AUG 2 4 1951

Re: DMA-1887

MINERAL DIRECTOR'S OFFICE
RECEIVED BY
AUG 30 1951
BUREAU OF MINES
DENVER, COLO.

Mr. Donald M. Nelson, President
Consolidated Caribou Silver Mines, Inc.
1406 Pearl Street
Boulder, Colorado

Dear Mr. Nelson:

The Defense Minerals Administration has reviewed your application (DMA-1887) for exploration assistance at the Caribou Mine.

Under the Defense Minerals Administration program, Government aid is available only for projects which offer possibilities of increasing the development of strategic and critical minerals. The review of your application indicates that your property is primarily a producer of silver and that no significant production of lead and zinc can be expected. I regret, therefore, that we cannot approve an expenditure of public funds for the exploration that you propose.

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

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

BGildersleeve:emp
G 8-20-51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Branch
E. T. McKnight 4204 GSA
R. H. Mote
Reports & Records
Directors r. file 4214 GSA
Br. r. file 4214 GSA
Files

J. H. East, Jr. Region IV

AUG 24 1951

AUG 3 1951

Memorandum

Re: [illegible]-1087
Consolidated Caribou Silver Mines, Inc.
Caribou Mine, Boulder County, Colorado
Exploration loan, $31,800
Lead-zinc

To: Reports & Records Unit
Administrative Management Div.

From: Chief, Lead-Zinc Branch

Subject: Denial of loan

The subject docket has been reviewed by the Lead-Zinc Branch. The following are facts pertinent to the loan proposal.

The Caribou mine is noted principally for its silver production from veins in a quartz monzonite portion of a porphyry stock. There are two steeply dipping vein systems one striking almost east, and one trending northeast. According to the applicant "fractures in the monzonite are filled and the walls are slightly replaced by quartz-carbonate veins containing, in places, sulphide ore minerals, mainly galena, sphalerite, and complex silver-lead bearing sulphide minerals. Pitchblende occurs below the 920 level and northeast of the Caribou shaft".

There are no complete production figures available, but starting well before 1[illegible]0, the mine has produced probably more than $2,000,000, chiefly in silver. The applicant mined and milled an average of 31.65 tons per day during the period January-June, 1951. The average grade of this ore was: lead, 1.013; zinc, 0.477; copper, 0.053; gold, 0.043; silver, 20.57.

Recent exploration and development on the 1040 level, north and west of the Caribou shaft led to the discovery of the northeast trending Nelson vein. The applicant is now exploring and developing the Poorman and Nelson veins on the 920 level. The Poorman just north of the Caribou, is perhaps the second most important source of silver in the district. The average mill run of the ore in the early days was said to be 300 ounces of silver to the ton. The vein was about 3 feet wide, but the part containing high-grade ore was rarely more than 5 to 8 inches wide.

The applicant proposes to explore the Poorman and Nelson veins below the 1040 level as follows:

1.	Sink Caribou shaft 100 feet to 1200 level	$20,000.00
2.	Crosscut from shaft to Poorman vein, 100 ft.	2,000.00
3.	Drift west on Poorman vein to Nelson vein 150 feet	3,000.00
4.	Drift northeast on Nelson vein 300 feet	6,000.00
5.	Drift southwest on Nelson vein 300 feet	6,000.00
6.	Drift east on Poorman vein 150 feet	3,000.00
7.	Drift west on Poorman vein 150 feet	3,000.00
8.	Diamond drill 5 holes, each 1,000 feet from station at face of 1040 - B 7 drift	30,000.00
	Total	$ 81,800.00

Although the geologic probability of discovery at depth and to the northwest of the Caribou shaft appears quite favorable, it is believed that such discoveries will be high silver ores and that they will not be significant producers of lead and zinc.

The Lead-Zinc Branch, therefore, recommends that the application be denied, and that the attached letter be sent to applicant.

Returned herewith are:

4 copies of MF-103 with attachments
3 sets of 9 figures
1 copy of MF-100 with attachments.

Gunnard Johnson

R.P. Billings, Chief
Lead-Zinc Branch

Approved: Tom Lyon

Director, Supply Division

BGildersleeve:emp
G 8-20-51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
Reports & Records
Directors r. file 4214 GSA
Br. r. file 4214 GSA
Files