DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMEA ~~DMX~~ Docket No. 2395

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

EXPLORATION PROJECT

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

COPIES TO USGS, USBM, REGION II.

To: Code 500, Rm. 2614 Date 2-29-52

To: Operating Com. Date 3-21-52.

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CONTROLLED DOCUMENT

2395 - Elliston Consolidated - 2/25 - report to Washington, denial recommended

22

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

April 7, 1952

Memorandum

To: D. E. Moulds, DMEA

From: O. M. Bishop and H. E. Olund, USBM

Subject: DMEA Docket No. 2395, Exploration loan request for $14,322 by Elliston Consolidated Mining Company, Elliston, Montana

The applicant supplied very little information with reference to the mineralization and none on the grade.

Mr. James Quinlan, U.S.G.S. reports that mineralization is a complex, low grade ore of gold and silver with minor amounts of copper, lead and zinc. A more recent report made by Mr. M. W. Rankin was available to the field team. It confirmed Mr. Quinlan's facts.

Since the percentage of base metals is quite low, the metallurgy involved, and no reasonable program of exploration appears likely to demonstrate a tonnage to warrant a mill, the field team recommends denial.

We concur with that recommendation.

O. M. Bishop

O. M. Bishop

H. E. Olund

H. E. Olund

April 7, 1952

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From: O. M. Bishop and H. E. Olund, USBM

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We concur with that recommendation.

OMB
O. M. Bishop

H.E. Olund
H. E. Olund

500

FILE COPY
SURNAME:

Moulds/
Thayer
Hedges
Flynn

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

Mr. Dave E. Newman, Secretary
Elliston Consolidated Mining Company, Inc.
Elliston, Montana

Re: Docket No. DMEA 2395
Lilly Mine

Dear Mr. Newman:

With reference to your application for exploration project assistance in the Lilly Mine, the Government has reviewed the information presented in your application relative to the proposed drifting on the 127 foot level.

We find that the geological and sampling data does not substantiate the possibilities of discovery and eventual production of a significant amount of base mineral or metal even in event the known ore areas extend, as assumed, and will be developed by the proposed work on the 127 foot level. Your application for exploration project assistance under Mineral Order 5 is, therefore, denied.

We appreciate the opportunity to review your project in the interest of strategic mineral discovery and ultimate production, and regret that it does not fulfill the requirements for Government participation.

Sincerely yours,

C. O. Mittendorf
3/24

Acting Administrator
Defense Minerals Exploration
Administration

DEMoulds/meh 3/20/52
cc to: Adm. R. File
Docket File Copy
Cong. Mitchell
Mr. Moulds
Mr. Bishop
Mr. McKnight
Region II
Operating Comm.

500
FILE COPY
SURNAME:

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

Moulds
Mayer
Hibbison

MAR 24 1952

Hon. Hugh B. Mitchell
House Office Building
Washington 25, D. C.

Re: Docket No. DMEA 2395
Lilly Mine
Elliston Consolidated Mining Co., Inc.

My dear Mr. Mitchell:

With reference to your telephone call, relative to the subject exploration project, the application has been denied and a copy of the letter informing the applicant is enclosed for your files.

The review of this project has indicated that although there exists a possibility of the extension of the ore areas known on the tunnel level, the ore tonnage, even on the most favorable assumptions, would be small in comparison to the expense necessary to produce a marketable concentrate from the low grade complex ore shown by the previous work. The contribution to the strategic mineral supply by the proposed work, thus, does not appear to substantiate Government participation.

We trust this information will fulfill your request concerning final action on the case.

Sincerely yours,

C. O. Mittendorf

cc 3/24

Acting Administrator
Defense Minerals Exploration
Administration

Enclosure-1

DEMoulds/meh
3/20/52
cc to: Adm. R. File
Docket File Copy
Mr. Moulds
Mr. Bishop
Mr. MCKnight
Region II

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

March 20, 1952

Memorandum

To: Mr. C. O. Mittendorf, Acting Administrator

From: D. E. Moulds

Subject: Review and Recommendation for Denial, Docket No. DMEA 2395, Elliston Consolidated Mining Co., Inc., Lilly Mine, Montana

The application was initially presented for a $193,000 loan to explore and develop the Lilly, Copper Queen, and Julia Mines, in Powell County, Montana. This application was denied on the basis of small proven reserves and low grade of ore.

A field examination of the Lilly Mine was made at the request of the Company to determine the possibilities of exploration. This examination indicated that the ore was primarily gold-silver with minor amounts of lead, zinc and copper. The ore appeared to be too low grade for direct shipping and would require a complex concentrating plant. At the time the examination was made the company was rehabilitating the 39' and 127' levels and final decision was withheld until the results of sampling and geological examination were obtained.

A copy of the report and map made by M. A. Rankin, independent engineer, has been supplied with the application for exploration project assistance. Based on the indicated geology and assay values of this report, the Field Team has recommended denial on the basis of lack of exploration target and low grade lead-zinc ore exposed. The commodity specialists concur in this denial.

Review of the map indicates that the weighted average of samples taken prior to the rehabilitation and subsequently on the 39' and 127' levels by M. W. Rankin, are as follows:

Area	Samples Taken	Drift Length	Average Width	Weighted Average Au.	Ag.	Pb.	Zn.
Lilly Tunnel NE of Shaft	9	75'	5.7'	0.199	2.95	2.04	0.93
Lilly Tunnel SW of Shaft	14	160'	4.6'	0.172	3.90	1.65	2.99
Lilly Shaft 39' level	6	125'	4.9'	0.188	3.82	2.75	3.28
Lilly Shaft 127' level	23	230'	5.3'	0.047	0.96	0.73	0.74

The ore area northeast of the shaft, partially stoped above the Lilly Tunnel level and the continuation of which is indicated by the above assays on the 39' level, appears to be cutoff above the 127' level as drifting has extended approximately 40' south and other 200' north of the shaft. The map indicates that the ore bodies may rake to the south on a -35° pitch

which would place the downward extension of this ore area approximately 50' ahead of the present 127' level drift. The ore area southwest of the shaft is somewhat lower in grade and variable in mineralization. This is illustrated by two samples taken in the 20' winze and stub drift with one sample, over 3.7' width, showing 0.14 gold, 1.9 silver 0.8% lead and 0.2% zinc and the other, over 3.3' width, showing 0.28 gold, 12.1 silver, 5.6% lead and 7.1% zinc. The average over 3.5' is thus 0.20 gold, 6.7 silver, 3.1% lead 3.5 zinc.

The report by Rankin proposed that further exploration be accomplished to the southwest on the 127' level to determine if the ore rakes as assumed. Approximately 55' of drifting is required to reach this projected zone and a total of 300 feet would adequately outline the NE ore shoot and explore possibilities of the SW ore shoot on this level. The report, therefore, proposed an exploration objective.

The assured ore above the 39' level is shown as 1500 tons and the possible ore as 11150 tons. Calculating the ore below the Lilly Tunnel on the basis of length and average width, the above figures appear to be conservative. The total ore to be made available by the exploration and on the basis of extension of presently known ore areas, therefore, is 12,650 tons. The ore appears too low on grade to ship direct and, on the basis of a 50 ton mill, less than a year's run of ore will be available from this mine.

It, therefore, appears that even though an exploration target is at hand and there exists a favorable possibility of the ore shoots extending, the possibility of a significant production of base metal ore warranting the expense of concentrating to achieve marketable base metal is not indicated. The application is, therefore, recommended for denial.

D E Moulds

D. E. Moulds

500

FILE COPY
SURNAME:

Moulds

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

Put strippet in R&R (mch)

March 20, 1952

Memorandum

To: Mr. C. O. Mittendorf, Acting Administrator

From: D. E. Moulds

Subject: Review and Recommendation for Denial, Docket No. DMEA 2395, Elliston Consolidated Mining Co., Inc., Lilly Mine, Montana

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It, therefore, appears that even though an exploration target is at hand and there exists a favorable possibility of the ore shoots extending, the possibility of a significant production of base metal ore warranting the expense of concentrating to achieve marketable base metal is not indicated. The application is, therefore, recommended for denial.

D. E. Moulds (meh)

D. E. Moulds

DEMoulds/meh/hmj
3-20-52
cc to: Adm. R. File
Docket File Copy
Mr. Moulds

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 14, 1952

Memorandum

Re: DMEA-2395
Lilly Mine
Elliston Mine
Powell County, Montana
$14,322.67

To: Mr. D. E. Moulds

From: E. L. Newcomb

Subject: Geological review

The applicant requests exploration assistance to extend the west drift 300 ft. on the 127 level, and to raise 127 ft. from the 127 level to the Lilly tunnel. The proposed drifting and raising will explore the possible downward extensions of 2 ore occurrences on the Lilly vein which are exposed in the Lilly tunnel, and/or the mineralization on the vein at a depth of 127 ft. below the Lilly tunnel.

The property was included in an earlier application, DMA-414, which requested a loan of $193,000 to explore and develop the Lilly, Copper Queen, and Julia mines, Powell County, Montana. The application was denied by the Defense Minerals Administration, because of the small proven reserves and the low grade of the inferred reserves.

According to a letter of February 25, 1952, from the field office, Spokane, Washington, a field examination has been made on the Lilly property. The examination was made, at the request of the applicant, to determine whether the property was worthy of exploration assistance. At the time of the examination, the operator was rehabilitating the 39 and 127 levels, and the field team was unable to examine these levels. However, as a result of the examination in the Lilly tunnel and a review of the M. W. Rankin report, which was done after the rehabilitation work was completed, the applicant was informed that the mineralization exposed by rehabilitation appears to be too low grade in lead and zinc to be considered under the DMEA program.

The applicant has submitted his application, in spite of the field team's conclusions, because he personally believes that the grade is sufficient to warrant consideration.

The field examination indicated that the Lilly mine is primarily a gold-silver prospect. Although the ore contains minor amounts of copper, lead and zinc, the mineralization is too complex and low grade to be a direct shipping ore. The present reserves are small, and it is unlikely

that sufficient base metal ore can be blocked out to justify the erection of a mill. A review of the Rankin report, on the rehabilitated 39 and 127 levels, indicates that the ore on these levels is low grade and comparable to the ore exposed at the time the application was originally denied.

The field team's denial appears to be justified, and I concur with their recommendation.

E. L. Newcomb
E. L. Newcomb
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 14, 1952

Memorandum

Re: DMEA-2395
Lilly Mine
Elliston Mine
Powell County, Montana
$14,322.67

To: Mr. D. E. Moulds

From: E. L. Newcomb

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The field team's denial appears to be justified, and I concur with their recommendation.

E. L. Newcomb

E. L. Newcomb
Geologist

EXPLORATION

Subject: DMEA-2395
Re: Exploration Loan
Lilly Mine
February 29, 1952

Mr. Dave E. Newman, Secretary
Elliston Consolidated Mining Company Inc.
Elliston, Montana

My dear Mr. Newman:

This will acknowledge receipt of your application dated January 23, 1952 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2395 and referred to the Base Metals Division.

Kindly refer to DMEA-2395 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Acting Administrative Officer

7862

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR Dmea 2395

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 29 1952

February 25, 1952

Reviewed by
DMEA OPERATING COMMITTEE
3-5-52
(date)

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of Interior
Washington 25, D. C.

Re: Docket DMA-414 (Lead-Zinc)
Elliston Consolidated Mining Co.
Elliston, Montana

Dear Mr. Johnson:

Enclosed are the original and three copies of an exploration loan application, submitted by the Elliston Consolidated Mining Company. The application details a limited exploration program costing $14,322.67. The proposed exploration is to be conducted on the Lilly vein, Lilly mine, Powell County, Montana.

The company originally applied for a loan of $193,000 to explore and develop the Lilly, Copper Queen, and Julia mines, Powell County, Montana. This loan request was denied on March 12, 1951, as the evidence supporting the application indicated the ore to be low-grade in lead and zinc, and the possible ore that might be developed would be equally low in grade.

After the original loan application was denied, officers of the company requested that a DMA field engineer examine the properties to ascertain the possibility of resubmitting an exploration loan application. Mr. James Quinlan, U. S. Geological Survey, examined the properties in July 1951.

Quinlan's examination showed the properties to be gold-silver prospects containing minor amounts of copper, lead, and zinc. Before any quantity of copper, lead, or zinc could be realized from the prospects, sufficient ore to justify a mill would have to be blocked out, as the ore is complex and too low-grade to be considered direct shipping ore. At the time of Quinlan's examination, the company was rehabilitating the 39- and 127-foot levels of the Lilly mine. The company reported that M. W. Rankin was to map and sample these workings when rehabilitation was complete. A copy of M. W. Rankin's report, showing the geology and assay value of the ore encountered in the rehabilitated workings, accompanies the new application.

Quinlan's examination showed no exploration target of interest to the DMA. However, he reported that the DMA might be interested in the Lilly mine if rehabilitation showed:

(1) The gold-silver ore contained appreciable amounts of lead and zinc.

(2) A sufficient tonnage of ore (approximately 70,000 tons) could be realized from a moderated exploration program to justify a mill (100 tons).

Rankin's report indicates these conditions do not exist, and that the ore exposed by rehabilitation is equally as low in grade as the ore exposed at the time the application was originally denied. The applicant has been advised that the ore exposed by rehabilitation appears to be too low-grade in lead and zinc to be considered under the DMEA program. However, the applicant insists on resubmitting an application as he feels the grade is sufficient to merit consideration. The Field Team recommends that this application be denied.

Yours truly,

M. E. Volin
Acting Executive Officer, DMEA
Field Team, Region II
U. S. Bureau of Mines

cc: USGS, Spokane

Thor H. Kiilsgaard
Field Team, Region II, DMEA
U. S. Geological Survey

UNITED S' 13771
DEPARTMENT OF OR
DEFENSE MINERALS EXPL MINISTRATION

REFERENCE SLIP

DATE 3/4/52

REFERRED TO:

1. T.P.Thayer, Rm. 5216 GSA
2.
3.
4.

FOR:

.....Action	.....Recommendation
.....Approval	.....Record of.....
.....Comment	.....Referring to.....
.....Conference	.....Ready for signature of.....
.....Consideration	.....Rewriting
.....Filing	.....Signature
.....Instructions	.....Suggestions
.....Investigation	.....Your informtion
.....Initials	
.....Mailing	
.....Previous correspondence	

REMARKS: Attached is a copy of a letter which accompanied a revised application. As you will note, DMEA-2395 was assigned to the revised application. Only original accompanied application, but it appeared the letter constituted a report in a sense, since it recommended denial.

Check (X) before the items needing attention.

I will include on agenda for 3/5

Hugh Berry

INT.-DUP. SEC., WASH., D.C. Initial of sender

COPY

DMEA-2395

So. 157 Howard Street
Spokane 4, Washington

February 25, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket DMA-414 (Lead-Zinc)
Elliston Consolidated Mining Co.
Elliston, Montana

Dear Mr. Johnson:

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Reviewed by
DMEA OPERATING COMMITTEE
3/10/52
(date)

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Yours truly,

(signed) M. E. Volin
M. E. Volin
Acting Executive Officer, DMEA
Field Team, Region II
U. S. Bureau of Mines

cc: USGS, Spokane

(signed) Thor H. Kiilsgaard
Thos H. Kiilsgaard
Field Team, Region II, DMEA
U. S. Geological Survey

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMEA-2395

Date received 2-29-52

Participation

ELLISTON CONSOLIDATED MINING
COMPANY INC.
ELLISTON, MONTANA

Name and address of applicant

Date January 23, 1952

FILL IN THIS BLOCK

Date of application January 23, 1952

Estimated cost $14322.67

Mineral or metal Lead-Zinc-Copper

Percentage of Government participation 50%

Location of mine Powell County, Montana

Date of filing MF-100 June 14, 1951

DMA Docket Number, if available ~~414~~

Serial Number 0241

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 29 1952

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. Addenda, page 1.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property. Addenda, page 1.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. Addenda, page 2.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? Addenda, page 1.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. Addenda, page 1.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled. Addenda, page 1.

*16. History:

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:

(*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

Addenda, page 1.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Addenda page 1.

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. Addenda, page 1.

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. Addenda, page 1.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each. Addenda, page 3.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent. Addenda, page 4.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Elliston Consolidated Mining Co. (Name of company)

By Dave E. Newman (Signature of authorized official)

January 23, 1952 (Date)

Secretary (Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Elliston Consolidated Mining Co.
Elliston, Montana
MF - 103

Addenda to MF-103
Page 1.

3. Directors elected at annual meeting June 1951.

Leo T. Newman, Pres. - Dir., Elliston, Montana.
Carl L. Helgren, V-Pres. - Dir., 1903-35th Ave West, Seattle 99, Wash.
Victor Frost, Treasurer, Box 1558, Rt. 1, Redmond, Washington.
Dave E. Newman, Secretary - Dir., Elliston, Montana.
John Mattson, Director, 1414 State St., Olympia, Washington.
Edward Olson, Director, 3521 West Howe St., Seattle, Washington.
Charles J. Johnston, Director, 423 White Bldg., Seattle 1, Wash.

See: MF-100 for five largest stockholders.

6. No claims, liens, or encumbrances against the mining claims.

9. Our Company has made an offering of 50,000 shares of common stock at $1.00 par, and will be able to match any amount allowed by the DMA under this loan application.

10. (a) Lilly Mine, Patented Lode Mining Claim, Mineral Survey # 4938.

(b) Same.

15. Ore will be shipped to: AS&R, East Helena, Montana.
ACM, Washoe Sampler, Butte, Montana.
USS&R, Midvale, Utah.
Combined Metals, Salt Lake City, Utah.

19. The Lilly Mine is now unwatered to the 127 ft. level below the Lilly Tunnel, and the water is being held below that level. Facilities and equipment, with exception of a slusher type mucking machine, installed and all in good working order to proceed with the proposed project now. Our Company has during the past two years spent app. $26,000 for the purchase of machinery and equipment, and $26,000 installing the present facilities, unwatering, and reopening the mine, to a condition where the proposed project is able to be started.

20. Lead, Zinc, Copper., Lode deposit, Sulphide ore.

21. Advance the face of west drift on the 127 ft. level, 300 ft. Raise 127 ft. to the Lilly Tunnel.

Time required to complete the project --- six months.

22. See: Report by Mason W. Rankin, dated Sept. 6th., 1951, also map by Rankin, with proposed project and rake of ore shoots drawn in with pencil, by Leo Newman, Gen. Mgr.

8. Statement of Assets and Liabilities as of August 31, 1951.

Assets:

Cash on hand	$1121.36	
Machinery	26430.18	
Stock sub. unpaid	90.00	
Mining Claims	436000.00	
Exploration and Development	26217.48	
Organization expenses	2080.00	
TOTAL ASSETS		$491939.02

Liabilities:

Common stock issued	$484910.00	
Stock sub. but unissued	90.00	
Notes payable to Directors	5000.00	
Surplus item	1939.02	
TOTAL LIABILITIES		$491939.02

As our income has been from the sale of our securities, and there has been only miscellaneous earnings, there is no Profit and Loss Statement.

Elliston Consolidated Mining Co.
Elliston, Montana
MF - 103

Addenda to MF-103
Page 3.

23. (a) 2 - Miners, $13.50 per 8 hr. shift, time & ½ over 40 hrs. $87.75 per wk. for 40 wks. $3510.00
1 - Hoisting engineer, 2nd class, $14.65 per 8 hr. shift, time & ½ over 40 hrs. $95.25 per wk. for 40 wks. 1905.00

(b) 1- Superintendent, to act as pumpman, frame timber, and keep books. $400 per mo. for 5 months 2000.00

Workman's Accident Compensation -- .056
Unemployment Compensation --------- .027
FICA employer's contribution ----- .015
.098 ---------- 726.67

(c) None

(d) None

(e) 700 ft. 3/8" slusher cable $210.00
600 ft. 3 wire # 6 Electric cable 600.00
Magnetic swithh & push button station 56.00
30" slusher scrapper (used) 50.00
916.00

(f) Rent for 2nd hand, 2 drum electric slusher, 5 months 375.00
$75 per mo. 3 mo. down.

(g) D-8800, 55 KW. Diesel Electric Generator
105 cu. ft. IR, AC Gas Compressor
Rock drill, hoses etc.
15 HP. electric hoist, mine cage, cars etc.
15 HP. electric pump.
3/4 HP. Air blower.

5 months rent at $400 per month 2000.00

(h) Powder, caps, fuse $1100.00
Pipe 200.00
Line rail 150.00
Track spikes, fish plates, nails etc. 100.00
Detachable bits & steel 440.00
1990.00

(i) Diesel fuel, gasoline, oil 900.00

Total $ 14322.67

Elliston Consolidated Mining Co.
Elliston, Montana
MF - 103

Addenda to MF-103
Page 4.

		1st. Month	2nd. Month	3rd. Month	4th. Month	5th. Month	Total
24.	Wages	$1565.90	$1565.90	$1565.90	1565.90	$1151.40	$7385.70
	Insurance	153.45	153.45	153.45	153.45	112.87	726.67
	Rent	625.00	400.00	400.00	475.00	475.00	2375.00
	(e) & (h)	2906.00	-	-	-	-	2906.00
	Power	180.00	180.00	180.00	180.00	180.00	900.00
		$5430.35	$2299.35	$2299.35	$2374.35	$1919.27	$ 14322.67

Progress of work	1st. Month	advance drift	91 ft.			
	2nd. "	" "	91 ft.			
	3rd. "	" "	91 ft.			
	4th. "	" "	27 ft.	advance raise	64 ft.	
	5th. "			" "	63 ft.	
Total 5 months		advance drift	300 ft.	advance raise	127 ft.	

MASON W. RANKIN
Mining Geologist

COPY

708 Harrison Ave.
Helena, Montana
Sept. 7, 1951

Newman Bro's
Elliston Consolidated Mining Co.
Elliston, Montana

Lilly Mine

Gentlemen:

Following your dewatering of the Lilly Shaft, the workings on the levels below the Lilly Tunnel were examined on Aug. 15, 1951 and the vein exposures were systematically sampled. My conclusions and recommendations follow.

The two levels which have been dewatered are 39' and 127' respectively below the floor of the Lilly Tunnel. The steeply inclined shaft and the levels are open and in good condition, excepting only the northeast portion of the 127' Level which is caved.

The 39' Level exposes quartz-pyritic mineralization very similar to that shown on the tunnel level. The ore block above this level contains 750 Tons of assured ore. The indicated average value is approximately the same as previously reported. The southwest drift on the 39' Level shows better mineralization than is found immediately above on the tunnel level. This fact suggests a possibility that the northeast ore shoot may, on its downward rake, join the southwest ore shoot.

The 127' Level shows a strong quartz-tourmaline mineralization which is very low in sulphides. This mineralization is non-commerical, although approching low grade ore at several points. Inasmuch as this level exposes the vein directly down dip from the northeast ore shoot on the tunnel and 39' Levels, it must be assumed either that this ore shoot has pinched, or has taken a strongly inclined position (rake) within the vein. It remains for additional development to definitely establish the facts.

As your most important current development project, it is recommended that the southwest face of the 127' Level be advanced for the purpose of developing the down dip extension of the southwest ore shoot exposed on the tunnel level.

Only 55' of work is required to place the face directly below the northeast edge of this shoot, and a total of 250 to 300 feet of drifting should be adequate to fully outline this ore shoot. Based upon the results obtained decision could then be made as to the advisability of pursuing development to the northeast, and also to greater depth.

A number of short test holes should be drilled in both walls of the 127' Level to definitely determine whether small shoots of sulphides might be present.

I understand that your company has recently acquired the Surething Group. While I have not examined this property for several years I may say that it shows a wide vein, which, locally at least, is well mineralized. Considerable milling grade ore is present in a dump at the Surething Shaft, and rehabilitation of this opening followed by further development on the ore would appear to be logical and worthwhile development objectives.

Respectfully submitted,

ss/ Mason H. Rankin

Helena, Montana
Sept. 6, 1951

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMEA-2315

Date received 2-29-52

Participation

ELLISTON CONSOLIDATED MINING
COMPANY INC.
ELLISTON, MONTANA

Name and address of applicant

Date January 23, 1952

FILL IN THIS BLOCK

Date of application January 23, 1952

Estimated cost $14322.67

Mineral or metal Lead-Zinc-Copper

Percentage of Government participation 50%

Location of mine Powell County, Montana

Date of filing MF-100 June 14, 1951

DMA Docket Number, if available ~~414~~

Serial Number 0241

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. Addenda, page 1.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property. Addenda, page 1.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 27 1952

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. Addenda, page 2.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

Addenda, page 1.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. Addenda , page 1.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled. Addenda, page 1.

*16. History:

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:

(*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

Addenda, page 1.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Addenda, page1.

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. Addenda, page 1.

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. Addenda, page 1.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings. Addenda, page 3.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent. Addenda, page 4.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Elliston Consolidated Mining Co.
(Name of company)

By Dave E. Newman
(Signature of authorized official)

January 23, 1952
(Date)

Secretary
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Elliston Consolidated Mining Co.
Elliston, Montana
MF - 103

Addenda to MF-103
Page 1.

3. Directors elected at annual meeting June 1951.

Leo T. Newman, Pres. - Dir., Elliston, Montana.
Carl L. Helgren, V-Pres. - Dir., 1903-35th Ave West, Seattle 99, Wash.
Victor Frost, Treasurer, Box 1558, Rt. 1, Redmond, Washington.
Dave E. Newman, Secretary - Dir., Elliston, Montana.
John Mattson, Director, 1414 State St., Olympia, Washington.
Edward Olson, Director, 3521 West Howe St., Seattle, Washington.
Charles J. Johnston, Director, 423 White Bldg., Seattle 1, Wash.

See: MF-100 for five largest stockholders.

6. No claims, liens, or encumbrances against mining claims.

9. Our Company has made an offering of 50,000 shares of common stock at $1.00 par, and will be able to match any amount allowed by the DMA under this loan application.

10. (a) Lilly Mine, Patented Lode Mining Claim, Mineral Survey # 4938.

(b) Same.

15. Ore will be shipped to: AS&R, East Helena, Montana.
ACM, Washoe Sampler, Butte, Montana.
USS&R, Midvale, Utah.
Combined Metals, Salt Lake City, Utah.

19. The Lilly Mine is now unwatered to the 127 ft. level below the Lilly Tunnel, and the water is being held below that level. Facilities and equipment, with exception of a slusher type mucking machine, installed and all in good working order to proceed with the proposed project now. Our Company has during the past two years spent app. $26,000 for the purchase of machinery and equipment, and $26,000 installing the present facilities, unwatering, and reopening the mine, to a condition where the proposed project is able to be started.

20. Lead, Zinc, Copper., Lode Deposit, Sulphide Ore.

21. Advance the face of west drift, on the 127 ft. level, 300 ft. Raise 127 ft. to the lilly tunnel.

22. See: Report by Mason W. Rankin, dated Sept 6th., 1951, also map by Rankin, with proposed project and rake of ore shoots drawn in with pencil, by Leo Newman, Gen. Mgr.

Elliston Consolidated Mining Co.
Elliston, Montana
MF - 103

Addenda to MF-103
Page 2.

8. Statement of Assets and Liabilities as of August 31, 1951.

Assets:

Cash on hand	$1121.36	
Machinery	26430.18	
Stock sub. unpaid	90.00	
Mining claims	436000.00	
Exploration and Development	26217.48	
Organization expenses	2080.00	
TOTAL ASSETS		$491939.02

Liabilities:

Common stock issued	$484910.00	
Stock sub. but unissued	90.00	
Notes payable to Directors	5000.00	
Surplus item	1939.02	
TOTAL LIABILITIES		$491939.02

As our income has been from the sale of our securities, and there has been only miscellaneous earnings, there is no Profit and Loss Statement.

Elliston Consolidated Mining Co.
Elliston, Montana
MF - 103

Addenda to MF-103
Page 3.

23. (a) 2 - miners, $13.50 per 8 hr. shift, time & ½ over 40 hrs. $87.75 per wk. for 40 wks. $3510.00

1 - Hoisting engineer, 2nd. class, $14.65 per 8 hr. shift, time & ½ over 40 hrs $95.25 per wk. for 40 wks. 1905.00

(b) 1- Superintendent, to act as pumpman, frame timber, and keep books. $400 per mo. for 5 months 2000.00

Workman's Accident Compensation --	.056	
Unemployment Compensation -------	.027	
FICA employer's contribution ----	.015	
	.098	726.67

(c) None.

(d) None.

(e)

700 ft. 3/8" slusher cable	$210.00	
600 ft. 3 wire # 6 Electric cable	600.00	
Magnetic switch & push button station	56.00	
30" slusher scrapper (used)	50.00	
		916.00

(f) Rent for 2nd hand, 2 drum electric slusher, 5 months $75 per mo. 3 mo. down 375.00

(g) D-8800, 55KW. Diesel Electric Generator
105 ~~ft.~~ ft. IR, AC Gas compressor
Rock drill hoses etc.
15 HP. electric hoist, mine cage, cars etc.
15 HP. eletric pump
3/4 HP. Air Blower

5 months rent at $400 per month 2000.00

(h)

Powder, caps, fuse	$1100.00	
Pipe	200.00	
Mine rail	150.00	
Track spikes, fish plates, nails etc.	100.00	
Detachable bits & steel	440.00	
		1990.00

(i) Diesel fuel, gasoline, oil 900.00

Total $ 14322.67

		1st. Month	2nd. Month	3rd. Month	4th. Month	5th. Month	Total
24.	Wages	$1565.90	$1565.90	$ 1565.90	$ 1565.90	$ 1151.40	$ 7385.70
	Insurance	153.45	153.45	153.45	153.45	112.87	726.67
	Rent	625.00	400.00	400.00	475.00	475.00	2375.00
	(e)&(h)	2906.00	-	-	-	-	2906.00
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		$5430.35	$2299.35	$2299.35	$2374.35	$1919.27	$ 14322.67

Progress of Work	Ist. Month	advance drift	91 ft.			
	2nd. "	" "	91 ft.			
	3rd. "	" "	91 ft.			
	4th. "	" "	27 ft.	advance raise	64 ft.	
	5th. "			" "	63 ft.	
Total 5 months		advance drift	300 ft.	advance raise	127 ft.	

MASON W. RANKIN
Mining Geologist

708 Harrison Ave.
Helena, Montana
Sept. 7, 1951

Newman Bro's
Elliston Consolidated Mining Co.
Elliston, Montana

Lilly Mine

Gentlemen:

Following your dewatering of the Lilly Shaft, the workings on the levels below the Lilly Tunnel were examined on Aug. 15, 1951 and the vein exposures were systematically sampled. My conclusions and recommendations follow.

The two levels which have been dewatered are 39' and 127' respectively below the floor of the Lilly Tunnel. The steeply inclined shaft and levels are open and in good condition, excepting only the northeast portion of the 127' Level which is caved.

The 39' Level exposes quartz-pyritic mineralization very similar to that shown on the tunnel level. The ore block above this level contains 750 Tons of assured ore. The indicated average value is approximately the same as previously reported. The southwest drift on the 39' Level shows better mineralization than is found immediately above on the tunnel level. This fact suggests a possibility that the northeast ore shoot may, on its downward rake, join the southwest ore shoot.

The 127' Level shows a strong quartz-tourmaline mineralization which is very low in sulphides. This mineralization is non-commerical, although approching low grade ore at several points. Inasmuch as this level exposes the vein directly down dip from the northeast ore shoot on the tunnel and 39' Levels, it must be assumed either that this ore shoot has pinched, or has taken a strongly inclined position (rake) within the vein. It remains for additional development to definitely establish the facts.

As your most important current development project, it is recommended that the southwest face of the 127' Level be advanced for the purpose of developing the down dip extension of the southwest ore shoot exposed on the tunnel level.

Only 55' of work is required to place the face directly below the northeast edge of this shoot, and a total of 250 to 300 feet of drifting should be adequate to fully outline this ore shoot. Based upon the results obtained decision could then be made as to the advisability of pursuing development to the northeast, and also to greater depth.

A number of short test holes should be drilled in both walls of the 127' Level to definitely determine whether small shoots of sulphides might be present.

I understand that your company has recently acquired the Surething Group. While I have not examined this property for several years I may say that it shows a wide vein, which, locally at least, is well mineralized. Considerable milling grade ore is present in a dump at the Surething Shaft, and rehabilitation of this opening followed by further development on the ore would appear to be logical and worthwhile development objectives.

Respectfully submitted,

ss/ Mason W. Rankin

Helena, Montana
Sept. 6, 1951

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMEA-2395

Date received 2-29-52

Participation

ELLISTON CONSOLIDATED MINING
COMPANY INC.
ELLISTON, MONTANA

Name and address of applicant

Date January 23, 1952

FILL IN THIS BLOCK

Date of application January 23, 1952

Estimated cost $14322.67

Mineral or metal Lead-Zinc-Copper

Percentage of Government participation 50%

Location of mine Powell County, Montana

Date of filing MF-100 June 14, 1951

DMA Docket Number, if available ~~414~~

Serial Number 0241

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 26 1952

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. Addenda, page 1.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property. Addenda, page 1.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. Addenda, page 2.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

Addenda, page 1.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. Addenda, page 1.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled. Addenda, page 1.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.
Addenda, page 1.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Addenda page 1.

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. Addenda, page 1.
NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. Addenda, page 1.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings. Addenda, page 3.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.
Addenda, page 4.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Elliston Consolidated Mining Co. (Name of company)

By Dave E. Newman (Signature of authorized official)

January 23, 1952 (Date)

Secretary (Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Elliston Consolidated Mining Co.
Elliston, Montana
MF - 103

Addenda to MF-103
Page 1.

3. Directors elected at annual meeting June 1951.

Leo T. Newman, Pres. - Dir., Elliston, Montana.
Carl L. Helgren, V-Pres. - Dir., 1903-35th Ave West, Seattle 99, Wash.
Victor Frost, Treasurer, Box 1558, Rt. 1, Redmond, Washington.
Dave E. Newman, Secretary - Dir., Elliston, Montana.
John Mattson, Director, 1414 State St., Olympia, Washington.
Edward Olson, Director, 3521 West Howe St., Seattle, Washington.
Charles J. Johnston, Director, 423 White Bldg., Seattle 1, Wash.

See: MF-100 for five largest stockholders.

6. No claims, liens, or encumbrances against the mining claims.

9. Our Company has made an offering of 50,000 shares of common stock at $1.00 par, and will be able to match any amount allowed by the DMA under this loan application.

10. (a) Lilly Mine, Patented Lode Mining Claim, Mineral Survey # 4938.

(b) Same.

15. Ore will be shipped to: AS&R, East Helena, Montana.
ACM, Washoe Sampler, Butte, Montana.
USS&R, Midvale, Utah.
Combine Metals, Salt Lake City, Utah.

19. The Lilly Mine is now unwatered to the 127 ft. level below the Lilly Tunnel, and the water is being held below that level. Facilities and equipment, with exception of a slusher type mucking machine, installed and all in good working order to proceed with the proposed project now. Our Company has during the past two years spent app. $26,000 for the purchase of machinery and equipment, and $26,000 installing the present facilities, unwatering, and reopening the mine, to a condition where the proposed project is able to be started.

20. Lead, Zinc, Copper., Lode deposit, Sulphide ore.

21. Advance the face of west drift on the 127 ft. level, 300 ft. Raise 127 ft. to the Lilly Tunnel.

Time required to complete the project --- six months.

22. See: Report by Mason W. Rankin, dated Sept. 6th., 1951, also map by Rankin, with proposed project and rake of ore shoots drawn in with pencil, by Leo Newman, Gen. Mgr.

8. Statement of Assets and Liabilities as of August 31, 1951.

Assets:

Cash on hand	$1121.36	
Machinery	26430.18	
Stock sub. unpaid	90.00	
Mining claims	436000.00	
Exploration and Development	26217.48	
Organization expenses	2080.00	
TOTAL ASSETS		$491939.02

Liabilities:

Common stock issued	$484910.00	
Stock sub. but unissued	90.00	
Notes payable to Directors	5000.00	
Surplus item	1939.02	
TOTAL LIABILITIES		$491939.02

As our income has been from the sale of our securities, and there has been only miscellaneous earnings, there is no Profit and Loss Statement.

Elliston Consolidated Mining Co.
Elliston, Montana
MF - 103

Addenda to MF-103
Page 3.

23. (a) 2 - miners, $13.50 per 8 hr. shift, time & ½ over 40 hrs. $87.75 per wk. for 40 wks. $3510.00
1 - Hoisting engineer, 2nd. class, $14.65 per 8 hr. shift, time & ½ over 40 hrs $95.25 per wk. for 40 wks. 1905.00

(b) 1- Superintendent, to act as pumpman, frame timber, and keep books. $400 per mo. for 5 months 2000.00

Workman's Accident Compensation -- .056
Unemployment Compensation ------- .027
FICA employer's contribution ---- .015
.098 ---------- 726.67

(c) None.

(d) None.

(e) 700 ft. 3/8" slusher cable $210.00
600 ft. 3 wire # 6 Electric cable 600.00
Magnetic switch & push button station 56.00
30" slusher scrapper (used) 50.00
916.00

(f) Rent for 2nd hand, 2 drum electric slusher, 5 months $75 per mo. 3 mo. down 375.00

(g) D-8800, 55KW. Diesel Electric Generator
105 cu. ft. IR, AC Gas compressor
Rock drill hoses etc.
15 HP. electric hoist, mine cage, cars etc.
15 HP. eletric pump
3/4 HP. Air Blower

5 months rent at $400 per month 2000.00

(h) Powder, caps, fuse $1100.00
Pipe 200.00
Mine rail 150.00
Track spikes, fish plates, nails etc. 100.00
Detachable bits & steel 440.00
1990.00

(i) Diesel fuel, gasoline, oil 900.00

Total $ 14322.67

Elliston Consolidated Mining Co
Elliston, Montana
MF - 103

		1st. Month	2nd. Month	3rd. Month	4th. Month	5th. Month	Total
24.	Wages	$1565.90	$1565.90	$ 1565.90	$ 1565.90	$ 1151.40	$ 7385.70
	Insurance	153.45	153.45	153.45	153.45	112.87	726.67
	Rent	625.00	400.00	400.00	475.00	475.00	2375.00
	(e)&(h)	2906.00	-	-	-	-	2906.00
	Power	180.00	180.00	180.00	180.00	180.00	900.00
		$5430.35	$2299.35	$2299.35	$2374.35	$1919.27	$ 14322.67

Progress of Work	Ist. Month	advance drift	91 ft.				
	2nd. "	" "	91 ft.				
	3rd. "	" "	91 ft.				
	4th. "	" "	27 ft.	advance raise	64 ft.		
	5th. "			" "	63 ft.		
Total 5 months		advance drift	300 ft.	advance raise	127 ft.		

MASON W. RANKIN
Mining Geologist

COPY

708 Harrison Ave.
Helena, Montana
Sept. 7, 1951

Newman Bro's
Elliston Consolidated Mining Co.
Elliston, Montana

Lilly Mine

Gentlemen:

Following your dewatering of the Lilly Shaft, the workings on the levels below the Lilly Tunnel were examined on Aug. 15, 1951 and the vein exposures were systematically sampled. My conclusions and recommendations follow.

The two levels which have been dewatered are 39' and 127' respectively below the floor of the Lilly Tunnel. The steeply inclined shaft and the levels are open and in good condition, excepting only the northeast portion of the 127' Level which is caved.

The 39' Level exposes quartz-pyritic mineralization very similar to that shown on the tunnel level. The ore block above this level contains 750 Tons of assured ore. The indicated average value is approximately the same as previously reported. The southwest drift on the 39' Level shows better mineralization than is found immediately above on the tunnel level. This fact suggests a possibility that the northeast ore shoot may, on its downward rake, join the southwest ore shoot.

The 127' Level shows a strong quartz-tourmaline mineralization which is very low in sulphides. This mineralization is non-commerical, although approching low grade ore at several points. Inasmuch as this level exposes the vein directly down dip from the northeast ore shoot on the tunnel and 39' Levels, it must be assumed either that this ore shoot has pinched, or has taken a strongly inclined position (rake) within the vein. It remains for additional development to definitely establish the facts.

As your most important current development project, it is recommended that the southwest face of the 127' Level be advanced for the purpose of developing the down dip extension of the southwest ore shoot exposed on the tunnel level.

Only 55' of work is required to place the face directly below the northeast edge of this shoot, and a total of 250 to 300 feet of drifting should be adequate to fully outline this ore shoot. Based upon the results obtained decision could then be made as to the advisability of pursuing development to the northeast, and also to greater depth.

A number of short test holes should be drilled in both walls of the 127' Level to definitely determine whether small shoots of sulphides might be present.

I understand that your company has recently acquired the Surething Group. While I have not examined this property for several years I may say that it shows a wide vein, which, locally at least, is well mineralized. Considerable milling grade ore is present in a dump at the Surething Shaft, and rehabilitation of this opening followed by further development on the ore would appear to be logical and worthwhile development objectives.

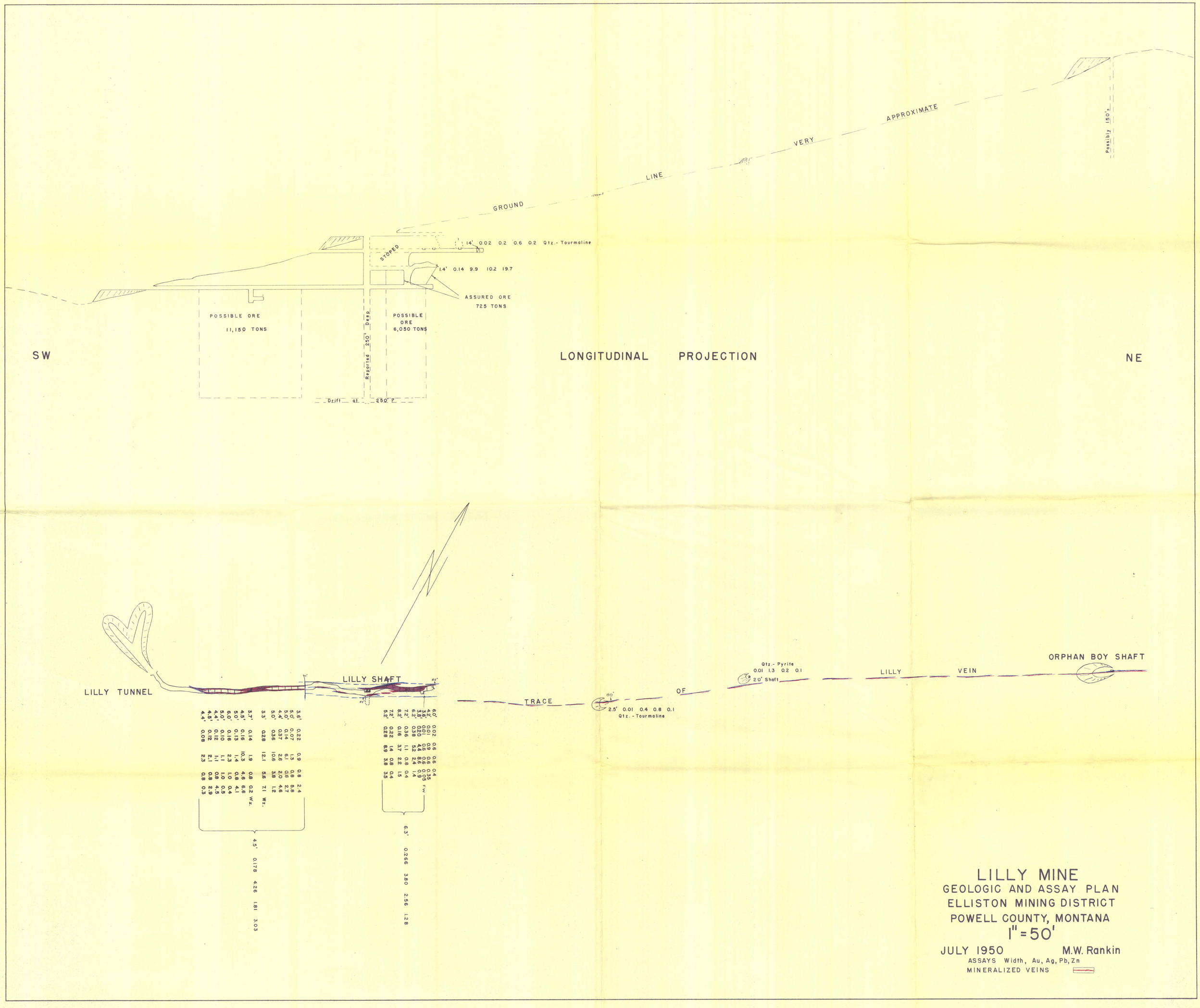
Respectfully submitted,

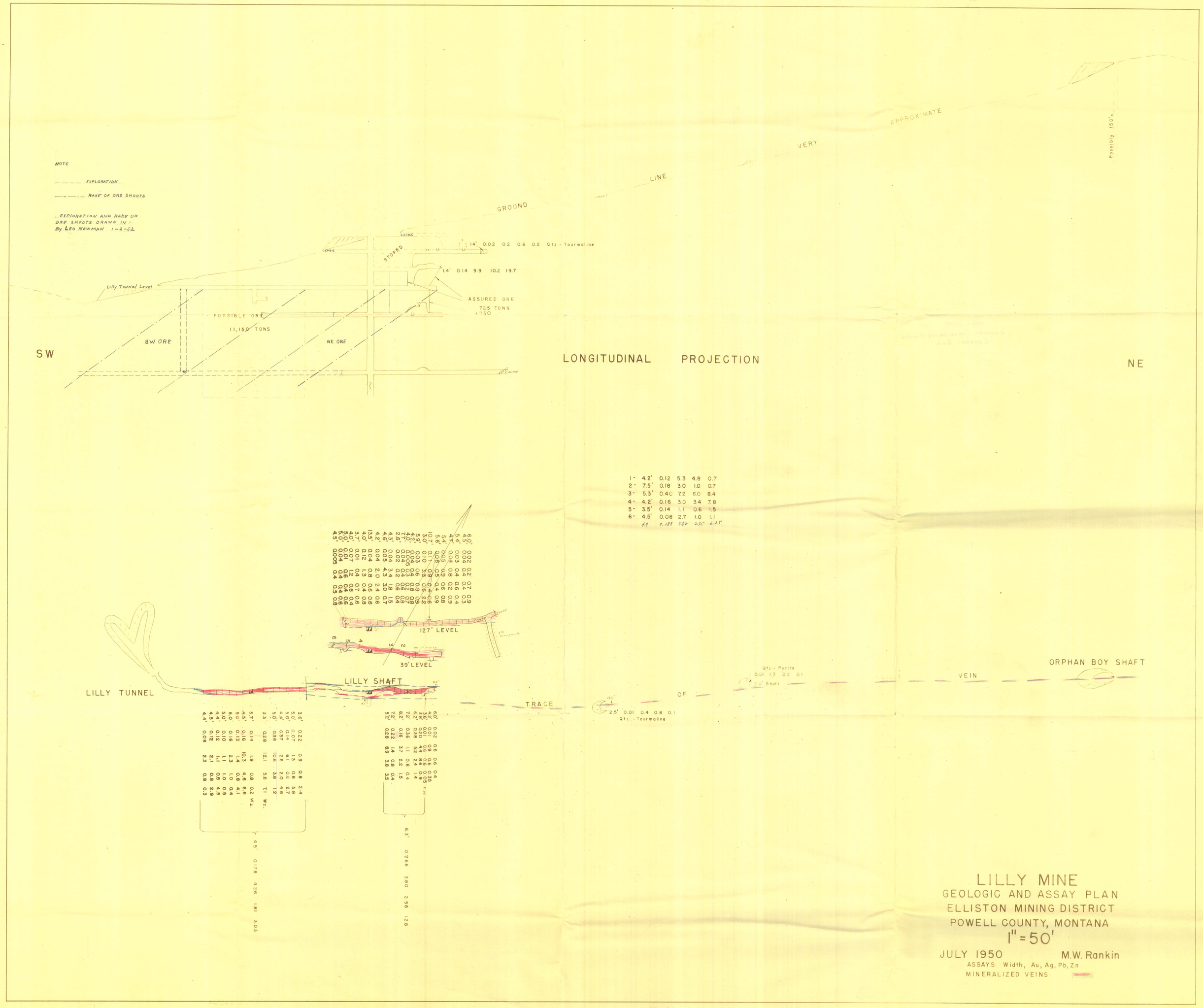
ss/ Mason W. Rankin

Helena, Montana
Sept. 6, 1951

DMEA-2395

ELLISTON CONSOLIDATED
MINING
COMPANY, INC.


GROUND LINE VERY APPROXIMATE
Possibly 150'±
STOPED
1.4' 0.02 0.2 0.6 0.2 Qtz.-Tourmaline
1.4' 0.14 9.9 10.2 19.7
ASSURED ORE
725 TONS
POSSIBLE ORE
11,150 TONS
Reported 250' Deep
POSSIBLE ORE
6,050 TONS
Drift at 250' ?
SW
LONGITUDINAL PROJECTION
NE
LILLY TUNNEL
LILLY SHAFT
TRACE OF
2.5' 0.01 0.4 0.8 0.1
Qtz.-Tourmaline
Qtz.-Pyrite
0.01 1.3 0.2 0.1
2.0' Shaft
LILLY VEIN
ORPHAN BOY SHAFT
6.0' 0.02 0.6 0.6 0.4
4.2' 0.01 0.9 0.6 0.35
3.6' 0.01 4.6 0.6 0.05
6.2' 0.38 5.2 2.4 1.4 F.W.
7.2' 0.36 1.1 0.8 0.4
8.2' 0.16 3.7 2.2 1.5
7.2' 0.22 1.4 0.8 0.4
5.2' 0.28 8.9 3.8 3.5
6.3' 0.266 3.80 2.56 1.28
3.6' 0.22 0.9 0.8 2.4
5.0' 0.07 1.3 0.8 5.8
5.0' 0.14 6.1 0.6 2.7
4.4' 0.37 2.6 2.0 4.6
5.0' 0.36 10.6 3.8 1.2
3.3' 0.28 12.1 5.6 7.1 W.Z.
3.7' 0.14 1.9 0.8 0.2 W.Z.
4.5' 0.16 10.3 4.6 6.6
5.0' 0.13 1.4 0.8 4.1
6.0' 0.16 2.3 1.0 0.4
5.0' 0.10 1.1 0.9 4.5
4.4' 0.12 2.1 0.8 2.9
4.5' 0.12 2.1 0.8 2.9
4.4' 0.08 2.3 0.8 0.3
4.5' 0.178 4.26 1.81 3.03
LILLY MINE
GEOLOGIC AND ASSAY PLAN
ELLISTON MINING DISTRICT
POWELL COUNTY, MONTANA
1" = 50'
JULY 1950
M.W. Rankin
ASSAYS Width, Au, Ag, Pb, Zn
MINERALIZED VEINS



Ellisfon Consolidated Mining Co
Ellisfon, Mfonfana
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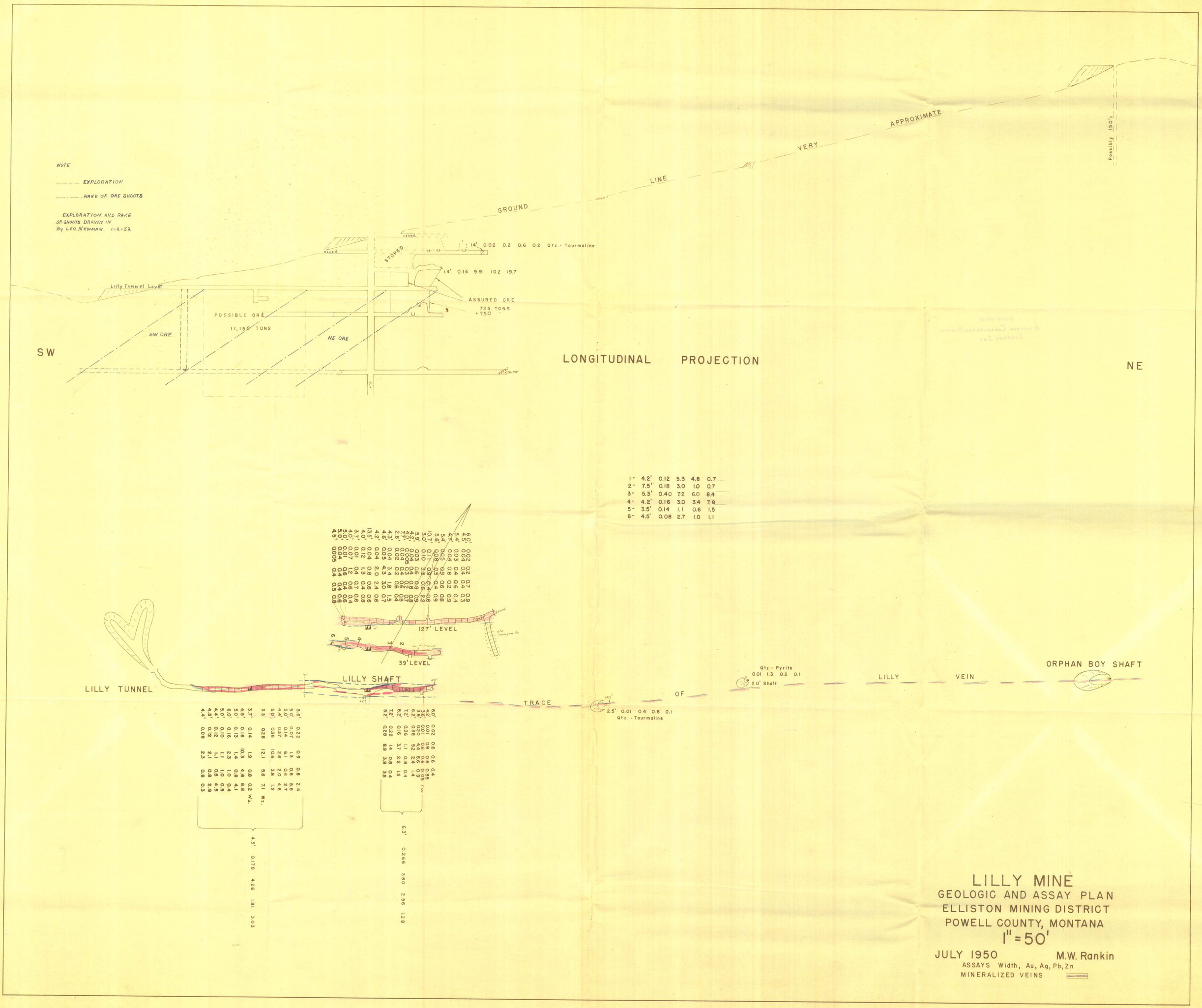
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