately 2,500 feet across at its base. The hill has about 275 feet of relief being surrounded by alluvim. The ore zone is approximately 1,400 x 600 feet with thicknesses up to 400 feet.

Drilling indicates a fairly shallow consistent southeast dipping ore zone. Mineable ore reserves were estimated at approximately 12 million tons ore grading 0.097 oz/T gold and 3.53 oz/T silver.

Stratigraphic units fall into three groups: an older andesite group, a series of felsic tuffs, and a group of younger andesites. The Composite Tuff of the felsic group is the main ore host. The unit was originally composed of pyroclastic vitric to lithic-rich rhyolite crystal tuffs. In the ore zone the Composite Tuff has been subjected to intense argillization and silicification.

There is a strong northwest-trending, "Walker Lane", structural grain throughout the area. The central part of the ore zone is

structurally downdropped by a northwest-trending fault zone on the southwestern edge and by curvalinear faults on the north and northeast sides.

Silver at Paradise Peak occurs as the silver halide, cerargyrite, less commonly as the silver sulfide, acanthite, and as native silver. Gold occurs as relatively pure native gold. Closely associated minerals include pyrite, bismuthian stibnite, barite, cinnabar, native sulfur, orpiment, and realgar.

Chemical and mineralogical changes produced in the host rocks by the mineralization and related processes may be classified as silicification, pyritization, and intermediate to advanced argillization. Of these, silicification is most closely related to gold-silver mineralization. Mineralogy of the ore and alteration at Paradise Peak suggest that the hydrothermal solutions were probably at temperatures between 100° to $300^{\circ}C$.

The high level hydrothermal system that formed the Paradise Peak deposit is closely related to the extensional "Basin and Range" structural regime. Intense fracturing created open spaces which promoted circulation of meteoric waters to deep levels in the crust. As these solutions ascended along favorable structures, they altered surrounding rock. When the fluids cooled and/or encountered different physiochemical environments, they precipitated gold, silver, quartz, and associated minerals. The close association of mineralization with the felsic volcanism suggests that the two processes were related.

PARADISE PEAK
HISTORY OF DISCOVERY

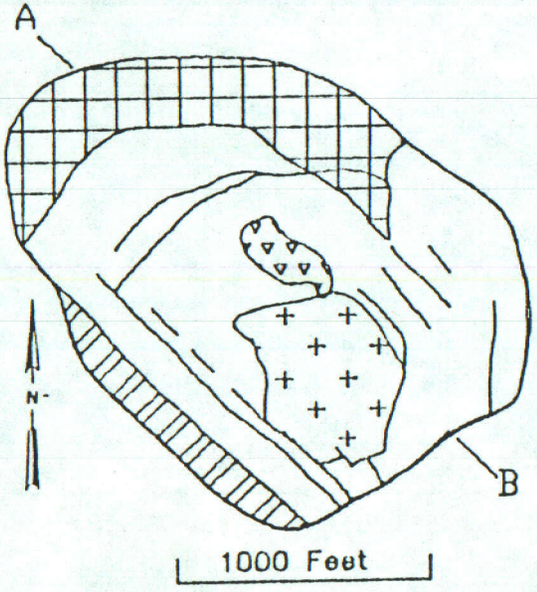
DATE	EVENT
9-25-82	Prospectors, Mr. & Mrs. William Anell, contacted FMC about property due to its interesting visible alteration.
10-25-82	Prospectors and FMC Geologists collect gold-bearing rock samples.
11-10-82	FMC initiates claim staking and initiates broad area rock and soil sampling.
2-23-83	First rock samples collected from ore zone.
4-4-83	Detailed surface evaluation and close spaced sampling in anomalous gold areas.
6-10-83	Reconnaissance drilling initiated on major surface gold anomalies.
	- First drill hole encounters over 80 feet of .35 opt gold
	- Seven of 18 drill holes encounter ore
8-2-83	Closer spacing of 400 foot grid initiated around major ore intercepts.
9-25-83	Core drilling begun to verify reverse circulation drill results.
10-25-83	Closer spacing of 200 foot grid initiated around ore intercepts of earlier drilling.
	- 20 of 40 drill holes encounter ore.
12-25-83	92 holes drilled - total. 46 holes with ore grade gold and silver. > 0.04 Au 46 holes unmineralized.
1-7-84	100' center drilling commenced.
	- 134 holes drilled.

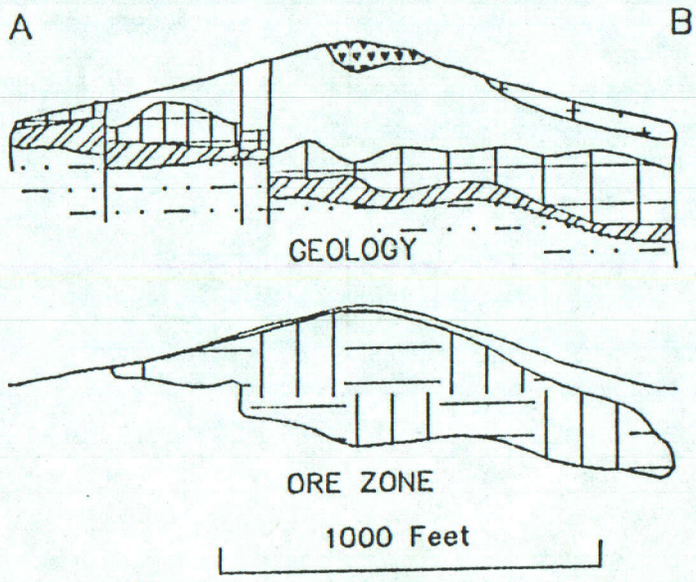
DATE	EVENT
4-1-84	Condemnation and hydrologic exploration initiated.
4-1-84	Surface evaluation on FMC and Sharon Steel claims initiated.
5-8-84	Pincott, Allen and Holt report on mine plan and ore reserves based on 200' drilling received.
8-8-84	Utilizing results of 100' center drilling, updated report from PAC received (proven reserve).
10-1-84	Reconnaissance drilling started on FMC claims.
1-1-85	Mill construction started.

PARADISE PEAK FACT SHEET

ORE RESERVES:	12 Million tons @ .098 ounce per ton gold and 3.53 ounces per ton silver.
STRIP RATIO:	Less than 2:1.
DEPOSIT TYPE:	Volcanic hosted hot springs type.
MILL SIZE:	4,000 tons per day.
MILL START UP:	May 1, 1985
MILL TYPE:	Conventional leaching methods with no preoxidation.
LAND STATUS:	Deposit located on claims located by FMC in November of 1982.

PARADISE PEAK

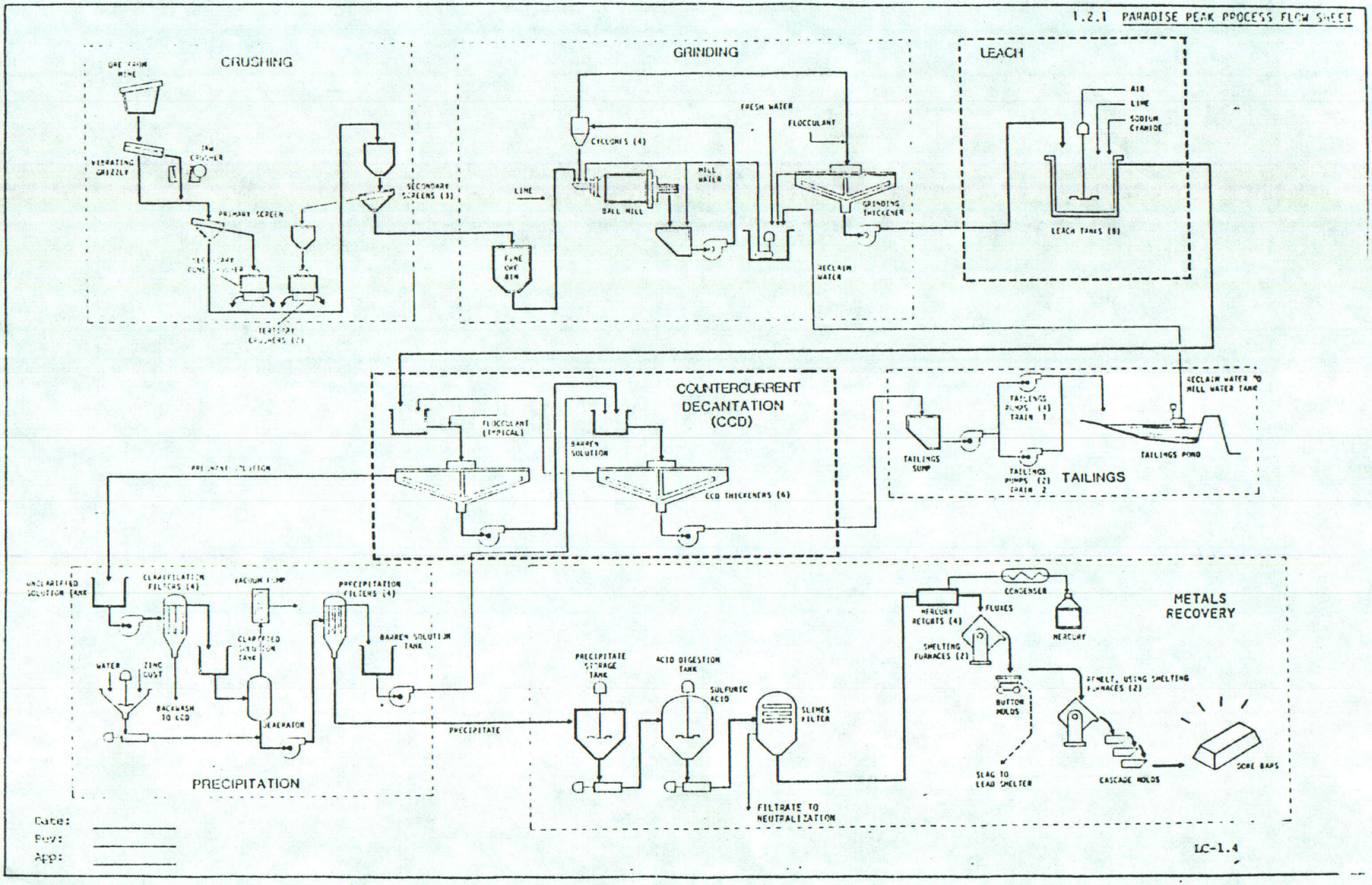




Explanation

- BRECCIA
- ANDESITE
- COMPOSITE TUFF
- OPALITE
- PUMICE TUFF
- LATITE

1.2.1 PARADISE PEAK PROCESS FLOW SHEET



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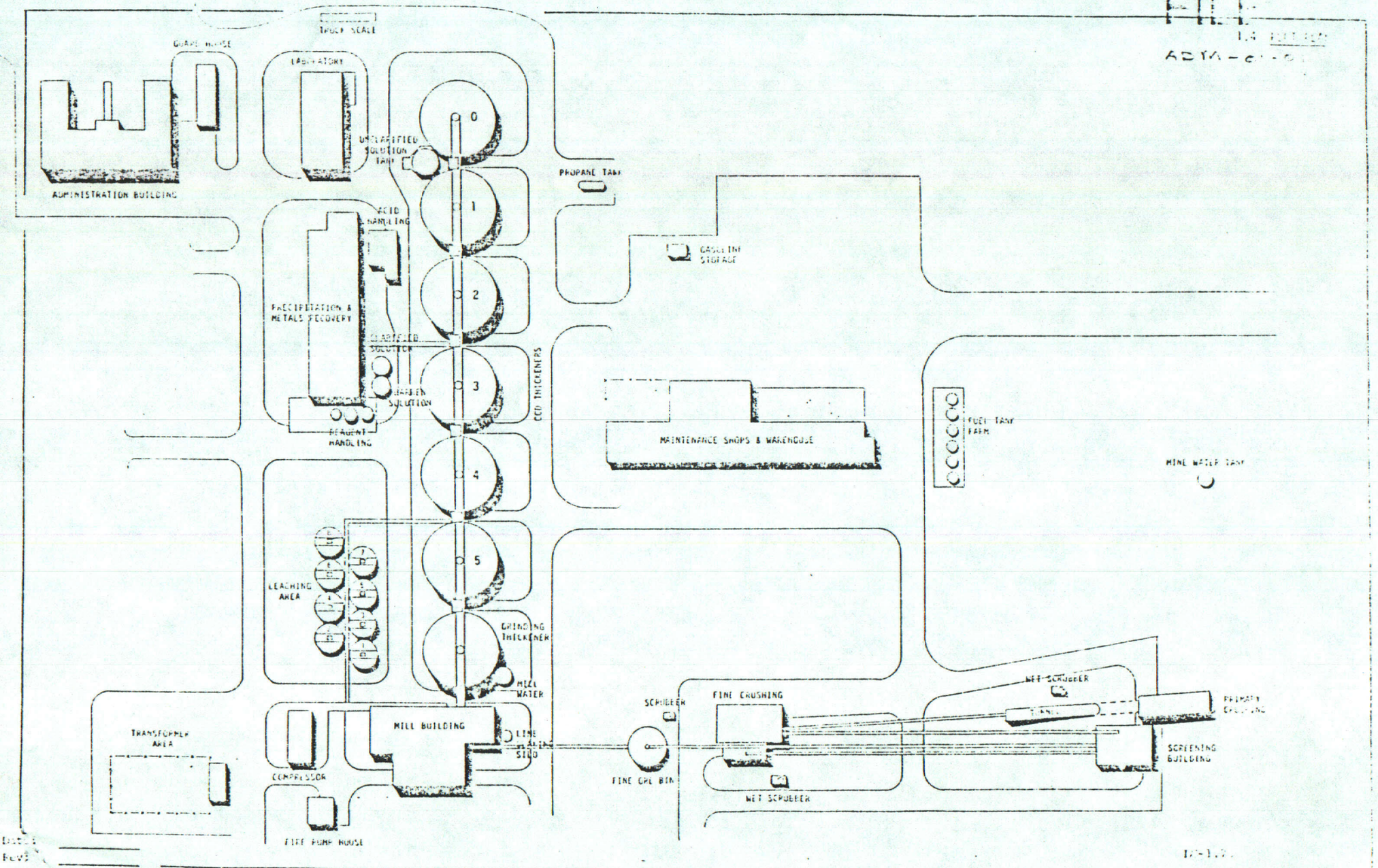
TRUCK SCALE
GUARD HOUSE
LABORATORY
ADMINISTRATION BUILDING
UNCLARIFIED SOLUTION TANK
ACID HANDLING
PRECIPITATION & METALS RECOVERY
CLARIFIED SOLUTION
BARREN SOLUTION
REAGENT HANDLING
CCD THICKENERS
0
1
2
3
4
5
PROPANE TANK
GASOLINE STORAGE
MAINTENANCE SHOPS & WAREHOUSE
FUEL TANK FARM
MINE WATER TANK
LEACHING AREA
GRINDING THICKENER
MILL WATER
MILL BUILDING
LIME SLAKER SILO
TRANSFORMER AREA
COMPRESSOR
FIRE PUMP HOUSE
SCRUBBER
FINE CRUSHING
FINE ORE BIN
WET SCRUBBER
WET SCRUBBER
PRIMARY CRUSHING
SCREENING BUILDING