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, COLO.

Memorandum

To: Director, Production Expansion Division

Through: Director, Supply Division

From: Tungsten Branch Posted-WJM

Subject: DMA-2045 Tungsten, Metzer Mines, Inc. (Straight Loan)
950 Pearl Street, Boulder, Colorado
Property: Wolf Tongue Mill,
Nederland, Colorado. (Government Participation $50,000.)

The subject application for a $50,000 loan to renovate and enlarge the Wolf Tongue mill is recommended for approval as set forth in our covering memorandum attached.

George F. Holderer
Chief, Tungsten Branch

Attachment

Approved:

Tom Lyon

Director, Supply Division

TJBallard:ec
Sept. 12, 1951

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

[illegible]
[illegible]
[illegible]

Docket No. [illegible]
Commodity Tungsten

A. Name and Address of Applicant

Metzer Mines, Inc.
250 Pearl Street
Boulder, Colorado

B. Location of Facility

Wolf Tongue Mill
Nederland, Colorado

C. Conclusions

1. The proposal will increase tungsten production by providing additional milling facilities of about 65 tons per day for the Boulder area.

2. The project will enable the applicant to produce a concentrate of 60 percent WO_3, improve his recovery, and lower his cost from $7.50 per ton to about $5.00.

   The proposed enlargement of the crushing plant and rearrangement of the mill flow sheet appears technically sound.

3. Project requirements can be met.

4. Financing is by $50,000 Government loan and $15,000 provided by the applicant, a total cost for the project of $65,000.

   Loan is to be secured by mill building, equipment and machinery, and land. The appraised value of the collateral is $115,000.

   Repayment is at the rate of $0.50 per ton of ore mined, which would amortize the loan in about 3 years at full production.

5. The applicant is thoroughly competent.

D. Recommendations

It is recommended that the application be approved for $50,000 to finance the proposed mill project.

. Proposal

Applicant proposes to expand the capacity of its mill from 30 tons per 24 hours to a maximum of 1[illegible] tons per 24 hours by the following additions and/or improvements to the mill:

(1) Increase the crushing capacity by purchase and installation of:

(a) gyratory type crusher
(b) [illegible] short head 2-foot cone
(c) [illegible] screen

(2) Alter mill circuit to eliminate excess classification and regrinding to expedite the ore flow, plus repair or replace present tables, and additional concentrator table capacity.

(3) Utilize the company's water right [illegible] mill for the generation of power.

( ) [illegible] treatment of concentrates to eliminate iron [illegible].

( ) Improvement of utilities by construction of additional bins.

The estimated cost of the proposal is [illegible] of which the company proposes to borrow [illegible] from the Government and mill provide [illegible] from their own funds.

. The project will provide additional facilities for the production of tungsten in the country area.

. Technical Feasibility

1. There is a shortage of milling facilities in the country and it is expected to become more so as additional mine properties, now under exploration, are brought into production.

2. The present capacity is 36 tons per 24 hours with an average recovery of 75 percent and a concentrate containing [illegible] percent WO3. The new additions will provide a capacity of 1[illegible] tons and give a concentrate averaging [illegible] percent WO3.

3. The mill is to employ the standard flows and milling now in the plant with some repairs, replacements and rearrangement. The crushing plant which has been the main bottleneck, is to be

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enlarged, a magnetic separator together with a vibrating screen is to be added, and other accessory equipment and line.

Present mill costs are about $7.50 per ton and the increase in capacity will lower this cost to around $5.00

4. Operating is no problem.

5. Applicant estimates he can be in full production within 6 months after receiving the loan.

V. Project requirements

1. The mill is now in use. It is planned to repair, replace and rearrange the present mill equipment.

2. New equipment can be purchased.

3. Good transportation is available. The mill is located in the center of the mining district.

4. Manpower is available.

5. Electric power is available.

VI. Proposed Financing

1. Financing is by government loan of $[illegible], [illegible] provided by the company.

2. The funds requested are reasonable.

3. Mill equipment and land as collateral.

4. To be repaid at rate of $0.50 per ton of ore milled.

VII. Capabilities of Applicant

Applicant is thoroughly competent from information obtained by the Tungsten Branch in our investigation of the Golden area, and his ability has been demonstrated by his present operation and past experience.