224 New Customhouse
Denver 2, Colorado

October 29, 1951

Memorandum

To: C. O. Mittenderf

From: Executive Officer, DMA Field Team, Region IV

Subject: DMA Docket 2006, Consolidated Caribou Silver Mines, Inc.

This is in reply to your letter of October 15, 1951, concerning the Consolidated Caribou Silver Mines, Inc. The dump referred to by Mr. Nelson no doubt exists, however, the tonnage and metal content is not known to us. The last information obtained indicated the dump had not been systematically sampled. It undoubtedly contains silver, principally assorted with galena and sphalerite. There is no information indicating it contains any tungsten.

At present the Teal mill is being expanded to 60 tons a day by means of an advance from G. S. A. The Wolf Tongue (Hatzer) mill is being expanded to at least 100 tons a day by means of capital supplied by V. C. A. Both of these mills and several small ones are in the tungsten district and designed to treat tungsten ores.

The Caribou mill is several miles upgrade from the tungsten district and it would not appear feasible to ship tungsten ores to it as long as the capacity in the tungsten area is adequate. It appears that the expanded capacity would be adequate for some time.

J. H. East, Jr.

PTA:oj
cc: DMA subject, chron.
AHKoschmann

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

REGION IV
OCT 22 1951
BUREAU OF MINES

October 15, 1951

Mr. J. H. East, Jr.
Regional Director, Region IV
Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Re: Consolidated Caribou Silver Mines, Inc.
DMA Docket No. 2006

My dear Mr. East:

Attached is a copy of a letter relative to the captioned project which is self-explanatory.

While it is probably not necessary to have regular field team report on the project, it would be useful to us here to have your comments with respect to this operation and the general availability of tungsten mills in this area to accommodate the small miners. Also it would be useful to us to have your comments with respect to the existence of the waste dump referred to by Mr. Nelson.

Sincerely yours,

C. O. Wilkinson
Acting Administrator

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

OFFICE
REGION IV
OCT 22 1951

October 15, 1951

Mr. J. H. East, Jr.
Regional Director, Region IV
Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Re: Consolidated Caribou Silver Mines, Inc.
DMA Docket No. 2006

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Sincerely yours,

C. O. Mittenderf

Acting Administrator

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

October 15, 1951

Mr. Matthew Eileen, General Manager
Consolidated Caribou Silver Mines, Inc.
1406 Pearl Street
Boulder, Colorado

Re: DMA Docket No. 2006

My dear Mr. Eileen:

This is in reply to your letter of September 26 wherein you state you will endeavor to obtain a subordination agreement from present mortgagees and other creditors covering the mill and mill site on which the funds from the requested loan are to be expended. This will also confirm statements made by Mr. Donald F. Nelson in a conference in my office on October 3.

While it is the primary responsibility of the Reconstruction Finance Corporation to determine the adequacy of security for loans under section 302 of the Defense Production Act, it is believed that you should endeavor to secure subordination agreements and stand-by agreements which will release some of your property to be available as security for the requested loan. Inasmuch as the funds are to be expended for modifications and improvements of the existing mill and for the purchase of additional equipment to be located on the mill site, it would be desirable to release the mill and mill site from present encumbrances. This is especially true since your application states that no security is to be offered for the loan.

We discussed with Mr. Nelson the necessity for your providing us with assurances of an available supply of tungsten ores to be processed by the mill. Mr. Nelson stated that it was the company's intention to mill a waste dump of approximately 125,000 tons of ore in addition to the receipts of ore from mines in the district. Assurances to us of the availability of the supply of ore for the mill may take the form either of title to the waste dump and/or firm contracts with the miners in the area that they will deliver fixed quantities of ore to your mill over a reasonable period of time after the mill is in operation, or a contract with the owner of the waste dump to mill the ore on a royalty basis. What we desire is reasonable assurance of a sufficient quantity of

are to operate the mill at capacity over the term of the loan. In this connection also, in order to determine the feasibility of your operation, we desire to know the average mineral content of the ore in the waste dump and the mineral content of the ore to be secured by you from miners in the vicinity.

Your application does not contain a breakdown of anticipated operating costs of the mill when converted nor an estimate of your expected mill recovery from the ores treated. It is necessary to have this information to determine the ability of the mill to operate in a manner profitable enough to assure repayment of the loan.

Your desire to get started on the project is understandable, and as soon as the additional information requested is received and verified by this office, possibly by field examination, we will be able to prepare the necessary evaluation of your request for the lending authorities.

Sincerely yours,

C. O. Mittendorf

Acting Administrator

Gilbert/bjl

Copy to: Cents. & Records
Admin. Pending File
J. T. Duffland
J. F. Liebert
C. O. Mittendorf
Frank Johnson
Mr. Alderer
Mr. J. H. Post, Jr.
Chron.
Pending

DMA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

REGIONAL DIRECTOR'S OFFICE
REGION IV
SEP 17 1951
BUREAU OF MINES
DENVER, COLORADO

SEP 14 1951

Memorandum

To: Production Expansion Division

Through: Director, Supply Division

From: Tungsten Branch

Subject: DMA-2006 Tungsten (Straight Loan Government Participation $35,935) Consolidated Caribou Silver Mines, Inc. 1406 Pearl Street, Boulder, Colorado
Property: Mill site and mill in Boulder County, Colorado.

The subject application for a loan of $35,935 to renovate and enlarge their mill is recommended for approval contingent upon the applicant furnishing satisfactory additional information on the proposal which has been requested.

Our covering memorandum is attached.

George R. Holderer
Chief, Tungsten Branch

Attachment

Approved:

Tom Lyon

Director, Supply Division

TJBallard:ec
Sept. 13, 1951

CC: Adm. Reading File
DMA Docket File
Mr. Holderer
Field Team Region IV

REPORT AND RECOMMENDATION OF
COMMODITY BRANCH ON APPLICATION
FOR GOVERNMENT ASSISTANCE

Docket No. 2006
Commodity Tungsten

A. Name and Address of Applicant

Consolidated Caribou Silver Mines, Inc.
1406 Pearl Street, Boulder, Colorado

B. Location of Facility

Mill site is located in Sec. 5, Tp. 1-.., R. 72 ..,
Boulder County, Colorado.

C. Conclusions

1. Additional milling facilities will probably be needed shortly in the Boulder area.

2. Not sufficient information to determine technical feasibility of proposal.

3. Requirements can be met by purchase or otherwise.

4. Financing is by Government loan of $25,000 to be repaid at 6 percent of gross receipts.

No security is offered.

The company's financial statement indicates some $275,000 of debts secured and unsecured.

5. Competence of applicant is not known.

D. Recommendations

This proposal is recommended contingent upon the applicant furnishing additional general information, details of proposed mill with flow sheet, evidence of competence of manager and details of the various financial obligations of the company.

E. Proposal

The company proposes to add additional equipment and machinery to their present mill to enlarge the capacity to 100 tons per 24 hours. They

claim the recovery will be approximately 80 percent.

They claim that they will be able to produce a concentrate that will meet Government specifications for 60 percent or plus concentrates.

The company is applying for a $35,935 loan to purchase, install and rearrange the plant layout.

No collateral is offered. Repayment is proposed at 6 percent of gross mill receipts.

F. Pertinency of Proposal to Tungsten Program

Additional milling facilities will in all probability be needed in the near future in the Boulder area, and it is understood that the mill renovation can be accomplished in a reasonably short time.

G. Technical Feasibility

1. No information submitted on applicant's own ore reserves. No reserve estimates are available of the Boulder district.

2. Applicant claims mill will have capacity of 100 tons per 24 hours after renovation.

3. No flow sheet or details are submitted on the present or proposed mill layout. Applicant states these are pending.

4. Marketing is no problem.

5. Applicant submits no time schedule.

H. Availability of Requirements

1. Applicant does not list present equipment.

2. New equipment can be purchased.

3. No information - transportation is presumed available.

4. Manpower requirements can be met.

5. No statement on power.

I. Financing

1. Financing is by Government loan of $35,935.

2. Not sufficient information to determine adequacy of amount requested.

3. No security offered.

4. Repayment proposed at 6 percent of gross receipts.

J. Competence of Applicant

No information.