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INT.-DUP. SEC., WASH., D.C. 98868

REPORT ON

CONSOLIDATED MOLYBDENUM, INC. HOLDINGS

IN THE BUENA VISTA MINING DISTRICT

KING COUNTY, WASHINGTON

by

OLIN M. SPRAGUE

Professional Engineer
641 N. Callow Avenue
Bremerton, Washington.

"BECAUSE THESE SECURITIES ARE BELIEVED TO BE EXEMPT FROM REGISTRATION, THEY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION; BUT SUCH EXEMPTION, IF AVAILABLE, DOES NOT INDICATE THAT THE SECURITIES HAVE BEEN EITHER APPROVED OR DISAPPROVED BY THE COMMISSION OR THAT THE COMMISSION HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE STATEMENTS IN THIS COMMUNICATION."

641 N. Callow Av.

Bremerton, Wash.

October 23, 1948.

At your request I have made an examination of the mining claims comprising the Consolidated Molybdenum, Inc. Mine property during October, 1948.

I am embracing my findings in the attached Report. This Report is based upon what I have seen, from certain recorded documents, maps, and from conversations with persons whom I consider to know whereof they have spoken.

The intent herein is to give an accurate description of the property with the purpose in mind of offering duly substantiated facts, or, at times, my conclusions based upon my observations, combined with written documents.

My purpose is to so place my statement of fact, that those interested in what I am saying will be able to draw correct conclusions relative to this Mining Property, upon reading and studying what is to follow.

Registered Professional Engineer.

CONSOLIDATED MOLYBDENUM INC. PROPERTY

The Consolidated Molybdenum Inc. Property is located in Section 27, Twp. 25 N., R. 10 E., W.M. in the northeastern part of King County, Washington. It is in the Buena Vista Mining District. Official Records of the property are kept in the County Auditor's Office, of King County, at Seattle, Washington.

Ownership is by Possessory Right, which, under United States and Washington State Mineral and Mining Laws, means that the claimant in possession can not be distnubed except by some one who shows a better right to the premises.

The present owner has possessed, occupied, and improved the property, and complied with the legal requirements since 1905, or thereabouts.

Claim corners are in place and the boundary lines marked in the usual manner.

There is a log cabin 18 feet by 18 feet conveniently situated upon the property: a good trail leading thereto, and a tunnel 5 feet by 7 feet in section. Some mining tools and cabin equipment.

The general appearance of the property is such as convinces one that the owner or claimant, has thru all these years, valued and cherished this property. The said owner shows by his toil and effort that he has continuously placed faith in the promise the property offers.

It might be further stated as a fact, that the toil and effort put upon the property has been purposeful, and pursued with a high degree of intelligence.

The orebody outcropping and in the tunnel, is a mass and a flaked Molybdenite in a large Pegmatite dyke. There is reason to believe that this property contains at least two other, and separate Pegmatite dykes.

ACCESSIBILITY

The route to the Consolidated Molybdenum Inc. property, starting from Seattle, is over U.S. Hiway No. 10, East to North Bend, some 29 miles, then northeasterly up the County Road following the North Fork of the Snoqualmie River some 26 miles. The 1 st 10 miles of this County Road has been built during 1948, and consists of a well gravelled road, built to support heavy traffic.

It is a Mine-to-Market Road on a right-of-way secured by King County thru Court condemnation. This right-of-way is secured to the Forestry Boundary, one mile further than constructed, and the Lennox Mine is at the further end of this uncompleted mile. Expectation of improvement of this last mile is thru cooperative effort of the owners of property contiguous to the Forestry Boundary and lying around the confluence of the Lennox River and the North Fork of the Snoqualmie.

From the Forestry Boundary, the State of Washington Mine-to-Market Road Commission has surveyed and located a route up the Lennox River some 4 and 1/2 miles, substantially following the old, existing

trail southeasterly to the mouth of Cougar Creek. Plans and specifications have been prepared for construction of this section of road up Lennox River, and contract for construction is shortly expected to be let by the State of Washington Highway Department. Completion of the road is expected, and specified in the Specifications, early in 1949.

The road when constructed will end at the foot of the slope rising to the south and approximately 3/4 mile north of the central part of Consolidated Molybdenum Inc. property.

From examination, access to the property from the end of the Mine to Market Road, as now located, will be upwards of 1 and 3/4 miles of road on a 9% grade, with perhaps one or two "switch-backs". This route would take off up the Lennox River and over a northeasterly slope affording ample way for sustaining the desired grade.

Ground is very good for road construction and with proper drainage should not present any difficulties. The route follows thru a timbered area; hence no snow slide trouble.

DESCRIPTION

The Consolidated Molybdenum Inc. property is a group of 10 claims, center lines of which extend from Cougar Creek South 52° East. The southerly string consists of 4 claims, each 1500 ft. up the mountain side and running from Cougar Creek South 52° East, 6000 ft. Northerly from and parallel and adjacent to this string, are two strings of 3 claims extending so that the southeasterly end lines of all three strings lie in a straight line. Another way of description is to say that 9 claims form a rectangle

4500 ft., or three claims, long, and extending South 52° East up the mountain, and three claims or 1800 ft. wide, at right angles to the slide lines across the upward slope. The tenth claim extends in line from the northwesterly part of the rectangular group downward to Cougar Creek - a handle on a rectangle.

The entire surface of the property is covered with a growth of Alpine and Noble Fir and Yellow Cypress. Some of the Cypress attains a diameter of 6 ft. indicating great age and the trees stand uninjured or deformed from any slides or other catastrophic agencies. This indicates a safe surface.

Along the general center line of the southwesterly four claims up the mountain, there is a canyon, rising on a slope of 35°, or 57 ft. per 100 ft. The walls are sheer granit and rise, in places, upwards of 100 ft. above the floor; the width of the canyon varies from 15 ft to 50 ft.

The floor from Cougar Creek to the top of the slope is a Pegmatite with quartz, lying in laminated formation - 2 to 6 inches of the Pegmatite with a quartz ribbon in between - 1/4 to 3 inches thick. These alternate ribbons fill the entire width between the canyon walls, and the Molybdenite ore is found in this floor formation.

A tunnel 5 ft. by 7 ft. in section is driven in this canyon, in the second claim, some 1200 ft. from and 600 or 700 ft. higher than Cougar Creek.

The portal is in the side of the canyon, safely out of the creek

bed and after traversing thru the granite wall, strikes the Pegmatite vein, 100 feet in, and under the northerly side of the vein. It then follows the vein for a distance of 100 feet to the tunnel face. The walls of the tunnel are impregnated with the Molybdenite ore.

Parallel to and northerly from the canyon there are two creeks flowing in small gulches, in which the same Pegmatite shows up. Their extent is at present undetermined, The indication is more than enough to warrant extensive investigation. A great deal of Molybdic Ocher coloration shows all along each of these creeks and Molybdic Ocher is an excellent guide to underlying Molybdenite deposits.

THE DEPOSIT

The strike of the veins on the Consolidated Molybdenum Inc. Property is South 52° East, the dip is 80° to 90°. The Pegmatite in the Canyon itself lies exposed from the upper edge of the talus above Cougar Creek, upward along the Canyon floor some 5000 ft. It varies in width from 15 to 50 ft. Pegmatites rise from very great depths, and are notorious for their irregular structure. Their depth range is so great that no mine starting on a productive Pegmatite is likely to reach a horizon too deep for further deposits.

Zonal arrangment of minerals within Pegmatite bodies is common, but these changes are usually symetrical with respect to the walls and to the center line, and are not expression of depth. This is to say that any change of mineral within the body takes place immediately across the section of Pegmatite, horizontally, and say, at right angles to the main axis of the

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vein; it does not change vertically as in enrichment veins with their zonal arrangement, according to age and specific gravities.

This characteristic of Pegmatites is quite dependable, and applied to the Consolidated Molybdenum Inc. property we have a Pegmatite vein in depth from Elevation 3500 at Cougar Creek, rising thru the four claims South 52° East to Elevation around 6000, or a depth of probably 2500 ft. with no information as to depth below Cougar Creek bed.

Again, this same vein or a close relative strike off to the northwest on the same bearing of North 52° West over Goat Mountain to Sunday Lake and can be traced for two and one-half miles; where it crosses Goat Mountain about one mile northwest, it outcrops considerably higher than the apex of the Consolidated Molybdenum property.

This leads to the conclusion that here lies a tremendous body of ore.

IMPORTANCE OF MOLYBDENUM

The reasonable assurance of an ample deposit of ore brings up the question of - what gives this ore its importance? What is it used for? What is its value?

Molybdenite is composed of two elements, 60% molybdenum and 40% sulphur, and is also known as Molybdenum Sulphide. It is a soft, shiny, grey or black mineral usually in flakes or plates. Its hardness is 1, and specific gravity 4.8. A cubic foot will weigh up to 300 pounds.

Molybdenite is used as a lubricant; in its place, superior to

1.a

graphite, which it somewhat resembles. It is especially valuable around high-speed machinery and the moving parts of delicate instruments, as a lubricant. Refined, that is, Molybdenite with constituent parts separated-smelted, leaves the metal, Molybdenum. Molybdenum is used in steel alloys for high-speed tools, and steel and iron castings. It is found in the United States in Maine, New Hampshire, Washington, Colorado and New Mexico.

Its value exists both before and after smelting. Refining and concentrating is rather ticklish because of its specific gravity coming close to the copper pyrites which may be present in small quantities in the Pegmatite along its joints with the Host Rock. This examination has disclosed no pyrites but some is almost inevitable; however, the metal is recovered and the process is not an involved one as witness the present production.

The demand since World War II has greatly increased on account of new uses and wider distribution of consumption; the price is by the pound, at present about 46¢ a pound for the Molybdenite at the mine.

ASSAYS

Such data as to assays is, at this time, scant. The few samples reported upon show 1½% - 4% - 5% and one sample which returned 10%. This, roughly, gives 100 pounds per ton, or, say, $45.00 per ton. From all indications this does not seem unreasonable.

DEVELOPMENT

The matter of development on the Consolidated Molybdenum Inc. property is one that should be give utmost care. Access to the property at this time is over trails and roads, and by late 1949 every indication is that motor traffic will be available to within 3/4 of a mile from the present cabin.

The existing tunnel on the property appears to be in a well selected location. In this respect, it is not as criticism but as a suggestion, that a tunnel lower down toward Cougar Creek might be to a better advantage, as some 400 or 500 feet of elevation might better be utilized. The operating plan would control this matter. The mine looks as though it could be developed by working several levels.

The slope down to the bottom of the hill is straight and anywhere on a convenient spot, the mill should be placed; this is a control factor.

It seems, from present information, that ore might be transferred over aerial tram from the upper reaches to a mill close down by the road where it could be loaded onto trucks for shipping. The mill to concentrate and store for shipping.

There is good possibility of ample water power both in Cougar Creek and on Lennox River. Would suggest that this be with low head turbine. Machinery is more expensive but requires less construction - has a tendency towards getting everything "close-in".

Owing to the distance out, it would appear that camp buildings will be necessary; a cook house with commissary and, later, a superintendent's house with an office.

Mine timbers will be necessary, which may be cut from timber on the ground. This will probably work out cheaper if a small "portable mill" were set up at the start. Lumber and timbers could be cut from standing

timber on the property as required and around $25.00 per M. saved over market cost. It would also save unnecessary traffic over the road, which can interfere with ore shipment.

CONCLUSION

From the indications on Consolidated Molybdenum Inc. property it should be plain to anyone acquainted with the ore Molybdenite, and the rock Pegmatite, that here lies a very promising Mine Property. The potential tonnage would only be a wild, wierd guess at this time. It is certain that one vein some 5000 feet long, 15 feet wide, and average 1250 feet in depth exists and is in sight at a single glance. With two other veins not so plainly discernible but showing strong evidence of similar existence, it is too hypothetical at this time, to say anything more.

We know only partially what the bottom may be. The ore appears remarkably free from other metals than Molybdenum. The definite assurance of the road being built close to the Mine is an advantage few properties can enjoy. In short, every feature and circumstance pertaining to this property is enhancing its value.

Hypothetically estimating production for sake of further elucidation, let us assume one tunnel 5 ft. by 7 ft. the length of each string of claims. The total length of tunnel would then be

6000 ft. in the southerly string of 4 claims
4500 ft. in each of the two northerly strings, or
15000 ft. of theoretically productive ore.

then the volume of material would be

$$\frac{5 \times 7 \times 15000}{15 \text{ cu. ft. per ton}} \text{ OR } 35000 \text{ tons}$$

Average value of 35000 tons @ 5% or 100 lbs. Molybdenite per ton of ore would yield 3,500,000 lbs. of Molybdenite.

Such a vast quantity, even in theory, is staggering and should not, of course, be used in any reasonable estimates. But again, we have only considered depth at 7 ft. and there is likely to be 1200 or 1500 feet of depth, plus what may lie below the level of Cougar Creek Floor. Ore should be expected to such depth as Pegmatite may extend, and mined to such a horizon as the rock will stand, and Pegmatite extends to very great depth.

It should be remembered also, that Uraninite, found only in Pegmatites, is not an impossibility. No one knows for sure that this ore does not exist here on this property, and finding none would be no loss. No investigation has been made as far as we know. The basic conditions for Uranium, Thorium, and other rare metals exist in this Pegmatite, and is worth the test. The quantity of Molybdenite would soon pay the cost of such an investigation.

Then too, as characteristic in Pegmatite, there are quantities of clear quartz crystals in the rock around these dykes, Some observed, measured 3 inches long by 1 inch across. These, when clear, are valuable in lens making, and in radio and other industrial uses.

Accessibility and extent of the deposit make this property a very valuable one.

Chas M Sprague

STATUTORY STATEMENT - CONSOLIDATED MOLYBDENUM INC.

Filed with Director of Licenses of State of Washington.

EXHIBIT 1. Incorporated in State of Washington, May 25, 1948.

EXHIBIT 2. Address of registered business office in State of Washington: 14521 Aurora Avenue, Seattle 33, Washington.

EXHIBIT 3. List of officers, all of whom are directors, holding office for term of one year, and amount of stock held:

G.L.Hansen, vice president, 614 Yale Avenue N., Seattle, Wash. 127,500 shares held
L.J.Madden, vice president, Rt.3 Box 415, Bremerton, Wash. 127,500 shares held
K.O.Welling, secretary, 14521 Aurora Ave., Seattle, Wash. 127,500 shares held
E.A.Amburn, treasurer, 1814 25th S., Seattle, Wash. 127,500 shares held
C.L.Johnston, director, 245 S.Montgomery St., Bremerton, Wn. 127,500 shares held
E. Saurers, director, Rt.3, Box 415-B, Bremerton, Wash. 127,500 shares held
J. Madden, director, Rt. 3, Box 415, Bremerton, Wash. 127,500 shares held
G.M.Osterberg, director, 756 Stimson Bldg, Seattle, Wash. 127,500 shares held
V. Osterberg, President, 19345 37th Ave.N.E., Seattle, Wn. 127,500 shares held
Mrs. L.Liptrap, director, 403 Bay Bldg., Seattle, Wash. 127,500 shares held
J. Zybura, director, 4409 - 36th So., Seattle, Wash. 127,500 shares held
Mrs.E.L.Watson, director, 756 Stimson Bldg., Seattle, Wn. 127,500 shares held

EXHIBIT 4. Number of shares of common stock authorized, all nonassessable, 3,000,000 shares, par value 10¢ each. Preferred stock, None.

EXHIBIT 5. Consolidated Molybdenum, Inc., issued 127,000 shares to each of twelve incorporators. 1,530,000 shares are placed in escrow with Frederick W. Post, 6251 - 31st N.E., Seattle, Washington, under agreement with Department of Licenses.

EXHIBIT 6. Consideration received by company from shares issued and outstanding July 1, 1948, is: On 1,530,000 shares, $153,000 value placed on lease and organizing.

EXHIBIT 7. Statement of Assets and Liabilities as of July 1, 1948.

ASSETS		LIABILITIES	
Lease on property.....	$127,500.00	Common Stock issued.....	$153,000.00
Deferred charges, prepaid expenses.....	25,500.00		
TOTAL.....	$153,000.00	TOTAL.....	$153,000.00

EXHIBIT 8. Number of shares or other securities to be issued to public in present offering:

	No. Shares	Offering Price
Common Stock.....	1,470,000	10¢
Preferred Stock.....	None	None
Approximate amount expected to be derived from sale..		$147,000.00
Approximate amount of commissions to be paid.....		36,750.00
Approximate amount of exploration work, development work, and equipment to be purchased.....		110,000.00

EXHIBIT 9. Rate of commissions to be paid and form of payment. (In money or company's securities).

1. Agents..... 25% in money
2. Member of corporation as selling agent,.. 25% in money
3. Underwriters..... None

Amount of salaries to be paid for ensuing year:
No salaries are to be paid to the president or vice president or secretary or treasurer or general manager or others.

EXHIBIT 10. Names and addresses of authorized Agents or underwriters at time of filing:

G. M. Osterberg, 756 Stimson Bldg., Seattle, Washington
Vernon Osterberg, 19345 - 37th Avenue, N.E., Seattle, Washington
Mrs. E. L. Watson, 756 Stimson Bldg., Seattle, Washington
Mrs. Lillian Liptrap, 403 Bay Bldg., Seattle, Washington
John Zybura, 4409 - 36th South, Seattle, Washington
Garry L. Hansen, 614 Yale Avenue North, Seattle, Washington
Leonard J. Madden, Rt. 3, Box 415, Bremerton, Washington
Jack Madden, Rt. 3, Box 415, Bremerton, Washington
E. A. Amburn, 1814 - 25th South, Seattle, Washington
Kenneth O. Welling, 14521 Aurora Avenue, Seattle 33, Washington
Edwin Saurers, Rt. 3, Box 415-B, Bremerton, Washington
Carl L. Johnston, 245 S. Montgomery Street, Bremerton, Washington

EXHIBIT 11. (a) Describe fully history of company. (b) Describe claims and give their approximate location, and type of mining to be engaged in. (c) Give valuation of claims. (d) Proposed work. (e) Type of machinery and equipment to be purchased. (f) Briefly outline purpose for which funds are to be used.

Consolidated Molybdenum, Inc. was organized in May, 1948. It does not succeed any other form of mining company; it is a completely new company. The claims are located in the Buena Vista Mining district, which district is approximately 25 miles North and East of North Bend, Washington. The company has a 99 year lease on 8 claims (approximately 160 acres) lying in Section 27, Township 25 North, Range 10 East, W. M., King County, Washington. No royalties or other cash payments are payable under the lease. Ten of the incorporators own the claims and have exchanged a leasehold interest in the claims for stock in the company.

The value of the claims with improvements is $127,500.00. Some tunnel work has been done. At the point of access to the ore bearing vein, a swift mountain stream called "Devil's Canyon" cuts through the vein. A tunnel has been driven into the side of the canyon, to curve around to the vein and escape the water. Further development work proposed by the company includes driving the tunnel into the ore bearing vein; construction of housing facilities for workers, erection of mill and flotation plant, and the installation of a tram from mine to mill, together with the necessary grading.

The machinery needed and proposed to be purchased includes; Diesel power plant, 50-ton mill, flotation plant, air compressors and drills, tramway equipment and hoist, bulldozer, together with the necessary accessories and tackle for such equipment.

The purpose for which the funds will be used will be to provide access roads to the public roads, grade and level the land upon the mining claims, erect such buildings as are necessary to house men and equipment, purchase mining, milling and flotation equipment, and to develop the tunnels and shafts to the point of production; thereafter, to provide capital for the maintenance of payrolls, payment of taxes, and purchase of supplies.

There is no present authorization in the organizational plan of the company for the payment of salaries to the officers as such, and no such action is contemplated until production problems necessitate sufficient amounts of their time that salaries are deemed necessary by the board of directors in order to secure the type of administration needed to carry on the work.

Dated May 25, 1948.

(Corporate Seal)

CONSOLIDATED MOLYBDENUM, INC.

Garry L. Hansen

By G.L.Hansen, President.

Attest: K.O.Welling, Secretary

OFFICE
305 Howarth Hall
College of Puget Sound
Pr. 3521

FREDERICK A. McMILLIN
Economic Geologist
Tacoma, Washington

RESIDENCE
3101 North 31st Street
Pr. 1715

On October 7 to 9, 1949, an attempt was made to examine the holdings of the Consolidated Molybdenum, Inc., property located in sec. 26 and 27, R10E, T 25 N, W.M. Conditions of weather made a complete examination impossible. Determination of the nature and character of the veins was possible and this section of the report will deal with this phase.

The location of the vein is in Devil's Canyon. Erosion has removed, within recent times, some 200 feet of vein material from the canyon.

The wall rock of Devil's Canyon is pre-Cascadian Granite (Hornblend Biotite Granite). The sequence of events that produced Devil's Canyon are: (1) Normal fault in which the west block has dropped, thus giving a vertical displacement of the two sides. This component was not accessible within the time spent on the property. (2) Into this fault was intruded a fissure vein of quartz. The vein material is glassy and well frozen on the wall of the respective blocks. (3) At some later time a dilation dike of Cascadian granodirite was introduced. This dike opened the old fissure forcing the respective wall apart to the extent of three to ten feet. (4) The next movement is not clear in relation to the time element, but a sufficient time later the dike had crystalized. This was a lateral movement, again involving the foot block that moved to the south. Either simultaneous with this movement or at some time later, quartz carrying sulfides invaded the dike. This invasion filled the fractures and replaced some of the original quartz and rock minerals. Mineralization is in all three components of the zone. The characteristic mineral is molybdenite with lesser amounts of other sulfides. This type of deposition is known as "desiminated replacement" and is one of the known types of molybdenum deposits.

Molybdenite tends to deposit in definite zones, but just what part of the zone of deposition is represented by the area that is intersected by the tunnel is not clear; however, it is my impression from what I observed that the location of the tunnel is about midway in the zone of molybdenite deposition. At a higher elevation represented by advancing up the canyon, the other sulfides seem to run stronger. At some distance down the canyon, there are tear faults that have a good showing of molybdenite. These facts would seem to establish the above hypotheses.

There were no samples taken at this time for assay. Samples should be carefully cut from wall to wall and of uniform depth and assayed. Until this is done very little can be said as to whether the Devil's Canyon is a mine or not. Just by visual inspection, it would appear that there is enough strength to the deposit to warrant a complete sampling and detailed examination.

After sampling and assaying has established the tenure of the ore, then a mining engineer could lay out a mining system for the adequate development of the property. The topography is such that the location of tunnels and the necessary appurtenant works would not present a problem.

On August 19, 1950 the property of the Consolidated Molybdenum Incorporated was visited by the author with the purpose of completing the examination that was started last October and abandoned because of adverse weather conditions. The canyon was explored except the extreme upper end. Heavy rains made the entrance of the canyon at this point impossible.

In the preliminary report the rock conditions were discussed in detail and the type of veins were studied. Here the author will only augment that report and make some changes in the sequence of events that lead to the deposition of molybdenite as the characteristic sulfide mineral.

The Consolidated Molybdenum Incorporated properties are in Section 26, 27; R.10 E.; T.25 N.; W.M.

The past history of the property is not recorded in the literature and is unknown to the author. However, in "Mining in the Northwest" edited by L. K. Hodges in 1897 there is a statement that as early as 1892 prospectors had crossed the divide from the Skykomish - Miller riverside into the watershed of the Snoqualmie river. However there is no mention of Molybdenite made at this time.

Metallic Molybdenum was isolated in 1782 but no large scale production was made until 1913 and real important production began in 1927. Practically all molybdenum produced is utilized in the making of alloys of iron and steel. Molybdenum acts like tungsten but more so. It requires approximately 50% less molybdenum to obtain a similar quality of alloy. Molybdenum is at the present the most important hardening alloying metal. Strength, ductility, and a tendency to resist crystallization in iron and steel are increased by the use of molybdenum. Molybdenum alloyed steels are extensively used where strength, heat resistance, and resistance to crystallization are required as in aircraft parts, automobiles, shafts,

high speed tools, gears, guns, and armor plate. These uses make molybdenum a critical metal in peace as well as war.

Geology: The walls of Devil's Canyon are pre-Cascadian or early Cascadian granite (hornblend biotite granite). The sequence of events that produced Devil's Canyon are:

(1) Normal faulting in which the west block had both a strike and dip component. This resulted in both vertical and horizontal displacement. Erosion has obscured the amount of this movement and as it has no direct relation to the events that produced the mineralization very little time was spent on this consideration.

(2) Into this fault was intruded a dilation dyke of granodiorite. This granodiorite is of the so called Cascadian granodiorite type.

(3) A second series of movements took place that shattered the granodiorite dike but apparently did not extend into the wall rock.

(4) Into these secondary fractures were intruded quarts in small amounts. Well formed crystals were present in places.

(5) Movement was again active. This third movement extended into the canyon wall producing tear faults in the downthrow block, West block, or foot wall.

(6) At sometime later, probably at or near the last stages of Cascadian intrusive action, veins of moderate high temperature quarts invaded all fractures. These solutions and vapors carrying quartz and molybdenite were under sufficient pressure to invade the granodiorite, depositing fine grained molybdenite in the spaces between the crystals of the rock. In some places rosettes of molybdenite occures in the granodiorite.

The Quartz carrying molybdenite is in the main glassy with the molybdenite occurring within the quartz as well as at the contact of the veins with the wall rock. These quartz veins make up approximately 25% of the mineralized area.

Devil's Canyon is a narrow slot left by the erosion of the quarts bearing granodiorite dike. The walls are precipitous and the grade of the canyon is roughly 22 degrees. This, however, is interrupted by several abrupt cliffs in the floor of the canyon and becomes a torrent even with a small amount of rain. Much of the canyon floor is covered with detritus that obscures mineralization.

Deer Gulch is the main tear fault that cuts the foot wall block. This fault has the same history as the main Devil's Canyon fault and contains the same type of mineralization. The vein in Deer Gulch may be the vein that is cut by the tunnel in Devil's Canyon, but more probably it is a tear fault vein of simultaneous origin. However there is evidence that there is a second dike east of Devil's Canyon. This was not investigated but should be.

The mineralized zone varies in width from two feet to ten feet. The pinching and swelling follows the original fault walls and is characteristic.

As elevation in the canyon is gained by advancing up the canyon, other sulfide minerals appear. This is the normal history of veins of this type. The description of the mineralized area was difficult because of the erosion. One rarely sees the entire width of the mineralized dike and the quartz veins that accompany it at a single exposure. The dike rock has had some alteration as the result of the intrusion of the quartz bearing hot solutions. This has made the deposition of the molybdenite possible by opening minute channels between the crystals that were disturbed by the fault movement. In the granodiorite that has been exposed by the erosion and acted upon by the air plus some acide waters, some of the molybdenite has been altered to molybdite, Mo_2O_3 or molybdenum ochre. This gives the rock some of the characteristic yellow appearance. This should not be confused with the yellowish color of the iron stains of limonite.

The quartz veins range in width from almost undiscernible veinlets to veins six inches wide. Associated with the quartz vein matter is a small amount of serisite probably derived from the alteration of the feldspars. The dissemination of molybdenite in both the granodiorite and the quartz veins is not uniform in

concentration but leans and strengthens from area to area. Where the vein is broadest the mineralization may be reduced per unit area, but the amount of mineral present will be approximately the same. Where two quartz veins or late faults intersect there is a tendency towards enrichment. The overall is a strong showing of molybdenum with ample tops to make an operation advisable.

Before much capital is invested for other purposes there should be a drilling program planned and the results of such a program carefully studied. This will tell just how much ore there is present and how it is concentrated. As the property now stands it is a raw prospect and there is no ore that can be estimated or described farther than to say that there is, on the basis of surface showings, a sizable tonnage of theoretical ore.

As molybdenite tends to deposit in a definite zone under rather a narrow thermal range, it would appear that the location of the present tunnel is in the upper part of the lower half of the mineralized zone. A new location should be sought at a lower level and a mining engineer employed to lay out the mining methods. Such a location could be found about two hundred feet below the present tunnel level.

After careful examination of the property it is my recommendation that the Board of Directors draw up a plan that will give a comprehensive and logical approach to the problem. This should be in writing for future reference. Discoveries should be made on the other two claims and trails blazed to said discoveries so that they may be readily accessible for examination.

A new cabin and such other buildings as are appertenant should be planned for early spring and so located that the danger of snow slides would be avoided. The present cabin is untenantable.

At the places where ropes are now used, trails should be cut around in the cliff so the canyon can be seen as a whole without endangering life and limb.

Hand samples are inadequate so large samples should be taken from several cuts and keep separate. These can be cut with powder and sent to some established firm that is equipped to make a concentration test on the ore. Samples should be in the neighborhood of 500 pounds each.

It is my belief that such a method of sampling would show enough strength to the ore body to warrant development in the immediate future.

/s/ F. A. McMillin

F. A. McMILLIN
Economic Geologist

CONSOLIDATED MOLYBDENUM, INC.

BALANCE SHEET

December 31, 1950

ASSETS

Current Assets:		
Cash	$ 219.31	
Accounts Receivable	600.00	$ 81931
Total Current Assets		
Fixed Assets:		
Deferred Development	$ 2,227.54	
Office Furniture and Fixtures	15.75	
Land	153,000.00	
Total Fixed Assets		155,243.29
Total Assets		$156,062.60

LIABILITIES

Current Liabilities:		
Pledges Received	$ 300.00	
Pledged Contracts	600.00	$ 900.00
Total		
Capital:		
Capital Stock, Authorized	$300,000.00	
Less - Capital Stock, Unissued	145,600.00	
Capital Stock Issued		154,400.00
Paid-in Surplus		762.60
Total Liabilities and Capital		$156,062.60

REPORT ON

CONSOLIDATED MOLYBDENUM, INC. HOLDINGS

IN THE BUENA VISTA MINING DISTRICT

KING COUNTY, WASHINGTON

by

OLIN M. SPRAGUE

Professional Engineer
641 N. Callow Avenue
Bremerton, Washington.

"BECAUSE THESE SECURITIES ARE BELIEVED TO BE EXEMPT FROM REGISTRATION, THEY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION; BUT SUCH EXEMPTION, IF AVAILABLE, DOES NOT INDICATE THAT THE SECURITIES HAVE BEEN EITHER APPROVED OR DISAPPROVED BY THE COMMISSION OR THAT THE COMMISSION HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE STATEMENTS IN THIS COMMUNICATION."

641 N. Callow Av.

Bremerton, Wash.

October 23, 1948.

At your request I have made an examination of the mining claims comprising the Consolidated Molybdenum, Inc. Mine property during October, 1948.

I am embracing my findings in the attached Report. This Report is based upon what I have seen, from certain recorded documents, maps, and from conversations with persons whom I consider to know whereof they have spoken.

The intent herein is to give an accurate description of the property with the purpose in mind of offering duly substantiated facts, or, at times, my conclusions based upon my observations, combined with written documents.

My purpose is to so place my statement of fact, that those interested in what I am saying will be able to draw correct conclusions relative to this Mining Property, upon reading and studying what is to follow.

Registered Professional Engineer.

CONSOLIDATED MOLYBDENUM INC. PROPERTY

The Consolidated Molybdenum Inc. Property is located in Section 27, Twp. 25 N., R. 10 E., W.M. in the northeastern part of King County, Washington. It is in the Buena Vista Mining District. Official Records of the property are kept in the County Auditor's Office, of King County, at Seattle, Washington.

Ownership is by Possessory Right, which, under United States and Washington State Mineral and Mining Laws, means that the claimant in possession can not be disturbed except by some one who shows a better right to the premises.

The present owner has possessed, occupied, and improved the property, and complied with the legal requirements since 1905, or thereabouts.

Claim corners are in place and the boundary lines marked in the usual manner.

There is a log cabin 18 feet by 18 feet conveniently situated upon the property: a good trail leading thereto, and a tunnel 5 feet by 7 feet in section. Some mining tools and cabin equipment.

The general appearance of the property is such as convinces one that the owner or claimant, has thru all these years, valued and cherished this property. The said owner shows by his toil and effort that he has continuously placed faith in the promise the property offers.

It might be further stated as a fact, that the toil and effort put upon the property has been purposeful, and pursued with a high degree of intelligence.

The orebody outcropping and in the tunnel, is a mass and a flaked Molybdenite in a large Pegmatite dyke. There is reason to believe that this property contains at least two other, and separate Pegmatite dykes.

ACCESSIBILITY

The route to the Consolidated Molybdenum Inc. property, starting from Seattle, is over U.S. Hiway No. 10, East to North Bend, some 29 miles, then northeasterly up the County Road following the North Fork of the Snoqualmie River some 26 miles. The 1 st 10 miles of this County Road has been built during 1948, and consists of a well gravelled road, built to support heavy traffic.

It is a Mine-to-Market Road on a right-of-way secured by King County thru Court condemnation. This right-of-way is secured to the Forestry Boundary, one mile further than constructed, and the Lennox Mine is at the further end of this uncompleted mile. Expectation of improvement of this last mile is thru cooperative effort of the owners of property contiguous to the Forestry Boundary and lying around the confluence of the Lennox River and the North Fork of the Snoqualmie.

From the Forestry Boundary, the State of Washington Mine-to-Market Road Commission has surveyed and located a route up the Lennox River some 4 and 1/2 miles, substantially following the old, existing

trail southeasterly to the mouth of Cougar Creek. Plans and specifications have been prepared for construction of this section of road up Lennox River, and contract for construction is shortly expected to be let by the State of Washington Highway Department. Completion of the road is expected, and specified in the Specifications, early in 1949.

The road when constructed will end at the foot of the slope rising to the south and approximately 3/4 mile north of the central part of Consolidated Molybdenum Inc. property.

From examination, access to the property from the end of the Mine to Market Road, as now located, will be upwards of 1 and 3/4 miles of road on a 9% grade, with perhaps one or two "switch-backs". This route would take off up the Lennox River and over a northeasterly slope affording ample way for sustaining the desired grade.

Ground is very good for road construction and with proper drainage should not present any difficulties. The route follows thru a timbered area; hence no snow slide trouble.

DESCRIPTION

The Consolidated Molybdenum Inc. property is a group of 10 claims, center lines of which extend from Cougar Creek South 52° East. The southerly string consists of 4 claims, each 1500 ft. up the mountain side and running from Cougar Creek South 52° East, 6000 ft. Northerly from and parallel and adjacent to this string, are two strings of 3 claims extending so that the southeasterly end lines of all three strings lie in a straight line. Another way of description is to say that 9 claims form a rectangle

4500 ft., or three claims, long, and extending South 52° East up the mountain, and three claims or 1800 ft. wide, at right angles to the slide lines across the upward slope. The tenth claim extends in line from the northwesterly part of the rectangular group downward to Cougar Creek - a handle on a rectangle.

The entire surface of the property is covered with a growth of Alpine and Noble Fir and Yellow Cypress. Some of the Cypress attains a diameter of 6 ft. indicating great age and the trees stand uninjured or deformed from any slides or other catastrophic agencies. This indicates a safe surface.

Along the general center line of the southwesterly four claims up the mountain, there is a canyon, rising on a slope of 35°, or 57 ft. per 100 ft. The walls are sheer granit and rise, in places, upwards of 100 ft. above the floor; the width of the canyon varies from 15 ft to 50 ft.

The floor from Cougar Creek to the top of the slope is a Pegmatite with quartz, lying in laminated formation - 2 to 6 inches of the Pegmatite with a quartz ribbon in between - 1/4 to 3 inches thick. These alternate ribbons fill the entire width between the canyon walls, and the Molybdenite ore is found in this floor formation.

A tunnel 5 ft. by 7 ft. in section is driven in this canyon, in the second claim, some 1200 ft. from and 600 or 700 ft. higher than Cougar Creek.

The portal is in the side of the canyon, safely out of the creek

bed and after traversing thru the granite wall, strikes the Pegmatite vein, 100 feet in, and under the northerly side of the vein. It then follows the vein for a distance of 100 feet to the tunnel face. The walls of the tunnel are impregnated with the Molybdenite ore.

Parallel to and northerly from the canyon there are two creeks flowing in small gulches, in which the same Pegmatite shows up. Their extent is at present undetermined, The indication is more than enough to warrant extensive investigation. A great deal of Molybdic Ocher coloration shows all along each of these creeks and Molybdic Ocher is an excellent guide to underlying Molybdenite deposits.

THE DEPOSIT

The strike of the veins on the Consolidated Molybdenum Inc. Property is South 52° East, the dip is 80° to 90°. The Pegmatite in the Canyon itself lies exposed from the upper edge of the talus above Cougar Creek, upward along the Canyon floor some 5000 ft. It varies in width from 15 to 50 ft. Pegmatites rise from very great depths, and are notorious for their irregular structure. Their depth range is so great that no mine starting on a productive Pegmatite is likely to reach a horizon too deep for further deposits.

Zonal arrangment of minerals within Pegmatite bodies is common, but these changes are usually symetrical with respect to the walls and to the center line, and are not expression of depth. This is to say that any change of mineral within the body takes place immediately across the section of Pegmatite, horizontally, and say, at right angles to the main axis of the

vein; it does not change vertically as in enrichment veins with their zonal arrangement, according to age and specific gravities.

This characteristic of Pegmatites is quite dependable, and applied to the Consolidated Molybdenum Inc. property we have a Pegmatite vein in depth from Elevation 3500 at Cougar Creek, rising thru the four claims South 52° East to Elevation around 6000, or a depth of probably 2500 ft. with no information as to depth below Cougar Creek bed.

Again, this same vein or a close relative strike off to the northwest on the same bearing of North 52° West over Goat Mountain to Sunday Lake and can be traced for two and one-half miles; where it crosses Goat Mountain about one mile northwest, it outcrops considerably higher than the apex of the Consolidated Molybdenum property.

This leads to the conclusion that here lies a tremendous body of ore.

IMPORTANCE OF MOLYBDENUM

The reasonable assurance of an ample deposit of ore brings up the question of - what gives this ore its importance? What is it used for? What is its value?

Molybdenite is composed of two elements, 60% molybdenum and 40% sulphur, and is also known as Molybdenum Sulphide. It is a soft, shiny, grey or black mineral usually in flakes or plates. Its hardness is 1, and specific gravity 4.8. A cubic foot will weigh up to 300 pounds.

Molybdenite is used as a lubricant; in its place, superior to

graphite, which it somewhat resembles. It is especially valuable around high-speed machinery and the moving parts of delicate instruments, as a lubricant. Refined, that is, Molybdenite with constituent parts separated-smelted, leaves the metal, Molybdenum. Molybdenum is used in steel alloys for high-speed tools, and steel and iron castings. It is found in the United States in Maine, New Hampshire, Washington, Colorado and New Mexico.

Its value exists both before and after smelting. Refining and concentrating is rather ticklish because of its specific gravity coming close to the copper pyrites which may be present in small quantities in the Pegmatite along its joints with the Host Rock. This examination has disclosed no pyrites but some is almost inevitable; however, the metal is recovered and the process is not an involved one as witness the present production.

The demand since World War II has greatly increased on account of new uses and wider distribution of consumption; the price is by the pound, at present about 40¢ a pound for the Molybdenite at the mine.

ASSAYS

Such data as to assays is, at this time, scant. The few samples reported upon show 1½% - 4% - 5% and one sample which returned 10%. This, roughly, gives 100 pounds per ton, or, say, $45.00 per ton. From all indications this does not seem unreasonable.

DEVELOPMENT

The matter of development on the Consolidated Molybdenum Inc. property is one that should be give utmost care. Access to the property at this time is over trails and roads, and by late 1949 every indication is that motor traffic will be available to within 3/4 of a mile from the present cabin.

The existing tunnel on the property appears to be in a well selected location. In this respect, it is not as criticism but as a suggestion, that a tunnel lower down toward Cougar Creek might be to a better advantage, as some 400 or 500 feet of elevation might better be utilized. The operating plan would control this matter. The mine looks as though it could be developed by working several levels.

The slope down to the bottom of the hill is straight and anywhere on a convenient spot, the mill should be placed; this is a control factor.

It seems, from present information, that ore might be transferred over aerial tram from the upper reaches to a mill close down by the road where it could be loaded onto trucks for shipping. The mill to concentrate and store for shipping.

There is good possibility of ample water power both in Cougar Creek and on Lennox River. Would suggest that this be with low head turbine. Machinery is more expensive but requires less construction - has a tendency towards getting everything "close-in".

Owing to the distance out, it would appear that camp buildings will be necessary; a cook house with commissary and, later, a superintendent's house with an office.

Mine timbers will be necessary, which may be cut from timber on the ground. This will probably work out cheaper if a small "portable mill" were set up at the start. Lumber and timbers could be cut from standing

timber on the property as required and around $25.00 per M. saved over market cost. It would also save unnecessary traffic over the road, which can interfere with ore shipment.

CONCLUSION

From the indications on Consolidated Molybdenum Inc. property it should be plain to anyone acquainted with the ore Molybdenite, and the rock Pegmatite, that here lies a very promising Mine Property. The potential tonnage would only be a wild, wierd guess at this time. It is certain that one vein some 5000 feet long, 15 feet wide, and average 1250 feet in depth exists and is in sight at a single glance. With two other veins not so plainly discernible but showing strong evidence of similar existence, it is too hypothetical at this time, to say anything more.

We know only partially what the bottom may be. The ore appears remarkably free from other metals than Molybdenum. The definite assurance of the road being built close to the Mine is an advantage few properties can enjoy. In short, every feature and circumstance pertaining to this property is enhancing its value.

Hypothetically estimating production for sake of further elucidation, let us assume one tunnel 5 ft. by 7 ft. the length of each string of claims. The total length of tunnel would then be

6000 ft. in the southerly string of 4 claims
4500 ft. in each of the two northerly strings, or
15000 ft. of theoretically productive ore.

then the volume of material would be

$$\frac{5 \times 7 \times 15000}{15 \text{ cu. ft. per ton}} \text{ OR } 35000 \text{ tons}$$

Average value of 35000 tons @ 5% or 100 lbs. Molybdenite per ton of ore would yield 3,500,000 lbs. of Molybdenite.

Such a vast quantity, even in theory, is staggering and should not, of course, be used in any reasonable estimates. But again, we have only considered depth at 7 ft. and there is likely to be 1200 or 1500 feet of depth, plus what may lie below the level of Cougar Creek Floor. Ore should be expected to such depth as Pegmatite may extend, and mined to such a horizon as the rock will stand, and Pegmatite extends to very great depth.

It should be remembered also, that Uraninite, found only in Pegmatites, is not an impossibility. No one knows for sure that this ore does not exist here on this property, and finding none would be no loss. No investigation has been made as far as we know. The basic conditions for Uranium, Thorium, and other rare metals exist in this Pegmatite, and is worth the test. The quantity of Molybdenite would soon pay the cost of such an investigation.

Then too, as characteristic in Pegmatite, there are quantities of clear quartz crystals in the rock around these dykes, Some observed, measured 3 inches long by 1 inch across. These, when clear, are valuable in lens making, and in radio and other industrial uses.

Accessibility and extent of the deposit make this property a very valuable one.

R. L. M. Sprague

STATUTORY STATEMENT - CONSOLIDATED MOLYBDENUM INC.

Filed with Director of Licenses of State of Washington.

EXHIBIT 1. Incorporated in State of Washington, May 25, 1948.

EXHIBIT 2. Address of registered business office in State of Washington: 14521 Aurora Avenue, Seattle 33, Washington.

EXHIBIT 3. List of officers, all of whom are directors, holding office for term of one year, and amount of stock held:

G.L.Hansen, vice president, 614 Yale Avenue N., Seattle, Wash.	127,500 shares held
L.J.Madden, vice president, Rt.3 Box 415, Bremerton,Wash.	127,500 shares held
K.O.Welling, secretary, 14521 Aurora Ave., Seattle, Wash.	127,500 shares held
E.A.Amburn, treasurer, 1814 25th S., Seattle, Wash.	127,500 shares held
C.L.Johnston, director, 245 S.Montgomery St.,Bremerton,Wn.	127,500 shares held
E. Saurers, director, Rt.3, Box 415-B, Bremerton, Wash.	127,500 shares held
J. Madden, director, Rt. 3, Box 415, Bremerton, Wash.	127,500 shares held
G.M.Osterberg, director, 756 Stimson Bldg, Seattle, Wash.	127,500 shares held
V. Osterberg, President, 19345 37th Ave.N.E., Seattle, Wn.	127,500 shares held
Mrs. L.Liptrap, director, 403 Bay Bldg., Seattle, Wash.	127,500 shares held
J. Zybura, director, 4409 - 36th So., Seattle, Wash.	127,500 shares held
Mrs.E.L.Watson,director, 756 Stimson Bldg., Seattle,Wn.	127,500 shares held

EXHIBIT 4. Number of shares of common stock authorized, all nonassessable, 3,000,000 shares, par value 10¢ each. Preferred stock, None.

EXHIBIT 5. Consolidated Molybdenum, Inc., issued 127,000 shares to each of twelve incorporators. 1,530,000 shares are placed in escrow with Frederick W. Post, 6251 - 31st N.E., Seattle, Washington, under agreement with Department of Licenses.

EXHIBIT 6. Consideration received by company from shares issued and outstanding July 1, 1948, is: On 1,530,000 shares, $153,000 value placed on lease and organizing.

EXHIBIT 7. Statement of Assets and Liabilities as of July 1, 1948.

ASSETS		LIABILITIES	
Lease on property.....	$127,500.00	Common Stock issued.....	$153,000.00
Deferred charges, prepaid expenses.....	25,500.00		
TOTAL.....	$153,000.00	TOTAL.....	$153,000.00

EXHIBIT 8. Number of shares or other securities to be issued to public in present offering:

	No. Shares	Offering Price
Common Stock.....	1,470,000	10¢
Preferred Stock.....	None	None
Approximate amount expected to be derived from sale..		$147,000.00
Approximate amount of commissions to be paid.....		36,750.00
Approximate amount of exploration work, development work, and equipment to be purchased.....		110,000.00

//

EXHIBIT 9. Rate of commissions to be paid and form of payment. (In money or company's securities).

1. Agents..... 25% in money
2. Member of corporation as selling agent,.. 25% in money
3. Underwriters..... None

Amount of salaries to be paid for ensuing year:
No salaries are to be paid to the president or vice president or secretary or treasurer or general manager or others.

EXHIBIT 10. Names and addresses of authorized Agents or underwriters at time of filing:

G. M. Osterberg, 756 Stimson Bldg., Seattle, Washington
Vernon Osterberg, 19345 - 37th Avenue, N.E., Seattle, Washington
Mrs. E. L. Watson, 756 Stimson Bldg., Seattle, Washington
Mrs. Lillian Liptrap, 403 Bay Bldg., Seattle, Washington
John Zybura, 4409 - 36th South, Seattle, Washington
Garry L. Hansen, 614 Yale Avenue North, Seattle, Washington
Leonard J. Madden, Rt. 3, Box 415, Bremerton, Washington
Jack Madden, Rt. 3, Box 415, Bremerton, Washington
E. A. Amburn, 1814 - 25th South, Seattle, Washington
Kenneth O. Welling, 14521 Aurora Avenue, Seattle 33, Washington
Edwin Saurers, Rt. 3, Box 415-B, Bremerton, Washington
Carl L. Johnston, 245 S. Montgomery Street, Bremerton, Washington

EXHIBIT 11. (a) Describe fully history of company. (b) Describe claims and give their approximate location, and type of mining to be engaged in. (c) Give valuation of claims. (d) Proposed work. (e) Type of machinery and equipment to be purchased. (f) Briefly outline purpose for which funds are to be used.

Consolidated Molybdenum, Inc. was organized in May, 1948. It does not succeed any other form of mining company; it is a completely new company. The claims are located in the Buena Vista Mining district, which district is approximately 25 miles North and East of North Bend, Washington. The company has a 99 year lease on 8 claims (approximately 160 acres) lying in Section 27, Township 25 North, Range 10 East, W. M., King County, Washington. No royalties or other cash payments are payable under the lease. Ten of the incorporators own the claims and have exchanged a leasehold interest in the claims for stock in the company.

The value of the claims with improvements is $127,500.00. Some tunnel work has been done. At the point of access to the ore bearing vein, a swift mountain stream called "Devil's Canyon" cuts through the vein. A tunnel has been driven into the side of the canyon, to curve around to the vein and escape the water. Further development work proposed by the company includes driving the tunnel into the ore bearing vein; construction of housing facilities for workers, erection of mill and flotation plant, and the installation of a tram from mine to mill, together with the necessary grading.

The machinery needed and proposed to be purchased includes; Diesel power plant, 50-ton mill, flotation plant, air compressors and drills, tramway equipment and hoist, bulldozer, together with the necessary accessories and tackle for such equipment.

The purpose for which the funds will be used will be to provide access roads to the public roads, grade and level the land upon the mining claims, erect such buildings as are necessary to house men and equipment, purchase mining, milling and flotation equipment, and to develop the tunnels and shafts to the point of production; thereafter, to provide capital for the maintenance of payrolls, payment of taxes, and purchase of supplies.

There is no present authorization in the organizational plan of the company for the payment of salaries to the officers as such, and no such action is contemplated until production problems necessitate sufficient amounts of their time that salaries are deemed necessary by the board of directors in order to secure the type of administration needed to carry on the work.

Dated May 25, 1948.

(Corporate Seal)

CONSOLIDATED MOLYBDENUM, INC.

Garry L Hansen

By G.L.Hansen, President.

Attest: K.O.Welling, Secretary

FREDERICK A. McMILLIN
Economic Geologist
Tacoma, Washington

OFFICE
305 Howarth Hall
College of Puget Sound
Pr. 3521

RESIDENCE
3101 North 31st Street
Pr. 1715

On October 7 to 9, 1949, an attempt was made to examine the holdings of the Consolidated Molybdenum, Inc., property located in sec. 26 and 27, R10E, T 25 N, W.M. Conditions of weather made a complete examination impossible. Determination of the nature and character of the veins was possible and this section of the report will deal with this phase.

The location of the vein is in Devil's Canyon. Erosion has removed, within recent times, some 200 feet of vein material from the canyon.

The wall rock of Devil's Canyon is pre-Cascadian Granite (Hornblend Biotite Granite). The sequence of events that produced Devil's Canyon are: (1) Normal fault in which the west block has dropped, thus giving a vertical displacement of the two sides. This component was not accessible within the time spent on the property. (2) Into this fault was intruded a fissure vein of quartz. The vein material is glassy and well frozen on the wall of the respective blocks. (3) At some later time a dilation dike of Cascadian granodirite was introduced. This dike opened the old fissure forcing the respective wall apart to the extent of three to ten feet. (4) The next movement is not clear in relation to the time element, but a sufficient time later the dike had crystalized. This was a lateral movement, again involving the foot block that moved to the south. Either simultaneous with this movement or at some time later, quartz carrying sulfides invaded the dike. This invasion filled the fractures and replaced some of the original quartz and rock minerals. Mineralization is in all three components of the zone. The characteristic mineral is molybdenite with lesser amounts of other sulfides. This type of deposition is known as "desiminated replacement" and is one of the known types of molybdenum deposits.

Molybdenite tends to deposit in definite zones, but just what part of the zone of deposition is represented by the area that is intersected by the tunnel is not clear; however, it is my impression from what I observed that the location of the tunnel is about midway in the zone of molybdenite deposition. At a higher elevation represented by advancing up the canyon, the other sulfides seem to run stronger. At some distance down the canyon, there are tear faults that have a good showing of molybdenite. These facts would seem to establish the above hypotheses.

There were no samples taken at this time for assay. Samples should be carefully cut from wall to wall and of uniform depth and assayed. Until this is done very little can be said as to whether the Devil's Canyon is a mine or not. Just by visual inspection, it would appear that there is enough strength to the deposit to warrant a complete sampling and detailed examination.

After sampling and assaying has established the tenure of the ore, then a mining engineer could lay out a mining system for the adequate development of the property. The topography is such that the location of tunnels and the necessary appurtenant works would not present a problem.

On August 19, 1950 the property of the Consolidated Molybdenum Incorporated was visited by the author with the purpose of completing the examination that was started last October and abandoned because of adverse weather conditions. The canyon was explored except the extreme upper end. Heavy rains made the entrance of the canyon at this point impossible.

In the preliminary report the rock conditions were discussed in detail and the type of veins were studied. Here the author will only augment that report and make some changes in the sequence of events that lead to the deposition of molybdenite as the characteristic sulfide mineral.

The Consolidated Molybdenum Incorporated properties are in Section 26, 27; R.10 E.; T.25 N.; W.M..

The past history of the property is not recorded in the literature and is unknown to the author. However, in "Mining in the Northwest" edited by L. K. Hodges in 1897 there is a statement that as early as 1892 prospectors had crossed the divide from the Skykomish - Miller riverside into the watershed of the Snoqualmie river. However there is no mention of Molybdenite made at this time.

Metallic Molybdenum was isolated in 1782 but no large scale production was made until 1913 and real important production began in 1927. Practically all molybdenum produced is utilized in the making of alloys of iron and steel. Molybdenum acts like tungsten but more so. It requires approximately 50% less molybdenum to obtain a similar quality of alloy. Molybdenum is at the present the most important hardening alloying metal. Strength, ductility, and a tendency to resist crystallization in iron and steel are increased by the use of molybdenum. Molybdenum alloyed steels are extensively used where strength, heat resistance, and resistance to crystallization are required as in aircraft parts, automobiles, shafts,

high speed tools, gears, guns, and armor plate. These uses make molybdenum a critical metal in peace as well as war.

Geology: The walls of Devil's Canyon are pre-Cascadian or early Cascadian granite (hornblend biotite granite). The sequence of events that produced Devil's Canyon are:

(1) Normal faulting in which the west block had both a strike and dip component. This resulted in both vertical and horizontal displacement. Erosion has obscured the amount of this movement and as it has no direct relation to the events that produced the mineralization very little time was spent on this consideration.

(2) Into this fault was intruded a dilation dyke of granodiorite. This granodiorite is of the so called Cascadian granodiorite type.

(3) A second series of movements took place that shattered the granodiorite dike but apparently did not extend into the wall rock.

(4) Into these secondary fractures were intruded quarts in small amounts. Well formed crystals were present in places.

(5) Movement was again active. This third movement extended into the canyon wall producing tear faults in the downthrow block, West block, or foot wall.

(6) At sometime later, probably at or near the last stages of Cascadian intrusive action, veins of moderate high temperature quarts invaded all fractures. These solutions and vapors carrying quartz and molybdenite were under sufficient pressure to invade the granodiorite, depositing fine grained molybdenite in the spaces between the crystals of the rock. In some places rosettes of molybdenite occures in the granodiorite.

The Quartz carrying molybdenite is in the main glassy with the molybdenite occurring within the quartz as well as at the contact of the veins with the wall rock. These quartz veins make up approximately 25% of the mineralized area.

Devil's Canyon is a narrow slot left by the erosion of the quarts bearing granodiorite dike. The walls are precipitous and the grade of the canyon is roughly 22 degrees. This, however, is interrupted by several abrupt cliffs in the floor of the canyon and becomes a torrent even with a small amount of rain. Much of the canyon floor is covered with detritus that obscures mineralization.

Deer Gulch is the main tear fault that cuts the foot wall block. This fault has the same history as the main Devil's Canyon fault and contains the same type of mineralization. The vein in Deer Gulch may be the vein that is cut by the tunnel in Devil's Canyon, but more probably it is a tear fault vein of simultaneous origin. However there is evidence that there is a second dike east of Devil's Canyon. This was not investigated but should be.

The mineralized zone varies in width from two feet to ten feet. The pinching and swelling follows the original fault walls and is characteristic.

As elevation in the canyon is gained by advancing up the canyon, other sulfide minerals appear. This is the normal history of veins of this type. The description of the mineralized area was difficult because of the erosion. One rarely sees the entire width of the mineralized dike and the quartz veins that accompany it at a single exposure. The dike rock has had some alteration as the result of the intrusion of the quartz bearing hot solutions. This has made the deposition of the molybdenite possible by opening minute channels between the crystals that were disturbed by the fault movement. In the granodiorite that has been exposed by the erosion and acted upon by the air plus some acide waters, some of the molybdenite has been altered to molybdite, Mo_2O_3 or molybdenum ochre. This gives the rock some of the characteristic yellow appearance. This should not be confused with the yellowish color of the iron stains of limonite.

The quartz veins range in width from almost undiscernible veinlets to veins six inches wide. Associated with the quartz vein matter is a small amount of serisite probably derived from the alteration of the feldspars. The dissemination of molybdenite in both the granodiorite and the quartz veins is not uniform in

concentration but leans and strengthens from area to area. Where the vein is broadest the mineralization may be reduced per unit area, but the amount of mineral present will be approximately the same. Where two quartz veins or late faults intersect there is a tendency towards enrichment. The overall is a strong showing of molybdenum with ample tops to make an operation advisable.

Before much capital is invested for other purposes there should be a drilling program planned and the results of such a program carefully studied. This will tell just how much ore there is present and how it is concentrated. As the property now stands it is a raw prospect and there is no ore that can be estimated or described farther than to say that there is, on the basis of surface showings, a sizable tonnage of theoretical ore.

As molybdenite tends to deposit in a definite zone under rather a narrow thermal range, it would appear that the location of the present tunnel is in the upper part of the lower half of the mineralized zone. A new location should be sought at a lower level and a mining engineer employed to lay out the mining methods. Such a location could be found about two hundred feet below the present tunnel level.

After careful examination of the property it is my recommendation that the Board of Directors draw up a plan that will give a comprehensive and logical approach to the problem. This should be in writing for future reference. Discoveries should be made on the other two claims and trails blazed to said discoveries so that they may be readily accessible for examination.

A new cabin and such other buildings as are appertenant should be planned for early spring and so located that the danger of snow slides would be avoided. The present cabin is untenantable.

At the places where ropes are now used, trails should be cut around in the cliff so the canyon can be seen as a whole without endangering life and limb.

Hand samples are inadequate so large samples should be taken from several cuts and keep separate. These can be cut with powder and sent to some established firm that is equipped to make a concentration test on the ore. Samples should be in the neighborhood of 500 pounds each.

It is my belief that such a method of sampling would show enough strength to the ore body to warrant development in the immediate future.

/s/ F. A. McMillin

F. A. McMILLIN
Economic Geologist

CONSOLIDATED MOLYBDENUM, INC.

BALANCE SHEET

December 31, 1950

ASSETS

Current Assets:		
Cash	$ 219.31	
Accounts Receivable	600.00	$ 819.31
Total Current Assets		
Fixed Assets:		
Deferred Development	$ 2,227.54	
Office Furniture and Fixtures	15.75	
Land	153,000.00	
Total Fixed Assets		155,243.29
Total Assets		$156,062.60

LIABILITIES

Current Liabilities:		
Pledges Received	$ 300.00	
Pledged Contracts	600.00	$ 900.00
Total		
Capital:		
Capital Stock, Authorized	$300,000.00	
Less - Capital Stock, Unissued	145,600.00	
Capital Stock Issued		154,400.00
Paid-in Surplus		762.60
Total Liabilities and Capital		$156,062.60

REPORT ON

CONSOLIDATED MOLYBDENUM, INC. HOLDINGS

IN THE BUENA VISTA MINING DISTRICT

KING COUNTY, WASHINGTON

by

OLIN M. SPRAGUE

Professional Engineer
641 N. Callow Avenue
Bremerton, Washington.

"BECAUSE THESE SECURITIES ARE BELIEVED TO BE EXEMPT FROM REGISTRATION, THEY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION; BUT SUCH EXEMPTION, IF AVAILABLE, DOES NOT INDICATE THAT THE SECURITIES HAVE BEEN EITHER APPROVED OR DISAPPROVED BY THE COMMISSION OR THAT THE COMMISSION HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE STATEMENTS IN THIS COMMUNICATION."

641 N. Callow Av.

Bremerton, Wash.

October 23, 1948.

At your request I have made an examination of the mining claims comprising the Consolidated Molybdenum, Inc. Mine property during October, 1948.

I am embracing my findings in the attached Report. This Report is based upon what I have seen, from certain recorded documents, maps, and from conversations with persons whom I consider to know whereof they have spoken.

The intent herein is to give an accurate description of the property with the purpose in mind of offering duly substantiated facts, or, at times, my conclusions based upon my observations, combined with written documents.

My purpose is to so place my statement of fact, that those interested in what I am saying will be able to draw correct conclusions relative to this Mining Property, upon reading and studying what is to follow.

Registered Professional Engineer.

CONSOLIDATED MOLYBDENUM INC. PROPERTY

The Consolidated Molybdenum Inc. Property is located in Section 27, Twp. 25 N., R. 10 E., W.M. in the northeastern part of King County, Washington. It is in the Buena Vista Mining District. Official Records of the property are kept in the County Auditor's Office, of King County, at Seattle, Washington.

Ownership is by Possessory Right, which, under United States and Washington State Mineral and Mining Laws, means that the claimant in possession can not be disturbed except by some one who shows a better right to the premises.

The present owner has possessed, occupied, and improved the property, and complied with the legal requirements since 1905, or thereabouts.

Claim corners are in place and the boundary lines marked in the usual manner.

There is a log cabin 18 feet by 18 feet conveniently situated upon the property: a good trail leading thereto, and a tunnel 5 feet by 7 feet in section. Some mining tools and cabin equipment.

The general appearance of the property is such as convinces one that the owner or claimant, has thru all these years, valued and cherished this property. The said owner shows by his toil and effort that he has continuously placed faith in the promise the property offers.

It might be further stated as a fact, that the toil and effort put upon the property has been purposeful, and pursued with a high degree of intelligence.

The orebody outcropping and in the tunnel, is a mass and a flaked Molybdenite in a large Pegmatite dyke. There is reason to believe that this property contains at least two other, and separate Pegmatite dykes.

ACCESSIBILITY

The route to the Consolidated Molybdenum Inc. property, starting from Seattle, is over U.S. Hiway No. 10, East to North Bend, some 29 miles, then northeasterly up the County Road following the North Fork of the Snoqualmie River some 26 miles. The 1 st 10 miles of this County Road has been built during 1948, and consists of a well gravelled road, built to support heavy traffic.

It is a Mine-to-Market Road on a right-of-way secured by King County thru Court condemnation. This right-of-way is secured to the Forestry Boundary, one mile further than constructed, and the Lennox Mine is at the further end of this uncompleted mile. Expectation of improvement of this last mile is thru cooperative effort of the owners of property contiguous to the Forestry Boundary and lying around the confluence of the Lennox River and the North Fork of the Snoqualmie.

From the Forestry Boundary, the State of Washington Mine-to-Market Road Commission has surveyed and located a route up the Lennox River some 4 and 1/2 miles, substantially following the old, existing

trail southeasterly to the mouth of Cougar Creek. Plans and specifications have been prepared for construction of this section of road up Lennox River, and contract for construction is shortly expected to be let by the State of Washington Highway Department. Completion of the road is expected, and specified in the Specifications, early in 1949.

The road when constructed will end at the foot of the slope rising to the south and approximately 3/4 mile north of the central part of Consolidated Molybdenum Inc. property.

From examination, access to the property from the end of the Mine to Market Road, as now located, will be upwards of 1 and 3/4 miles of road on a 9% grade, with perhaps one or two "switch-backs". This route would take off up the Lennox River and over a northeasterly slope affording ample way for sustaining the desired grade.

Ground is very good for road construction and with proper drainage should not present any difficulties. The route follows thru a timbered area; hence no snow slide trouble.

DESCRIPTION

The Consolidated Molybdenum Inc. property is a group of 10 claims, center lines of which extend from Cougar Creek South 52° East. The southerly string consists of 4 claims, each 1500 ft. up the mountain side and running from Cougar Creek South 52° East, 6000 ft. Northerly from and parallel and adjacent to this string, are two strings of 3 claims extending so that the southeasterly end lines of all three strings lie in a straight line. Another way of description is to say that 9 claims form a rectangle

4590 ft., or three claims, long, and extending South 52° East up the mountain, and three claims or 1800 ft. wide, at right angles to the slide lines across the upward slope. The tenth claim extends in line from the northwesterly part of the rectangular group downward to Cougar Creek - a handle on a rectangle.

The entire surface of the property is covered with a growth of Alpine and Noble Fir and Yellow Cypress. Some of the Cypress attains a diameter of 6 ft. indicating great age and the trees stand uninjured or deformed from any slides or other catastrophic agencies. This indicates a safe surface.

Along the general center line of the southwesterly four claims up the mountain, there is a canyon, rising on a slope of 35°, or 57 ft. per 100 ft. The walls are sheer granit and rise, in places, upwards of 100 ft. above the floor; the width of the canyon varies from 15 ft to 50 ft.

The floor from Cougar Creek to the top of the slope is a Pegmatite with quartz, lying in laminated formation - 2 to 6 inches of the Pegmatite with a quartz ribbon in between - 1/4 to 3 inches thick. These alternate ribbons fill the entire width between the canyon walls, and the Molybdenite ore is found in this floor formation.

A tunnel 5 ft. by 7 ft. in section is driven in this canyon, in the second claim, some 1200 ft. from and 600 or 700 ft. higher than Cougar Creek.

The portal is in the side of the canyon, safely out of the creek

bed and after traversing thru the granite wall, strikes the Pegmatite vein, 100 feet in, and under the northerly side of the vein. It then follows the vein for a distance of 100 feet to the tunnel face. The walls of the tunnel are impregnated with the Molybdenite ore.

Parallel to and northerly from the canyon there are two creeks flowing in small gulches, in which the same Pegmatite shows up. Their extent is at present undetermined, The indication is more than enough to warrant extensive investigation. A great deal of Molybdic Ocher coloration shows all along each of these creeks and Molybdic Ocher is an excellent guide to underlying Molybdenite deposits.

THE DEPOSIT

The strike of the veins on the Consolidated Molybdenum Inc. Property is South 52° East, the dip is 80° to 90°. The Pegmatite in the Canyon itself lies exposed from the upper edge of the talus above Cougar Creek, upward along the Canyon floor some 5000 ft. It varies in width from 15 to 50 ft. Pegmatites rise from very great depths, and are notorious for their irregular structure. Their depth range is so great that no mine starting on a productive Pegmatite is likely to reach a horizon too deep for further deposits.

Zonal arrangment of minerals within Pegmatite bodies is common, but these changes are usually symetrical with respect to the walls and to the center line, and are not expression of depth. This is to say that any change of mineral within the body takes place immediately across the section of Pegmatite, horizontally, and say, at right angles to the main axis of the

vein; it does not change vertically as in enrichment veins with their zonal arrangement, according to age and specific gravities.

This characteristic of Pegmatites is quite dependable, and applied to the Consolidated Molybdenum Inc. property we have a Pegmatite vein in depth from Elevation 3500 at Cougar Creek, rising thru the four claims South 52° East to Elevation around 6000, or a depth of probably 2500 ft. with no information as to depth below Cougar Creek bed.

Again, this same vein or a close relative strike off to the northwest on the same bearing of North 52° West over Goat Mountain to Sunday Lake and can be traced for two and one-half miles; where it crosses Goat Mountain about one mile northwest, it outcrops considerably higher than the apex of the Consolidated Molybdenum property.

This leads to the conclusion that here lies a tremendous body of ore.

IMPORTANCE OF MOLYBDENUM

The reasonable assurance of an ample deposit of ore brings up the question of - what gives this ore its importance? What is it used for? What is its value?

Molybdenite is composed of two elements, 60% molybdenum and 40% sulphur, and is also known as Molybdenum Sulphide. It is a soft, shiny, grey or black mineral usually in flakes or plates. Its hardness is 1, and specific gravity 4.8. A cubic foot will weigh up to 300 pounds.

Molybdenite is used as a lubricant; in its place, superior to

graphite, which it somewhat resembles. It is especially valuable around high-speed machinery and the moving parts of delicate instruments, as a lubricant. Refined, that is, Molybdenite with constituent parts separated-smelted, leaves the metal, Molybdenum. Molybdenum is used in steel alloys for high-speed tools, and steel and iron castings. It is found in the United States in Maine, New Hampshire, Washington, Colorado and New Mexico.

Its value exists both before and after smelting. Refining and concentrating is rather ticklish because of its specific gravity coming close to the copper pyrites which may be present in small quantities in the Pegmatite along its joints with the Host Rock. This examination has disclosed no pyrites but some is almost inevitable; however, the metal is recovered and the process is not an involved one as witness the present production.

The demand since World War II has greatly increased on account of new uses and wider distribution of consumption; the price is by the pound, at present about 46¢ a pound for the Molybdenite at the mine.

ASSAYS

Such data as to assays is, at this time, scant. The few samples reported upon show 1½% - 4% - 5% and one sample which returned 10%. This, roughly, gives 100 pounds per ton, or, say, $45.00 per ton. From all indications this does not seem unreasonable.

DEVELOPMENT

The matter of development on the Consolidated Molybdenum Inc. property is one that should be give utmost care. Access to the property at this time is over trails and roads, and by late 1949 every indication is that motor traffic will be available to within 3/4 of a mile from the present cabin.

The existing tunnel on the property appears to be in a well selected location. In this respect, it is not as criticism but as a suggestion, that a tunnel lower down toward Cougar Creek might be to a better advantage, as some 400 or 500 feet of elevation might better be utilized. The operating plan would control this matter. The mine looks as though it could be developed by working several levels.

The slope down to the bottom of the hill is straight and anywhere on a convenient spot, the mill should be placed; this is a control factor.

It seems, from present information, that ore might be transferred over aerial tram from the upper reaches to a mill close down by the road where it could be loaded onto trucks for shipping. The mill to concentrate and store for shipping.

There is good possibility of ample water power both in Cougar Creek and on Lennox River. Would suggest that this be with low head turbine. Machinery is more expensive but requires less construction - has a tendency towards getting everything "close-in".

Owing to the distance out, it would appear that camp buildings will be necessary; a cook house with commissary and, later, a superintendent's house with an office.

Mine timbers will be necessary, which may be cut from timber on the ground. This will probably work out cheaper if a small "portable mill" were set up at the start. Lumber and timbers could be cut from standing

timber on the property as required and around $25.00 per M. saved over market cost. It would also save unnecessary traffic over the road, which can interfere with ore shipment.

CONCLUSION

From the indications on Consolidated Molybdenum Inc. property it should be plain to anyone acquainted with the ore Molybdenite, and the rock Pegmatite, that here lies a very promising Mine Property. The potential tonnage would only be a wild, wierd guess at this time. It is certain that one vein some 5000 feet long, 15 feet wide, and average 1250 feet in depth exists and is in sight at a single glance. With two other veins not so plainly discernible but showing strong evidence of similar existence, it is too hypothetical at this time, to say anything more.

We know only partially what the bottom may be. The ore appears remarkably free from other metals than Molybdenum. The definite assurance of the road being built close to the Mine is an advantage few properties can enjoy. In short, every feature and circumstance pertaining to this property is enhancing its value.

Hypothetically estimating production for sake of further elucidation, let us assume one tunnel 5 ft. by 7 ft. the length of each string of claims. The total length of tunnel would then be

6000 ft. in the southerly string of 4 claims
4500 ft. in each of the two northerly strings, or
15000 ft. of theoretically productive ore.

then the volume of material would be

$$\frac{5 \times 7 \times 15000}{15 \text{ cu. ft. per ton}} \text{ OR } 35000 \text{ tons}$$

Average value of 35000 tons @ 5% or 100 lbs. Molybdenite per ton of ore would yield 3,500,000 lbs. of Molybdenite.

Such a vast quantity, even in theory, is staggering and should not, of course, be used in any reasonable estimates. But again, we have only considered depth at 7 ft. and there is likely to be 1200 or 1500 feet of depth, plus what may lie below the level of Cougar Creek Floor. Ore should be expected to such depth as Pegmatite may extend, and mined to such a horizon as the rock will stand, and Pegmatite extends to very great depth.

It should be remembered also, that Uraninite, found only in Pegmatites, is not an impossibility. No one knows for sure that this ore does not exist here on this property, and finding none would be no loss. No investigation has been made as far as we know. The basic conditions for Uranium, Thorium, and other rare metals exist in this Pegmatite, and is worth the test. The quantity of Molybdenite would soon pay the cost of such an investigation.

Then too, as characteristic in Pegmatite, there are quantities of clear quartz crystals in the rock around these dykes, Some observed, measured 3 inches long by 1 inch across. These, when clear, are valuable in lens making, and in radio and other industrial uses.

Accessibility and extent of the deposit make this property a very valuable one.

Chas M Sprague

STATUTORY STATEMENT - CONSOLIDATED MOLYBDENUM INC.

Filed with Director of Licenses of State of Washington.

EXHIBIT 1. Incorporated in State of Washington, May 25, 1948.

EXHIBIT 2. Address of registered business office in State of Washington: 14521 Aurora Avenue, Seattle 33, Washington.

EXHIBIT 3. List of officers, all of whom are directors, holding office for term of one year, and amount of stock held:

G.L.Hansen, Vice President, 614 Yale Avenue N., Seattle, Wash.	127,500 shares held
L.J.Madden, vice president, Rt.3 Box 415, Bremerton, Wash.	127,500 shares held
K.O.Welling, secretary, 14521 Aurora Ave., Seattle, Wash.	127,500 shares held
E.A.Amburn, treasurer, 1814 25th S., Seattle, Wash.	127,500 shares held
C.L.Johnston, director, 245 S.Montgomery St., Bremerton, Wn.	127,500 shares held
E. Saurers, director, Rt.3, Box 415-B, Bremerton, Wash.	127,500 shares held
J. Madden, director, Rt. 3, Box 415, Bremerton, Wash.	127,500 shares held
G.M.Osterberg, director, 756 Stimson Bldg, Seattle, Wash.	127,500 shares held
V. Osterberg, President ~~director~~, 19345 37th Ave.N.E., Seattle, Wn.	127,500 shares held
Mrs. L.Liptrap, director, 403 Bay Bldg., Seattle, Wash.	127,500 shares held
J. Zybura, director, 4409 - 36th So., Seattle, Wash.	127,500 shares held
Mrs.E.L.Watson, director, 756 Stimson Bldg., Seattle, Wn.	127,500 shares held

EXHIBIT 4. Number of shares of common stock authorized, all nonassessable, 3,000,000 shares, par value 10¢ each. Preferred stock, None.

EXHIBIT 5. Consolidated Molybdenum, Inc., issued 127,000 shares to each of twelve incorporators. 1,530,000 shares are placed in escrow with Frederick W. Post, 6251 - 31st N.E., Seattle, Washington, under agreement with Department of Licenses.

EXHIBIT 6. Consideration received by company from shares issued and outstanding July 1, 1948, is: On 1,530,000 shares, $153,000 value placed on lease and organizing.

EXHIBIT 7. Statement of Assets and Liabilities as of July 1, 1948.

ASSETS		LIABILITIES	
Lease on property.....	$127,500.00	Common Stock issued.....	$153,000.00
Deferred charges, prepaid expenses.....	25,500.00		
TOTAL.....	$153,000.00	TOTAL.....	$153,000.00

EXHIBIT 8. Number of shares or other securities to be issued to public in present offering:

	No. Shares	Offering Price
Common Stock.....	1,470,000	10¢
Preferred Stock.....	None	None
Approximate amount expected to be derived from sale..		$147,000.00
Approximate amount of commissions to be paid.....		36,750.00
Approximate amount of exploration work, development work, and equipment to be purchased.....		110,000.00

EXHIBIT 9. Rate of commissions to be paid and form of payment. (In money or company's securities).

1. Agents..... 25% in money
2. Member of corporation as selling agent,.. 25% in money
3. Underwriters..... None

Amount of salaries to be paid for ensuing year:
No salaries are to be paid to the president or vice president or secretary or treasurer or general manager or others.

EXHIBIT 10. Names and addresses of authorized Agents or underwriters at time of filing:

G. M. Osterberg, 756 Stimson Bldg., Seattle, Washington
Vernon Osterberg, 19345 - 37th Avenue, N.E., Seattle, Washington
Mrs. E. L. Watson, 756 Stimson Bldg., Seattle, Washington
Mrs. Lillian Liptrap, 403 Bay Bldg., Seattle, Washington
John Zybura, 4409 - 36th South, Seattle, Washington
Garry L. Hansen, 614 Yale Avenue North, Seattle, Washington
Leonard J. Madden, Rt. 3, Box 415, Bremerton, Washington
Jack Madden, Rt. 3, Box 415, Bremerton, Washington
E. A. Amburn, 1814 - 25th South, Seattle, Washington
Kenneth O. Welling, 14521 Aurora Avenue, Seattle 33, Washington
Edwin Saurers, Rt. 3, Box 415-B, Bremerton, Washington
Carl L. Johnston, 245 S. Montgomery Street, Bremerton, Washington

EXHIBIT 11. (a) Describe fully history of company. (b) Describe claims and give their approximate location, and type of mining to be engaged in. (c) Give valuation of claims. (d) Proposed work. (e) Type of machinery and equipment to be purchased. (f) Briefly outline purpose for which funds are to be used.

Consolidated Molybdenum, Inc. was organized in May, 1948. It does not succeed any other form of mining company; it is a completely new company. The claims are located in the Buena Vista Mining district, which district is approximately 25 miles North and East of North Bend, Washington. The company has a 99 year lease on 8 claims (approximately 160 acres) lying in Section 27, Township 25 North, Range 10 East, W. M., King County, Washington. No royalties or other cash payments are payable under the lease. Ten of the incorporators own the claims and have exchanged a leasehold interest in the claims for stock in the company.

The value of the claims with improvements is $127,500.00. Some tunnel work has been done. At the point of access to the ore bearing vein, a swift mountain stream called "Devil's Canyon" cuts through the vein. A tunnel has been driven into the side of the canyon, to curve around to the vein and escape the water. Further development work proposed by the company includes driving the tunnel into the ore bearing vein; construction of housing facilities for workers, erection of mill and flotation plant, and the installation of a tram from mine to mill, together with the necessary grading.

The machinery needed and proposed to be purchased includes; Diesel power plant, 50-ton mill, flotation plant, air compressors and drills, tramway equipment and hoist, bulldozer, together with the necessary accessories and tackle for such equipment.

The purpose for which the funds will be used will be to provide access roads to the public roads, grade and level the land upon the mining claims, erect such buildings as are necessary to house men and equipment, purchase mining, milling and flotation equipment, and to develop the tunnels and shafts to the point of production; thereafter, to provide capital for the maintenance of payrolls, payment of taxes, and purchase of supplies.

There is no present authorization in the organizational plan of the company for the payment of salaries to the officers as such, and no such action is contemplated until production problems necessitate sufficient amounts of their time that salaries are deemed necessary by the board of directors in order to secure the type of administration needed to carry on the work.

Dated May 25, 1948.

(Corporate Seal)

CONSOLIDATED MOLYBDENUM, INC.

Garry L Hansen

By G.L.Hansen, President.

Attest: K.O.Welling, Secretary

FREDERICK A. McMILLIN
Economic Geologist
Tacoma, Washington

OFFICE
305 Howarth Hall
College of Puget Sound
Pr. 3521

RESIDENCE
3101 North 31st Street
Pr. 1715

On October 7 to 9, 1949, an attempt was made to examine the holdings of the Consolidated Molybdenum, Inc., property located in sec. 26 and 27, R10E, T 25 N, W.M. Conditions of weather made a complete examination impossible. Determination of the nature and character of the veins was possible and this section of the report will deal with this phase.

The location of the vein is in Devil's Canyon. Erosion has removed, within recent times, some 200 feet of vein material from the canyon.

The wall rock of Devil's Canyon is pre-Cascadian Granite (Hornblend Biotite Granite). The sequence of events that produced Devil's Canyon are: (1) Normal fault in which the west block has dropped, thus giving a vertical displacement of the two sides. This component was not accessible within the time spent on the property. (2) Into this fault was intruded a fissure vein of quartz. The vein material is glassy and well frozen on the wall of the respective blocks. (3) At some later time a dilation dike of Cascadian granodirite was introduced. This dike opened the old fissure forcing the respective wall apart to the extent of three to ten feet. (4) The next movement is not clear in relation to the time element, but a sufficient time later the dike had crystalized. This was a lateral movement, again involving the foot block that moved to the south. Either simultaneous with this movement or at some time later, quartz carrying sulfides invaded the dike. This invasion filled the fractures and replaced some of the original quartz and rock minerals. Mineralization is in all three components of the zone. The characteristic mineral is molybdenite with lesser amounts of other sulfides. This type of deposition is known as "desiminated replacement" and is one of the known types of molybdenum deposits.

Molybdenite tends to deposit in definite zones, but just what part of the zone of deposition is represented by the area that is intersected by the tunnel is not clear; however, it is my impression from what I observed that the location of the tunnel is about midway in the zone of molybdenite deposition. At a higher elevation represented by advancing up the canyon, the other sulfides seem to run stronger. At some distance down the canyon, there are tear faults that have a good showing of molybdenite. These facts would seem to establish the above hypotheses.

There were no samples taken at this time for assay. Samples should be carefully cut from wall to wall and of uniform depth and assayed. Until this is done very little can be said as to whether the Devil's Canyon is a mine or not. Just by visual inspection, it would appear that there is enough strength to the deposit to warrant a complete sampling and detailed examination.

After sampling and assaying has established the tenure of the ore, then a mining engineer could lay out a mining system for the adequate development of the property. The topography is such that the location of tunnels and the necessary appurtenant works would not present a problem.

On August 19, 1950 the property of the Consolidated Molybdenum Incorporated was visited by the author with the purpose of completing the examination that was started last October and abandoned because of adverse weather conditions. The canyon was explored except the extreme upper end. Heavy rains made the entrance of the canyon at this point impossible.

In the preliminary report the rock conditions were discussed in detail and the type of veins were studied. Here the author will only augment that report and make some changes in the sequence of events that lead to the deposition of molybdenite as the characteristic sulfide mineral.

The Consolidated Molybdenum Incorporated properties are in Section 26, 27; R.10 E.; T.25 N.; W.M.

The past history of the property is not recorded in the literature and is unknown to the author. However, in "Mining in the Northwest" edited by L. K. Hodges in 1897 there is a statement that as early as 1892 prospectors had crossed the divide from the Skykomish - Miller riverside into the watershed of the Snoqualmie river. However there is no mention of Molybdenite made at this time.

Metallic Molybdenum was isolated in 1782 but no large scale production was made until 1913 and real important production began in 1927. Practically all molybdenum produced is utilized in the making of alloys of iron and steel. Molybdenum acts like tungsten but more so. It requires approximately 50% less molybdenum to obtain a similar quality of alloy. Molybdenum is at the present the most important hardening alloying metal. Strength, ductility, and a tendency to resist crystallization in iron and steel are increased by the use of molybdenum. Molybdenum alloyed steels are extensively used where strength, heat resistance, and resistance to crystallization are required as in aircraft parts, automobiles, shafts,

high speed tools, gears, guns, and armor plate. These uses make molybdenum a critical metal in peace as well as war.

Geology: The walls of Devil's Canyon are pre-Cascadian or early Cascadian granite (hornblend biotite granite). The sequence of events that produced Devil's Canyon are:

(1) Normal faulting in which the west block had both a strike and dip component. This resulted in both vertical and horizontal displacement. Erosion has obscured the amount of this movement and as it has no direct relation to the events that produced the mineralization very little time was spent on this consideration.

(2) Into this fault was intruded a dilation dyke of granodiorite. This granodiorite is of the so called Cascadian granodiorite type.

(3) A second series of movements took place that shattered the granodiorite dike but apparently did not extend into the wall rock.

(4) Into these secondary fractures were intruded quarts in small amounts. Well formed crystals were present in places.

(5) Movement was again active. This third movement extended into the canyon wall producing tear faults in the downthrow block, West block, or foot wall.

(6) At sometime later, probably at or near the last stages of Cascadian intrusive action, veins of moderate high temperature quarts invaded all fractures. These solutions and vapors carrying quartz and molybdenite were under sufficient pressure to invade the granodiorite, depositing fine grained molybdenite in the spaces between the crystals of the rock. In some places rosettes of molybdenite occures in the granodiorite.

The Quartz carrying molybdenite is in the main glassy with the molybdenite occurring within the quartz as well as at the contact of the veins with the wall rock. These quartz veins make up approximately 25% of the mineralized area.

Devil's Canyon is a narrow slot left by the erosion of the quarts bearing granodiorite dike. The walls are precipitous and the grade of the canyon is roughly 22 degrees. This, however, is interrupted by several abrupt cliffs in the floor of the canyon and becomes a torrent even with a small amount of rain. Much of the canyon floor is covered with detritus that obscures mineralization.

Deer Gulch is the main tear fault that cuts the foot wall block. This fault has the same history as the main Devil's Canyon fault and contains the same type of mineralization. The vein in Deer Gulch may be the vein that is cut by the tunnel in Devil's Canyon, but more probably it is a tear fault vein of simultaneous origin. However there is evidence that there is a second dike east of Devil's Canyon. This was not investigated but should be.

The mineralized zone varies in width from two feet to ten feet. The pinching and swelling follows the original fault walls and is characteristic.

As elevation in the canyon is gained by advancing up the canyon, other sulfide minerals appear. This is the normal history of veins of this type. The description of the mineralized area was difficult because of the erosion. One rarely sees the entire width of the mineralized dike and the quartz veins that accompany it at a single exposure. The dike rock has had some alteration as the result of the intrusion of the quartz bearing hot solutions. This has made the deposition of the molybdenite possible by opening minute channels between the crystals that were disturbed by the fault movement. In the granodiorite that has been exposed by the erosion and acted upon by the air plus some acide waters, some of the molybdenite has been altered to molybdite, Mo_2O_3 or molybdenum ochre. This gives the rock some of the characteristic yellow appearance. This should not be confused with the yellowish color of the iron stains of limonite.

The quartz veins range in width from almost undiscernible veinlets to veins six inches wide. Associated with the quartz vein matter is a small amount of serisite probably derived from the alteration of the feldspars. The dissemination of molybdenite in both the granodiorite and the quartz veins is not uniform in

concentration but leans and strengthens from area to area. Where the vein is broadest the mineralization may be reduced per unit area, but the amount of mineral present will be approximately the same. Where two quartz veins or late faults intersect there is a tendency towards enrichment. The overall is a strong showing of molybdenum with ample tops to make an operation advisable.

Before much capital is invested for other purposes there should be a drilling program planned and the results of such a program carefully studied. This will tell just how much ore there is present and how it is concentrated. As the property now stands it is a raw prospect and there is no ore that can be estimated or described farther than to say that there is, on the basis of surface showings, a sizable tonnage of theoretical ore.

As molybdenite tends to deposit in a definite zone under rather a narrow thermal range, it would appear that the location of the present tunnel is in the upper part of the lower half of the mineralized zone. A new location should be sought at a lower level and a mining engineer employed to lay out the mining methods. Such a location could be found about two hundred feet below the present tunnel level.

After careful examination of the property it is my recommendation that the Board of Directors draw up a plan that will give a comprehensive and logical approach to the problem. This should be in writing for future reference. Discoveries should be made on the other two claims and trails blazed to said discoveries so that they may be readily accessible for examination.

A new cabin and such other buildings as are appertenant should be planned for early spring and so located that the danger of snow slides would be avoided. The present cabin is untenantable.

At the places where ropes are now used, trails should be cut around in the cliff so the canyon can be seen as a whole without endangering life and limb.

Hand samples are inadequate so large samples should be taken from several cuts and keep separate. These can be cut with powder and sent to some established firm that is equipped to make a concentration test on the ore. Samples should be in the neighborhood of 500 pounds each.

It is my belief that such a method of sampling would show enough strength to the ore body to warrant development in the immediate future.

/s/ F. A. McMillin

F. A. McMILLIN
Economic Geologist

CONSOLIDATED MOLYBDENUM, INC.

BALANCE SHEET

December 31, 1950

ASSETS

Current Assets:		
Cash	$ 219.31	
Accounts Receivable	600.00	$ 819.31
Total Current Assets		
Fixed Assets:		
Deferred Development	$ 2,227.54	
Office Furniture and Fixtures	15.75	
Land	153,000.00	
Total Fixed Assets		155,243.29
Total Assets		$156,062.60

LIABILITIES

Current Liabilities:		
Pledges Received	$ 300.00	
Pledged Contracts	600.00	$ 900.00
Total		
Capital:		
Capital Stock, Authorized	$300,000.00	
Less - Capital Stock, Unissued	145,600.00	
Capital Stock Issued		154,400.00
Paid-in Surplus		762.60
Total Liabilities and Capital		$156,062.60

dmr 1658X

REPORT ON

CONSOLIDATED MOLYBDENUM, INC. HOLDINGS

IN THE BUENA VISTA MINING DISTRICT

KING COUNTY, WASHINGTON

by

OLIN M. SPRAGUE

Professional Engineer
641 N. Callow Avenue
Bremerton, Washington.

"BECAUSE THESE SECURITIES ARE BELIEVED TO BE EXEMPT FROM REGISTRATION, THEY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION; BUT SUCH EXEMPTION, IF AVAILABLE, DOES NOT INDICATE THAT THE SECURITIES HAVE BEEN EITHER APPROVED OR DISAPPROVED BY THE COMMISSION OR THAT THE COMMISSION HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE STATEMENTS IN THIS COMMUNICATION."

641 N. Callow Av.

Bremerton, Wash.

October 23, 1948.

At your request I have made an examination of the mining claims comprising the Consolidated Molybdenum, Inc. Mine property during October, 1948.

I am embracing my findings in the attached Report. This Report is based upon what I have seen, from certain recorded documents, maps, and from conversations with persons whom I consider to know whereof they have spoken.

The intent herein is to give an accurate description of the property with the purpose in mind of offering duly substantiated facts, or, at times, my conclusions based upon my observations, combined with written documents.

My purpose is to so place my statement of fact, that those interested in what I am saying will be able to draw correct conclusions relative to this Mining Property, upon reading and studying what is to follow.

Registered Professional Engineer.

CONSOLIDATED MOLYBDENUM INC. PROPERTY

The Consolidated Molybdenum Inc. Property is located in Section 27, Twp. 25 N., R. 10 E., W.M. in the northeastern part of King County, Washington. It is in the Buena Vista Mining District. Official Records of the property are kept in the County Auditor's Office, of King County, at Seattle, Washington.

Ownership is by Possessory Right, which, under United States and Washington State Mineral and Mining Laws, means that the claimant in possession can not be disturbed except by some one who shows a better right to the premises.

The present owner has possessed, occupied, and improved the property, and complied with the legal requirements since 1905, or thereabouts.

Claim corners are in place and the boundary lines marked in the usual manner.

There is a log cabin 18 feet by 18 feet conveniently situated upon the property: a good trail leading thereto, and a tunnel 5 feet by 7 feet in section. Some mining tools and cabin equipment.

The general appearance of the property is such as convinces one that the owner or claimant, has thru all these years, valued and cherished this property. The said owner shows by his toil and effort that he has continuously placed faith in the promise the property offers.

It might be further stated as a fact, that the toil and effort put upon the property has been purposeful, and pursued with a high degree of intelligence.

The orebody outcropping and in the tunnel, is a mass and a flaked Molybdenite in a large Pegmatite dyke. There is reason to believe that this property contains at least two other, and separate Pegmatite dykes.

ACCESSIBILITY

The route to the Consolidated Molybdenum Inc. property, starting from Seattle, is over U.S. Hiway No. 10, East to North Bend, some 29 miles, then northeasterly up the County Road following the North Fork of the Snoqualmie River some 26 miles. The 1 st 10 miles of this County Road has been built during 1948, and consists of a well gravelled road, built to support heavy traffic.

It is a Mine-to-Market Road on a right-of-way secured by King County thru Court condemnation. This right-of-way is secured to the Forestry Boundary, one mile further than constructed, and the Lennox Mine is at the further end of this uncompleted mile. Expectation of improvement of this last mile is thru cooperative effort of the owners of property contiguous to the Forestry Boundary and lying around the confluence of the Lennox River and the North Fork of the Snoqualmie.

From the Forestry Boundary, the State of Washington Mine-to-Market Road Commission has surveyed and located a route up the Lennox River some 4 and 1/2 miles, substantially following the old, existing

trail southeasterly to the mouth of Cougar Creek. Plans and specifications have been prepared for construction of this section of road up Lennox River, and contract for construction is shortly expected to be let by the State of Washington Highway Department. Completion of the road is expected, and specified in the Specifications, early in 1949.

The road when constructed will end at the foot of the slope rising to the south and approximately 3/4 mile north of the central part of Consolidated Molybdenum Inc. property.

From examination, access to the property from the end of the Mine to Market Road, as now located, will be upwards of 1 and 3/4 miles of road on a 9% grade, with perhaps one or two "switch-backs". This route would take off up the Lennox River and over a northeasterly slope affording ample way for sustaining the desired grade.

Ground is very good for road construction and with proper drainage should not present any difficulties. The route follows thru a timbered area; hence no snow slide trouble.

DESCRIPTION

The Consolidated Molybdenum Inc. property is a group of 10 claims, center lines of which extend from Cougar Creek South 52° East. The southerly string consists of 4 claims, each 1500 ft. up the mountain side and running from Cougar Creek South 52° East, 6000 ft. Northerly from and parallel and adjacent to this string, are two strings of 3 claims extending so that the southeasterly end lines of all three strings lie in a straight line. Another way of description is to say that 9 claims form a rectangle

4500 ft., or three claims, long, and extending South 52° East up the mountain, and three claims or 1800 ft. wide, at right angles to the slide lines across the upward slope. The tenth claim extends in line from the northwesterly part of the rectangular group downward to Cougar Creek - a handle on a rectangle.

The entire surface of the property is covered with a growth of Alpine and Noble Fir and Yellow Cypress. Some of the Cypress attains a diameter of 6 ft. indicating great age and the trees stand uninjured or deformed from any slides or other catastrophic agencies. This indicates a safe surface.

Along the general center line of the southwesterly four claims up the mountain, there is a canyon, rising on a slope of 35°, or 57 ft. per 100 ft. The walls are sheer granit and rise, in places, upwards of 100 ft. above the floor; the width of the canyon varies from 15 ft to 50 ft.

The floor from Cougar Creek to the top of the slope is a Pegmatite with quartz, lying in laminated formation - 2 to 6 inches of the Pegmatite with a quartz ribbon in between - 1/4 to 3 inches thick. These alternate ribbons fill the entire width between the canyon walls, and the Molybdenite ore is found in this floor formation.

A tunnel 5 ft. by 7 ft. in section is driven in this canyon, in the second claim, some 1200 ft. from and 600 or 700 ft. higher than Cougar Creek.

The portal is in the side of the canyon, safely out of the creek

bed and after traversing thru the granite wall, strikes the Pegmatite vein, 100 feet in, and under the northerly side of the vein. It then follows the vein for a distance of 100 feet to the tunnel face. The walls of the tunnel are impregnated with the Molybdenite ore.

Parallel to and northerly from the canyon there are two creeks flowing in small gulches, in which the same Pegmatite shows up. Their extent is at present undetermined, The indication is more than enough to warrant extensive investigation. A great deal of Molybdic Ocher coloration shows all along each of these creeks and Molybdic Ocher is an excellent guide to underlying Molybdenite deposits.

THE DEPOSIT

The strike of the veins on the Consolidated Molybdenum Inc. Property is South 52° East, the dip is 80° to 90°. The Pegmatite in the Canyon itself lies exposed from the upper edge of the talus above Cougar Creek, upward along the Canyon floor some 5000 ft. It varies in width from 15 to 50 ft. Pegmatites rise from very great depths, and are notorious for their irregular structure. Their depth range is so great that no mine starting on a productive Pegmatite is likely to reach a horizon too deep for further deposits.

Zonal arrangment of minerals within Pegmatite bodies is common, but these changes are usually symetrical with respect to the walls and to the center line, and are not expression of depth. This is to say that any change of mineral within the body takes place immediately across the section of Pegmatite, horizontally, and say, at right angles to the main axis of the

vein; it does not change vertically as in enrichment veins with their zonal arrangement, according to age and specific gravities.

This characteristic of Pegmatites is quite dependable, and applied to the Consolidated Molybdenum Inc. property we have a Pegmatite vein in depth from Elevation 3500 at Cougar Creek, rising thru the four claims South 52° East to Elevation around 6000, or a depth of probably 2500 ft. with no information as to depth below Cougar Creek bed.

Again, this same vein or a close relative strike off to the northwest on the same bearing of North 52° West over Goat Mountain to Sunday Lake and can be traced for two and one-half miles; where it crosses Goat Mountain about one mile northwest, it outcrops considerably higher than the apex of the Consolidated Molybdenum property.

This leads to the conclusion that here lies a tremendous body of ore.

IMPORTANCE OF MOLYBDENUM

The reasonable assurance of an ample deposit of ore brings up the question of - what gives this ore its importance? What is it used for? What is its value?

Molybdenite is composed of two elements, 60% molybdenum and 40% sulphur, and is also known as Molybdenum Sulphide. It is a soft, shiny, grey or black mineral usually in flakes or plates. Its hardness is 1, and specific gravity 4.8. A cubic foot will weigh up to 300 pounds.

Molybdenite is used as a lubricant; in its place, superior to

graphite, which it somewhat resembles. It is especially valuable around high-speed machinery and the moving parts of delicate instruments, as a lubricant. Refined, that is, Molybdenite with constituent parts separated-smelted, leaves the metal, Molybdenum. Molybdenum is used in steel alloys for high-speed tools, and steel and iron castings. It is found in the United States in Maine, New Hampshire, Washington, Colorado and New Mexico.

Its value exists both before and after smelting. Refining and concentrating is rather ticklish because of its specific gravity coming close to the copper pyrites which may be present in small quantities in the Pegmatite along its joints with the Host Rock. This examination has disclosed no pyrites but some is almost inevitable; however, the metal is recovered and the process is not an involved one as witness the present production.

The demand since World War II has greatly increased on account of new uses and wider distribution of consumption; the price is by the pound, at present about 40¢ a pound for the Molybdenite at the mine.

ASSAYS

Such data as to assays is, at this time, scant. The few samples reported upon show 1½% - 4% - 5% and one sample which returned 10%. This, roughly, gives 100 pounds per ton, or, say, $45.00 per ton. From all indications this does not seem unreasonable.

DEVELOPMENT

The matter of development on the Consolidated Molybdenum Inc. property is one that should be give utmost care. Access to the property at this time is over trails and roads, and by late 1949 every indication is that motor traffic will be available to within 3/4 of a mile from the present cabin.

The existing tunnel on the property appears to be in a well selected location. In this respect, it is not as criticism but as a suggestion, that a tunnel lower down toward Cougar Creek might be to a better advantage, as some 400 or 500 feet of elevation might better be utilized. The operating plan would control this matter. The mine looks as though it could be developed by working several levels.

The slope down to the bottom of the hill is straight and anywhere on a convenient spot, the mill should be placed; this is a control factor.

It seems, from present information, that ore might be transferred over aerial tram from the upper reaches to a mill close down by the road where it could be loaded onto trucks for shipping. The mill to concentrate and store for shipping.

There is good possibility of ample water power both in Cougar Creek and on Lennox River. Would suggest that this be with low head turbine. Machinery is more expensive but requires less construction - has a tendency towards getting everything "close-in".

Owing to the distance out, it would appear that camp buildings will be necessary; a cook house with commissary and, later, a superintendent's house with an office.

Mine timbers will be necessary, which may be cut from timber on the ground. This will probably work out cheaper if a small "portable mill" were set up at the start. Lumber and timbers could be cut from standing

timber on the property as required and around $25.00 per M. saved over market cost. It would also save unnecessary traffic over the road, which can interfere with ore shipment.

CONCLUSION

From the indications on Consolidated Molybdenum Inc. property it should be plain to anyone acquainted with the ore Molybdenite, and the rock Pegmatite, that here lies a very promising Mine Property. The potential tonnage would only be a wild, wierd guess at this time. It is certain that one vein some 5000 feet long, 15 feet wide, and average 1250 feet in depth exists and is in sight at a single glance. With two other veins not so plainly discernible but showing strong evidence of similar existence, it is too hypothetical at this time, to say anything more.

We know only partially what the bottom may be. The ore appears remarkably free from other metals than Molybdenum. The definite assurance of the road being built close to the Mine is an advantage few properties can enjoy. In short, every feature and circumstance pertaining to this property is enhancing its value.

Hypothetically estimating production for sake of further elucidation, let us assume one tunnel 5 ft. by 7 ft. the length of each string of claims. The total length of tunnel would then be

6000 ft. in the southerly string of 4 claims
4500 ft. in each of the two northerly strings, or
15000 ft. of theoretically productive ore.

then the volume of material would be

$$\frac{5 \times 7 \times 15000}{15 \text{ cu. ft. per ton}} \quad \text{OR} \quad 35000 \text{ tons}$$

Average value of 35000 tons @ 5% or 100 lbs. Molybdenite per ton of ore would yield 3,500,000 lbs. of Molybdenite.

Such a vast quantity, even in theory, is staggering and should not, of course, be used in any reasonable estimates. But again, we have only considered depth at 7 ft. and there is likely to be 1200 or 1500 feet of depth, plus what may lie below the level of Cougar Creek Floor. Ore should be expected to such depth as Pegmatite may extend, and mined to such a horizon as the rock will stand, and Pegmatite extends to very great depth.

It should be remembered also, that Uraninite, found only in Pegmatites, is not an impossibility. No one knows for sure that this ore does not exist here on this property, and finding none would be no loss. No investigation has been made as far as we know. The basic conditions for Uranium, Thorium, and other rare metals exist in this Pegmatite, and is worth the test. The quantity of Molybdenite would soon pay the cost of such an investigation.

Then too, as characteristic in Pegmatite, there are quantities of clear quartz crystals in the rock around these dykes, Some observed, measured 3 inches long by 1 inch across. These, when clear, are valuable in lens making, and in radio and other industrial uses.

Accessibility and extent of the deposit make this property a very valuable one.

R. L. M. Sprague

STATUTORY STATEMENT - CONSOLIDATED MOLYBDENUM INC.

Filed with Director of Licenses of State of Washington.

EXHIBIT 1. Incorporated in State of Washington, May 25, 1948.

EXHIBIT 2. Address of registered business office in State of Washington: 14521 Aurora Avenue, Seattle 33, Washington.

EXHIBIT 3. List of officers, all of whom are directors, holding office for term of one year, and amount of stock held:

G.L.Hansen, president, 614 Yale Avenue N., Seattle, Wash.	127,500 shares held
L.J.Madden, vice president, Rt.3 Box 415, Bremerton,Wash.	127,500 shares held
K.O.Welling, secretary, 14521 Aurora Ave., Seattle, Wash.	127,500 shares held
E.A.Amburn, treasurer, 1814 25th S., Seattle, Wash.	127,500 shares held
C.L.Johnston, director, 245 S.Montgomery St.,Bremerton,Wn.	127,500 shares held
E. Saurers, director, Rt.3, Box 415-B, Bremerton, Wash.	127,500 shares held
J. Madden, director, Rt. 3, Box 415, Bremerton, Wash.	127,500 shares held
G.M.Osterberg, director, 756 Stimson Bldg, Seattle, Wash.	127,500 shares held
V. Osterberg, director, 19345 37th Ave.N.E., Seattle, Wn.	127,500 shares held
Mrs. L.Liptrap, director, 403 Bay Bldg., Seattle, Wash.	127,500 shares held
J. Zybura, director, 4409 - 36th So., Seattle, Wash.	127,500 shares held
Mrs.E.L.Watson,director, 756 Stimson Bldg., Seattle,Wn.	127,500 shares held

EXHIBIT 4. Number of shares of common stock authorized, all nonassessable, 3,000,000 shares, par value 10¢ each. Preferred stock, None.

EXHIBIT 5. Consolidated Molybdenum, Inc., issued 127,000 shares to each of twelve incorporators. 1,530,000 shares are placed in escrow with Frederick W. Post, 6251 - 31st N.E., Seattle, Washington, under agreement with Department of Licenses.

EXHIBIT 6. Consideration received by company from shares issued and outstanding July 1, 1948, is: On 1,530,000 shares, $153,000 value placed on lease and organizing.

EXHIBIT 7. Statement of Assets and Liabilities as of July 1, 1948.

ASSETS		LIABILITIES	
Lease on property.....	$127,500.00	Common Stock issued.....	$153,000.00
Deferred charges, prepaid expenses.....	25,500.00		
TOTAL.....	$153,000.00	TOTAL.....	$153,000.00

EXHIBIT 8. Number of shares or other securities to be issued to public in present offering:

	No. Shares	Offering Price
Common Stock.....	1,470,000	10¢
Preferred Stock.....	None	None
Approximate amount expected to be derived from sale..		$147,000.00
Approximate amount of commissions to be paid.....		36,750.00
Approximate amount of exploration work, development work, and equipment to be purchased.....		110,000.00

EXHIBIT 9. Rate of commissions to be paid and form of payment. (In money or company's securities).

1. Agents..... 25% in money
2. Member of corporation as selling agent,.. 25% in money
3. Underwriters..... None

Amount of salaries to be paid for ensuing year:
No salaries are to be paid to the president or vice president or secretary or treasurer or general manager or others.

EXHIBIT 10. Names and addresses of authorized Agents or underwriters at time of filing:

G. M. Osterberg, 756 Stimson Bldg., Seattle, Washington
Vernon Osterberg, 19345 - 37th Avenue, N.E., Seattle, Washington
Mrs. E. L. Watson, 756 Stimson Bldg., Seattle, Washington
Mrs. Lillian Liptrap, 403 Bay Bldg., Seattle, Washington
John Zybura, 4409 - 36th South, Seattle, Washington
Garry L. Hansen, 614 Yale Avenue North, Seattle, Washington
Leonard J. Madden, Rt. 3, Box 415, Bremerton, Washington
Jack Madden, Rt. 3, Box 415, Bremerton, Washington
E. A. Amburn, 1814 - 25th South, Seattle, Washington
Kenneth O. Welling, 14521 Aurora Avenue, Seattle 33, Washington
Edwin Saurers, Rt. 3, Box 415-B, Bremerton, Washington
Carl L. Johnston, 245 S. Montgomery Street, Bremerton, Washington

EXHIBIT 11. (a) Describe fully history of company. (b) Describe claims and give their approximate location, and type of mining to be engaged in. (c) Give valuation of claims. (d) Proposed work. (e) Type of machinery and equipment to be purchased. (f) Briefly outline purpose for which funds are to be used.

Consolidated Molybdenum, Inc. was organized in May, 1948. It does not succeed any other form of mining company; it is a completely new company. The claims are located in the Buena Vista Mining district, which district is approximately 25 miles North and East of North Bend, Washington. The company has a 99 year lease on 8 claims (approximately 160 acres) lying in Section 27, Township 25 North, Range 10 East, W. M., King County, Washington. No royalties or other cash payments are payable under the lease. Ten of the incorporators own the claims and have exchanged a leasehold interest in the claims for stock in the company.

The value of the claims with improvements is $127,500.00. Some tunnel work has been done. At the point of access to the ore bearing vein, a swift mountain stream called "Devil's Canyon" cuts through the vein. A tunnel has been driven into the side of the canyon, to curve around to the vein and escape the water. Further development work proposed by the company includes driving the tunnel into the ore bearing vein; construction of housing facilities for workers, erection of mill and flotation plant, and the installation of a tram from mine to mill, together with the necessary grading.

The machinery needed and proposed to be purchased includes; Diesel power plant, 50-ton mill, flotation plant, air compressors and drills, tramway equipment and hoist, bulldozer, together with the necessary accessories and tackle for such equipment.

The purpose for which the funds will be used will be to provide access roads to the public roads, grade and level the land upon the mining claims, erect such buildings as are necessary to house men and equipment, purchase mining, milling and flotation equipment, and to develop the tunnels and shafts to the point of production; thereafter, to provide capital for the maintenance of payrolls, payment of taxes, and purchase of supplies.

There is no present authorization in the organizational plan of the company for the payment of salaries to the officers as such, and no such action is contemplated until production problems necessitate sufficient amounts of their time that salaries are deemed necessary by the board of directors in order to secure the type of administration needed to carry on the work.

Dated May 25, 1948.

(Corporate Seal)

CONSOLIDATED MOLYBDENUM, INC.

Garry L Hansen

By G.L.Hansen, President.

Attest: K.O.Welling, Secretary

I-7A file

AIR MAIL

Mr. W. A. Waterberg, President
Consolidated Molybdenum Co.,
801 Central Building
Seattle 4, Washington

Re: Docket No. M-1[illegible], Ringsten

Dear Mr. Waterberg:

In a letter dated July 2, 1951 you were informed that your application for an exploration loan was denied based on the evidence you presented and the results of a field examination.

At the time of the examination there still was some snow on the ground. Because of this a second examination was requested which was made after the ground was free of snow. We regret to inform you that the results of the second examination confirmed the decision made on the findings of the first. Therefore, we again must deny your application for an exploration loan.

Sincerely yours,

C. O. Mittendorf

ACTING Administrator
Atomic Energy Exploration
Administration

Chelfridge/jem
11-23-51
cc to: Adm. Issuing File
Reports & Records
Mr. Geoman
Mr. Meyer
Mr. Selfridge
Field Team, Reg. II (2)
Docket

1658 - apparently denied

Check on this 1/9 φ B

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 23 1954

XXXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

September 16, 1954

Mr. Vernon W. Osterberg
Route 1, Box 97
Port Blakely, Washington

Re: Request for DMEA information

Dear Mr. Osterberg:

We have your letter of September 14, 1954, wherein you inquire if you are still eligible to participate under the Defense Minerals Exploration Administration program.

We wish to advise you that the DMEA is still in effect and, if you so desire, you can apply for assistance for an exploration project at the Devil's Canyon property.

We are enclosing five copies of form MF-103, plus DMEA Order No. 1 and a question and answer pamphlet which describes the salient features of the program. If you should submit an application it will be necessary that with this application you submit sketches of workings on the property, plus assay data, showing the width and metal content of ore which you have found.

(DMEA-1658) As you have stated in your letter, representatives of DMEA examined your property in 1951, when it was leased by Consolidated Molybdenum, Inc. Although the examiners noted some evidence of tungsten and molybdenum on the property, the very small percentage of these two minerals contained in the veins was discouraging. Consequently, should you wish a new examination of this property, we will have to have new evidence, including assay data, which shows the existence of higher-grade ore than our examiners were able to find.

Sincerely yours,

Willard P. Puffett
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures
cc: DMEA (2)
USBM (2)
Puffett

XXXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

September 16, 1954

Mr. Vernon M. Osterberg
Route 1, Box 97
Port Blakely, Washington

Re: Request for DMEA information

Dear Mr. Osterberg:

We have your letter of September 14, 1954, wherein you inquire if you are still eligible to participate under the Defense Minerals Exploration Administration program.

We wish to advise you that the DMEA is still in effect and, if you so desire, you can apply for assistance for an exploration project at the Devil's Canyon property.

We are enclosing five copies of form DF-103, plus DMEA Order No. 1 and a question and answer pamphlet which describes the salient features of the program. If you should submit an application it will be necessary that with this application you submit sketches of workings on the property, plus assay data, showing the width and metal content of ore which you have found.

(DMEA-1658) As you have stated in your letter, representatives of DMEA examined your property in 1951, when it was leased by Consolidated Molybdenum, Inc. Although the examiners noted some evidence of tungsten and molybdenum on the property, the very small percentage of these two minerals contained in the veins was discouraging. Consequently, should you wish a new examination of this property, we will have to have new evidence, including assay data, which shows the existence of higher-grade ore than our examiners were able to find.

Sincerely yours,

Willard P. Puffett
For: A. D. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures
cc: DMEA (2)
USBM (2)
Puffett

Denials

DMA-1658K
Tungsten
Region II

CONSOLIDATED MOLYBDENUM COMPANY, SEATTLE, WASHINGTON.
Property located in King County, Washington. $4,000 was requested.
Committee reviewed and cleared denial of application.

Office of the Administrator

400

FILE COPY
SURNAME:

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

Selfridge
Guhson
Lemmon
Moon
Thayer
Kellman
Watts

AIR MAIL

Mr. V. [illegible] Osterberg, President
Consolidated Molybdenum Co.,
801 Central Building
Seattle 4, Washington

Re: Docket No. DM6-1628, Tungsten

Dear Mr. Osterberg:

In a letter dated July 2, 1951 you were informed that your application for an exploration loan was denied based on the evidence you presented and the results of a field team examination.

At the time of the examination there still was some snow on the ground. Because of this a second examination was requested which was made after the ground was free of snow. We regret to inform you that the results of the second examination confirmed the decision made on the findings of the first. Therefore, we again must deny your application for an exploration loan.

Sincerely yours,

C. O. Mittendorf (fw) 12/3

ACTING Administrator
Defense Minerals Exploration
Administration

GOSelfridge/jem
11-23-51
cc to: Adm. Reading File
Reports & Records
Mr. Geehan
Mr. Thayer
Mr. Selfridge
Field Team, Reg. II (2)
Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1201 N. Division St.
Spokane 2, Wash.
October 31, 1951

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.

NOV 7 10 59 AM '51

MEMORANDUM

To: Chairman, Ferro-Alloys Commodity Committee, Defense Minerals Administration, Washington 25, D. C.

From: DMA Field Team, Region II

Subject: Exploration application, Consolidated Molybdenum, Inc. Devil's Canyon Prospect, King County, Wash., Docket 1658X

The Field Team, after reviewing the attached examination report concerning the subject property, recommends that applications for exploration assistance presented by the Consolidated Molybdenum, Inc., be denied.

Prospect workings on the Devil's Canyon deposit partly explore a persistent fracture in granodiorite locally marked by quartz veins containing minor amounts of molybdenite and scheelite. These veins range up to several feet wide and can be traced over strike distances ranging up to 200 feet. The quartz crystals observed in vugs are not of strategic grade.

Inasmuch as metallization is sporadic and of low intensity it is considered unlikely that minable ore shoots of economic or strategic importance can be found by additional exploration. The docket material is returned herewith.

By Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

1201 N. Division St.
Spokane 2, Wash.
October 31, 1951

MEMORANDUM

To: Chairman, Ferro-Alloys Commodity Committee, Defense Minerals Administration, Washington 25, D. C.

From: DMA Field Team, Region II

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A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Volin, Member
(U. S. Bureau of Mines)

1201 N. Division St.
Spokane 2, Wash.
October 31, 1951

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To: Chairman, Ferro-Alloys Commodity Committee, Defense Minerals Administration, Washington 25, D. C.

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By Field Team, Region II

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Volin, Member
(U. S. Bureau of Mines)

1201 W. Division St.
Spokane 2, Wash.
October 31, 1951

MEMORANDUM

To: Chairman, Ferro-Alloys Commodity Committee, Defense Minerals Administration, Washington 25, D. C.

From: DMA Field Team, Region II

Subject: Exploration application, Consolidated Molybdenum, Inc. Devil's Canyon Prospect, King County, Wash., Docket 16581

The Field Team, after reviewing the attached examination report concerning the subject property, recommends that applications for exploration assistance presented by the Consolidated Molybdenum, Inc., be denied.

Prospect workings on the Devil's Canyon deposit partly explore a persistent fracture in granodiorite locally marked by quartz veins containing minor amounts of molybdenite and scheelite. These veins range up to several feet wide and can be traced over strike distances ranging up to 200 feet. The quartz crystals observed in vugs are not of strategic grade.

Inasmuch as metallization is sporadic and of low intensity it is considered unlikely that minable ore shoots of economic or strategic importance can be found by additional exploration. The docket material is returned herewith.

By Field Team, Region II

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Volin, Member
(U. S. Bureau of Mines)

1201 N. Division St.
Spokane 2, Wash.
October 31, 1951

MEMORANDUM

To: Chairman, Ferro-Alloys Commodity Committee, Defense Minerals Administration, Washington 25, D. C.

From: DMA Field Team, Region II

Subject: Exploration application, Consolidated Molybdenum, Inc. Devil's Canyon Prospect, King County, Wash., Docket 1658X

The Field Team, after reviewing the attached examination report concerning the subject property, recommends that applications for exploration assistance presented by the Consolidated Molybdenum, Inc., be denied.

Prospect workings on the Devil's Canyon deposit partly explore a persistent fracture in granodiorite locally marked by quartz veins containing minor amounts of molybdenite and scheelite. These veins range up to several feet wide and can be traced over strike distances ranging up to 200 feet. The quartz crystals observed in vugs are not of strategic grade.

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By Field Team, Region II

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Volin, Member
(U. S. Bureau of Mines)

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
NOV 7 11 00 AM '51

UNITED STATES
DEPARTMENT OF INTERIOR
OSCAR L. CHAPMAN-SECRETARY

DEFENSE MINERALS ADMINISTRATION

Report by Examination Team
Region II

DMA No. 1658X - Consolidated Molybdenum, Inc.

King County, Wash.

E. A. Hagill
U. S. Bureau of Mines

October 3, 1951

CONSOLIDATED MOLYBDENUM, INC.
King County, Wash.

DMA Docket No. 1658X

By E. A. Magill

RECOMMENDATIONS

It is recommended that the applications of Consolidated Molybdenum, Inc., for exploration loans on the Devils Canyon prospect in the amounts of $4,000 and $10,000 be denied.

APPLICANT

The applicant is Consolidated Molybdenum, Inc., V. H. Osterberg, President, 801 Central Bldg., Seattle 4, Wash.

LOCATION OF DEPOSIT

The Devils Canyon prospect is in secs. 26 and 27, T. 25 N., R. 10 E., W.M., Buena Vista mining district, King County, Wash. The property is reached from North Bend over 29 miles of graveled road following the North Fork of the Snoqualmie River, thence up Lennox Creek. It is about 2-1/2 miles by trail from the end of the present road to the workings. The State of Washington plans to continue this mine to market road an additional 1-1/4 miles in 1952. When this construction is completed, access to the property will be by 1-1/4 miles of steep trail. If the property is placed in operation, it will be necessary to build about 3/4 mile of access road and with a 1/2-mile tramline or about 3 miles of road to reach the present workings.

OWNERSHIP

Property consists of 28 unpatented mining claims held by location. Eight of these claims belonging to corporation members are

held by the corporation under a leasehold arrangement. These owners have accepted corporation stock in exchange for the leasehold.

HISTORY AND PAST PRODUCTION

The deposit first was discovered in the early 1900's. Work was started on the present 160-foot adit about 1912 by Dr. W. M. Osterberg and continued intermittently until 1926 in an attempt to explore quartz-molybdenum veins outcropping in Devils Canyon.

The property apparently was inactive from 1926 until May 1948 when Consolidated Molybdenum was incorporated under the laws of the State of Washington.

No shipments have been made from the property.

DESCRIPTION OF PROPOSAL

The exploration proposals, dated May 27, 1951 and May 28, 1951, and concerning the same property, have been submitted by the applicant. The first application is for $10,000 to perform a diamond drilling campaign. The second application for $4,000 is indefinite.

TECHNICAL FEASIBILITY

Geologic Setting

The deposits in Devils Canyon consist of irregularly spaced quartz veins from a fraction of an inch to several feet in width, with minor amounts of molybdenite, pyrite, and scheelite. These veins occupy a shear zone in granodiorite which varies from a few feet up to 25 feet in width, strikes S. 60° E., and dips 30° to 35° NE. This structure can be traced horizontally for several thousand feet over a vertical range

of at least [illegible] feet. It is responsible for the development of a topographic feature that [illegible] small streams erode the zone to a depth of [illegible] feet or more, leaving precipitous walls. The quartz veins within the shear cannot be traced individually for over a few hundred feet. Locally, the shear contains vugs lined with quartz crystals. None of the crystals observed were of strategic grade.

The strongest and best mineralized quartz vein, found at an altitude of about 3,650 feet, could be traced for about 200 feet. Its maximum width was about 4 feet. Locally it contained crystals of molybdenite up to a half inch wide. These crystals are concentrated toward the quartz walls. A composite sample of the best portion of this material, over a width of 1.0' contained 0.40 percent molybdenum and 0.2[illegible] percent tungsten-trioxide. Another sample of the same type gave 1.0 percent molybdenum and 0.05 percent tungsten-trioxide. A sample of 1.0' of quartz and vugs near the upper end of the vein gave 0.07 percent molybdenum and 0.0[illegible] percent tungsten trioxide.

At an altitude of about 3,450 feet (see map) a 100-foot exploratory drift has been driven in the shear. This adit, in the north wall of the canyon, describes a circular course to intersect the shear zone. The drift exposes from 0.5 to 2.2 feet of brecciated granodiorite and gneiss accompanying a quartz stringer from 2 inches to 4 inches thick containing molybdenite and a few grains of scheelite. A 2.0' sample taken across the brecciated shear zone where the adit intersects it was assayed with the following results. Molybdenum 0.06 percent, tungsten-trioxide 0.01 percent, gold 0.00[illegible] ounces, and silver 0.[illegible] ounces.

According to the applicant, scheelite was only recently discovered on the property. However, the occurrence is described in Bull. 14, Tungsten Resources of Washington, Division of Geology, State of Washington.

In summary, it may be said that although the Devils Canyon shear is a pronounced structural feature, the present exposures do not indicate extensive metallization of commercial significance.

Mine Workings

The only mine working is a 160-foot adit (see map).

Reserves

There are no measurable ore reserves in the Devils Canyon mine.

Rate of Production

The property is not in production.

EQUIPMENT AND FACILITIES

Other than a few hand tools the property is devoid of equipment. The only facility is an 18 x 18-foot log cabin in poor repair.

ADEQUACY OF REQUESTED FUNDS

The funds requested do not appear adequate to carry out an exploration program suited to the property.

COMPETENCE OF APPLICANT

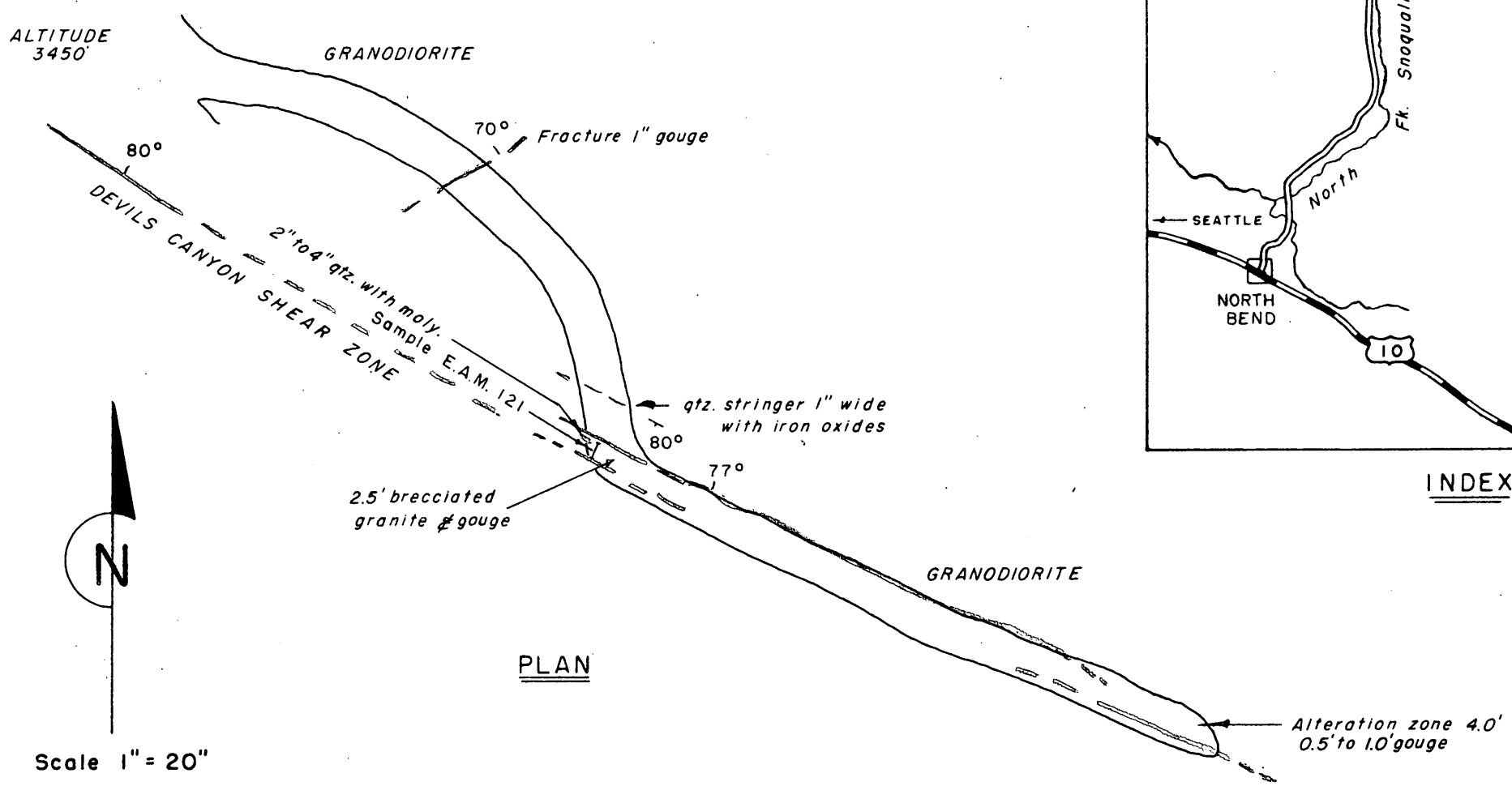
Dr. Osterberg, corporation president, is not acquainted with mining and, accordingly, not competent to directly supervise an exploration program. He is, however, a successful business man and would be capable of directing the operation.

DISCUSSION OF PROPOSAL

Consolidated Molybdenum has not presented an intelligent exploration proposal. The field examination did not disclose sufficient evidence to support the belief that ore deposits of commercial importance could be found by additional exploration.

U. S. Department of the Interior

Bureau of Mines, D.M.A. Docket No. 1658X



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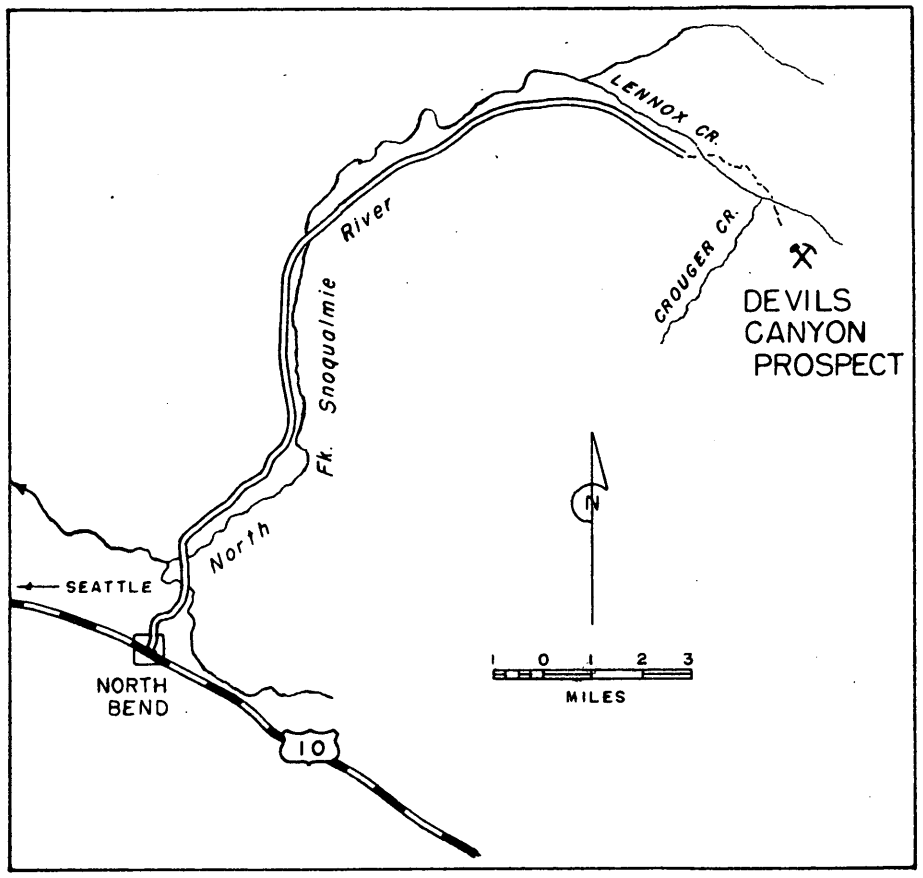

INDEX MAP

ASSAY

Sample No.	Width	Au oz.	Ag oz.	Mo %	WO_3 %
E.A.M. 121	2.5'	.005	0.3	0.06	0.01

Brunton tape survey —— E. A. Magill – Oct. 1951

Devils Canyon prospect, King County, Washington.

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.

Nov 7 10 59 AM '51

UNITED STATES
DEPARTMENT OF INTERIOR
OSCAR L. CHAPMAN-SECRETARY

DEFENSE MINERALS ADMINISTRATION

Report by Examination Team
Region II

DMA No. 1658X - Consolidated Molybdenum, Inc.

King County, Wash.

E. A. Magill
U. S. Bureau of Mines

October 3, 1951

CONSOLIDATED MOLYBDENUM, INC.
King County, Wash.

DMA Docket No. 1658X

By E. A. Magill

RECOMMENDATIONS

It is recommended that the applications of Consolidated Molybdenum, Inc., for exploration loans on the Devils Canyon prospect in the amounts of $4,000 and $10,000 be denied.

APPLICANT

The applicant is Consolidated Molybdenum, Inc., V. M. Osterberg, President, 801 Central Bldg., Seattle 4, Wash.

LOCATION OF DEPOSIT

The Devils Canyon prospect is in secs. 26 and 27, T. 25 N., R. 10 E., W.M., Buena Vista mining district, King County, Wash. The property is reached from North Bend over 29 miles of graveled road following the North Fork of the Snoqualmie River, thence up Lennox Creek. It is about 2-1/2 miles by trail from the end of the present road to the workings. The State of Washington plans to continue this mine to market road an additional 1-1/4 miles in 1952. When this construction is completed, access to the property will be by 1-1/4 miles of steep trail. If the property is placed in operation, it will be necessary to build about 3/4 mile of access road and ~~with~~ a 1/2-mile tramline or about 3 miles of road to reach the present workings.

OWNERSHIP

Property consists of 28 unpatented mining claims held by location. Eight of these claims belonging to corporation members are

held by the corporation under a leasehold arrangement. These owners have accepted corporation stock in exchange for the leasehold.

HISTORY AND PAST PRODUCTION

The deposit first was discovered in the early 1900's. Work was started on the present 160-foot adit about 1912 by Dr. V. M. Osterberg and continued intermittently until 1926 in an attempt to explore quartz-molybdenum veins outcropping in Devils Canyon.

The property apparently was inactive from 1926 until May 1948 when Consolidated Molybdenum was incorporated under the laws of the State of Washington.

No shipments have been made from the property.

DESCRIPTION OF PROPOSAL

The exploration proposals, dated May 27, 1951 and May 28, 1951, and concerning the same property, have been submitted by the applicant. The first application is for $10,000 to perform a diamond drilling campaign. The second application for $4,000 is indefinite.

TECHNICAL FEASIBILITY

Geologic Setting

The deposits in Devils Canyon consist of irregularly spaced quartz veins from a fraction of an inch to several feet in width, with minor amounts of molybdenite, pyrite, and scheelite. These veins occupy a shear zone in granodiorite which varies from a few feet up to 25 feet in width, strikes S. 60° E., and dips 80° to 85° NE. This structure can be traced horizontally for several thousand feet over a vertical range

of at least 1,000 feet. It is responsible for the development of a topographic feature inasmuch as a small stream has eroded the zone to a depth of 100 feet or more, leaving precipitous walls. The quartz veins within the shear cannot be traced individually for over a few hundred feet. Locally, the shear contains vugs lined with quartz crystals. None of the crystals observed were of strategic grade.

The strongest and best mineralized quartz vein, found at an altitude of about 3,650 feet, could be traced for about 200 feet. Its maximum width was about 2 feet. Locally it contained crystals of molybdenite up to a half inch wide. These crystals are concentrated toward the quartz walls. A composite sample of the best portion of this material, over a width of 1.0' contained 0.40 percent molybdenum and 0.29 percent tungsten-trioxide. Another sample of the same type gave 1.0 percent molybdenum and 0.05 percent tungsten-trioxide. A sample of 1.0' of quartz and gouge near the upper end of the vein gave 0.07 percent molybdenum and 0.80 percent tungsten trioxide.

At an altitude of about 3,450 feet (see map) a 160-foot adit drift has been driven on the shear. This adit, in the north wall of the canyon, describes a circular course to intersect the shear zone. The drift exposes from 0.5 to 2.5 feet of brecciated granodiorite and gouge accompanying a quartz stringer from 2 inches to 4 inches thick containing molybdenite and a few specks of scheelite. A 2.5' sample taken across the brecciated shear zone where the adit intersects it was assayed with the following results: Molybdenum 0.06 percent, tungsten-trioxide 0.01 percent, gold 0.005 ounces, and silver 0.3 ounces.

According to the applicant, scheelite was only recently discovered on the property. However, the occurrence is described in Bull. 34, Tungsten Resources of Washington, Division of Geology, State of Washington.

In summary, it may be said that although the Devils Canyon shear is a pronounced structural feature, the present exposures do not indicate extensive metalization of commercial significance.

Mine Workings

The only mine working is a 160-foot adit (see map).

Reserves

There are no measurable ore reserves in the Devils Conyon mine.

Rate of Production

The property is not in production.

EQUIPMENT AND FACILITIES

Other than a few hand tools the property is devoid of equipment. The only facility is an 18 x 18-foot log cabin in poor repair.

ADEQUACY OF REQUESTED FUNDS

The funds requested do not appear adequate to carry out an exploration program suited to the property.

COMPETENCE OF APPLICANT

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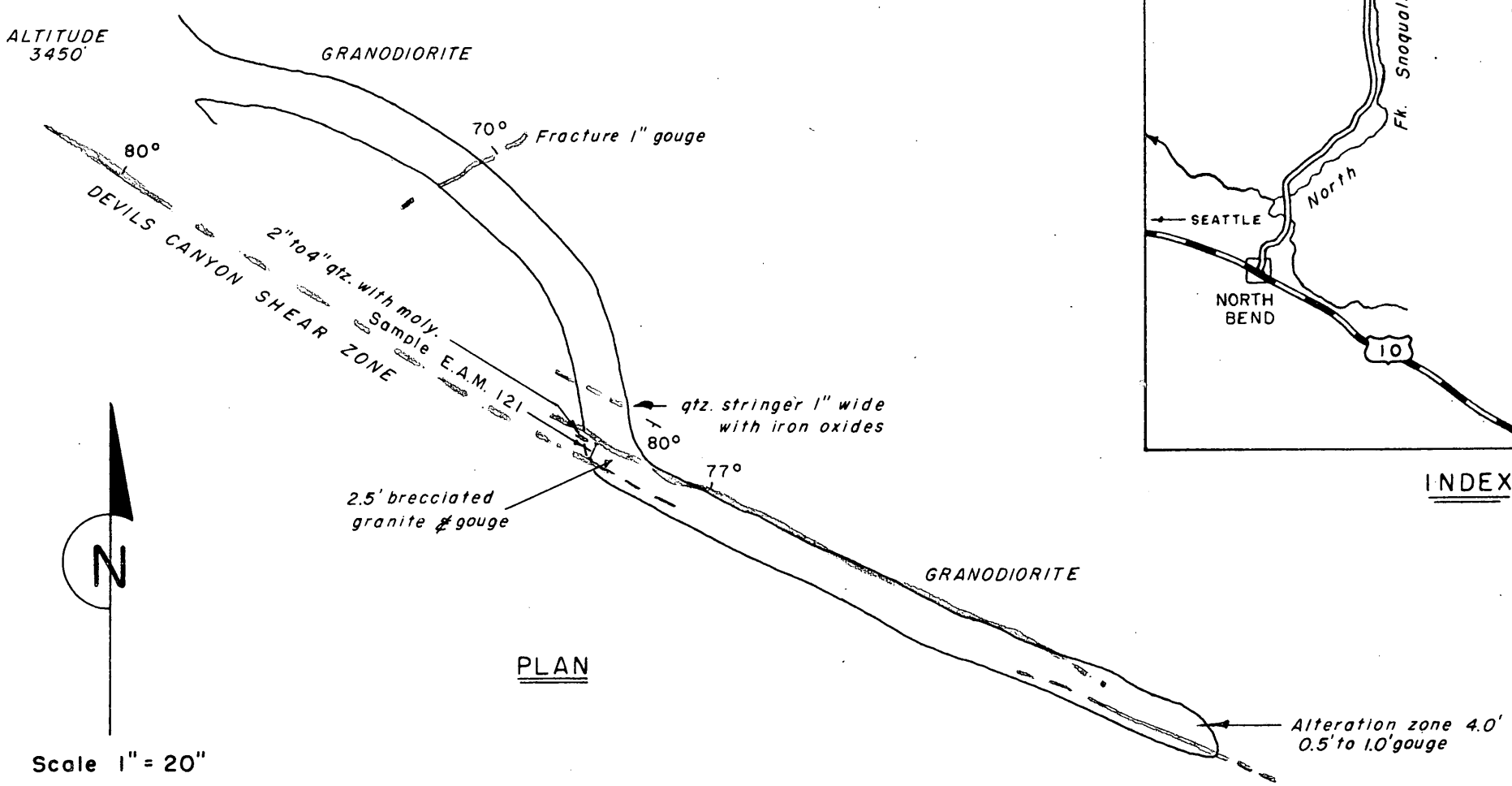

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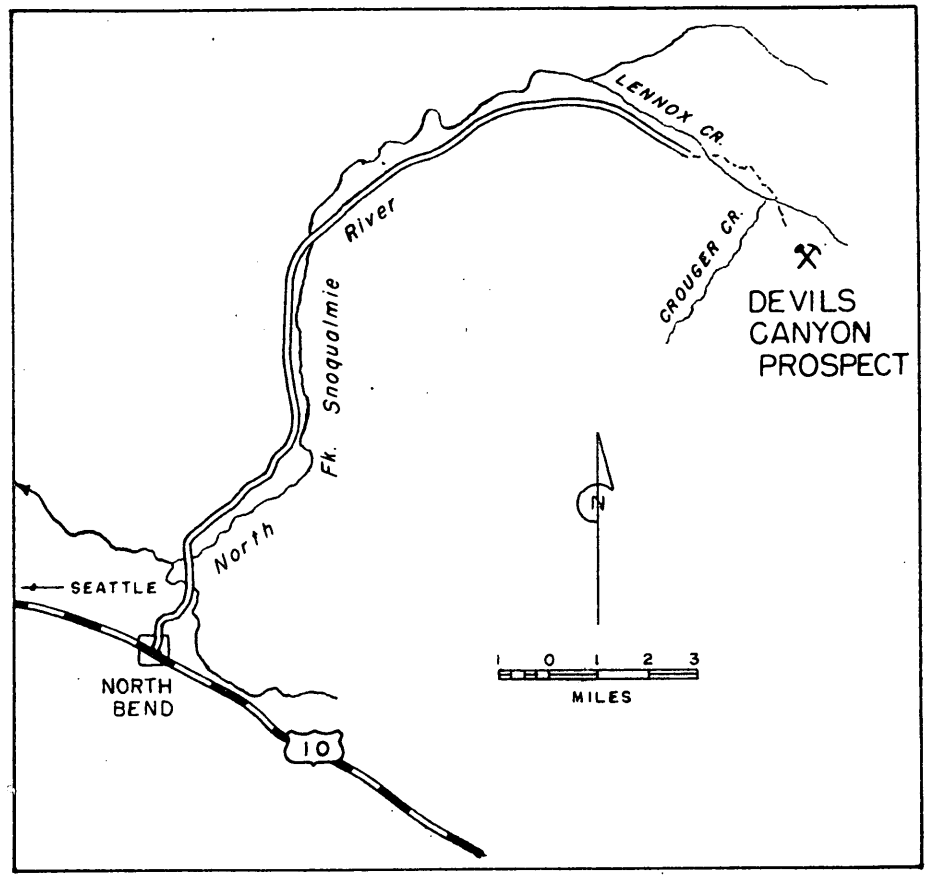

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Devils Canyon prospect, King County, Washington.

NSE MINERALS
MINISTRATION
ASHINGTON, D. C.
NOV 7 11 00 AM '51

UNITED STATES
DEPARTMENT OF INTERIOR
OSCAR L. CHAPMAN-SECRETARY

DEFENSE MINERALS ADMINISTRATION

Report by Examination Team
Region II

DMA No. 1658X - Consolidated Molybdenum, Inc.

King County, Wash.

E. A. Magill
U. S. Bureau of Mines

October 3, 1951

CONSOLIDATED MOLYBDENUM, INC.
King County, Wash.

DMA Docket No. 1658X

By E. A. Magill

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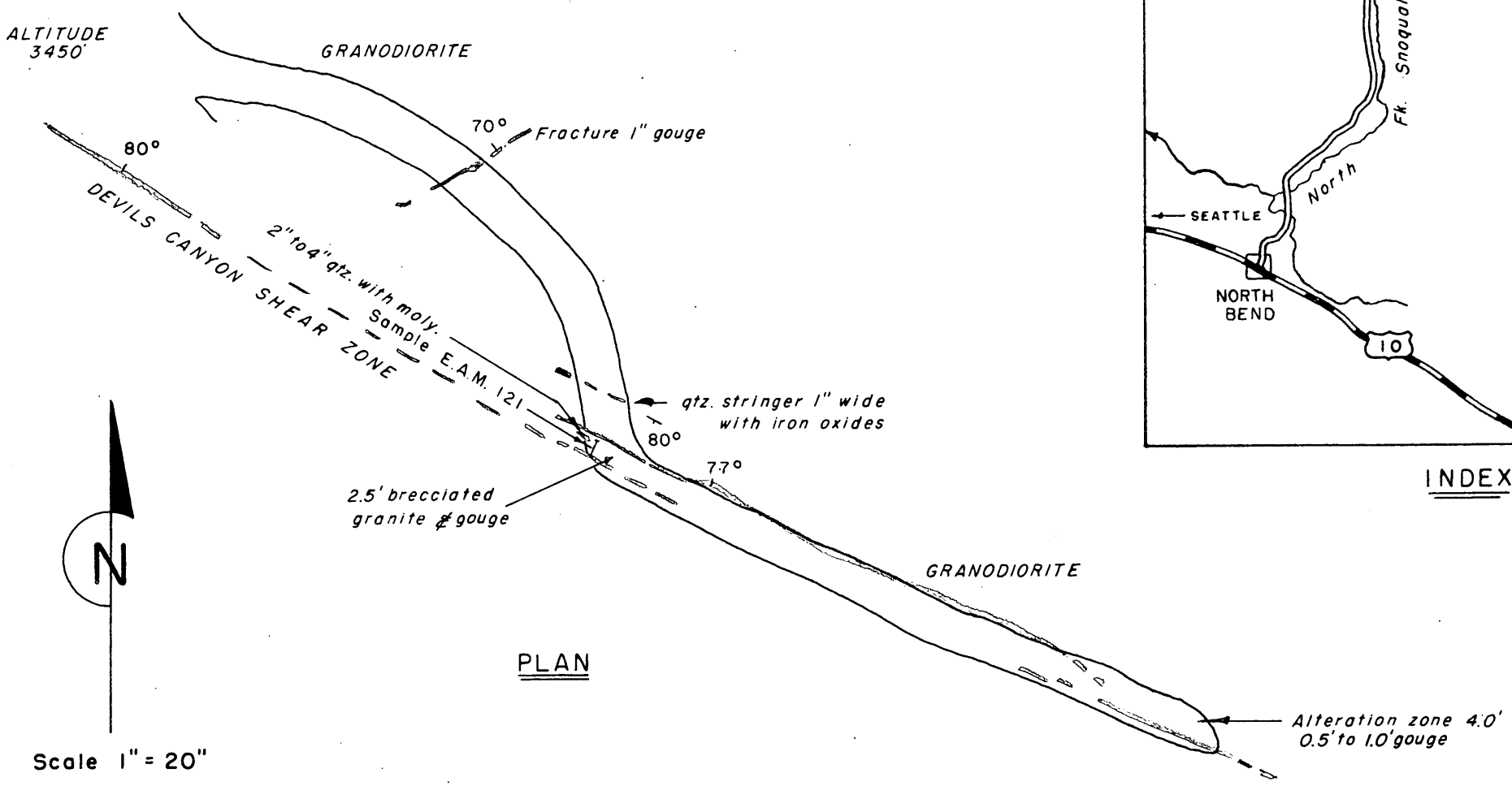
The funds requested do not appear adequate to carry out an exploration program suited to the property.

COMPETENCE OF APPLICANT

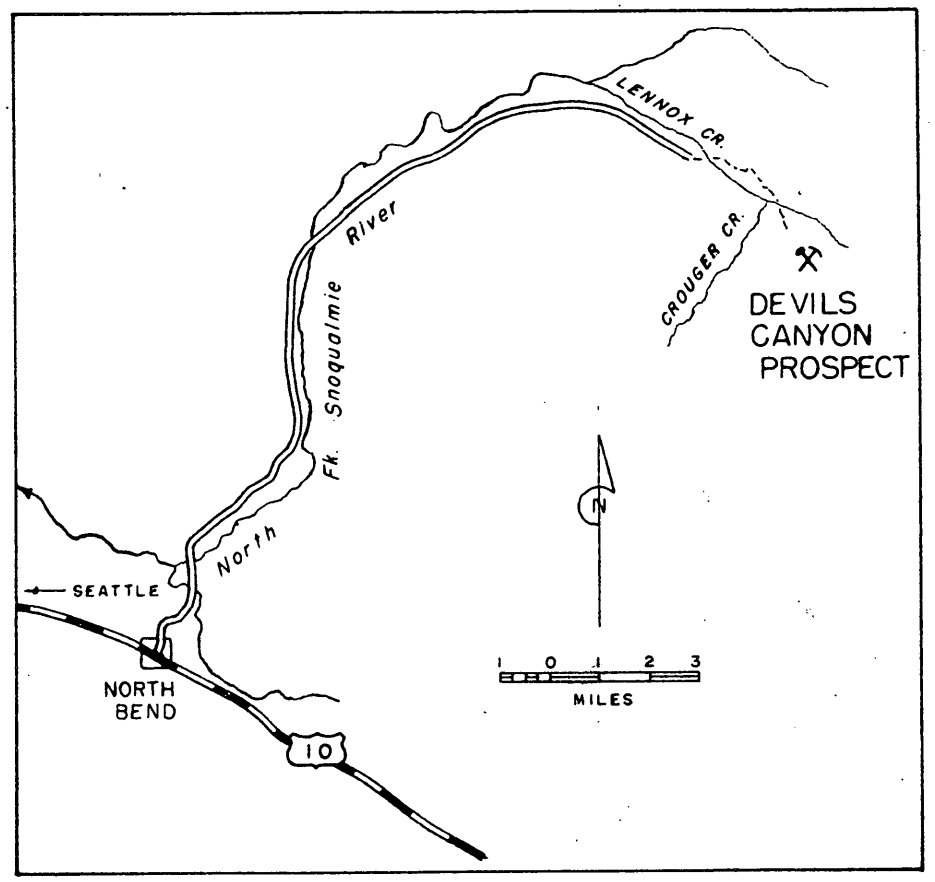
Dr. Osterberg, corporation president, is not acquainted with mining and, accordingly, not competent to directly supervise an exploration program. He is, however, a successful business man and would be capable of directing the operation.

DISCUSSION OF PROPOSAL

Consolidated Molybdenum has not presented an intelligent exploration proposal. The field examination did not disclose sufficient evidence to support the belief that ore deposits of commercial importance could be found by additional exploration.



PLAN



INDEX MAP

ASSAY

Sample No.	Width	Au oz.	Ag oz.	Mo %	WO_3 %
E.A.M. 121	2.5'	.005	0.3	0.06	0.01

Brunton tape survey —— E. A. Magill – Oct. 1951

Devils Canyon prospect, King County, Washington.

340
FILE COPY
SURNAME:

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

Holderer
Ballard

SEP 12 1951

Memorandum

To: Mr. H. M. Shooshan, Jr., Special Assistant to the Under Secretary

From: Director, Supply Division

Subject: DMA-1658X Tungsten, Consolidated Molybdenum, Inc. 801 Central Building, Seattle 4, Washington

The subject applicant has submitted two applications for exploration projects costing $4,000 and $10,000 on the same project. The application is very poorly presented and contains insufficient information upon which to base a decision as to its merits.

Our field engineers have examined the property, but since part of the deposit was covered in snow, we have requested them to make a return examination.

Tom Lyon

Tom Lyon, Director
Supply Division

TJBallard:ll 9/11/51

CC: DMA Docket File
Adm. Reading File
Mr. Holderer

SEP 12 1951

Memorandum

To: Mr. H. M. Sheehan, Jr., Special Assistant to the Under Secretary

From: Director, Supply Division

Subject: DMA-1659I Tungsten, Consolidated Molybdenum, Inc. 801 Central Building, Seattle 4, Washington

The subject applicant has submitted two applications for exploration projects costing $4,000 and $10,000 on the same project. The application is very poorly presented and contains insufficient information upon which to base a decision as to its merits.

Our field engineers have examined the property, but since part of the deposit was covered in snow, we have requested them to make a return examination.

Tom Lyon
Tom Lyon, Director
Supply Division

TJBallard:ll 9/11/51

CC: DMA Docket File
Adm. Reading File
Mr. Holderer

Memorandum

To: Mr. W. M. Shoeshan, Jr., Special Assistant to the Under Secretary

From: Director, Supply Division

Subject: DMA-1658X Tungsten, Consolidated Molybdenum, Inc. 801 Central Building, Seattle 4, Washington

The subject applicant has submitted two applications for exploration projects costing $4,000 and $10,000 on the same project. The application is very poorly presented and contains insufficient information upon which to base a decision as to its merits.

Our field engineers have examined the property, but since part of the deposit was covered in snow, we have requested them to make a return examination.

Tom Lyon, Director
Supply Division

TJBallard:ll 9/11/51

CC: DMA Docket File
Adm. Reading File
Mr. Holderer

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Tom Lyon, Director, Supply Division, DMA DATE: August 27, 1951

FROM : H. M. Shooshan, Jr.

SUBJECT: DMA-1658-X Tungsten

This office is in receipt of a copy of a letter of August 20, 1951, directed to your attention, by Mr. V. M. Osterberg, President, Consolidated Molybdenum, Inc. Would you be good enough to provide this office with background information at the earliest possible opportunity with respect to the subject application.

H. M. Shooshan, Jr.
Special Assistant to
the Under Secretary

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

R.E.C.

1951

Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington

In reply please refer to
DMA-1658 Tungsten

Gentlemen:

Your letter of August 20 has been received.

We are requesting Mr. Weissenborn to review your application and the field report on your property.

We will advise you of our final decision on your application as soon as we receive Mr. Weissenborn's report.

Very truly yours,

SIGNED

Tom Lyon, Director
Supply Division

TJBallard:ec
August 31, 1951

CC: Adm. Reading File
Reports & Records Unit
Field Team Region II
Mr. Holderer
Mr. Lemmon
Mr. Geehan
Files

DMA Docket File

FILE COPY
340 SURNAME:

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

Selfridge
Lehman

SEP 7 1951

Mr. A. W. Weissenborn, Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Subject: DMA-1658X Tungsten , Consolidated Molybdenum, Inc.
801 Central Building, Seattle 4, Washington
Property: Devil's Canyon Mine, King County
Washington.

Dear Mr. Weissenborn:

We are requesting, unless you have good reason for not doing so, that you make a return examination of the subject applicant's property to determine if the showing in Devil's Canyon, which was formerly covered with snow, changes the picture any. Your comments on the enclosed letter from Mr. Osterberg will be appreciated.

If your recommendations are favorable, please assist the applicant in furnishing the necessary exhibits, straighten him out on the amount of participation, and determine the funds necessary for the proposed work.

The applicant does not appear to be qualified to manage a mining enterprise. This angle should also be checked.

P. S. While you're at it, please investigate the possibilities for molybdenum and quartz crystals as well as tungsten.

Very truly yours,

B 9/17

Tom Lyon
Tom Lyon, Chairman
Coordinating Committee

Enclosure

Approved:

Lowell S. Moon

Bureau of Mines

Geological Survey

Mr. Lemmon Mr. Goehan

TJBallard:ec
August 31, 1951

CC: Adm. Reading File
Reports & Records Unit
Field Team Region II
Coord. Comm.
Mr. Holderer
Files

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

SEP 7 1951

Mr. A. E. Weissenborn, Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Subject: DMA-1658X Tungsten, Consolidated Molybdenum, Inc.
801 Central Building, Seattle 4, Washington
Property: Devil's Canyon Mine, King County
Washington.

Dear Mr. Weissenborn:

We are requesting, unless you have good reason for not doing so, that you make a return examination of the subject applicant's property to determine if the showing in Devil's Canyon, which was formerly covered with snow, changes the picture any. Your comments on the enclosed letter from Mr. Osterberg will be appreciated.

If your recommendations are favorable, please assist the applicant in furnishing the necessary exhibits, straighten him out on the amount of participation, and determine the funds necessary for the proposed work.

The applicant does not appear to be qualified to manage a mining enterprise. This angle should also be checked.

P. S. While you're at it, please investigate the possibilities for molybdenum and quartz crystals as well as tungsten.

Very truly yours,

Tom Lyon, Chairman
Coordinating Committee

Enclosure

Approved:

Bureau of Mines

Geological Survey

Mr. Lemmon Mr. Gehan

TJBallard:ec
August 31, 1951

CC: Adm. Reading File
Reports & Records Unit
Field Team Region II
Coord. Comm.
Mr. Holderer
Files

SEP 7 1951

Mr. A. E. Weissenborn, Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Subject: DMA-16587 Tungsten, Consolidated Molybdenum, Inc.
801 Central Building, Seattle 4, Washington
Property: Devil's Canyon Mine, King County
Washington.

Dear Mr. Weissenborn:

We are requesting, unless you have good reason for not doing so, that you make a return examination of the subject applicant's property to determine if the showing in Devil's Canyon, which was formerly covered with snow, changes the picture any. Your Comments on the enclosed letter from Mr. Weisberg will be appreciated.

If your recommendations are favorable, please assist the applicant in furnishing the necessary exhibits, straighten him out on the amount of participation, and determine the funds necessary for the proposed work.

The applicant does not appear to be qualified to manage a mining enterprise. This angle should also be checked.

P. S. While you're at it, please investigate the possibilities for molybdenum and quartz crystals as well as tungsten.

Very truly yours,

Don Lyon, Chairman
Coordinating Committee

Enclosure

Approved:

Bureau of Mines

Geological Survey

T.Mallardtac
August 31, 1951

CC: Adm. Reading File
Reports & Records Unit
Field Team Region II
Pt. Corps.
Mr. Weisberg
Files

Mr. Lemon Mr. Shan

340

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

SEP 7 1951

Mr. A. E. Weissenborn, Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Subject: DMA-1653X Tungsten , Consolidated Molybdenum, Inc.
801 Central Building, Seattle 4, Washington
Property: Devil's Canyon Mine, King County
Washington.

Dear Mr. Weissenborn:

We are requesting, unless you have good reason for not doing so, that you make a return examination of the subject applicant's property to determine if the showing in Devil's Canyon, which was formerly covered with snow, changes the picture any. Your comments on the enclosed letter from Mr. Peterberg will be appreciated.

If your recommendations are favorable, please assist the applicant in furnishing the necessary exhibits, straighten him out on the amount of participation, and determine the funds necessary for the proposed work.

The applicant does not appear to be qualified to manage a mining enterprise. This angle should also be checked.

P. S. While you're at it, please investigate the possibilities for molybdenum and quartz crystals as well as tungsten.

Very truly yours,

SIGNED

Tom Lyon, Chairman
Coordinating Committee

Enclosure

Approved:

TJBallard:ec
August 31, 1951

Bureau of Mines

Geological Survey

Mr. Lemson Mr. Gahan

CC: Adm. Reading File
Reports & Records Unit
Field Team Region II
Coord. Comm.
Mr. Holderer
Files

FILE COPY
340 SURNAME:

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

A.E.C.

Selfridge
Ballard
Guhon
Broom
Thayer

SEP 7 1951

Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington

In reply please refer to
WMA-1658X Tungsten

Gentlemen:

Your letter of August 20 has been received.

We are requesting Mr. Weissenborn to review your application and the field report on your property.

We will advise you of our final decision on your application as soon as we receive Mr. Weissenborn's report.

Very truly yours,

SIGNED BJ 9/7
Tom Lyon, Director
Supply Division

TJBallard:ec
August 31, 1951

CC: Adm. Reading File
Reports & Records Unit
Field Team Region II
Mr. Holderer
Mr. Lemmon
Mr. Geehan
Files

SEP 7 1951

Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington

In reply please refer to
[illegible]-1650 Tungsten

Gentlemen:

Your letter of August 30 has been received.

We are requesting Mr. Weissenborn to review your application and the field report on your property.

We will advise you of our final decision on your application as soon as we receive Mr. Weissenborn's report.

Very truly yours,

SIGNED

Jess Lyon, Director
Supply Division

TJBallard:ec
August 31, 1951

CC: Adm. Reading File
Reports & Records Unit
Field Team Region II
Mr. Holderer
Mr. Leamon
Mr. Geehan
Files

List of File to Field

DMA-1658X Tungsten

1. one copy letter Consol. Molyb. Inc. to DMA 8/20/51
2. One copy Memo. on Field Report (2pages) 6/20/51
3. one copy letter Weissenborn to Strobel 6/21/51
4. one copy statutory statement Consol. Molyb.
5. four copies assays
6. one prospectus 8/1/48
7. one report by Olin M. Sprague
8. one report by Frederick A. McMillin
9. one Financial Statement
10. ME-103 $10,000
11. MF-103 $4,000
12. MF-100

8/31/51

Mr. A. E. Weissenborn, Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Subject: DMA-1658X Tungsten , Consolidated Molybdenum, Inc.
801 Central Building, Seattle 4, Washington
Property: Devil's Canyon Mine, King County
Washington.

Dear Mr. Weissenborn:

We are requesting, unless you have good reason for not doing so, that you make a return examination of the subject applicant's property to determine if the showing in Devil's Canyon, which was formerly covered with snow, changes the picture any. Your comments on the enclosed letter from Mr. Osterberg will be appreciated.

If your recommendations are favorable, please assist the applicant in furnishing the necessary exhibits, straighten him out on the amount of participation, and determine the funds necessary for the proposed work.

The applicant does not appear to be qualified to manage a mining enterprise. This angle should also be checked.

Very truly yours,

Tom Lyon, Chairman
Coordinating Committee

Enclosure

Approved:

Bureau of Mines

Geological Survey

Mr. Lemmon Mr. Geehan

TJBallard:ec
August 31, 1951

CC: Adm. Reading File
Reports & Records Unit
Field Team Region II
Coord. Comm.
Mr. Holderer
Files

Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington

In reply please refer to
DMA-1658X Tungsten

Gentlemen:

Your letter of August 20 has been received.

We are requesting Mr. Weissenborn to review your application and the field report on your property.

We will advise you of our final decision on your application as soon as we receive Mr. Weissenborn's report.

Very truly yours,

Tom Lyon, Director
Supply Division

TJBallard:ec
August 31, 1951

CC: Adm. Reading File
Reports & Records Unit
Field Team Region II
Mr. Holderer
Mr. Lemmon
Mr. Geehan
Files

List of File to Field 8/30/51

DMA-1658X Tungsten

1-letter Consol. Molyb. Inc. to DMA 8/20/51
1- Memorandum on Field Report (2 pages) 6/20/51
1- copy letter Weissenborn to Strobel 6/21/51
1- Statutory Statement-Consol. Molyb.
4- Copies assays
1- Prospectus 8/1/48
1- Report by Olin M. Sprague
1- Frederick A. McMillin-Report
1- Financial statement
1- MF-103 $10,000
1- MF-103 4,000
1- MF-100

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 8-21-51

REFERRED TO:

AUG 22 1951

1. Code 240
2.
3.
4.

Recd by Mr. Holserer

FOR:

____ Action	____ Recommendation
____ Approval	____ Record
____ Comment	of ____
____ Conference	____ Referring
____ Consideration	to ____
____ Filing	____ Reply for signa-
____ Instructions	ture of ____
____ Investigation	____ Rewriting
____ Initials	____ Signature
____ Mailing	____ Suggestions
____ Previous correspondence	✓ Your information

REMARKS:

Check (X) before the items needing attention.

Adams
Initials of sender.
G. E. C.

GPO 16—63815-1

Holdenn

CONSOLIDATED MOLYBDENUM, INC.

SEATTLE 4, WASHINGTON

801 Central Building

August 20, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 22 1951

United States Department of the Interior
Defense Minerals Association
Washington 25, D.C.

Attn: Mr. Tom Lyon

Re: DMA-1658-X Tungsten

Gentlemen:

In your letter of July 2, 1951, you indicate that the results of field examination do not indicate a reasonable chance of finding a tungsten ore body on the property. You also informed us that you must deny our application for an exploration loan. At the time the examination of our property was made by your field men, unfortunately the canyon was filled with snow and therefore it was impossible to examine the outcropping of ore at that time to substantiate our claims of a large and valuable tongsten as well as molybdenum deposit. However, there was enough evidence, we believe, to indicate strongly that there was reason to expect that we would find a fairly sizeable quantity of tungsten. Only a superficial examination was made and although I was not present at the time I do not believe the examination consumed over an hour or two at the most. The understanding we reached with your field team was that we would notify them when the snow had melted out of the canyon and we would be prepared at that time to show them an indication of a deposit. It was several days after the date of your letter dated July 2, that I talked to your Spokane Office by telephone and the arrangement that they would come in when the snow was gone was still in effect. However, the snow hung in longer than we expected. We then received your letter of denial and recently we wrote your Spokane Office asking for the return examination. However, this has now been denied because of the denial in your letter of July 2.

We have purchased a compressor and have several men working for us and we are going to go in and open these things up on our own. This is regardless if we receive any federal aid. However, I cannot see how our application for an exploration loan could be rejected in any fairness without a return examination of the property. If the United Nations and the United States need

tungsten and also molybdenum as urgently as we have been led to believe, it would appear to us that a little further investigation of our property may be worthwhile.

Very truly yours,

CONSOLIDATED MOLYBDENUM, INC.

V. M. Osterberg
President

VMO:vl

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

July 2, 1951

A. E. C.

Memorandum

To: Landon F. Strobel, Executive Secretary

Through: Director of Supply Division

From: Tungsten Branch

Subject: DMA-1658-X Tungsten
Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington

Property: Section 27, T. 25 N. R. 10 E., W. M.
King County, Washington

Application for loan of $7,500.00 to cover the Government's share of $10,000.00 exploration project, is denied because of insufficient evidence of the presence of a tungsten ore body.

The only working which was accessible for examination shows a quartz vein, 1" to 2" wide, which contains some molybdenite and scheelite. Better showings claimed by applicants, at higher elevations, were inaccessible due to snow conditions. On the basis of the size of the vein observed, the proposed exploration program would be impracticable.

George B. Holderer
Chief, Tungsten Branch

Approved

Tom Lyon

Tom Lyon
Director, Supply Division

FILE COPY
SURNAME:

Lamm
Holden

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

July 2, 1951

Memorandum

To: Jerome S. Strobel, Executive Secretary

Through: Director of Supply Division

From: Tungsten Branch

Subject: DMC-1652-2 Tungsten
Consolidated Molybdenum, Inc.
Mel Central Mill[illegible]
Seattle 4, Washington

Property: Section 27, T. 25 N., R. 20 E., W. M.
Okanogan County, Washington

Application for loan of $7,000.00 to cover the Government share of $14,000.00 exploration project, is denied because of insufficient evidence of the presence of a tungsten ore body.

The only working which was accessible for examination shows a quartz vein, 1' to 2' wide, which contains some molybdenite and scheelite. Better showings claimed by applicant, at higher elevations, were inaccessible due to snow conditions. In the light of the size of the vein observed, the proposed exploration program would be impracticable.

George B. Holderer

George B. Holderer
Chief, Tungsten Branch

Dm c 1658

Ellanson/jun

Approved

Tom Lyon

Tom Lyon
Director, Supply Division

CC: Adm. Pending File
Mr. Strobel
Mr. Holderer (2)
Files

856

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA FOR USE UNDER THE DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dma 16,58X

Date received 6-27-51

Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington

JUN 29 1951
Executive Secretary

Name and address of applicant

Date May 28, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124-A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production .....

   If not in production or operation, estimated date when production will begin .....
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*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.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(*a*) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

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.

CONSOLIDATED MOLYBDENUM, INC.
(Name of company)

By Vernon M. Patterson
(Signature of authorized official)

May 28, 1951
(Date)

President
(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.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

FILE COPY
SURNAME:

Lamm
Holden

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

July 3, 1951

Memorandum

To: Landon F. Strobel, Executive Secretary

Through: Director of Supply Division

From: Tungsten Branch

Subject: DMA-1653-X Tungsten
Consolidated Molybdenum, Inc.
201 Central Building
Seattle 4, Washington

Property: Section 27, T. 25 N. R. 10 E., W. M.
King County, Washington

Application for loan of $7,500.00 to cover the Government's share of $10,000.00 exploration project, is denied because of insufficient evidence of the presence of a tungsten ore body.

The only workings which was accessible for examination shows a quartz vein, 1" to 2" wide, which contains some molybdenite and scheelite. Better showings claimed by applicants, at higher elevations, were inaccessible due to snow conditions. On the basis of the size of the vein observed, the proposed exploration program would be impracticable.

George B. Holderer

George B. Holderer
Chief, Tungsten Branch

FWHanson/jam

Approved

Tom Lyon

Tom Lyon
Director, Supply Division

CC: Adm. Reading File
Mr. Strobel
Mr. Holderer (2)
Files

DMA-1653

FILE COPY
SURNAME:

Lemmon
Holderer

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

[illegible], 1951

Consolidated [illegible] Co.
501 Central Building
Seattle [illegible], Washington

In reply refer to
[illegible]-1655-[illegible] Washington

Gentlemen:

We have reviewed your application for a DMC exploration project for scheelite on your property in King County, Washington. We have also received a report on a field examination made during June by the [illegible] field team.

The evidence that you present in the report of field examination does not indicate to us a sufficient extent of field [illegible] investigation on the property. Therefore, we regret that we must deny your application for an exploration loan.

Very truly yours,

Tom Lyon
Tom Lyon
Director, [illegible] Administration

DMLemmon/jan

CC: Adm. Pending File
Field Team (2)
Mr. Strobel
Mr. Holderer (2)
Files
Mr. Lemmon

B2

Memo. June 28, 1957

To: Landon F. Strobel, Executive Secy
Through: Director of Supply Division
From: Tungsten Branch
Subject: DMA-1658 X Tungsten
Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington
Property: Section 27, T. 25 N R. 10 E., W.M.
King County, Washington.

Application for loan of $7,500.00 to cover the Government's share of $10,000.00 exploration project, is denied because of insufficient evidence of the presence of a tungsten orebody.

The only working which was accessible for examination shows a quartz vein, 1" to 2" wide, which contains some molybdenite and Scheelite. Better showings claimed by applicants, at higher elevations, were inaccessible due to snow conditions. On the basis of the size of the vein observed, the proposed exploration program would be impracticable.

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dma 1658X

Date received 6-27-51

Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington

JUN 29 1951
Executive Secretary

Name and address of applicant

Date May 28, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124-A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production .....

   If not in production or operation, estimated date when production will begin .....
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*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.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(*a*) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

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.

CONSOLIDATED MOLYBDENUM, INC.
(Name of company)

By Vernon M. Patterson
(Signature of authorized official)

May 28, 1951
(Date)

President
(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.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

1. (a) Tungsten from sheelite. (b) Molybdenum and quartz crystals.
2. This is now Consolidated Molybdenum property and it is the Devil's Canyon Mine. (c) 220 feet. The mine is not flooded and there is no pumping problem.
3. (a) The property is located 26 miles northeast of North Bend and there is a road within a mile of the property at the present time. (b), (c), and (d), please see Mr. Sprague's report which is attached hereto.
4. (a) The property is not now in operation but it soon will be. (b) We are operating this property partly leasing some of the claims and owning others.
5. This mine was in production many years ago for a short period of time. September 1, 1951.
6. Experience by the applicant includes about 20 or 25 years of practical mining knowledge together with 15 years general business experience. This applies generally to all the officers and directors of the Corporation.
7. History, (a) Not a great deal has been done with the exploration of this property in the past except to drive a tunnel 220 feet in to curve around the water which comes down the canyon. The mine was not productive because of the fact that there was no road within 19 miles of the property until very recently. (b) Bear Basin Mine in the same vicinity produces silver, copper and gold. There is also a mine nearby which reportedly has zinc as its chief product. (c) Report of Mr. Sprague, mining engineer is attached together with that of Mr. F. A. McMillin, a geologist.
8. Please see Mr. Sprague's report attached. The officers have agreed to render their services without compensation until this mine is fully in operation.
9. Please refer to Mr. Sprague's report, no dividends have been paid on the stock to date.
10. Production. The discovery of sheelite on this property is very new and we therefore have not had time to explore it or mine it as yet.
11. No production yet.
12. (a) Only a brief examination at the property has been made of the sheelite ore. Apparently sheelite showed up under the black light all along the left hand side of the tunnel. It was also discovered on the rock slide which is to the north of the tunnel. Other than that, we cannot state as to how much ore there is. It would appear to be substantial, however. (b) We have not had time to have an assay made. 2. The same applies.
13. Access Roads: The State has recently built a mine to market road which terminates a mile within the property. The remaining mile is fairly level and would present no tough construction problems as far as the road goes. It would require one bridge across a stream approximately 30 feet wide. We have applied to the state for the completion of this road to our property and we hope that it will be granted.
14. Water Supply: There is a large waterfall on Cougar Creek at the foot of the canyon and this could be harnassed for

ample electrical power. It would be sufficient all year round.

15. Power: None.

16. Labor: There has been no labor employed directly up to the present time. However, on our application form MF-103, we have set forth the labor we believe it will be necessary to expend to develop this sheelite supply.

17. Equipment and Facilities: We have at present one cabin on the property which contains 4 bunks and there are some tools stored there. These are for the most part hand tools however, there is a gasoline pump stored there also.

Very truly yours,

CONSOLIDATED MOLYBDENUM, INC.

V. E. Osterberg
President

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. dma 1658 X

Date received 6-27-51

Participation

Consolidated Molybdenum Inc.
801 Central Building
Seattle 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 27 1951
LANDON F. STROBEL
Executive Secretary

Name and address of applicant

Date May 28, 1951

FILL IN THIS BLOCK

Date of application May 28, 1951

Estimated cost $4,000.00

Mineral or metal Scheelite

Percentage of Government participation 75%

Location of mine King County, Washington

Date of filing MF-100 May 28, 1951

DMA Docket Number, if available

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.
*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.
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.
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)?

*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.
    (*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.

*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.

THE EXPLORATION

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

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

    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.

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.
    (*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.

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.~~

CONSOLIDATED MOLYBDENUM, INC. (Name of company)

By Vernon M. Carlberg (Signature of authorized official)

May 28, 1951 (Date)

President (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

1. Corporation.
2. Not a partnership.
3. Please see page 11 of Mr. Sprague's report which is attached.
4. The applicant has been familiar with mines and mining for about the past 20 or 25 years and has had many years practical business experience both as a responsible employee of various business firms and operating his own business. The various officers and directors have had many years of practical mining experience as well as business experience.
5. The corporation is the owner of some of the claims and the lessee of 8 of the claims.
6. None.
7. The lease is in good standing and it is leased for 99 years
8. Financial statement is attached.
9. $1,000, and it is sufficient to pay ourcost of the project.
10. (a) See page 1 of Mr. Sprague's report.
(b) Same.
11. Devil's Canyon Mine.
12. Please refer to pages 2 and 3 of Mr. Sprague's report. This mine to market road, which at the time Mr. Sprague's report was written was in the planning stage only, has now been completed and the road is within about 1 mile of Consolidated Molybdenum property. An extension of the road by the State Highway Commission has been appled for and we hope that it will be started in the near future. The property is located approximately 26 miles northeast of North Bend and transportation would be by truck. The present road is in good condition and will bear heavy traffic.
13. There is a large waterfall on Cougar Creek at the foot of Devil's Canyon and ample water power could be obtained from that source. There is also a small creek which flows down through Devil's Canyon which could be harnassed to a certain extent.
14. Due to the creek coming down Devil's Canyon it was found necessary at the start to drive a tunnel in at the site of the canyon to curve in under the waterfall in order to arrive at the main vein of molybdenum on the property. This tunnel is approximately 220 feet in. There is a log cabin on the property approximately 18 feet square with shake sides and roof. This cabin can be used as a tool shed and for storing equipment.
15. The discovery of sheelite on this property has been so recent that we have not had time to go into the shipping and milling of the ore, but it is presumed that we could erect about a 200 ton mill on the property in the future and that the ore could be milled there.
16. History. (a) This property has been explored mostly towards a development of the molybdenum existing there. The operations were suspended however, becuase of the lack of a road into the property, but this is being remedied. (b) Bear Basin mining company in the area is producing gold, silver and copper. Across Cougar Creek from Devil's Canyon lies the Jackpot mine whichwe have been told has zinc. (c) We have already indicated that Mr. Sprague's report is attached and attached also is a report by Mr. Frederick A. McMillan geologist,

which is self-explanatory.

17. None.

18. (a) Scheelite has been found in the tunnel now existing on the property, principally on the left hand side of this tunnel and it seems to be a fairly good deposit.

19. Scheelite seems to run side by side nearly with the molybdenum. If this is true then it should make this mine a very profitable one.

20. Scheelite, molybdenum and quartz crystals.

21. As soon as the State mine to market road is completed into the property which we hope will be very soon, we believe that we should secure the services of a competent mining engineer and drive exploration shafts at the lower part of Devil's Canyon to probe for scheelite. As soon as we learned where the best deposits lay, we could then go into active production. This should not take more than 6 months to complete.

22. We are attaching report of Frederick A. McMillan, geologist.

23. (a) $1,500.00 of wages of miners at minimum union wage. (b) $400.00 for a general foreman plus $1,000.00 for the services of a mining engineer. (d) $500.00 for a bunk house. (e) $100.00 for miscellaneous hand tools.

Very truly yours,

CONSOLIDATED MOLYBDENUM, INC.

V. M. Osterberg
President

VMO:vl
Encls.

Dma - 1658X

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

So. 157 Howard Street
Spokane 4, Washington

June 20, 1951

Memorandum

To: A. E. Weissenborn, Executive Officer, DMA, Field Team, Region II

From: Eric G. Erickson, Mining Engineer, U.S.B.M. - R. A. Christman, Geologist, U.S.G.S. - Elton A. Youngberg, Geologist, U.S.G.S.

Subject: Consolidated Molybdenum Inc.
801 Central Building
Seattle 4, Washington
Property: Sec. 27, Twp. 25 N., R. 10 E., W.M.
King County, Washington

Recommendations:

The field team recommends that no action be taken on Consolidated Molybdenum Inc. application for aid to explore the company's property on Cougar Creek, King County, Washington, until the deposit is available for a thorough examination. The examination by the field team of the accessible workings cast considerable doubt upon the feasibility of the project.

Summary of Field Examination:

The examining team spent one day hiking into the property, making an inspection of a 200-foot adit driven upon one of the veins (and looking at several outcrops). The better showings according to the applicants were situated at higher elevations and in Devils Canyon and were covered by snow.

The 200 foot adit inspected is situated at an elevation of about 3500 feet in Devils Canyon. The adit starts into the west wall of the canyon, takes a circular course to intersect a fault which coincides with the canyon and follows it for a distance of about 100 feet. The fault appears to be a strike fault along a 1-"2" quartz vein which in places is still attached to one wall. The quartz vein contains some molybdenite, and scheelite. The fault zone composed largely of gouge contains some disseminated molybdenite, probably ground up vein material. This gouge is reported to assay 3/4 percent molybdenum.

The quartz molybdenite veins not seen are reported to be 1-"6" wide. If these are closely enough spaced they possibly could be a commercial source of molybdenum and tungsten. Little definite information could be obtained from the applicants concerning these veins.

If the size of the vein observed at the Devils Canyon Adit, the only underground working on the property, is any indication of the strength of mineralization on the other veins, there is no possibility of a feasible exploration program.

REPORT ON

CONSOLIDATED MOLYBDENUM, INC. HOLDINGS

IN THE BUENA VISTA MINING DISTRICT

KING COUNTY, WASHINGTON

by

OLIN M. SPRAGUE

Professional Engineer
641 N. Callow Avenue
Bremerton, Washington.

"BECAUSE THESE SECURITIES ARE BELIEVED TO BE EXEMPT FROM REGISTRATION, THEY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION; BUT SUCH EXEMPTION, IF AVAILABLE, DOES NOT INDICATE THAT THE SECURITIES HAVE BEEN EITHER APPROVED OR DISAPPROVED BY THE COMMISSION OR THAT THE COMMISSION HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE STATEMENTS IN THIS COMMUNICATION."

(4 additional copies of this report may be found in maps cabinet)

641 N. Callow Av.

Bremerton, Wash.

October 23, 1948.

At your request I have made an examination of the mining claims comprising the Consolidated Molybdenum, Inc. Mine property during October, 1948.

I am embracing my findings in the attached Report. This Report is based upon what I have seen, from certain recorded documents, maps, and from conversations with persons whom I consider to know whereof they have spoken.

The intent herein is to give an accurate description of the property with the purpose in mind of offering duly substantiated facts, or, at times, my conclusions based upon my observations, combined with written documents.

My purpose is to so place my statement of fact, that those interested in what I am saying will be able to draw correct conclusions relative to this Mining Property, upon reading and studying what is to follow.

Registered Professional Engineer.

CONSOLIDATED MOLYBDENUM INC. PROPERTY

The Consolidated Molybdenum Inc. Property is located in Section 27, Twp. 25 N., R. 10 E., W.M. in the northeastern part of King County, Washington. It is in the Buena Vista Mining District. Official Records of the property are kept in the County Auditor's Office, of King County, at Seattle, Washington.

Ownership is by Possessory Right, which, under United States and Washington State Mineral and Mining Laws, means that the claimant in possession can not be disturbed except by some one who shows a better right to the premises.

The present owner has possessed, occupied, and improved the property, and complied with the legal requirements since 1905, or thereabouts.

Claim corners are in place and the boundary lines marked in the usual manner.

There is a log cabin 18 feet by 18 feet conveniently situated upon the property: a good trail leading thereto, and a tunnel 5 feet by 7 feet in section. Some mining tools and cabin equipment.

The general appearance of the property is such as convinces one that the owner or claimant, has thru all these years, valued and cherished this property. The said owner shows by his toil and effort that he has continuously placed faith in the promise the property offers.

It might be further stated as a fact, that the toil and effort put upon the property has been purposeful, and pursued with a high degree of intelligence.

The orebody outcropping and in the tunnel, is a mass and a flaked Molybdenite in a large Pegmatite dyke. There is reason to believe that this property contains at least two other, and separate Pegmatite dykes.

ACCESSIBILITY

The route to the Consolidated Molybdenum Inc. property, starting from Seattle, is over U.S. Hiway No. 10, East to North Bend, some 29 miles, then northeasterly up the County Road following the North Fork of the Snoqualmie River some 26 miles. The 1 st 10 miles of this County Road has been built during 1948, and consists of a well gravelled road, built to support heavy traffic.

It is a Mine-to-Market Road on a right-of-way secured by King County thru Court condemnation. This right-of-way is secured to the Forestry Boundary, one mile further than constructed, and the Lennox Mine is at the further end of this uncompleted mile. Expectation of improvement of this last mile is thru cooperative effort of the owners of property contiguous to the Forestry Boundary and lying around the confluence of the Lennox River and the North Fork of the Snoqualmie.

From the Forestry Boundary, the State of Washington Mine-to-Market Road Commission has surveyed and located a route up the Lennox River some 4 and 1/2 miles, substantially following the old, existing

trail southeasterly to the mouth of Cougar Creek. Plans and specifications have been prepared for construction of this section of road up Lennox River, and contract for construction is shortly expected to be let by the State of Washington Highway Department. Completion of the road is expected, and specified in the Specifications, early in 1949.

The road when constructed will end at the foot of the slope rising to the south and approximately 3/4 mile north of the central part of Consolidated Molybdenum Inc. property.

From examination, access to the property from the end of the Mine to Market Road, as now located, will be upwards of 1 and 3/4 miles of road on a 9% grade, with perhaps one or two "switch-backs". This route would take off up the Lennox River and over a northeasterly slope affording ample way for sustaining the desired grade.

Ground is very good for road construction and with proper drainage should not present any difficulties. The route follows thru a timbered area; hence no snow slide trouble.

DESCRIPTION

The Consolidated Molybdenum Inc. property is a group of 10 claims, center lines of which extend from Cougar Creek South 52° East. The southerly string consists of 4 claims, each 1500 ft. up the mountain side and running from Cougar Creek South 52° East, 6000 ft. Northerly from and parallel and adjacent to this string, are two strings of 3 claims extending so that the southeasterly end lines of all three strings lie in a straight line. Another way of description is to say that 9 claims form a rectangle

4500 ft., or three claims, long, and extending South 52° East up the mountain, and three claims or 1800 ft. wide, at right angles to the slide lines across the upward slope. The tenth claim extends in line from the northwesterly part of the rectangular group downward to Cougar Creek - a handle on a rectangle.

The entire surface of the property is covered with a growth of Alpine and Noble Fir and Yellow Cypress. Some of the Cypress attains a diameter of 6 ft. indicating great age and the trees stand uninjured or deformed from any slides or other catastrophic agencies. This indicates a safe surface.

Along the general center line of the southwesterly four claims up the mountain, there is a canyon, rising on a slope of 35°, or 57 ft. per 100 ft. The walls are sheer granit and rise, in places, upwards of 100 ft. above the floor; the width of the canyon varies from 15 ft to 50 ft.

The floor from Cougar Creek to the top of the slope is a Pegmatite with quartz, lying in laminated formation - 2 to 6 inches of the Pegmatite with a quartz ribbon in between - 1/4 to 3 inches thick. These alternate ribbons fill the entire width between the canyon walls, and the Molybdenite ore is found in this floor formation.

A tunnel 5 ft. by 7 ft. in section is driven in this canyon, in the second claim, some 1200 ft. from and 600 or 700 ft. higher than Cougar Creek.

The portal is in the side of the canyon, safely out of the creek

bed and after traversing thru the granite wall, strikes the Pegmatite vein, 100 feet in, and under the northerly side of the vein. It then follows the vein for a distance of 100 feet to the tunnel face. The walls of the tunnel are impregnated with the Molybdenite ore.

Parallel to and northerly from the canyon there are two creeks flowing in small gulches, in which the same Pegmatite shows up. Their extent is at present undetermined, The indication is more than enough to warrant extensive investigation. A great deal of Molybdic Ocher coloration shows all along each of these creeks and Molybdic Ocher is an excellent guide to underlying Molybdenite deposits.

THE DEPOSIT

The strike of the veins on the Consolidated Molybdenum Inc. Property is South 52° East, the dip is 80° to 90°. The Pegmatite in the Canyon itself lies exposed from the upper edge of the talus above Cougar Creek, upward along the Canyon floor some 5000 ft. It varies in width from 15 to 50 ft. Pegmatites rise from very great depths, and are notorious for their irregular structure. Their depth range is so great that no mine starting on a productive Pegmatite is likely to reach a horizon too deep for further deposits.

Zonal arrangment of minerals within Pegmatite bodies is common, but these changes are usually symetrical with respect to the walls and to the center line, and are not expression of depth. This is to say that any change of mineral within the body takes place immediately across the section of Pegmatite, horizontally, and say, at right angles to the main axis of the

vein; it does not change vertically as in enrichment veins with their zonal arrangement, according to age and specific gravities.

This characteristic of Pegmatites is quite dependable, and applied to the Consolidated Molybdenum Inc. property we have a Pegmatite vein in depth from Elevation 3500 at Cougar Creek, rising thru the four claims South 52° East to Elevation around 6000, or a depth of probably 2500 ft. with no information as to depth below Cougar Creek bed.

Again, this same vein or a close relative strike off to the northwest on the same bearing of North 52° West over Goat Mountain to Sunday Lake and can be traced for two and one-half miles; where it crosses Goat Mountain about one mile northwest, it outcrops considerably higher than the apex of the Consolidated Molybdenum property.

This leads to the conclusion that here lies a tremendous body of ore.

IMPORTANCE OF MOLYBDENUM

The reasonable assurance of an ample deposit of ore brings up the question of - what gives this ore its importance? What is it used for? What is its value?

Molybdenite is composed of two elements, 60% molybdenum and 40% sulphur, and is also known as Molybdenum Sulphide. It is a soft, shiny, grey or black mineral usually in flakes or plates. Its hardness is 1, and specific gravity 4.8. A cubic foot will weigh up to 300 pounds.

Molybdenite is used as a lubricant; in its place, superior to

graphite, which it somewhat resembles. It is especially valuable around high-speed machinery and the moving parts of delicate instruments, as a lubricant. Refined, that is, Molybdenite with constituent parts separated-smelted, leaves the metal, Molybdenum. Molybdenum is used in steel alloys for high-speed tools, and steel and iron castings. It is found in the United States in Maine, New Hampshire, Washington, Colorado and New Mexico.

Its value exists both before and after smelting. Refining and concentrating is rather ticklish because of its specific gravity coming close to the copper pyrites which may be present in small quantities in the Pegmatite along its joints with the Host Rock. This examination has disclosed no pyrites but some is almost inevitable; however, the metal is recovered and the process is not an involved one as witness the present production.

The demand since World War II has greatly increased on account of new uses and wider distribution of consumption; the price is by the pound, at present about 46¢ a pound for the Molybdenite at the mine.

ASSAYS

Such data as to assays is, at this time, scant. The few samples reported upon show 1½% - 4% - 5% and one sample which returned 10%. This, roughly, gives 100 pounds per ton, or, say, $45.00 per ton. From all indications this does not seem unreasonable.

DEVELOPMENT

The matter of development on the Consolidated Molybdenum Inc. property is one that should be give utmost care. Access to the property at this time is over trails and roads, and by late 1949 every indication is that motor traffic will be available to within 3/4 of a mile from the present cabin.

The existing tunnel on the property appears to be in a well selected location. In this respect, it is not as criticism but as a suggestion, that a tunnel lower down toward Cougar Creek might be to a better advantage, as some 400 or 500 feet of elevation might better be utilized. The operating plan would control this matter. The mine looks as though it could be developed by working several levels.

The slope down to the bottom of the hill is straight and anywhere on a convenient spot, the mill should be placed; this is a control factor.

It seems, from present information, that ore might be transferred over aerial tram from the upper reaches to a mill close down by the road where it could be loaded onto trucks for shipping. The mill to concentrate and store for shipping.

There is good possibility of ample water power both in Cougar Creek and on Lennox River. Would suggest that this be with low head turbine. Machinery is more expensive but requires less construction - has a tendency towards getting everything "close-in".

Owing to the distance out, it would appear that camp buildings will be necessary; a cook house with commissary and, later, a superintendent's house with an office.

Mine timbers will be necessary, which may be cut from timber on the ground. This will probably work out cheaper if a small "portable mill" were set up at the start. Lumber and timbers could be cut from standing

timber on the property as required and around $25.00 per M. saved over market cost. It would also save unnecessary traffic over the road, which can interfere with ore shipment.

CONCLUSION

From the indications on Consolidated Molybdenum Inc. property it should be plain to anyone acquainted with the ore Molybdenite, and the rock Pegmatite, that here lies a very promising Mine Property. The potential tonnage would only be a wild, wierd guess at this time. It is certain that one vein some 5000 feet long, 15 feet wide, and average 1250 feet in depth exists and is in sight at a single glance. With two other veins not so plainly discernible but showing strong evidence of similar existence, it is too hypothetical at this time, to say anything more.

We know only partially what the bottom may be. The ore appears remarkably free from other metals than Molybdenum. The definite assurance of the road being built close to the Mine is an advantage few properties can enjoy. In short, every feature and circumstance pertaining to this property is enhancing its value.

Hypothetically estimating production for sake of further elucidation, let us assume one tunnel 5 ft. by 7 ft. the length of each string of claims. The total length of tunnel would then be

6000 ft. in the southerly string of 4 claims
4500 ft. in each of the two northerly strings, or
15000 ft. of theoretically productive ore.

then the volume of material would be

$$\frac{5 \times 7 \times 15000}{15 \text{ cu. ft. per ton}} \text{ OR } 35000 \text{ tons}$$

Average value of 35000 tons @ 5% or 100 lbs. Molybdenite per ton of ore would yield 3,500,000 lbs. of Molybdenite.

Such a vast quantity, even in theory, is staggering and should not, of course, be used in any reasonable estimates. But again, we have only considered depth at 7 ft. and there is likely to be 1200 or 1500 feet of depth, plus what may lie below the level of Cougar Creek Floor. Ore should be expected to such depth as Pegmatite may extend, and mined to such a horizon as the rock will stand, and Pegmatite extends to very great depth.

It should be remembered also, that Uraninite, found only in Pegmatites, is not an impossibility. No one knows for sure that this ore does not exist here on this property, and finding none would be no loss. No investigation has been made as far as we know. The basic conditions for Uranium, Thorium, and other rare metals exist in this Pegmatite, and is worth the test. The quantity of Molybdenite would soon pay the cost of such an investigation.

Then too, as characteristic in Pegmatite, there are quantities of clear quartz crystals in the rock around these dykes. Some observed, measured 3 inches long by 1 inch across. These, when clear, are valuable in lens making, and in radio and other industrial uses.

Accessibility and extent of the deposit make this property a very valuable one.

Chas M Sprague

STATUTORY STATEMENT - CONSOLIDATED MOLYBDENUM INC.

Filed with Director of Licenses of State of Washington.

EXHIBIT 1. Incorporated in State of Washington, May 25, 1948.

EXHIBIT 2. Address of registered business office in State of Washington: 14521 Aurora Avenue, Seattle 33, Washington.

EXHIBIT 3. List of officers, all of whom are directors, holding office for term of one year, and amount of stock held:

G.L.Hansen, vice president, 614 Yale Avenue N., Seattle, Wash.	127,500 shares held
L.J.Madden, vice president, Rt.3 Box 415, Bremerton, Wash.	127,500 shares held
K.O.Welling, secretary, 14521 Aurora Ave., Seattle, Wash.	127,500 shares held
E.A.Amburn, treasurer, 1814 25th S., Seattle, Wash.	127,500 shares held
C.L.Johnston, director, 245 S.Montgomery St., Bremerton, Wn.	127,500 shares held
E. Saurers, director, Rt.3, Box 415-B, Bremerton, Wash.	127,500 shares held
J. Madden, director, Rt. 3, Box 415, Bremerton, Wash.	127,500 shares held
G.M.Osterberg, director, 756 Stimson Bldg, Seattle, Wash.	127,500 shares held
V. Osterberg, ~~director~~ President, 19345 37th Ave.N.E., Seattle, Wn.	127,500 shares held
Mrs. L.Liptrap, director, 403 Bay Bldg., Seattle, Wash.	127,500 shares held
J. Zybura, director, 4409 - 36th So., Seattle, Wash.	127,500 shares held
Mrs.E.L.Watson, director, 756 Stimson Bldg., Seattle, Wn.	127,500 shares held

EXHIBIT 4. Number of shares of common stock authorized, all nonassessable, 3,000,000 shares, par value 10¢ each. Preferred stock, None.

EXHIBIT 5. Consolidated Molybdenum, Inc., issued 127,000 shares to each of twelve incorporators. 1,530,000 shares are placed in escrow with Frederick W. Post, 6251 - 31st N.E., Seattle, Washington, under agreement with Department of Licenses.

EXHIBIT 6. Consideration received by company from shares issued and outstanding July 1, 1948, is: On 1,530,000 shares, $153,000 value placed on lease and organizing.

EXHIBIT 7. Statement of Assets and Liabilities as of July 1, 1948.

ASSETS		LIABILITIES	
Lease on property.....	$127,500.00	Common Stock issued.....	$153,000.00
Deferred charges, prepaid expenses.....	25,500.00		
TOTAL.....	$153,000.00	TOTAL.....	$153,000.00

EXHIBIT 8. Number of shares or other securities to be issued to public in present offering:

	No. Shares	Offering Price
Common Stock.....	1,470,000	10¢
Preferred Stock.....	None	None
Approximate amount expected to be derived from sale..		$147,000.00
Approximate amount of commissions to be paid.....		36,750.00
Approximate amount of exploration work, development work, and equipment to be purchased.....		110,000.00

EXHIBIT 9. Rate of commissions to be paid and form of payment. (In money or company's securities).

1. Agents..... 25% in money
2. Member of corporation as selling agent,.. 25% in money
3. Underwriters..... None

Amount of salaries to be paid for ensuing year:
No salaries are to be paid to the president or vice president or secretary or treasurer or general manager or others.

EXHIBTT 10. Names and addresses of authorized Agents or underwriters at time of filing:

G. M. Osterberg, 756 Stimson Bldg., Seattle, Washington
Vernon Osterberg, 19345 - 37th Avenue, N.E., Seattle, Washington
Mrs. E. L. Watson, 756 Stimson Bldg., Seattle, Washington
Mrs. Lillian Liptrap, 403 Bay Bldg., Seattle, Washington
John Zybura, 4409 - 36th South, Seattle, Washington
Garry L. Hansen, 614 Yale Avenue North, Seattle, Washington
Leonard J. Madden, Rt. 3, Box 415, Bremerton, Washington
Jack Madden, Rt. 3, Box 415, Bremerton, Washington
E. A. Amburn, 1814 - 25th South, Seattle, Washington
Kenneth O. Welling, 14521 Aurora Avenue, Seattle 33, Washington
Edwin Saurers, Rt. 3, Box 415-B, Bremerton, Washington
Carl L. Johnston, 245 S. Montgomery Street, Bremerton, Washington

EXHIBIT 11. (a) Describe fully history of company. (b) Describe claims and give their approximate location, and type of mining to be engaged in. (c) Give valuation of claims. (d) Proposed work. (e) Type of machinery and equipment to be purchased. (f) Briefly outline purpose for which funds are to be used.

Consolidated Molybdenum, Inc. was organized in May, 1948. It does not succeed any other form of mining company; it is a completely new company. The claims are located in the Buena Vista Mining district, which district is approximately 25 miles North and East of North Bend, Washington. The company has a 99 year lease on 8 claims (approximately 160 acres) lying in Section 27, Township 25 North, Range 10 East, W. M., King County, Washington. No royalties or other cash payments are payable under the lease. Ten of the incorporators own the claims and have exchanged a leasehold interest in the claims for stock in the company.

The value of the claims with improvements is $127,500.00. Some tunnel work has been done. At the point of access to the ore bearing vein, a swift mountain stream called "Devil's Canyon" cuts through the vein. A tunnel has been driven into the side of the canyon, to curve around to the vein and escape the water. Further development work proposed by the company includes driving the tunnel into the ore bearing vein; construction of housing facilities for workers, erection of mill and flotation plant, and the installation of a tram from mine to mill, together with the necessary grading.

The machinery needed and proposed to be purchased includes; Diesel power plant, 50-ton mill, flotation plant, air compressors and drills, tramway equipment and hoist, bulldozer, together with the necessary accessories and tackle for such equipment.

The purpose for which the funds will be used will be to provide access roads to the public roads, grade and level the land upon the mining claims, erect such buildings as are necessary to house men and equipment, purchase mining, milling and flotation equipment, and to develop the tunnels and shafts to the point of production; thereafter, to provide capital for the maintenance of payrolls, payment of taxes, and purchase of supplies.

There is no present authorization in the organizational plan of the company for the payment of salaries to the officers as such, and no such action is contemplated until production problems necessitate sufficient amounts of their time that salaries are deemed necessary by the board of directors in order to secure the type of administration needed to carry on the work.

Dated May 25, 1948.

(Corporate Seal)

CONSOLIDATED MOLYBDENUM, INC.

Garry L Hansen

By G.L.Hansen, President.

Attest: K.O.Welling, Secretary

Dx 1658X

August 1, 1948.

An Opportunity to Participate in a Legitimate

Mining Enterprise of Merit.

CONSOLIDATED MOLYBDENUM INC.

14521 Aurora Avenue

SEATTLE, WASHINGTON

The purpose of this prospectus is to furnish information concerning the public stock offering of the Company, and together with other documents and reports referred to, contains the statements and information with respect to the Company and the shares offered that anyone acting for the Company, the underwriters dealers or brokers, is authorized to make. The Company will not be bound by any information or statements other than the data furnished or reasonably inferred therefrom.

"BECAUSE THESE SECURITIES ARE BELIEVED TO BE EXEMPT FROM REGISTRATION, THEY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION; BUT SUCH EXEMPTION, IF AVAILABLE, DOES NOT INDICATE THAT THE SECURITIES HAVE BEEN EITHER APPROVED OR DISAPPROVED BY THE COMMISSION OR THAT THE COMMISSION HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE STATEMENTS IN THIS COMMUNICATION."

THE REASON FOR THIS FINANCING

The purpose of this issue is to secure the sum of $147,000.00 to enable the company to put in shape and build tram-way, roads, buildings, sink shafts, drive tunnels, new equipment for mining and milling and transportation equipment. There are, at this time, no liabilities of the Company. (Statutory statement on file at Department of Licenses, Olympia, Washington, Office of Auditor, King County and Company Office, Seattle, Washington).

COMPANY ORGANIZATION

The Consolidated Molybdenum Inc. was incorporated under the laws of the State of Washington on May 25th, 1948. It has a capitalization of $300,000.00 representing 3,000,000 shares with a par value of ten cents (10¢) each.

For many years Dr. G.M. Osterberg has expended considerable sums of money and effort doing what development work was possible, under trying conditions, due to the inaccessibility to the property by a passable road. With the transportation problem rapidly being solved it is the intention of the company to fully develop the property.

THE MINE PROPERTY

The Consolidated Molybdenum property consists of eight lode claims held by location, and leased to the corporation on a 99 year lease, or approximately 160 acres in Sec. 27 Twp 25, Range 10E, W.M. in Buena Vista mining district, King County, Washington, on a small tributary of Cougar Creek, which empties into Lennox River, a tributary of the North Fork of the Snoqualmie River.

There are about 200 feet of workings in the mine, all within a short distance of the surface and has yet to be explored at depth according to its geological structure.

THE BUENA VISTA MINING DISTRICT

The Buena Vista Mining District is only 40 miles, as the crow flies, due East of the City of Seattle, Washington. By way of highway and road about 50 miles. It is in Township 25 North, Range 10 East, the total area is 45 sections. The district lies in the headwaters of the North fork of the Snoqualmie River, 18 miles N. E. of North Bend,

Washington, the closest town to the mining district, East King County, State of Washington.

Access is by way of State Highway from Seattle to North Bend or Snoqualmie in King County, Washington; then on the county road following the Northern and Westerly side of the Snoqualmie River, where the presently constructed road is acceptable for auto traffic, together with a bridge across the river. From this point in Section 20, Township 25 North, Range 10 East, a road is being constructed by the St. Paul and Tacoma Lumber Company for a distance of about 6 miles along the South bank of the Snoqualmie River to the junction of the Lennox River. From this point to the junction of Cougar Creek and Lennox River, about 6 miles, the State Mine to Market Road Commission have appropriated $18,000.00 for road construction, with an additional $50,000.00 to be made at the next meeting of the legislature.

The Buena Vista mining area is considered one of the best mineralized areas in the State of Washington and the closest mining district to the smelter at Tacoma, Washington, as well as the closest to Seattle.

The history of the mining district dates back before the Alaska Gold Rush, tunnels driven on veins in those days show how much faith the old timers had in the district then. The great drawback was the lack of transportation in the form of mine to market roads, but contracts in force and contracts to be let, for which money has been appropriated, have vertually eliminated this problem.

THE MINE PROPERTY

The group consists of 10 unpatented claims (each 600' x 1500') and comprises approximately 160 acres. Lying as this property does, it appears to be in one of the richest deposits afore on the Western part of Washington. It exists in a mountain range that is geologically much older than the Olympic or Cascade ranges, what is known as the Mt. Si Range. The altitude of this group is approximately 3,000 feet and the snow fall in the winter is heavy, ranging from 5 to 8 feet, but no very low temperatures have been recorded.

The timber on the property and vicinity consists of Spruce, Larch (mountain spruce), Hemlock, Cedar and some Fir. The growth is heavy and the trees large. There is sufficient timber for all mining purposes.

Cougar Creek flows at the lower end of the property and an abundance of Hydro-electric power can be developed at a comparatively low cost of installation, as there are falls on the creek at this point.

The vein has a strike almost East and West and follows the creek bed in Devils Canyon.

Two hundred feet of tunnel has been driven on the side vein. There is a vein in the bottom of the gulch, so the tunnel was started in the wall of the canyon and curved back to cut the lead when sufficient depth had been attained to be free from danger of surface water. Several open cuts have been made at different points on the main lead.

VALUES

Thru samples of ore taken from across the face of the drift 4 ft. These samples were assayed by The Division of Ore Dressing and Metallurgy, Department of Mines, Canada, at Ottawa; the following being a copy of the certificate; Division of Ore Dressing and Metallurgy, Mines Branch, Eugene Haanel, Ph.D, Director, Department of Mines, Canada.

Report of Analysis. 90% Ottawa, Oct. 30, 1917.

Description of Samples
Molybdenite Ores
Canadian Copper Company
Copper Cliff.

Lot No.					Percent
3777	Sample	Marked	E51-A	MOS 2	2.69
				or MO	4.61
3778	"	"	E52-B	MOS 2	8.13
				or MO	4.99
3779	"	"	E-53	MOS 2	15.66
				or MO	9.40
3780	"	"	E-54	MOS 2	0.995
				or MO	0.597

These last samples were picked up not out of the mine but outside of the drift - the number 3780.

C O P Y

(1)
The Henry E. Wood Ore Testing Co. Inc.
Assayers and Engineers
1734 Aratahoe Street, Denver, Colorado.

Feb. 13, 1918.

Dr. Gustaf M. Osterberg
Cobb Bldg.
Seattle, Washington

Dear Sir:

We report herewith results which we obtained in the investigation of your molybdenite ore, as follows:

Lot No. 1.
1 Sack Flacke MoS_2 in quartz. 60 lbs. net
Crude Assay - 5160% MoS_2

Test "A":		Weight Grams.	Percentage Weight	Assay MoS_2	Distribution MoS_2
A-1	Crude at -20 mesh	1000	100.00%	5.00%	100.00%
A-2	Direct final cts.	60	6.00%	85.10%	91.18
A-2	Tailings	935	93.50%	0.32%	3.67
	Unaccounted	5	.50		5.15
		1000	100.00%		100.00%

This is a very desirable ore for treatment, is easily ground and we believe in milling practice the recovery could be improved.

Lot No. 2:

9 sacks clay and low grade MoS_2 ore. 525 lbs. net.
Crude Assay - 0.40% MoS_2.

Test "B":		Weight Grams	Percent Weight	Assay MoS_2	Distribution MoS_2
B-1	Crude at -20 mesh	1000	100.00%	0.40%	
B-2	Direct Final cots.	6	.60%	64.05%	9.61%

This is not a desirable ore. While a fair grade of concentrate can be made, it is too low grade to start with, contains too much clay, and the recovery is very low.

As you will note frome the foregoing data, the 9 sack lot shows that particular ore to be practically worthless for milling purposes

The Henry E.Wood Ore Testing Co.Inc.
(continued)

and we do not believe you are justified in going further into the question of treatment for same.

Regarding the one sack lot however, this ore is of good grade and is well adapted to the Wood Ore Flotation Concentrator. If you have a large enough body of this ore to justify you in erecting a plant for its treatment, we will be glad to take the matter up with you further. If the amount of such ore is limited however, we would advise against the expenditure of money to build a mill. It would be better to ship such ore as at present good prices can be obtained.

If you can ship us a carload, say 25 or 30 tons of this ore as represented by the one sack lot, we can pay at the present time at the rate of $112.00 per ton for it, f.o.b. Denver. Freight must be prepaid or satisfactorily guaranteed. This is at the rate of $1.00 per pound for the molybdenite contents. Owing to the removal of the embargo on shipments for Canadian molybdenite ores into the United States, quotations from eastern buyers to us have been lowered 10 cents per pound of molybdenite contents in the past week, and we are informed prices will be considerably lower from present indications. We could therefore pay the price named above only for immediate shipments.

Awaiting your further advices, we remain,

Very truly yours,

THE HENRY E. WOODS ORE TESTING COMPANY.

By /s/ E. Segerstrom

(2)
The Colorado Assaying Company
2013 Welton Street
Denver, 1, Colorado

October 6, 1948.

REPORT TO: CONSOLIDATED MOLYBDENUM INC.
Seattle, Washington.

Sample Marks	Metals	Percent	Value Per Ton
#1 - 26" wide 78' from Portal	Molybdenum Sulphide	0.48%	
#2 - 12" wide, face of tunnel	Molybdenum Sulphide	0.08%	
#3 - 24" wide 92' from Portal, overhead	Molybdenum Sulphide	0.39%	
#4 - Stringer face	Molybdenum Sulphide	4.73%	$42.57
#5 - 10" wide 300' up canyon from portal of tunnel	Molybdenum Sulphide	0.16%	
#6 - Ore from Upper Canyon	Molybdenum Sulphide	10.46%	$94.14
#7 - Left side of canyon top of hill	Gold	trace	

Molybdenum Sulphide at 45¢ per pound
Gold at $35.00 per ounce

THE COLORADO ASSAYING COMPANY

By Edmund Phillips

PROPOSED OFFERING OF SHARES

An offering is made herein to the general public of 1,470,000 shares of common stock of the company at a price of 10 cents a share to gross $147,000. There is only one class of stock, all of it non-assessable. Each share carries equal rights with every other share.

To cover the costs of selling, advertising and distribution 25% or 2-1/2 cents a share has been allowed, or a total of $36,750.00 which leaves a net sum to the company of $110,250.00

MANAGEMENT, OFFICERS, etc.

In order to further the sale of stock and reduce the cost of financing, the Company will make its initial offering direct to the public. The officers and directors of the Company may make sales of stock on a commission basis and are authorized to represent the Company as selling agents and, as such, are underwriters.

The Company has retained accountants and attorneys at regular fees for such services. The Company has no other supervisory contracts or agreements and the management may be changed by the directors or stockholders.

At the present time Gorry L. Hansen is President, K.O.Welling is Secretary, E.A. Amburn, Treasurer and Leonard Madden is Vice-President.

COMPENSATION OF OFFICERS

No officers or director of the Company, as such, will receive any salary or compensation. No stock has been issued or will be issued to any individual for services of any kind in connection with the financing of the Company beyond the Commission of 25% to be paid to all persons selling stock.

FINANCIAL STATEMENT as of August 1, 1948.

Assets

Mine and Mining Property	$153,000.00	Common stock authorized	$300,000.00
		Less Unissued stock	147,000.00
			$153,000.00

OFFICE
305 Howarth Hall
College of Puget Sound
Pr. 3521

FREDERICK A. McMILLIN
Economic Geologist
Tacoma, Washington

RESIDENCE
3101 North 31st Street
Pr. 1715

On October 7 to 9, 1949, an attempt was made to examine the holdings of the Consolidated Molybdenum, Inc., property located in sec. 26 and 27, R10E, T 25 N, W.M. Conditions of weather made a complete examination impossible. Determination of the nature and character of the veins was possible and this section of the report will deal with this phase.

The location of the vein is in Devil's Canyon. Erosion has removed, within recent times, some 200 feet of vein material from the canyon.

The wall rock of Devil's Canyon is pre-Cascadian Granite (Hornblend Biotite Granite). The sequence of events that produced Devil's Canyon are: (1) Normal fault in which the west block has dropped, thus giving a vertical displacement of the two sides. This component was not accessible within the time spent on the property. (2) Into this fault was intruded a fissure vein of quartz. The vein material is glassy and well frozen on the wall of the respective blocks. (3) At some later time a dilation dike of Cascadian granodirite was introduced. This dike opened the old fissure forcing the respective wall apart to the extent of three to ten feet. (4) The next movement is not clear in relation to the time element, but a sufficient time later the dike had crystalized. This was a lateral movement, again involving the foot block that moved to the south. Either simultaneous with this movement or at some time later, quartz carrying sulfides invaded the dike. This invasion filled the fractures and replaced some of the original quartz and rock minerals. Mineralization is in all three components of the zone. The characteristic mineral is molybdenite with lesser amounts of other sulfides. This type of deposition is known as "desiminated replacement" and is one of the known types of molybdenum deposits.

Molybdenite tends to deposit in definite zones, but just what part of the zone of deposition is represented by the area that is intersected by the tunnel is not clear; however, it is my impression from what I observed that the location of the tunnel is about midway in the zone of molybdenite deposition. At a higher elevation represented by advancing up the canyon, the other sulfides seem to run stronger. At some distance down the canyon, there are tear faults that have a good showing of molybdenite. These facts would seem to establish the above hypotheses.

There were no samples taken at this time for assay. Samples should be carefully cut from wall to wall and of uniform depth and assayed. Until this is done very little can be said as to whether the Devil's Canyon is a mine or not. Just by visual inspection, it would appear that there is enough strength to the deposit to warrant a complete sampling and detailed examination.

After sampling and assaying has established the tenure of the ore, then a mining engineer could lay out a mining system for the adequate development of the property. The topography is such that the location of tunnels and the necessary appurtenant works would not present a problem.

On August 19, 1950 the property of the Consolidated Molybdenum Incorporated was visited by the author with the purpose of completing the examination that was started last October and abandoned because of adverse weather conditions. The canyon was explored except the extreme upper end. Heavy rains made the entrance of the canyon at this point impossible.

In the preliminary report the rock conditions were discussed in detail and the type of veins were studied. Here the author will only augment that report and make some changes in the sequence of events that lead to the deposition of molybdenite as the characteristic sulfide mineral.

The Consolidated Molybdenum Incorporated properties are in Section 26, 27; R.10 E.; T.25 N.; W.M.

The past history of the property is not recorded in the literature and is unknown to the author. However, in "Mining in the Northwest" edited by L. K. Hodges in 1897 there is a statement that as early as 1892 prospectors had crossed the divide from the Skykomish - Miller riverside into the watershed of the Snoqualmie river. However there is no mention of Molybdenite made at this time.

Metallic Molybdenum was isolated in 1782 but no large scale production was made until 1913 and real important production began in 1927. Practically all molybdenum produced is utilized in the making of alloys of iron and steel. Molybdenum acts like tungsten but more so. It requires approximately 50% less molybdenum to obtain a similar quality of alloy. Molybdenum is at the present the most important hardening alloying metal. Strength, ductility, and a tendency to resist crystallization in iron and steel are increased by the use of molybdenum. Molybdenum alloyed steels are extensively used where strength, heat resistance, and resistance to crystallization are required as in aircraft parts, automobiles, shafts,

high speed tools, gears, guns, and armor plate. These uses make molybdenum a critical metal in peace as well as war.

Geology: The walls of Devil's Canyon are pre-Cascadian or early Cascadian granite (hornblend biotite granite). The sequence of events that produced Devil's Canyon are:

(1) Normal faulting in which the west block had both a strike and dip component. This resulted in both vertical and horizontal displacement. Erosion has obscured the amount of this movement and as it has no direct relation to the events that produced the mineralization very little time was spent on this consideration.

(2) Into this fault was intruded a dilation dyke of granodiorite. This granodiorite is of the so called Cascadian granodiorite type.

(3) A second series of movements took place that shattered the granodiorite dike but apparently did not extend into the wall rock.

(4) Into these secondary fractures were intruded quarts in small amounts. Well formed crystals were present in places.

(5) Movement was again active. This third movement extended into the canyon wall producing tear faults in the downthrow block, West block, or foot wall.

(6) At sometime later, probably at or near the last stages of Cascadian intrusive action, veins of moderate high temperature quarts invaded all fractures. These solutions and vapors carrying quartz and molybdenite were under sufficient pressure to invade the granodiorite, depositing fine grained molybdenite in the spaces between the crystals of the rock. In some places rosettes of molybdenite occures in the granodiorite.

The Quartz carrying molybdenite is in the main glassy with the molybdenite occurring within the quartz as well as at the contact of the veins with the wall rock. These quartz veins make up approximately 25% of the mineralized area.

Devil's Canyon is a narrow slot left by the erosion of the quarts bearing granodiorite dike. The walls are precipitous and the grade of the canyon is roughly 22 degrees. This, however, is interrupted by several abrupt cliffs in the floor of the canyon and becomes a torrent even with a small amount of rain. Much of the canyon floor is covered with detritus that obscures mineralization.

Deer Gulch is the main tear fault that cuts the foot wall block. This fault has the same history as the main Devil's Canyon fault and contains the same type of mineralization. The vein in Deer Gulch may be the vein that is cut by the tunnel in Devil's Canyon, but more probably it is a tear fault vein of simultaneous origin. However there is evidence that there is a second dike east of Devil's Canyon. This was not investigated but should be.

The mineralized zone varies in width from two feet to ten feet. The pinching and swelling follows the original fault walls and is characteristic.

As elevation in the canyon is gained by advancing up the canyon, other sulfide minerals appear. This is the normal history of veins of this type. The description of the mineralized area was difficult because of the erosion. One rarely sees the entire width of the mineralized dike and the quartz veins that accompany it at a single exposure. The dike rock has had some alteration as the result of the intrusion of the quartz bearing hot solutions. This has made the deposition of the molybdenite possible by opening minute channels between the crystals that were disturbed by the fault movement. In the granodiorite that has been exposed by the erosion and acted upon by the air plus some acide waters, some of the molybdenite has been altered to molybdite, Mo_2O_3 or molybdenum ochre. This gives the rock some of the characteristic yellow appearance. This should not be confused with the yellowish color of the iron stains of limonite.

The quartz veins range in width from almost undiscernible veinlets to veins six inches wide. Associated with the quartz vein matter is a small amount of serisite probably derived from the alteration of the feldspars. The dissemination of molybdenite in both the granodiorite and the quartz veins is not uniform in

concentration but leans and strengthens from area to area. Where the vein is broadest the mineralization may be reduced per unit area, but the amount of mineral present will be approximately the same. Where two quartz veins or late faults intersect there is a tendency towards enrichment. The overall is a strong showing of molybdenum with ample tops to make an operation advisable.

Before much capital is invested for other purposes there should be a drilling program planned and the results of such a program carefully studied. This will tell just how much ore there is present and how it is concentrated. As the property now stands it is a raw prospect and there is no ore that can be estimated or described farther than to say that there is, on the basis of surface showings, a sizable tonnage of theoretical ore.

As molybdenite tends to deposit in a definite zone under rather a narrow thermal range, it would appear that the location of the present tunnel is in the upper part of the lower half of the mineralized zone. A new location should be sought at a lower level and a mining engineer employed to lay out the mining methods. Such a location could be found about two hundred feet below the present tunnel level.

After careful examination of the property it is my recommendation that the Board of Directors draw up a plan that will give a comprehensive and logical approach to the problem. This should be in writing for future reference. Discoveries should be made on the other two claims and trails blazed to said discoveries so that they may be readily accessible for examination.

A new cabin and such other buildings as are appertenant should be planned for early spring and so located that the danger of snow slides would be avoided. The present cabin is untenantable.

At the places where ropes are now used, trails should be cut around in the cliff so the canyon can be seen as a whole without endangering life and limb.

Hand samples are inadequate so large samples should be taken from several cuts and keep separate. These can be cut with powder and sent to some established firm that is equipped to make a concentration test on the ore. Samples should be in the neighborhood of 500 pounds each.

It is my belief that such a method of sampling would show enough strength to the ore body to warrant development in the immediate future.

/s/ F. A. McMillin

F. A. McMILLIN
Economic Geologist

dma 1658X

STATUTORY STATEMENT - CONSOLIDATED MOLYBDENUM INC.

Filed with Director of Licenses of State of Washington.

EXHIBIT 1. Incorporated in State of Washington, May 25, 1948.

EXHIBIT 2. Address of registered business office in State of Washington: 14521 Aurora Avenue, Seattle 33, Washington.

EXHIBIT 3. List of officers, all of whom are directors, holding office for term of one year, and amount of stock held:

G.L.Hansen, president, 614 Yale Avenue N., Seattle, Wash.	127,500 shares held
L.J.Madden, vice president, Rt.3 Box 415, Bremerton,Wash.	127,500 shares held
K.O.Welling, secretary, 14521 Aurora Ave., Seattle, Wash.	127,500 shares held
E.A.Amburn, treasurer, 1814 25th S., Seattle, Wash.	127,500 shares held
C.L.Johnston, director, 245 S.Montgomery St.,Bremerton,Wn.	127,500 shares held
E. Saurers, director, Rt.3, Box 415-B, Bremerton, Wash.	127,500 shares held
J. Madden, director, Rt. 3, Box 415, Bremerton, Wash.	127,500 shares held
G.M.Osterberg, director, 756 Stimson Bldg, Seattle, Wash.	127,500 shares held
V. Osterberg, director, 19345 37th Ave.N.E., Seattle, Wn.	127,500 shares held
Mrs. L.Liptrap, director, 403 Bay Bldg., Seattle, Wash.	127,500 shares held
J. Zybura, director, 4409 - 36th So., Seattle, Wash.	127,500 shares held
Mrs.E.L.Watson,director, 756 Stimson Bldg., Seattle,Wn.	127,500 shares held

EXHIBIT 4. Number of shares of common stock authorized, all nonassessable, 3,000,000 shares, par value 10¢ each. Preferred stock, None.

EXHIBIT 5. Consolidated Molybdenum, Inc., issued 127,000 shares to each of twelve incorporators. 1,530,000 shares are placed in escrow with Frederick W. Post, 6251 - 31st N.E., Seattle, Washington, under agreement with Department of Licenses.

EXHIBIT 6. Consideration received by company from shares issued and outstanding July 1, 1948, is: On 1,530,000 shares, $153,000 value placed on lease and organizing.

EXHIBIT 7. Statement of Assets and Liabilities as of July 1, 1948.

ASSETS		LIABILITIES	
Lease on property.....	$127,500.00	Common Stock issued.....	$153,000.00
Deferred charges, prepaid expenses.....	25,500.00		
TOTAL.....	$153,000.00	TOTAL.....	$153,000.00

EXHIBIT 8. Number of shares or other securities to be issued to public in present offering:

	No. Shares	Offering Price
Common Stock.....	1,470,000	10¢
Preferred Stock.....	None	None
Approximate amount expected to be derived from sale..		$147,000.00
Approximate amount of commissions to be paid.....		36,750.00
Approximate amount of exploration work, development work, and equipment to be purchased.....		110,000.00

EXHIBIT 9. Rate of commissions to be paid and form of payment. (In money or company's securities).

1. Agents..... 25% in money
2. Member of corporation as selling agent,.. 25% in money
3. Underwriters..... None

Amount of salaries to be paid for ensuing year:
No salaries are to be paid to the president or vice president or secretary or treasurer or general manager or others.

EXHIBIT 10. Names and addresses of authorized Agents or underwriters at time of filing:

G. M. Osterberg, 756 Stimson Bldg., Seattle, Washington
Vernon Osterberg, 19345 - 37th Avenue, N.E., Seattle, Washington
Mrs. E. L. Watson, 756 Stimson Bldg., Seattle, Washington
Mrs. Lillian Liptrap, 403 Bay Bldg., Seattle, Washington
John Zybura, 4409 - 36th South, Seattle, Washington
Garry L. Hansen, 614 Yale Avenue North, Seattle, Washington
Leonard J. Madden, Rt. 3, Box 415, Bremerton, Washington
Jack Madden, Rt. 3, Box 415, Bremerton, Washington
E. A. Amburn, 1814 - 25th South, Seattle, Washington
Kenneth O. Welling, 14521 Aurora Avenue, Seattle 33, Washington
Edwin Saurers, Rt. 3, Box 415-B, Bremerton, Washington
Carl L. Johnston, 245 S. Montgomery Street, Bremerton, Washington

EXHIBIT 11. (a) Describe fully history of company. (b) Describe claims and give their approximate location, and type of mining to be engaged in. (c) Give valuation of claims. (d) Proposed work. (e) Type of machinery and equipment to be purchased. (f) Briefly outline purpose for which funds are to be used.

Consolidated Molybdenum, Inc. was organized in May, 1948. It does not succeed any other form of mining company; it is a completely new company. The claims are located in the Buena Vista Mining district, which district is approximately 25 miles North and East of North Bend, Washington. The company has a 99 year lease on 8 claims (approximately 160 acres) lying in Section 27, Township 25 North, Range 10 East, W. M., King County, Washington. No royalties or other cash payments are payable under the lease. Ten of the incorporators own the claims and have exchanged a leasehold interest in the claims for stock in the company.

The value of the claims with improvements is $127,500.00. Some tunnel work has been done. At the point of access to the ore bearing vein, a swift mountain stream called "Devil's Canyon" cuts through the vein. A tunnel has been driven into the side of the canyon, to curve around to the vein and escape the water. Further development work proposed by the company includes driving the tunnel into the ore bearing vein; construction of housing facilities for workers, erection of mill and flotation plant, and the installation of a tram from mine to mill, together with the necessary grading.

The machinery needed and proposed to be purchased includes; Diesel power plant, 50-ton mill, flotation plant, air compressors and drills, tramway equipment and hoist, bulldozer, together with the necessary accessories and tackle for such equipment.

The purpose for which the funds will be used will be to provide access roads to the public roads, grade and level the land upon the mining claims, erect such buildings as are necessary to house men and equipment, purchase mining, milling and flotation equipment, and to develop the tunnels and shafts to the point of production; thereafter, to provide capital for the maintenance of payrolls, payment of taxes, and purchase of supplies.

There is no present authorization in the organizational plan of the company for the payment of salaries to the officers as such, and no such action is contemplated until production problems necessitate sufficient amounts of their time that salaries are deemed necessary by the board of directors in order to secure the type of administration needed to carry on the work.

Dated May 25, 1948.

(Corporate Seal)

CONSOLIDATED MOLYBDENUM, INC.

Garry L. Hansen

By G.L.Hansen, President.

Attest: K.O.Welling, Secretary

Copy.

dma 1658X

The Colorado Assaying Co.

Denver Colorado,

Elements Present	Percentage
Combined Water	0.10
Silicon	6.80
Aluminum Oxide	0.83
Aluminum Oxide	0.83
Iron Oxide	2.35
Molybdenum Sulphide	88.50
Molybdenum Oxide	0.45
Calcium Oxide	0.40
Magnesium Oxide	o.15
Sodium and Potassium Oxides	0.30
Titanium Dioxide	0.05
	99.93

/S/ Edmund Phillips.

Copy.

The Colorado Assaying Co.

Denver Colorado.

Elements Present	Percentage
Combined Water	0.10
Silicon	6.60
Aluminum Oxide	0.83
Aluminum Oxide	0.83
Iron Oxide	2.35
Molybdenum Sulphide	88.50
Molybdenum Oxide	0.45
Calcium Oxide	0.40
Magnesium Oxide	0.15
Sodium and Potassium Oxides	0.30
Titanium Dioxide	0.05
	99.93

/S/ Edmund Phillips.

Copy.

The Colorado Assaying Co.

Denver Colorado,

Elements Present	Percentage
Combined Water	0.10
Silicon	6.80
Aluminum Oxide	0.85
Aluminum Oxide	0.83
Iron Oxide	2.35
Molybdenum Sulphide	83.50
Molybdenum Oxide	0.45
Calcium Oxide	0.40
Magnesium Oxide	0.15
Sodium and Potassium Oxides	0.30
Titanium Dioxide	0.05
	99.43

/S/ Edmund Phillips.

Copy.

The Colorado Assaying Co.

Denver Colorado,

Elements Present	Percentage
Combined Water	0.10
Silicon	0.60
Aluminum Oxide	0.83
Aluminum Oxide	0.83
Iron Oxide	2.33
Molybdenum Sulphide	93.50
Molybdenum Oxide	0.45
Calcium Oxide	0.40
Magnesium Oxide	0.15
Sodium and Potassium Oxides	0.30
Titanium Dioxide	0.05
	99.95

/S/ Edmund Phillips.

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dmd 1658X

Date received 6-27-51

Consolidated Molybdenum, Inc.
801 Central Building
Sea ttle 4, Washington

JUN 27 1951
LAMSON P. SHOOL
Executive Secretary

Name and address of applicant

Date May 28, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124-A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production .....

   If not in production or operation, estimated date when production will begin .....
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*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.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(*a*) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

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.

CONSOLIDATED MOLYBDENUM, INC.
(Name of company)

By Vernon M. Osterberg
(Signature of authorized official)

May 28, 1951
(Date)

President
(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.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

1. (a) Tungsten from sheelite. (b) Molybdenum and quartz crystals.
2. This is now Consolidated Molybdenum property and it is the Devil's Canyon Mine. (c) 220 feet. The mine is not flooded and there is no pumping problem.
3. (a) The property is located 26 miles northeast of North Bend and there is a road within a mile of the property at the present time. (b), (c), and (d), please see Mr. Sprague's report which is attached hereto.
4. (a) The property is not now in operation but it soon will be. (b) We are operating this property partly leasing some of the claims and owning others.
5. This mine was in production many years ago for a short period of time. September 1, 1951.
6. Experience by the applicant includes about 20 or 25 years of practical mining knowledge together with 15 years general business experience. This applies generally to all the officers and directors of the Corporation.
7. History, (a) Not a great deal has been done with the exploration of this property in the past except to drive a tunnel 220 feet in to curve around the water which comes down the canyon. The mine was not productive because of the fact that there was no road within 19 miles of the property until very recently. (b) Bear Basin Mine in the same vicinity produces silver, copper and gold. There is also a mine nearby which reportedly has zinc as its chief product. (c) Report of Mr. Sprague, mining engineer is attached together with that of Mr. F. A. McMillin, a geologist.
8. Please see Mr. Sprague's report attached. The officers have agreed to render their services without compensation until this mine is fully in operation.
9. Please refer to Mr. Sprague's report, no dividends have been paid on the stock to date.
10. Production, The discovery of sheelite on this property is very new and we therefore have not had time to explore it or mine it as yet.
11. No production yet.
12. (a) Only a brief examination at the property has been made of the sheelite ore. Apparently sheelite showed up under the black light all along the left hand side of the tunnel. It was also discovered on the rock slide which is to the north of the tunnel. Other than that, we cannot state as to how much ore there is. It would appear to be substantial, however. (b) We have not had time to have an assay made. 2. The same applies.
13. Access Roads: The State has recently built a mine to market road which terminates a mile within the property. The remaining mile is fairly level and would present no tough construction problems as far as the road goes. It would require one bridge across a stream approximately 30 feet wide. We have applied to the state for the completion of this road to our property and we hope that it will be granted.
14. Water Supply: There is a large waterfall on Cougar Creek at the foot of the canyon and this could be harnassed for

ample electrical power. It would be sufficient all year round.

15. Power: None.
16. Labor: There has been no labor employed directly up to the present time. However, on our application form MF-103, we have set forth the labor we believe it will be necessary to expend to develop this sheelite supply.
17. Equipment and Facilities: We have at present one cabin on the property which contains 4 bunks and there are some tools stored there. These are for the most part hand tools however, there is a gasoline pump stored there also.

Very truly yours,

CONSOLIDATED MOLYBDENUM, INC.

V. M. Osterberg
President

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. dmr 1658X

Date received 6-27-51

Participation

Consolidated Molybdenum Inc.
801 Central Building
Seattle 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 27 1951
LANDON G. STROBEL
Executive Secretary

Name and address of applicant

Date May 28, 1951

FILL IN THIS BLOCK

Date of application May 28, 1951

Estimated cost $4,000.00

Mineral or metal Scheelite

Percentage of Government participation 25%

Location of mine King County, Washington

Date of filing MF-100 May 28, 1951

DMA Docket Number, if available

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.
*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.
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.
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)?

*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.
    (*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.

*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.

THE EXPLORATION

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

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

    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.

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.
    (*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.

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~~.

CONSOLIDATED MOLYBDENUM, INC.
(Name of company)

By Vernon M. Gelberg
(Signature of authorized official)

May 28, 1951
(Date)

President
(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

1. Corporation.
2. Not a partnership.
3. Please see page 11 of Mr. Sprague's report which is attached.
4. The applicant has been familiar with mines and mining for about the past 20 or 25 years and has had many years practical business experience both as a responsible employee of various business firms and operating his own business. The various officers and directors have had many years of practical mining experience as well as business experience.
5. The corporation is the owner of some of the claims and the lessee of 8 of the claims.
6. None.
7. The lease is in good standing and it is leased for 99 years
8. Financial statement is attached.
9. $1,000, and it is sufficient to pay ourcost of the project.
10. (a) See page 1 of Mr. Sprague's report.
(b) Same.
11. Devil's Canyon Mine.
12. Please refer to pages 2 and 3 of Mr. Sprague's report. This mine to market road, which at the time Mr. Sprague's report was written was in the planning stage only, has now been completed and the road is within about 1 mile of Consolidated Molybdenum property. An extension of the road by the State Highway Commission has been applied for and we hope that it will be started in the near future. The property is located approximately 26 miles northeast of North Bend and transportation would be by truck. The present road is in good condition and will bear heavy traffic.
13. There is a large waterfall on Cougar Creek at the foot of Devil's Canyon and ample water power could be obtained from that source. There is also a small creek which flows down through Devil's Canyon which could be harnessed to a certain extent.
14. Due to the creek coming down Devil's Canyon it was found necessary at the start to drive a tunnel in at the site of the canyon to curve in under the waterfall in order to arrive at the main vein of molybdenum on the property. This tunnel is approximately 220 feet in. There is a log cabin on the property approximately 18 feet square with shake sides and roof. This cabin can be used as a tool shed and for storing equipment.
15. The discovery of sheelite on this property has been so recent that we have not had time to go into the shipping and milling of the ore, but it is presumed that we could erect about a 200 ton mill on the property in the future and that the ore could be milled there.
16. History. (a) This property has been explored mostly towards a development of the molybdenum existing there. The operations were suspended however, because of the lack of a road into the property, but this is being remedied. (b) Bear Basin mining company in the area is producing gold, silver and copper. Across Cougar Creek from Devil's Canyon lies the Jackpot mine whichwe have been told has zinc. (c) We have already indicated that Mr. Sprague's report is attached and attached also is a report by Mr. Frederick A. McMillan geologist,

which is self-explanatory.

17. None.

18. (a) Scheelite has been found in the tunnel now existing on the property, principally on the left hand side of this tunnel and it seems to be a fairly good deposit.

19. Scheelite seems to run side by side nearly with the molybdenum. If this is true then it should make this mine a very profitable one.

20. Scheelite, molybdenum and quartz crystals.

21. As soon as the State mine to market road is completed into the property which we hope will be very soon, we believe that we should secure the services of a competent mining engineer and drive exploration shafts at the lower part of Devil's Canyon to probe for scheelite. As soon as we learned where the best deposits lay, we could then go into active production. This should not take more than 6 months to complete.

22. We are attaching report of Frederick A. McMillan, geologist.

23. (a) $1,500.00 of wages of miners at minimum union wage. (b) $400.00 for a general foreman plus $1,000.00 for the services of a mining engineer. (d) $500.00 for a bunk house. (e) $100.00 for miscellaneous hand tools.

Very truly yours,

CONSOLIDATED MOLYBDENUM, INC.

V. W. Osterberg
President

VWO:vl
Encls.

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dma 1658X

Date received 6-27-51

Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 27 1951
LANDON F. STROBEL
Executive Secretary

Name and address of applicant

Date May 28, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124–A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*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.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(*a*) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

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.

CONSOLIDATED MOLYBDENUM, INC.
(Name of company)

By Vernon M. Oslerberg
(Signature of authorized official)

May 28, 1951
(Date)

President
(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.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

1. (a) Tungsten from scheelite. (b) Molybdenum and quartz crystals.
2. This is now Consolidated Molybdenum property and it is the Devil's Canyon Mine. (c) 220 feet. The mine is not flooded and there is no pumping problem.
3. (a) The property is located 26 miles northeast of North Bend and there is a road within a mile of the property at the present time. (b), (c), and (d), please see Mr. Sprague's report which is attached hereto.
4. (a) The property is not now in operation but it soon will be. (b) We are operating this property partly leasing some of the claims and owning others.
5. This mine was in production many years ago for a short period of time. September 1, 1951.
6. Experience by the applicant includes about 20 or 25 years of practical mining knowledge together with 15 years general business experience. This applies generally to all the officers and directors of the Corporation.
7. History, (a) Not a great deal has been done with the exploration of this property in the past except to drive a tunnel 220 feet in to curve around the water which cores down the canyon. The mine was not productive because of the fact that there was no road within 19 miles of the property until very recently. (b) Near Pasin Mine in the same vicinity produces silver, copper and gold. There is also a mine nearby which reportedly has zinc as its chief product. (c) Report of Mr. Sprague, mining engineer is attached together with that of Mr. F. A. McMillin, a geologist.
8. Please see Mr. Sprague's report attached. The officers have agreed to render their services without compensation until this mine is fully in operation.
9. Please refer to Mr. Sprague's report, no dividends have been paid on the stock to date.
10. Production. The discovery of scheelite on this property is very new and we therefore have not had time to explore it or mine it as yet.
11. No production yet.
12. (a) Only a brief examination at the property has been made of the scheelite ore. Apparently scheelite showed up under the black light all along the left hand side of the tunnel. It was also discovered on the rock slide which is to the north of the tunnel. Other than that, we cannot state as to how much ore there is. It would appear to be substantial, however. (b) We have not had time to have an assay made. 2. The same applies.
13. Access Roads: The State has recently built a mine to market road which terminates a mile within the property. The remaining mile is fairly level and would present no tough construction problems as far as the road goes. It would require one bridge across a stream approximately 30 feet wide. We have applied to the state for the completion of this road to our property and we hope that it will be granted.
14. Water Supply: There is a large waterfall on Cougar Creek at the foot of the canyon and this could be harnassed for

ample electrical power. It would be sufficient all year round.

15. Power: None.

16. Labor: There has been no labor employed directly up to the present time. However, on our application form 5-103, we have set forth the labor we believe it will be necessary to expend to develop this shoelite supply.

17. Equipment and Facilities: We have at present one cabin on the property which contains 4 bunks and there are some tools stored there. These are for the most part hand tools however, there is a gasoline pump stored there also.

Very truly yours,

CONSOLIDATED MOLYBDENUM, INC.

V. E. Osterberg
President

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. dma 1658 X

Date received 6-27-51

Participation

Consolidated Molybdenum Inc.
801 Central Building
Seattle 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 27 1951
LANDON F. STROBEL
Executive Secretary

Name and address of applicant

Date May 28, 1951

FILL IN THIS BLOCK

Date of application May 28, 1951

Estimated cost $4,000.00

Mineral or metal Scheelite

Percentage of Government participation 75%

Location of mine King County, Washington

Date of filing MF-100 May 28, 1951

DMA Docket Number, if available

INSTRUCTIONS

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16—64007-1

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*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.

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State amount of power to be used, rate per hour or other cost, and source.

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CONSOLIDATED MOLYBDENUM, INC.
(Name of company)

By Vernon W. Galesberg
(Signature of authorized official)

May 28, 1951
(Date)

President
(Title)

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

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11. Devil's Canyon Mine.
12. Please refer to pages 2 and 3 of Mr. Sprague's report. This mine to market road, which at the time Mr. Sprague's report was written was in the planning stage only, has now been completed and the road is within about 1 mile of Consolidated Molybdenum property. An extension of the road by the State Highway Commission has been appled for and we hope that it will be started in the near future. The property is located approximately 26 miles northeast of North Bend and transportation would be by truck. The present road is in good condition and will bear heavy traffic.
13. There is a large waterfall on Cougar Creek at the foot of Devil's Canyon and ample water power could be obtained from that source. There is also a small creek which flows down through Devil's Canyon which could be harnassed to a certain extent.
14. Due to the creek coming down Devil's Canyon it was found necessary at the start to drive a tunnel in at the site of the canyon to curve in under the waterfall in order to arrive at the main vein of molybdenum on the property. This tunnel is approximately 220 feet in. There is a log cabin on the property approximately 18 feet square with shake sides and roof. This cabin can be used as a tool shed and for storing equipment.
15. The discovery of sheelite on this property has been so recent that we have not had time to go into the shipping and milling of the ore, but it is presumed that we could erect about a 200 ton mill on the property in the future and that the ore could be milled there.
16. History. (a) This property has been explored mostly towards a development of the molybdenum existing there. The operations were suspended however, becuase of the lack of a road into the property, but this is being remedied. (b) Bear Basin mining company in the area is producing gold, silver and copper. Across Cougar Creek from Devil's Canyon lies the Jackpot mine whichwe have been told has zinc. (c) We have already indicated that Mr. Sprague's report is attached and attached also is a report by Mr. Frederick A. McMillan geologist,

which is self-explanatory.

17. None.

18. (a) Scheelite has been found in the tunnel now existing on the property, principally on the left hand side of this tunnel and it seems to be a fairly good deposit.

19. Scheelite seems to run side by side nearly with the molybdenum. If this is true then it shoudl make this mine a very profitable one.

20. Scheelite, molybdenum and quartz crystals.

21. As soon as the State mine to market road is completed into the property which we hope will be very soon, we believe that we should secure the services of a competent mining engineer and drive exploration shafts at the lower part of Devil's Canyon to probe for scheelite. As soon as we learned where the best deposits lay, we could then go into active production. This should not take more than 6 months to complete.

22. We are attaching report of Frederick A. McMillan, geologist.

23. (a) $1,500.00 of wages of minors at minimum union wage. (b) $400.00 for a general foreman plus $1,000.00 for the services of a mining engineer. (d) $500.00 for a bunk house. (e) $100.00 for miscellaneous hand tools.

Very truly yours,

CONSOLIDATED MOLYBDENUM, INC.

V. M. Osterberg
President

VMO:vl
Encls.

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA

FOR USE UNDER THE

DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dma 1658X

Date received 6-27-51

Defense Minerals Administration
JUN 27 1951
LAWSON F. STROBEL
Executive Secretary

Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington

Name and address of applicant

Date May 28, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124–A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production .....

   If not in production or operation, estimated date when production will begin .....
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*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.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(*a*) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

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.

CONSOLIDATED MOLYBDENUM, INC.
(Name of company)

By Vernon M. Palestrant
(Signature of authorized official)

May 28, 1951
(Date)

President
(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.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

1. (a) Tungsten from sheelite. (b) Molybdenum and quartz crystals.
2. This is now Consolidated Molybdenum property and it is the Devil's Canyon Mine. (c) 220 feet. The mine is not flooded and there is no pumping problem.
3. (a) The property is located 26 miles northeast of North Bend and there is a road within a mile of the property at the present time. (b), (c), and (d), please see Mr. Sprague's report which is attached hereto.
4. (a) The property is not now in operation but it soon will be. (b) We are operating this property partly leasing some of the claims and owning others.
5. This mine was in production many years ago for a short period of time. September 1, 1951.
6. Experience by the applicant includes about 20 or 25 years of practical mining knowledge together with 15 years general business experience. This applies generally to all the officers and directors of the Corporation.
7. History, (a) Not a great deal has been done with the exploration of this property in the past except to drive a tunnel 220 feet in to curve around the water which comes down the canyon. The mine was not productive because of the fact that there was no road within 19 miles of the property until very recently. (b) Bear Basin Mine in the same vicinity produces silver, copper and gold. There is also a mine nearby which reportedly has zinc as its chief product. (c) Report of Mr. Sprague, mining engineer is attached together with that of Mr. F. A. McMillin, a geologist.
8. Please see Mr. Sprague's report attached. The officers have agreed to render their services without compensation until this mine is fully in operation.
9. Please refer to Mr. Sprague's report, no dividends have been paid on the stock to date.
10. Production, The discovery of sheelite on this property is very new and we therefore have not had time to explore it or mine it as yet.
11. No production yet.
12. (a) Only a brief examination at the property has been made of the sheelite ore. Apparently sheelite showed up under the black light all along the left hand side of the tunnel. It was also discovered on the rock slide which is to the north of the tunnel. Other than that, we cannot state as to how much ore there is. It would appear to be substantial, however. (b) We have not had time to have an assay made. 2. The same applies.
13. Access Roads: The State has recently built a mine to market road which terminates a mile within the property. The remaining mile is fairly level and would present no tough construction problems as far as the road goes. It would require one bridge across a stream approximately 30 feet wide. We have applied to the state for the completion of this road to our property and we hope that it will be granted.
14. Water Supply: There is a large waterfall on Cougar Creek at the foot of the canyon and this could be harnassed for

ample electrical power. It would be sufficient all year round.

15. Power: None.

16. Labor: There has been no labor employed directly up to the present time. However, on our application form MF-103, we have set forth the labor we believe it will be necessary to expend to develop this sheelite supply.

17. Equipment and Facilities: We have at present one cabin on the property which contains 4 bunks and there are some tools stored there. These are for the most part hand tools however, there is a gasoline pump stored there also.

Very truly yours,

CONSOLIDATED MOLYBDENUM, INC.

V. M. Osterberg
President

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. dma 1658X

Date received 6-27-51

Participation

Consolidated Molybdenum Inc.
801 Central Building
Seattle 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 27 1951
LANDON F. STROBEL
Executive Secretary

Name and address of applicant

Date May 28, 1951

FILL IN THIS BLOCK

Date of application May 28, 1951

Estimated cost $4,000.00

Mineral or metal Scheelite

Percentage of Government participation 75%

Location of mine King County, Washington

Date of filing MF-100 May 28, 1951

DMA Docket Number, if available

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.
*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.
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.
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)?

*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.

(*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.

*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.

THE EXPLORATION

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

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

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.

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.

(*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.

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.

CONSOLIDATED MOLYBDENUM, INC.
(Name of company)

By Vernon M. Salesberg
(Signature of authorized official)

May 28, 1951
(Date)

President
(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

1. Corporation.
2. Not a partnership.
3. Please see page 11 of Mr. Sprague's report which is attached.
4. The applicant has been familiar with mines and mining for about the past 20 or 25 years and has had many years practical business experience both as a responsible employee of various business firms and operating his own business. The various officers and directors have had many years of practical mining experience as well as business experience.
5. The corporation is the owner of some of the claims and the lessee of 8 of the claims.
6. None.
7. The lease is in good standing and it is leased for 99 years
8. Financial statement is attached.
9. $1,000, and it is suffficient to pay ourcost of the project.
10. (a) See page 1 of Mr. Sprague's report.
    (b) Same.
11. Devil's Canyon Mine.
12. Please refer to pages 2 and 3 of Mr. Sprague's report. This mine to market road, which at the time Mr. Sprague's report was written was in the planning stage only, has now been completed and the road is within about 1 mile of Consolidated Molybdenum property. An extension of the road by the State Highway Commission has been appled for and we hope that it will be started in the near future. The property is located approximately 26 miles northeast of North Bend and transportation would be by truck. The present road is in good condition and will bear heavy traffic.
13. There is a large waterfall on Cougar Creek at the foot of Devil's Canyon and ample water power could be obtained from that source. There is also a small creek which flows down through Devil's Canyon which could be harnassed to a certain extent.
14. Due to the creek coming down Devil's Canyon it was found necessary at the start to drive a tunnel in at the site of the canyon to curve in under the waterfall in order to arrive at the main vein of molybdenum on the property. This tunnel is approximately 220 feet in. There is a log cabin on the property approximately 18 feet square with shake sides and roof. This cabin can be used as a tool shed and for storing equipment.
15. The discovery of sheelite on this property has been so recent that we have not had time to go into the shipping and milling of the ore, but it is presumed that we could erect about a 200 ton mill on the property in the future and that the ore could be milled there.
16. History. (a) This property has been explored mostly towards a development of the molybdenum existing there. The operations were suspended however, becuase of the lack of a road into the property, but this is being remedied. (b) Bear Basin mining company in the area is producing gold, silver and copper. Across Cougar Creek from Devil's Canyon lies the Jackpot mine whichwe have been told has zinc. (c) We have already indicated that Mr. Sprague's report is attached and attached also is a report by Mr. Frederick A. McMillan geologist,

which is self-explanatory.

17. None.
18. (a) Scheelite has been found in the tunnel now existing on the property, principally on the left hand side of this tunnel and it seems to be a fairly good deposit.
19. Scheelite seems to run side by side nearly with the molybdenum. If this is true then it shoudl make this mine a very profitable one.
20. Scheelite, molybdenum and quartz crystals.
21. As soon as the State mine to market road is completed into the property which we hope will be very soon, we believe that we should secure the services of a competent mining engineer and drive exploration shafts at the lower part of Devil's Canyon to probe for scheelite. As soon as we learned where the best deposits lay, we could then go into active production. This should not take more than 6 months to complete.
22. We are attaching report of Frederick A. McMillan, geologist.
23. (a) $1,500.00 of wages of minors at minimum union wage. (b) $400.00 for a general foreman plus $1,000.00 for the services of a mining engineer. (d) $500.00 for a bunk house. (e) $100.00 for miscellaneous hand tools.

Very truly yours,

CONSOLIDATED MOLYBDENUM, INC.

V. M. Osterberg
President

VMO:vl
Encls.

DMA-1658X

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

June 21, 1951

Mr. L. F. Strobel
Executive Secretary
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith is a report of an examination of the property of the Consolidated Molybdenum Inc., King County, Washington. No docket number is available, but copies of the application have been forwarded to Washington. On the basis of the examining team's report, it is recommended that the application be denied.

Since the examination was made, the applicant has submitted three more applications for the same property. These are being forwarded under separate cover. We see no justification for undertaking this work either.

Sincerely,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

cc: Executive Secretary, DMA
U. S. B. M., Spokane
U. S. B. M., Albany

M. E. Volin

M. E. Volin
Member, DMA
Field Team, Region II

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

No. 15[illegible] Howard Street
Spokane 4, Washington

June [illegible], 1952

Mr. L. F. Strobel
Executive Secretary
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith is a report of an examination of the property of the Consolidated Hydraulic Inc., King County, Washington. No docket number is available, but copies of the application have been forwarded to Washington. On the basis of the examiner's report, it is recommended that the application be denied.

Since the examination was made, the applicant has submitted three more applications for the same property. These are being processed under separate cover. We see no justification for undertaking this work either.

Sincerely,

Enclosure

[illegible]
Executive Officer, DMA
Field Team, Region II

[illegible]

cc: Executive Secretary, DMA
[illegible], Spokane
[illegible], Olympia

[illegible]
Member, DMA
Field Team, Region II

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

[illegible]

[illegible] 21, [illegible]

[illegible]

[illegible] report of [illegible] the [illegible]

[illegible] undertaking this work either.

Sincerely,

[illegible]

[illegible]

FILE COPY
SURNAME:

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

June 20, 1951

Mr. Vernon M. Osterberg
President
Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington

Subject: DMA-1658X
Re: Exploration Loan

My dear Mr. Osterberg:

Receipt is acknowledged of your application and attachments of May 27, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1658X and was referred to Mr. George B. Holderer, Chief, Tungsten Branch on June 13, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1658X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:js
cc: Strobel-2
>Files
Holderer
Lyon

June 20, 1951

Mr. Vernon M. Osterberg
President
Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington

Subject: DMA-1658I
Re: Exploration Loan

My dear Mr. Osterberg:

Receipt is acknowledged of your application and attachments of May 27, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1658I and was referred to Mr. George B. Holderer, Chief, Tungsten Branch on June 13, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1658I.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:js
cc: >Strobel-2
Files
Holderer
Lyon

PLEASE NOTE: 6/28/51

Consolidated Molybdenum, Inc. submitted an exploration loan of $10,000 that was received in Mr. Strobel's office on June 8, 1951. The minerals listed on this application were tungsten, molybdenum and quartz crystals. The application wasdocketed as DMA-1658 X and 3 copies of MF-103 were sent to Mr. Holderer's office on 6/13/51. The executive officer, Region II, advised this company to submit 3 applications to cover the three different commodities. Per Mr. Strobel, DMA-1658 X will cover the application for tungsten and new numbers have been assigned to the exploration forms for molybdenum and quartz crystals.

dma 1658X

CONSOLIDATED MOLYBDENUM, INC.
XXXXXXXXXX XXXXXX
SEATTLE 4, WASHINGTON

801 Central Building
June 19, 1951

United States Department of the Interior
Geological Survey
S. 157 Howard Street
Spokane 8, Washington

Gentlemen:

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We have now purchased a portable mineral light to explore the scheelite possibilities on the property and we will know a great deal more concerning this in the very near future.

Very truly yours,

CONSOLIDATED MOLYBDENUM, INC.

V. M. Osterberg
President

VMO:vl
Encls.

XXXXXXXX XXXXX

801 Central Building
June 19, 1951

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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. dma 1658 X

Date received 6-8-51

Participation

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 8 - 1951
LANDON F. STROBEL
Executive Secretary

Consolidated Molybdenum Inc.
801 Central Building
Seattle 4, Wash

Name and address of applicant

Date May 27, 1951

FILL IN THIS BLOCK

Date of application May 27, 1951

Estimated cost 10,000.00

Mineral or metal Scheelite & Molybdenum and Quartz Crystals

Percentage of Government participation 90% & 75%

Location of mine King County, Washington

Date of filing MF-100

DMA Docket Number, if available

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? 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.
*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.
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.
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)?

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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.

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

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*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.

*16. History:

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

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	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
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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.

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.

Consolidated Molybdenum, Inc. (Name of company) By Vernon M. Ostenberg (Signature of authorized official)

May 27, 1951 (Date) President (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

CONSOLIDATED MOLYBDENUM, INC.

~~xxxxxxxxxxxx~~ 801 Central Bldg.
SEATTLE 4, WASHINGTON

May 27, 1951

Form M-F - 108

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5. Owner and lessee. See page 12 attached report.
6. None ~~xxxpage 12.~~
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Budget Bureau No. 42-R1035.
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Defense Minerals Administration
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(Name of company)

By [signature]
(Signature of authorized official)

May 27, 1951
(Date)

President
(Title)

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CONSOLIDATED MOLYBDENUM, INC.

801 Central Bldg.
SEATTLE 4, WASHINGTON

May 27, 1951

Form M-P - 108

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Budget Bureau No. 42-R1035.
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801 Central Building
Seattle 6, Wash

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Defense Minerals Administration
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*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.
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.
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)?

*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.
    (*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.

*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.

THE EXPLORATION

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

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

    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.

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.
    (*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.

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.

Consolidated Molybdenum, Inc.
(Name of company)

By Jerson M. Waterberg
(Signature of authorized official)

May 27, 1951
(Date)

President
(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

CONSOLIDATED MOLYBDENUM, INC.

901 Central Bldg.
SEATTLE 4, WASHINGTON

May 27, 1951

Form M-F - 108

1. Corporation
2. See page 11 of attached report.
3. See page 11 of attached report.
4. All officers business experience, and mining experience
5. Owner and lessee. See page 12 attached report.
6. None
7. See page 12 attached report. Lease is in good standing.
8. Will be forwarded to be attached to this application.
9. $2,000.00
10. See page 1, of attached report.
11. Devils Canyon, See page 2, Road has now been extended and is
12. within 2 miles of property. Survey for balance of road being made this week.
13. Cougar creek. Large quantities of water supply available
14. Cabin 18' X 12'.
15. Could be milled on property.
16. See attached report. Further geological report willbe forwarded.
17. --
18. See attached report.
19. Since attached report was made, scheelite has been discovered.
20. Molybdenum, scheelite and quartz chrystals
21. Core drill to determine extent of mineral 90 days.
22. See attached report, additional data to follow.
23. Approximately $10,000.00.
24. coredrilling in 90 days, with expected cost of $10,000.00

For further information see, Page 27.

Tungsten Resources State of Washington, Department of Conservation and Development.

Also see State report this year, of Antimony Deposits, also Crystals in Devils Canyon, which is on this property.

dma 1658 X

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 8, Washington

June 5, 1951

Mr. Landon F. Strobel
Executive Secretary
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith is an application submitted by Consolidated Molybdenun Inc., on a Scheelite, Molybdenun and Quartz Crystals property, King County, Washington.

This is a poorly prepared application, and there are many unanswered questions. For one thing, we are in doubt as to which commodity the applicant intends to explore for, and what the anticipated percentage of Government participation will be.

We are keeping one copy of the application in this office and will contact the applicant for additional information.

The letter addressed to this office enclosing the application is postmarked Seattle, Washington, May 31.

Yours very truly,

Thor H. Kiilsgaard
Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

cc: U.S.B.M.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 8 - 1951
LANDON F. STROBEL
Executive Secretary

1658-X

No proposal here
Exhibits missing

Reject.

Dan R
6-22-51

May 3, 1951

Mr. V. M. Osterberg
Consolidated Molybdenum, Inc.
801 Central Building
Seattle 4, Washington

Dear Mr. Osterberg:

This is in reply to your recent letter which was received by the Copper Branch of the Defense Minerals Administration. Enclosed herewith is a copy of a press release dated April 11, 1951, a copy of the pertinent regulations, Form MO-5, also five copies each of the Form MF-100 (General Technical Data) and Form MF-103 (Application for Aid for an Exploration Project).

Very truly yours,

J. B. Gowen, Acting Chief
Copper Branch, DMA

Enclosures
JWAlt:bsl

Copy to: Executive Secretary WCI
Copper Branch WCI
Files

CONSOLIDATED MOLYBDENUM, INC.
SEATTLE 4, WASHINGTON
801 CENTRAL BUILDING

Defense Mineral Aid
Division of Mines
Exploration Project
Washington D. C.

COPY

Gentlemenl:

We wrote you under date of April 18, 1951, requesting an application form for Federal Development and Aid to Mines. We were not certain at that time that we had the correct and we are therefore repeating our request. If you have already received our letter of April 18, please disregard this additional request.

Very truly yours,

/s/ V. M. Osterberg

V. M. Osterberg

VMO:vl

April 25, 1951

Mr. V. M. Osterberg
President
Consolidated Molybdenum, Inc.
500 Central Building
Seattle, 4, Washington

Dear Mr. Osterberg:

Complying with the request contained in your letter of April 18, 1951, there are enclosed five copies of Form MP-103 and a copy of the regulations pertaining thereto. Applications should be submitted in quadruplicate; one copy may be retained for filing.

Should you have further questions with respect to this program, you may contact either this office or the Field Team office located in Spokane, Washington, as indicated in Section 3 of MO-5.

Sincerely yours,

JULIAN W. FEISS

JULIAN W. FEISS
Assistant to the Administrator

Enclosures 6

LFSTROBEL:hb

Copy to: Administrator's Reading File
Mr. A. E. Weissenborn, Region II
L. F. Strobel
Files

CONSOLIDATED POLYPLANT, INC.

BALANCE SHEET

December 31, 1950

ASSETS

Current Assets:		
Cash	$ 819.31	
Accounts Receivable	600.00	$ 1,419.31
Total Current Assets		
Fixed Assets:		
Deferred Development	$ 2,227.54	
Office Furniture and Fixtures	15.75	
Land	153,000.00	
		155,243.29
Total Fixed Assets		$156,662.60
Total Assets		

LIABILITIES

Current Liabilities:		
Pledges Received	$ 300.00	
Pledged Contracts	600.00	$ 900.00
Total		
Capital:		
Capital Stock, Authorized	$500,000.00	
Less - Capital Stock, Unissued	145,600.00	
Capital Stock Issued		154,400.00
Paid-in Surplus		762.60
Total Liabilities and Capital		$156,662.60