Gold in Boise Basin transformed southwestern Idaho. When George Grimes, Moses Splawn, and a small party of prospectors discovered valuable placers on Grimes Creek, August 2, 1862, they prepared the way for permanent white settlement of a large region. Indian resistance, expressed in a series of skirmishes on the Oregon and California trails in the summer of 1862, did not hold back mining in Boise Basin very long. A strong party of miners came in from Walla Walla, establishing Pioneerville and Idaho City, October 7, 1862. A week's prospecting yielded $2,000, and most miners could anticipate making $8 to $16 or $20 a day. A few were good for $100 to $200 a day. Lyman Shaffer had found a valuable lode near Placerville which offered promise of a stable future for the new mines. By December, another major gold rush was underway, with most of the best placer claims taken up before the end of the year. By mid-January, Placerville already had a population of around a thousand, and 4,000 miners were in the basin before the end of the month. Gravel had to be packed in flour sacks to water, but those with the energy to work that way could recover $50 to $60 a day with rockers.

In the spring season, sluices could be operated for a while when high water receded sufficiently, and the basin placers began to show their true promise. But a short mining season, especially around Placerville, limited annual production and spread the initial placer phase of Boise Basin mining over a number of years. Idaho City had water for a longer period of time each spring, and soon gained ascendancy over Placerville where mining had to stop earlier. With a large mining area, Boise Basin offered a lot of country for prospectors to examine. More than twice as many mines showed up in Boise Basin than had come to Florence in 1862, and the rush still was on in 1864. Even after the big summer population had begun to clear out in the fall of 1863, Boise Basin still had a population of 16,000. More than 6,000 remained at Idaho City, while Placerville, Centerville, and Pioneerville stood far ahead of Pierce, Elk City, Warrens, and Florence. Idaho City surpassed Portland to become the largest community in the Pacific Northwest. And these new basin mining towns had a bright future.

Expansion from Boise Basin to other parts of the country commenced early in the spring of 1863. Placer discoveries in March on Feather River brought a stampede to the South Boise
mines, May 20, 1863. Lode mines around Rocky Bar already were discovered before the South Boise gold rush got underway, and quartz lodes proved to offer the major source of mineral wealth there. H. T. P. Comstock of Nevada's celebrated Comstock lode came to Rocky Bar, where he advertised another Comstock lode with great success. Meanwhile, promising Owyhee placers were discovered on Jordan Creek, May 18, 1863. Like South Boise, the Owyhee placers were traced to valuable lodes. By the end of the first season, Owyhee miners began to figure out that their lodes had more silver than gold. Still another massive gold and silver lode was found at Atlanta in the fall of 1864. Each of these discoveries attracted a great deal of excitement, and the Atlanta lode turned out to be Idaho's major gold quartz mine. Silver City, however, turned out still more value, but [unlike Atlanta], more silver than gold. By 1864, enough was known of these major mining districts to offer assurance that mining in Idaho would go on for many years. Atlanta, in particular, required longer than just about anyone had anticipated. An appropriate recovery process did not get into operation until 1932, and most of Atlanta's gold production came long after Rocky Bar and Silver City were ghost towns.

Placer mining in Boise Basin also required some major technological improvements and continued over the same long period required for development of the Atlanta lode. But the basin placers got off to a much faster start. Eighty miles of ditches, dug in time for the 1863 placer season around Idaho City, provided water for big production right from the beginning. An hydraulic giant (a large metal fire hose that took water from a high ditch to a high bar of gold-bearing gravel, and cut away the gravel with tremendous force) already was in operation on Elk Creek near Idaho City; five men operating it recovered $1,400 a week. With several million dollars worth of gold to their credit in 1863, the placer mines of Boise Basin had capital to get ready for a still bigger season in 1864.

A mild winter, with less than enough snow to provide water for a long placer operation in 1864, complicated the situation in Boise Basin. An extremely dry winter in northern California drove thousands of miners out to look for other placers, though, and in the spring of 1864, Boise Basin was the place for them to head for. Five or six hundred hopeful miners arrived each week. With a surplus of men on hand, and with adverse water conditions known in advance, operations went on day and night without stopping while water was available. Richer claims each worked by several men, turned out a thousand dollars a day that way. More than thirty large fires, each lighting a different claim, visible at night from Idaho City, made a grand view. Such operations went on for miles. Then by early May around Placerville and by early June around Idaho City, the streams turned to mud. With the better claims still less than half worked out, placer mining came to a halt for another year.
With frontiersmen of all kinds on hand in the mining camps, eager for sudden wealth, some of them had wild seasons. Others were noted more for sobriety and industry. Florence and Idaho City attracted some of the more notable bad men of the west: the trail to Florence was lined with road agents in 1862, and a vigilance organization—the Lewiston Protective Association—had to be formed to drive them out. Idaho City had more than a fair share of shootings and trouble, with the situation complicated by violent partisan clashes during the height of the Civil War. By 1864, Boise Basin and Boise Valley had become southern strongholds, with enough Confederate refugees from Missouri to bring the old Kansas-Missouri border warfare to Idaho. Unhappy with the way the war was going, Idaho's Confederate majority showed little sympathy for those who favored Abraham Lincoln and the United States. Boise, a service town for the mines located strategically at the crossing of the Oregon Trail with the roads to Idaho City and Silver City, had the same tough element that made life interesting in Idaho City. Silver City, in contrast, was noted for its sobriety and its Sunday school. Even after the excitement of the gold rush had passed, respectable citizens complained that in Idaho City, "the priest and the saloon-keeper jostle each other on the sidewalks, and the gentleman's wife must walk around the trail of the courtesan who lives next door, and does her shopping at the same counter. These contrasts are so common that they attract no attention whatever." But eventually some of the courtesans settled down, got married to prominent local miners and merchants, and raised some of Idaho's eminently respectable pioneer families.