DEFENSE MATERIALS PROCUREMENT AGENCY
WASHINGTON 25, D. C.

APR 8 1952

Re: DMA-2024
Silver Creek Gold and
Lead Corporation
1026 Joshua Green Bldg.,
Seattle 1, Washington
Lead, zinc

Reconstruction Finance Corporation
Washington 25, D.C.

Attention: Mr. S. A. Bingham

Gentlemen:

The Silver Creek Gold and Lead Corporation has applied for a loan of $45,000 for equipment, construction, development and working capital for a proposed mining operation in the Summit mining district, Pierce County, Washington. The application was received by the DMA August 30, 1951, and was sent to DMPA January 10, 1952.

An examination of the property was made by the Field Team, Region II, and a report was sent to the Operating Committee, DMPA, on January 5, 1952, recommending that the application be denied. The denial was based on the following facts:

1. The property is devoid of both measured and indicated ore reserves. Furthermore, inferred ore reserves are slight due to the weak character of the sporadically mineralized vein structure.

2. Sampling of the few underground vein exposures demonstrated that the ore tenor is too low to support a successful operation at the indicated mining widths.

Consideration of the Silver Creek lead-zinc prospect as a potentially significant source of base metal is not warranted under existing conditions and the Lead-Zinc Branch recommends that the loan be denied. We are enclosing the complete docket for your information.

Very truly yours,

TOM LYON

Tom Lyon, Director
Domestic Expansion Division

Enclosures:
1. MF-100 with supplemental information and map
2. MF-102 with supplemental information
3. Memo dated Dec. 27, 1951, from USBM to DMPA Field Team
4. Memo dated Jan. 5, 1952, from Field Team, Region II to Op. Com. DMPA

21828

Spokane, Washington
December 27, 1951

MEMORANDUM

To: M. E. Volin, Member, DMEA Field Team

From: R. A. Magill, Engineer, U. S. Bureau of Mines

Subject: Silver Creek Gold and Lead Corporation, Pierce County, Wash.
Docket DMA-2024
Commodity: Lead-Zinc

RECOMMENDATIONS

It is recommended that the application of the Silver Creek Gold and Lead Corporation for a production loan in the amount of $45,000 be denied.

APPLICANT

The applicant is the Silver Creek Lead and Gold Corporation, 1026 Joshua Green Bldg., Seattle 1, Wash. George Miller, Seattle, Wash., is president; John McDonald, Milton, Wash., is vice-president; and H. G. Hartle, Seattle, Wash., is secretary.

LOCATION OF DEPOSIT

The Silver Creek Gold and Lead property is in sec. 12, T. 17 N., R. 10 E., W. M., Summit mining district, Pierce County, Wash. The property consists of six unpatented mining claims and one millsite.

OWNERSHIP

The property is owned by the Silver Creek Gold and Lead Corporation. Ownership, however, was not verified by a check of the records.

HISTORY AND PAST PRODUCTION

The first work done on the property was in the early 1900's. Early operations in the area were largely confined to placering. The creek below the mine presents evidence of rather extensive placer operations. There is also the remains of an old five-stamp mill which has been destroyed by fire. There is no evidence to indicate that this mill was operated.

In 1942 Mr. Vallis, one of the directors of the present company, dug a number of open cuts to expose the vein. In 1944-45 he drove the 100-foot crosscut adit and drifted 100 feet on the vein (see attached map). Since 1945 no work has been carried out on the property excepting necessary annual assessment work.

In 1945, 20 tons of hand sorted ore from development work was shipped to the American Smelting & Refining Co. smelter at Tacoma, Wash. This shipment reportedly ran $89.75 per ton in gold, silver, lead, and copper (percentages are not available.)

DESCRIPTION OF PROPOSAL

The applicant has requested a $45,000 production loan for improving and building additions to the camp, purchase of machinery, to sink 150 feet of shaft, and for working capital. From their application and conversation with Mr. Vallis, one of their directors and principal stockholder, it is apparent that the applicants do not have a definite plan of action other than attempt to bring the property into production.

GEOLOGIC SETTING

The Silver Creek vein strikes N. 12° E. and dips 75°-80° E. (see attached map). The fault which encloses the vein (as shown in the underground workings- see attached map) varies from 1 to 4 feet in width. This fault zone contains a limy gouge marked by bands of quartz with sulfides. These bands contain arsenopyrite, pyrite, chalcopyrite, galena, and sphalerite. In the face of the south drift the vein appears to be fraying out. A sample across 2.0 feet at this face contained 0.51 percent lead, 1.24 percent zinc, 0.18 ounce gold, and 6.3 ounces silver per ton. In the north face the fault is strong with 4.0 feet of gouge but only a few disseminated sulfides. A sample cut across 4.0 feet contained 0.10 percent lead, 0.21 percent zinc, 0.01 ounce gold, and 0.2 ounce silver per ton. The strongest showing of sulfides exposed in the underground workings is about 10 feet south of the point where the crosscut intersects the vein. A sample across 1.3 feet of quartz and sulfides assayed 3.94 percent lead, 3.93 percent zinc, 0.11 ounce gold, and 3.7 ounces silver per ton.

Near the fault zone the enclosing rhyolite is bleached and contains disseminated sulfides. The fault does not appear to be as strong on the surface as underground. This may be due to sloughing of the pits which expose it for intervals over a strike length of about 400 feet.

MINE WORKINGS

Surface workings consists of a series of open cuts exposing the structure for about 400 feet along its strike.

Underground workings consist of a 100-foot crosscut with a 100-foot drift on the vein. This crosscut intersects the vein at a depth of 30 to 40 feet below the outcrop.

RESERVES

There are no blocked out ore reserves in the Silver Creek mine.

MILLING METHODS

The ore is a complex zinc-lead-copper ore and would undoubtedly require concentration by selective flotation.

RATE OF PRODUCTION

The property is not in production.

MARKETING FACILITIES

Lead and zinc concentrates could either be marketed at the Bunker Hill smelter at Kellogg, Idaho, or at the Consolidated Mining & Smelting Co. smelter at Trail, B. C.

Copper concentrates may be marketed at the American Smelting & Refining Co. smelter at Tacoma, Wash.

EQUIPMENT AND FACILITIES

Equipment and facilities on the property consist of:

Cabin, 16 ft. x 24 ft.
Rail
Mine car
10-ton ore bin
Miscellaneous hand tools

LABOR SUPPLY

Labor would have to be brought in from outside sources as there is no labor available in the immediate vicinity. It is possible that living quarters could be obtained without additional construction at Silver Creek Inn, 6 miles distant, or some of the several hundred summer cabins that are in the Inn area.

POWER

Power would have to be furnished by either gas or diesel power units.

TRANSPORTATION

The nearest rail facilities are at Enumclaw, Wash., about 35 miles by road. Of this 35 miles, 29 miles are over paved state highways kept open the year around. The remaining 6 miles are over Forest Service road; this road would require snow removal for about 4 months of the year.

Tacoma, Wash., is 60 miles distant; Kellogg, Idaho, is 350 miles, and Trail, B. C., about 400 miles by road.

ADEQUACY OF REQUESTED FUNDS

The $45,000 which the Silver Creek Lead and Gold Corporation has requested is not considered adequate to bring this property into production.

COMPETENCE OF APPLICANT

Competent personnel would have to be hired by the applicant to direct operations.

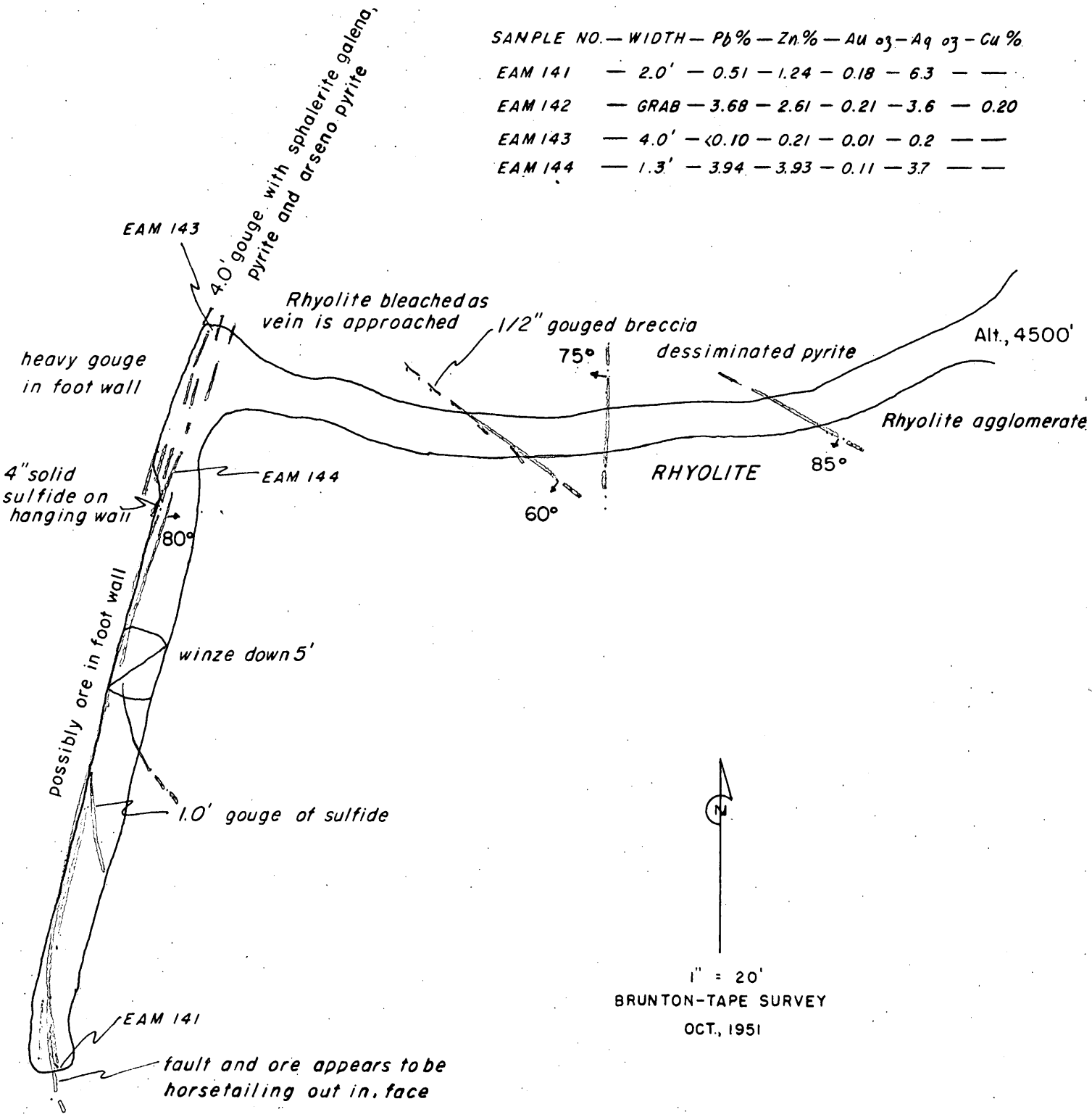
DISCUSSION OF PROPOSAL

The proposal as set forth in Form MF-102 is indefinite. The applicant proposes to bring the Silver Creek mine into production with a $45,000 production loan. The property has no ore reserves, and the ore shown in the underground workings is not of sufficient width or grade to be interesting under present conditions. It is remotely possible that further development work might disclose a commercial ore shoot as the fault exposed in the underground workings is persistent.

One disadvantage to further development work is that the present crosscut adit is driven at the lowest feasible level and any future work will have to be carried out through a shaft.

D.M.A. Docket No., 2024

SAMPLE NO.	WIDTH	Pb %	Zn %	Au oz	Ag oz	Cu %
EAM 141	2.0'	0.51	1.24	0.18	6.3	—
EAM 142	GRAB	3.68	2.61	0.21	3.6	0.20
EAM 143	4.0'	<0.10	0.21	0.01	0.2	—
EAM 144	1.3'	3.94	3.93	0.11	3.7	—



SILVER CREEK LEAD AND GOLD MINE, PIERCE COUNTY, WASHINGTON.

RECEIVED
APR 14 1952
U. S. G. S.
SPOKANE, WASH.

APR 8 1952

Mr. George Miller, President
Silver Creek Lead and Gold Corporation
1026 Jackson Green Building
Seattle 1, Washington

Dear Mr. Miller:

Your application for a loan in the amount of $45,000 for equipment, construction and development of a mining operation in Pierce County, Washington (RFC-2024) has been referred to the Reconstruction Finance Corporation, Washington 25, D. C. for the attention of Mr. S. A. Bingham.

Any future correspondence in this case should be addressed to that Agency.

Very truly yours,

TOM LYON

Tom Lyon, Director
Domestic Expansion Division

GKCadam:szs:vmm

CC: Lead-Zinc Branch
DMPA Files
Reconstruction Finance Corp.
Field Team Region II

1201 N. Division St.
Spokane 2, Wash.
January 5, 1952

MEMORANDUM

To: Operating Committee, DMEA, Washington 25, D. C.

From: Field Team, Region II

Subject: Docket DMA-2024, Silver Creek Gold and Lead Corporation, Pierce County, Wash. Commodity: Lead-zinc.

The Field Team, in agreement with the examining engineer, recommends that the subject application for a production loan be denied. This recommendation is contingent on the following facts:

1. The property is devoid of both measured and indicated ore reserves. Furthermore, inferred ore reserves are slight due to the weak character of the sporadically mineralized vein structure.

2. Sampling of the few underground vein exposures demonstrated that the ore tenor is too low to support a successful operation at the indicated mining widths.

The comparative weakness of the exposed vein structure together with its low metal content apparently preclude the possibility of a significant addition to ore reserves through further exploration. For this reason the applicant was not urged to present a proposal for exploration assistance.

Consideration of the Silver Creek lead-zinc prospect as a potentially significant source of base metal is not warranted under existing conditions.

Enclosed herewith for review is an examination report (4 copies) by E. A. Magill, mining engineer, U. S. Bureau of Mines, concerning the prospect. Docket material consisting of one copy each of forms MF-100 and MF-102 together with attachments also is enclosed.

By Field Team, Region II

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

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

Enclosures
cc: USGS, Spokane

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

SEP 14 1951

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

Re: DMA-2024
Silver Creek Lead & Gold Corp.
Pierce County, Washington
Direct loan $45,000
Lead, zinc

Dear Mr. Weissenborn:

The applicant has requested a direct loan of $45,000 for the construction of buildings, purchase of mining equipment, surface improvements, sinking 150 feet of shaft on the vein, and working capital. The work is to be done on a group of claims in Pierce County, Washington.

The existing development work is a 100 foot crosscut to the vein and 120 foot drift on the vein. A sketch map attached to the application shows a "300 to 400 (feet) open cut on vein". On the basis of this development work, the applicant claims 200,000 tons of combined high-grade and low-grade measured ore and "millions of tons" of indicated ore. No assays of samples from the surface exposure of the vein were submitted. Assays of samples taken from the underground exposure of the vein show very erratic values. Although the applicant states that twenty tons of ore were shipped to a smelter for metallurgical tests, no report concerning the results of this shipment was submitted.

The applicant has undoubtedly overestimated his reserves, as the amount of development work done could not possibly block out 200,000 tons of measured ore and the "millions of tons" of indicated ore claimed. As neither elevations of the surface or underground workings nor systematic assays were submitted, the Lead-Zinc Branch cannot evaluate the actual ore reserves present.

The Lead-Zinc Branch recommends a field examination of the property to determine if sufficient reserves have been proved to secure the loan of $45,000. If the field team's report is favorable, it is recommended that, in addition to the regular information submitted in such a report, the following items should be included:

(1) Net returns per ton of ore produced.
(2) Operating cost per ton of ore produced.
(3) Profit per ton of ore produced available for repayment of loan.

Lowell B. Moon
for Bureau of Mines

T. P. Thayer
for Geological Survey

Tom Lyon
Tom Lyon, Chairman
Coordinating Committee

file?

LOAN AGENCY
OF THE
RECONSTRUCTION FINANCE CORPORATION
CENTRAL BUILDING
SEATTLE 4, WASHINGTON

August 28, 1951

DM A-2024

Defense Minerals Administration
Department of the Interior
Washington 25, D.C.

Gentlemen:

Enclosed you will find three copies of an application for a loan of $45,000.00 from Silver Creek Lead and Gold Corporation, 1026 Joshua Green Building, Seattle, Washington. One copy of the application is being retained in this office.

We will not proceed with our investigation and report until you request it.

Very truly yours,

J. H. ANDERSON
Acting Assistant Manager

Enclosure

AUG 30 9 07 AM '51
DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.

September 25, 1951

Silver Creek Lead and Gold Corp.
1026 Joshua Green Bldg.,
Seattle 1, Washington

Attn: Mr. George Miller

Subj: DMA-2024 - Examination of Silver Creek Lead and Gold Corp. property, Pierce County, Washington.

Dear Mr. Miller:

If it is convenient for you, Mr. Magill of the Bureau of Mines would like to examine your property in Pierce County on October 1. The examination is in connection with your DMA application. Would you kindly have someone at the property or make arrangements so that someone may accompany him from Seattle on the morning of October 1st.

Mr. Magill may be reached by phone at Seattle East 9007 on the evening of September 30th.

Yours very truly,

M. E. Volin, Chief
Mining Division - Region II

cc: A. E. Weissenborn ✓
E. A. Magill
S. M. Shelton
Files (2)

SEP 14 1951 Re: DMA-2024

Mr. George Miller, President
Silver Creek Lead and Gold Corp.
1026 Joshua Green Building
Seattle 1, Washington

Dear Mr. Miller:

Your application (Docket DMA-2024) for Federal assistance under the provisions of the Defense Production Act of 1950 has been reviewed by the Lead-Zinc Branch of the Defense Minerals Administration. Before final decision can be taken on your request, it will be necessary to obtain additional information on your property. Your application, therefore, has been referred to Mr. A. E. Weissenborn, Executive Officer, DMA Field Team, South 157 Howard, Spokane 8, Washington, for further information and advice.

Very truly yours,

SIGNED

Tom Lyon, Director
Supply Division

ABCampbell:emp
G 9-10-51
Copies to: A. E. Weissenborn Region II (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 Gsa
O. Bishop
Directors r. files 5214 GSA
Br. r. files 4214 GSA
Administrators r. file
DMA docket files