REGIONAL DIRECTOR'S
OFFICE
REGION IV
SEP 12 1951
BUREAU OF MINES
DENVER, COLORADO

350

SEP 7 1951

Re: DMA-1718
Matchless Mine
Yavapai County, Arizona
Direct loan - $10,000
Lead, zinc

Memorandum

To: Reports and Records Unit
Administrative Management Div.

From: Chief, Lead-Zinc Branch

Subject: Denial of direct loan

The applicant has requested a direct loan of $10,000 for rehabilitation and development work at the Matchless Mine, Yavapai County, Arizona.

The application states that the underground workings at the property consist of one 100 foot shaft, now flooded, and several open cuts on the vein. On the basis of the lack of proven ore reserves, the Lead-Zinc Branch recommends that the application be denied.

A field team report concerning the Mount Union Mine (DMA-617), which is in the immediate vicinity of the subject mine and has similar mineralization and host rock, points out that the ore occurs in shear zones in granite. Gold and silver have been mined from the oxidized zone and some lead and zinc sulphides have been produced from lower levels but, according to the field team, no large production can be expected.

Returned herewith is the following docket material:

4 Copies RSRA Form-146 and attachments.

F. P. Billings, Chief
Lead-Zinc Branch

Approved:

ABCampbell:emp @ 8-31-51

Director, Supply Division

Copies to: J. H. East, Jr. (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. N. Mote
Reports and Records
Directors r. file 4214 GSA
Br. r. file 4214 GSA
DMA docket files

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Re:DMA-1/18

Mr. Ike W. Lusisto and
Mr. James Maurice
P. O. Box 958
Prescott, Arizona

Gentlemen:

Your application (DMA-1/18) for a direct loan of $10,000 for rehabilitation and development work at the Matchless Mine, Yavapai County, Arizona, has been reviewed by the Defense Minerals Administration.

A necessary qualification for a direct loan is that the applicant should have proven reserves of strategic minerals in large enough tonnage to secure the loan. No loan can be approved until an adequate reserve is established. The evidence supporting your application indicates that no reserves have been proven at the Matchless Mine. I regret, therefore, that your application cannot be approved.

We wish to thank you for bringing this property to our attention.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

9.7.8-

ABCampbell:emp
G 8-31-51

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