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RECONSTRUCTION FINANCE CORPORATION
MINING DIVISION
REPORT OF SUPERVISING ENGINEER

Docket No. ND-8124
(Date of Authorization for
(Examination Received .. August 10, 1943.
Date of Examination.... August 11, 1943
Date of Report..... August 19, 1943

By Resolution of the Reconstruction Finance Corporation, The Hidden Treasure Mining Company was granted a \$5000 preliminary development in March, 1943 for the purposes of unwatering and rehabilitating the shaft and underground workings in the hope that such work would reveal and make accessible for sampling sufficient lead-zinc-copper ore to warrant subsequent development.

Apparently the water originally filled the mine to the roof of the first level. With the \$5000 the Borrower unwatered the mine to the third level, about 250 feet on the incline, and cleaned out the third level, bought a few ore buckets, paid engineering fees, taxes, rent on compressor and labor. A nice "bull quartz" vein with sharply defined walls pinches and swells on the third level but little or no valuable metal was seen. It seemed useless to sample the barren quartz vein, especially when it was pure white and in places seemed only with tiny iron oxide veinlets. Some tiny segregations of pyrite, galena, and sphalerite were noted and pointed out by Mr. Orem, consulting engineer for the Borrower. These segregations occurred as blebs and were thinly scattered in two places on the third level.

Your engineer was accompanied to the property by Mr. Orem, and during the course of the trip from Phoenix to the mine, Mr. Orem stated that he had taken three samples after the mine was unwatered, but that they assayed practically nothing and that there was very little sulfides to be seen. He then went into a discussion of the Montana Mine in the southern part of the state, how he once had an option on the property, lost it, and how it was later taken up by the Eagle Picher Mining and Smelting Company. At one time this property was the largest producer of lead and zinc in the state, but after a number of years, this mine was worked out and according to Mr. Orem represented a typical example of ore zoning from barren quartz with gold and silver to lead and zinc. It was therefore evident that Mr. Orem was trying to convince your engineer that the Hidden Treasure vein was similar to the Montana vein, and that by sinking 200 feet more the theory of ore zoning would produce considerable more lead and zinc than could be seen on the third level.

Apparently Mr. Orem believes that the quartz lode which contains primary iron sulfide and gold and carries a trace of lead and zinc will show considerable increased lead and zinc content with deeper mining. Claims of this kind are frequently encountered in the prospectuses of companies organized to work relatively undeveloped prospects and are advanced with the intent to deceive prospective purchasers of stock.

This outfit has already perpetrated fraud by faking assay records on the third level to obtain the \$5000 loan. Mr. Orem's samples and my sample agree and indicate a lack of commercial mineralization and that further consideration cannot be given the applicant.

1. NAME AND ADDRESS OF APPLICANT

Hidden Treasure Mining Company, Inc.,
c/o Lloyd B. Christy, Treasurer,
137 West Monroe Street,
Phoenix, Arizona.

Correspondent... applicant.

2. CHARACTER OF PROJECT

To sink 200 feet on vein from present bottom of shaft.

3. LOCATION OF MINE

In the Black Canyon Mining District, Yavapai County, Arizona; about 11 miles from Mayer, Arizona, the nearest railroad shipping point.

4. APPLICANT

Applicant did not appear to be competent

5. LOAN REQUESTED

Not known.

6. DESCRIPTION PROJECT

The Hidden Treasure Mine is in one of the "gold belts" of Arizona and near the Golden Turkey mine east of Cleator, Arizona. Here a northward-trending belt of sedimentary schist, about 2 miles wide, is intruded on the east and west by Bradshaw granite.

The Hidden Treasure Mine has been classified according to Lindgren as pre-Cambrian in age because of the glassy quartz with free gold and some scattering of sulfides.

This vein is exposed on the surface for a few hundred feet, and has been exposed by an inclined shaft dipping about 60 degrees to the east. There are three levels. The first about 70 feet below the surface, the second about 170 feet and the third 250 feet. South of the shaft about 100 feet there is an open stope about 50 feet long that extends to chutes on the first level. The second level undercut this stope, but ore was not found. On the third level there was also a lack of commercial mineralization.

The assays of samples upon which this applicant obtained the \$5000 preliminary loan are not available, so it was impossible to know the position of the samples. However, I have Mr. Ogem's results on the three he took previous to asking for an examination. The results he gave over the telephone are as follows:

No. 1... 6 feet across vein in winze where your engineer took sample
No. 105. Assay, \$2.50 in gold and silver, 1.22% Pb. 0.43% cu. 0.70% Zn.

No. 2... 8 feet across vein in first winze north of shaft. Assay
\$2.40 in gold and silver, 0.94% Pb., 0.72% Zn.

No. 3... 15" in bottom of shaft. \$1.75 in gold and silver, 0.61% Pb.,
trace of cu., 0.65% Zn.

No. 105 taken by your engineer across 5 feet in bottom of winze. Assay
.02 ounces gold, .10 ounces silver, 0.40% lead, trace copper, and 1.00 zinc.

These samples not only indicate the absence of appreciable quantities of the base metal, but the almost complete absence of gold and silver would make one hesitate calling this a gold mine.

We have waited for the applicant to forward its application, but it appears that it will not be forthcoming. Should it come in this report will suffice for turning down any application for additional loan funds. I do not recommend any more money be given the applicant.

CAR
CHARLES A. RASOR
Supervising Engineer

Attachment
Assay Certificate
Map

325 Heard Building
Phoenix, Arizona.
August 21, 1943

*Hidden Treasure Mining Co.
Yavapai Co.*

TULLY - Ass't Chief - Mining Section - Washington

Re: Hidden Treasure Mining Co., Docket ND-3124

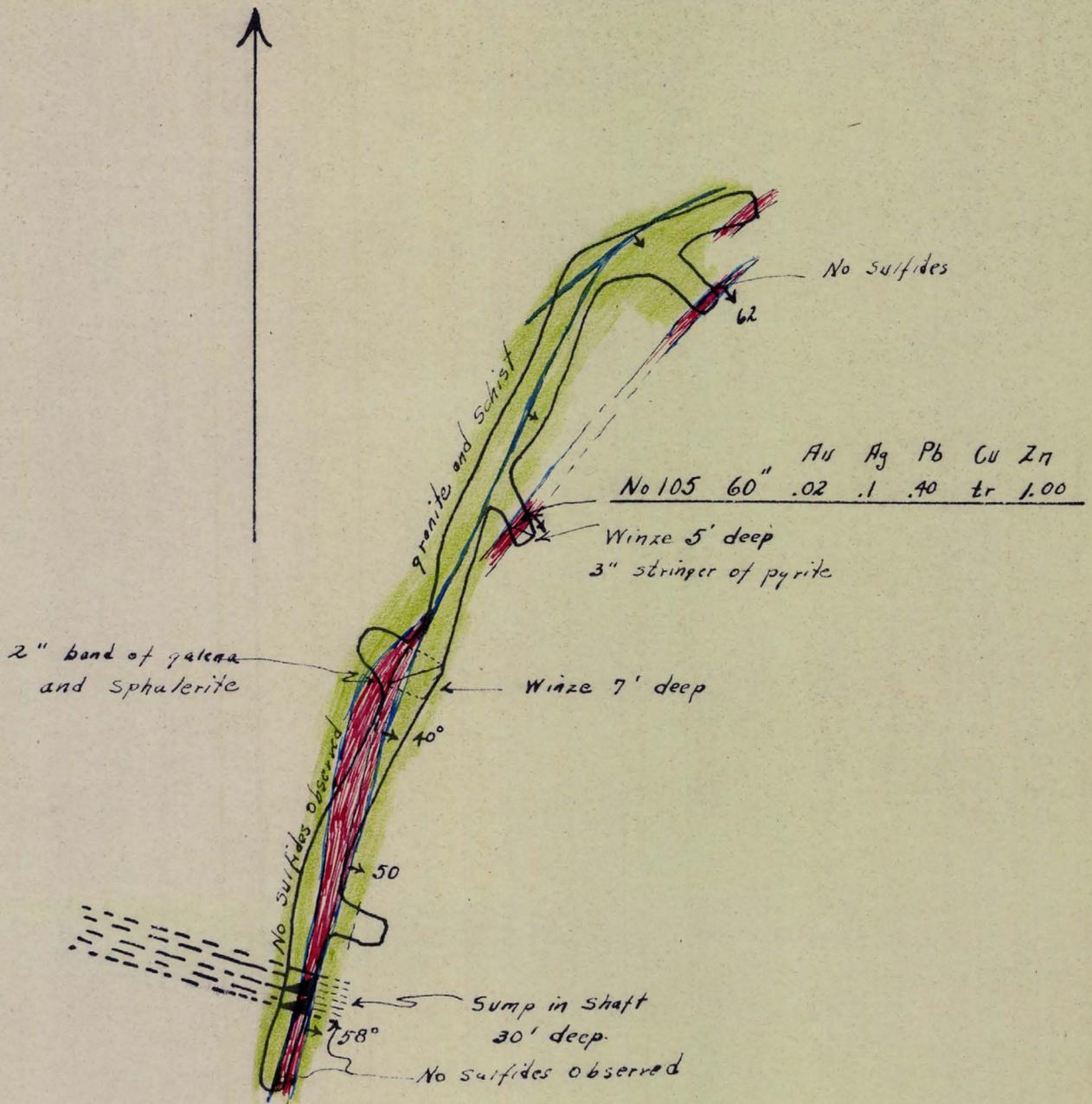
This Borrower asked for an examination in a hurry, which was granted. But after the trip was started your Engineer was told by the Borrower's consulting Engineer, Mr. Orem what he wanted was my opinion on whether or not the Borrower could obtain more funds on the present showing in the bottom of the shaft. Mr. Orem stated that he had sampled the bottom and that there practically nothing there, but because of the apparent strengthening of the quartz vein in depth and its similarity with the Montana Vein in the southern part of the State, he believed that by sinking 200 feet, appreciable quantities of base metal would appear on the basis of the theory of ore zoning. This type of bologry is usually found in prospectuses of companies with a shady background and are advanced with the intent to deceive.

The Borrower has not submitted an application, although we have waited over a week for its appearance. My report is submitted in advance of the application because it does not recommend further funds.

If and when the application does come in, it will be forwarded to you, and you can act upon it with the information I have submitted.

CHARLES A. RASOR
Supervising Engineer

Enclosures
S.E. Report

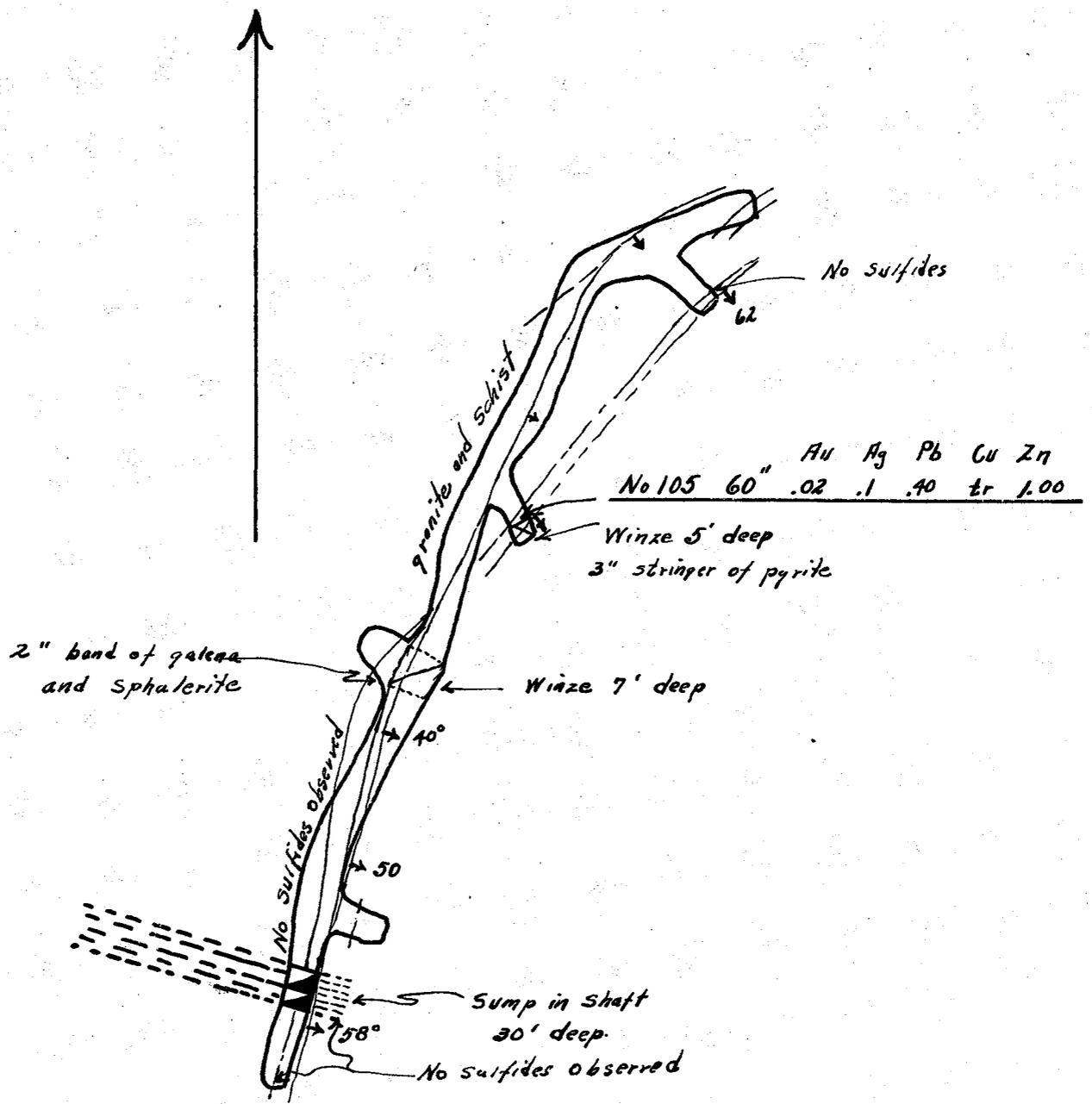


Hidden Treasure Mining Company
 Docket No ND-8124

Scale 1" = 30'

August 11, 1943

Charles A. Rasmussen



Hidden Treasure Mining Company
Docket No ND-8124

Scale 1" = 30'

August 11, 1943

Charles A. Rasor.

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Granted

Mine **HIDDEN TREASURE, Pb., Zn., Cu., Ag.** Date **March 4, 1943**
District **Black Canyon** Engineer **Earl F. Hastings**
Subject: **Reconstruction Finance Corporation** ✓
Mining Loan

e

Docket No. **Phoenix-G-143**
Date Application Received **March 3, 1943**
Date of Report **March 4, 1943**

1. Name and address of applicant (correspondent):
Hidden Treasure Mining Co., Inc.
137 W. Monroe St., Phoenix, Arizona.
2. Character of project and estimated cost thereof:
Unwater and rehabilitate 300 ft. shaft and lateral workings for sampling and mining operations. Shaft is now open to 175 ft. below the collar. Estimated cost, \$5,000.00.
3. Location of property:
Black Canyon Mining District, Yavapai County, Arizona.
4. Applicant's interest in or ownership of property:
Applicant is a corporation having an assignment of a purchase agreement. Total price \$40,000 payable by 10% royalty with monthly minimum of \$100.00.
5. Loan requested:
\$5,000.00.
6. Loan recommended:
\$5,000.00.
7. Comments:
(A) The docket was prepared by C. L. Orem, Mining Engineer who has arranged to act as a consultant on behalf of the major investor in the rehabilitation, operation and development of the property. Under such arrangement expenditures, whether from governmental or private sources, will be intelligently made. This condition materially improves the status of the application.

(B) The upper levels have produced a considerable amount, estimated at \$150,000, of silicious gold ores. The stopes are not exhausted but, on the 100 ft. level which is now accessible, show a vein leached of sulphide minerals some 5 ft. in width.

Sulphides apparently were encountered between the 200 and 300 foot levels. There is therefore no great tonnage of this type of ore to be made available from the present workings. If strength and continuity of the shoot persists with depth, as the Bondurant sampling indicates, the property is definitely worthy of development, and can produce in small quantities during the development period.

Superior Manifest

3/4/43

(C) Equipment on the property is extensive and little need be added to consummate the proposed work.

The mill is inadequate for reduction of sulphide ores and cannot be utilized without considerable alteration and improvement. The property is situated, however, within trucking distance to a custom mill.

(D) Sampling is insufficient to be used as a basis for anticipating content of mill ore to be mined. It is therefore of no value to apply their average to a calculation of economics. Samples 1 to 3 inclusive average 6.05 pb. and 9.35% zn. over a width of 6 feet, but it is not evident, except for continuity above, that the shoot continues uninterrupted to sample No. 4. Samples are indicative only, but favorably so.

(E) Expenditure of loan funds for property payments will, of course, be disallowed.

(F) C. L. Orem, who examined the property to the extent of its accessibility, states that mining conditions are excellent and that such evidence as he was able to investigate and/or verify contributes to a potential profitable production.

This verbal report is considered by the writer as more substantial than any presented in the docket.

He further states that dump appearance verifies the existence of sulphide ores in the lowest workings. This modifies the former classification of gold mine to the extent that areas which have not become impoverished of base metals through leaching will be productive of other than strictly gold ores. This property has apparently reached that transition zone.

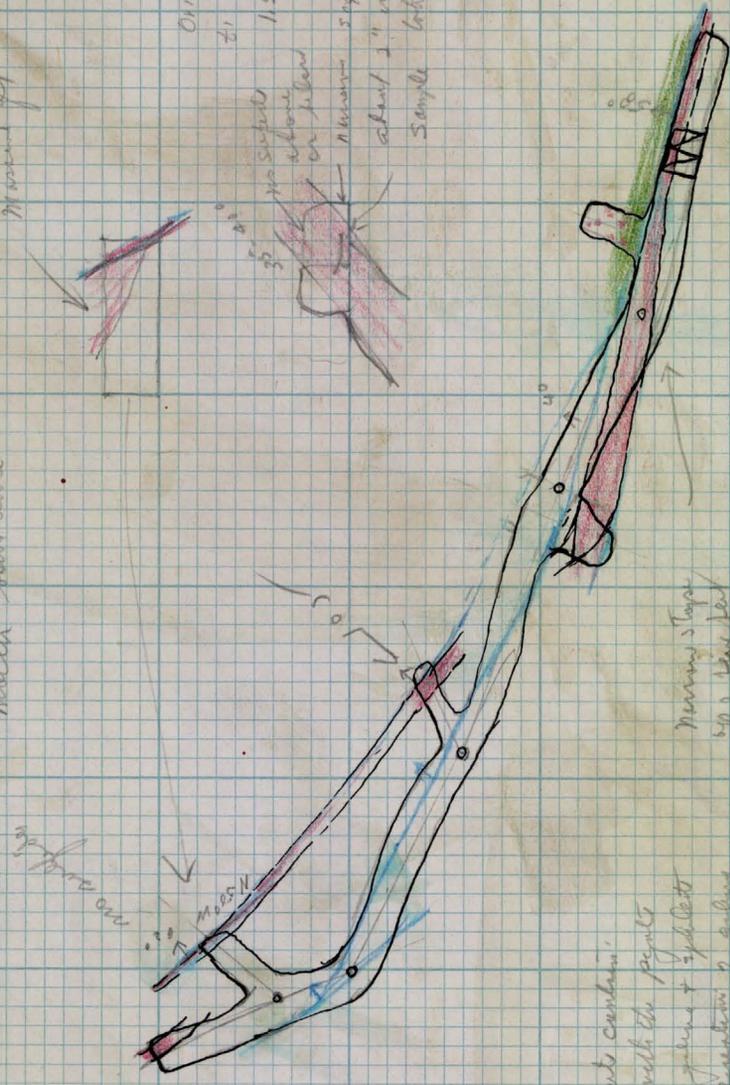
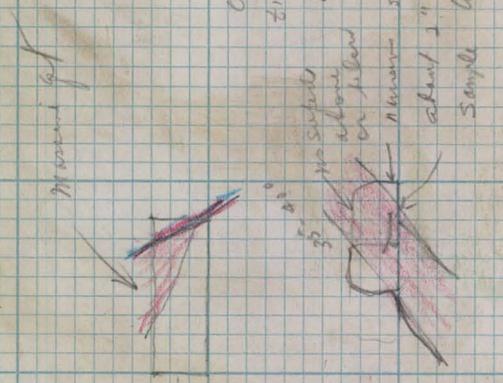
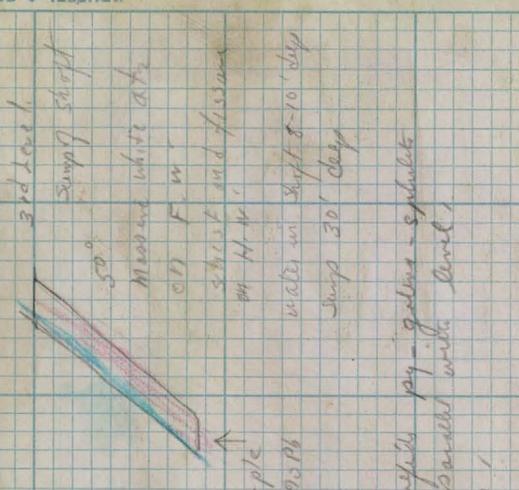
ARIZONA DEPARTMENT OF MINERAL RESOURCES

Earl F. Hastings
Projects Engineer.

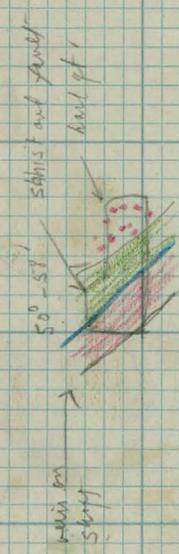
Shaft 8
 W. side 10-12' feet
 Shaft width 5'

Water level ... 1-2
 Unsubstantiated shaft 2000' level
 Had to keep unexcavated
 Cleared out 3rd level
 One man
 March some time

44' 5/10 0°
 23' 5' shaft
 1/2' v-cut



Face of drift
 No schist in massive
 white gt. 50m
 Fe staining making a
 mosaic pattern of rubble



First v-cut N or S
 no schist

Massive bed of vein in schist with segregation
 of schist in heavy form spots on 2nd level
 apparently from surface to 100 level on slope about
 1/2 shaft get as ab concentrated.

Measure primary pyrite contains
 high gold values, with the pyrite
 and shall contain 1-2 grains of sp. schist
 Hence show as segregation of schist
 and pyrite splendent in the get as
 small fragments 1-2" wide.

Apparently the gold occurs where
 a pyrite level forms - maybe 6" wide
 Near the surface pyrite has oxidized being
 gold free or white level
 However there were no such places showing
 on 3rd level as in shaft 11.40
 were so.

Primary Stamp
 50' level
 Probably mine
 Suspect shaft in air

30' from on

Scale 1" = 50'