Au[illegible]t's copy

RESCISSION OF EXPLORATION PROJECT CONTRACT
BY AGREEMENT BEFORE WORK IS BEGUN

It is agreed this 16th day of July, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Jeter Boone, Homer Boone, Howard Boone, John Phillips and Sam L. Phillips, a partnership, hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-E1147, Docket No. DMEA-4825, dated October 31, 1957, that said contract shall be and is hereby rescinded, revoked, and cancelled as of the date of the contract, before any actions have been taken or costs incurred thereunder, without any obligation whatever, one party to the other, the same as if said contract had never been entered into.

Witness the following signatures as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mitteuer
Administrator, Defense Minerals
Exploration Administration

Jeter Boone (Partner)
Jeter Boone

Homer Boone (Partner)
Homer Boone

Howard Boone (Partner)
Howard Boone

John Phillips (Partner)
John Phillips

Sam L. Phillips (Partner)
Sam L. Phillips

RECEIVED
DATE

EXTRA COPY

		CODE
		800

June 24, 1958

Mr. Jeter Boone
c/o Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: DMEA-4825 (Mica)
Jeter Boone, et al.
Mercer Prospect
Upson County, Georgia
Contract No. Idm-E1147

Dear Mr. Boone:

The cited contract calls for completion of the work on or before June 30; however, work was not started because of the question of ownership.

I understand that you have been unable to secure satisfactory evidence of title. Please advise me whether you still intend to do this exploration. Otherwise, it is probable that the contract should be rescinded.

Sincerely yours,

Robert A. Laurence
Executive Officer
DMEA Field Team, Region V

RAL/mg
cc - Operating Committee (2)
Mr. V. J. Lynch
File

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025 DBC BLDG.
WASHINGTON 25, D.C.
KNOXVILLE 2, TENN.

RECEIVED
DATE

800

December 5, 1957

Mr. Jeter Boone
c/o Sam Phillips
Spruce Pine, N. C.

Re: DMEA-4825, Idm-E1147-mica.
Jeter Boone et al
Mercer Prospect
Upson County, Georgia

Dear Mr. Boone:

On December 2, Mr. Mittendorf wrote Mr. Phillips explaining that DMEA will not participate in any costs incurred under the Mercer Prospect contract until such time as the ownership of mineral rights in the property has been clarified.

Please send me, at your earliest convenience, a document from the County Recorder's office at Thomaston, Georgia showing that ownership of the mineral rights in the land leased is vested in the Lessors, L. T. and Elsie B. Mercer. If any work is done before this is received, it may subsequently be approved if we receive the acceptable evidence of ownership.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA-Reg.V

RAL/am

cc
Opr. Com.-2
Lynch
Files-Finance

800

Spruce Pine, North Carolina
November 22, 1957

Mr. Robert A. Laurence, Executive Officer
DMEA, Region V., Room 13, Post Office Building
Knoxville, Tennessee

Re: DMEA-4825, Idm-E 1147 (Mica)
Jeter Boone, el al
Mercer Prospect
Upson County, Georgia

Dear Mr. Laurence:

We are delaying the work on the above named prospect.

Mr. McBee, Sr., Lawyer in Spruce Pine, has searched Mr. Mercer's title to the ownership of this land, and he states that Mr. Mercer has had a warranty deed to the property in question for nine years. I have asked Mr. McBee to secure a certified copy of Mr. Mercer's deed to the property, also I am in the process of contacting Mr. Mercer's Lawyer in Georgia to determine what action he is going to take to remove the cloud from the title, if there is a cloud to the title. Mr. McBee, is of the opinion for several reasons that Mr. Mercer is the owner in fee.

Will keep you posted.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

P/bj

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13 POST OFFICE BLDG.
WASHINGTON 25, D. C.
KNOXVILLE 2, TENN.

EXTRA COPY
DMEA
RECEIVED
DATE | INITIALS | CODE
900

November 21, 1957

Mr. Sam L. Phillips
Spruce Pine, N. C.

Re: DMEA-4825, Idm-E1147-mica
Jeter Boone, et al
Mercer Prospect, Upson County,
Georgia

Dear Mr. Phillips:

I have just received a letter from Owen J. Adams, Attorney, Thomaston, Georgia, a copy of which was also sent to you by Mr. Adams.

Under the circumstances, it is advisable to delay work until this matter is clarified. Do you have any documentary evidence to support Mr. L. T. Mercer's claim of ownership?

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/xm
cc
Opr. Com.-2
Lynch
Files

RECEIVED
NOV 21 1957
U. S. Geological Survey
Courts Building
Knoxville, Tenn.

OWEN J. ADAMS
ATTORNEY AT LAW
BARRON BUILDING
THOMASTON, GEORGIA

November 20, 1957

Defense Minerals Exploration Administration
U. S. Department of Interior
Post Office Building
Knoxville, Tennessee

Gentlemen:

I am informed that one S. L. Phillips has applied for and received approval on a government loan for the purpose of working certain mineral rights under a pretended lease from one Tom Mercer on approximately 34 acres of land in the 10th Land District of Upson County, Georgia.

This is to give you formal notice of the prior claim of ownership of the mineral rights on this land by my client, Mrs. Viola B. Laughridge, under authority of a conveyance recorded on February 1st, 1919, in office of the Clerk of Superior Court, Upson County, Georgia, in Deed Book 37, pages 1 and 2; said conveyance being in favor of J. E. Burleson Mica Company from the then owner of said land, and having passed by will to Mrs. Viola B. Laughridge.

I am now in the process of completing an examination of the title to all of the land conveyed by the last mentioned instrument, and it further appears that certain lands now claimed by Southern Mining Company, John C. McBee and Lee Medford, all of Spruce Pine, N. C., are also affected by this prior conveyance; and, I believe these latter parties have also obtained a government loan for the purpose of mining the affected lands.

I understand plans are under-way to begin work under the Mercer-Phillips lease within about two weeks; this is to give notice of intention to file an injunction and suit for damages should such work actually be commenced. This matter should be clarified before any work is started. Copies of this notice are being posted to all affected parties as formal notice of the prior title.

Very truly yours,
Owen J. Adams
Owen J. Adams

DMEA Form 14

Contract No. Idm-E 1147

Docket No. 4825

DEPARTMENT OF THE INTERIOR

Cancelled contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
October 31, 1957	**V**	**Georgia**	**Mica**

Name and Address of Operator: **Jeter Boone, Homer Boone, Howard Boone, John Phillips, Sam L. Phillips**
c/o Sam L. Phillips
Spruce Pine, North Carolina

	Reserve	Obligation
Prior Amount	0	4,272.00
Increase	0	0
Decrease	0	~~4,272.00~~
Revised Amount	0	0

Remarks:

(Name)

Allen S. Dakan, Chief
Operat ns Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington **8/8/58**

22845

Ann Ally

DMEA Form 14

Con[illegible]ct No. Idm-E 1147

Docket No. 4825

DEPARTMENT OF THE INTERIOR

Executed Contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
October 31, 1957	**V**	**Georgia**	**Mica**

Name and Address of Operator: **Jeter Boone, Homer Boone, Howard Boone, John Phillips, Sam L. Phillips c/o Sam L. Phillips Spruce Pine, North Carolina**

	Reserve	Obligation
Prior Amount	4,272.00	0
Increase	0	4,272.00
Decrease	4,272.00	0
Revised Amount	0	4,272.00

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief Operations Control and Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington **11/21/57**

22845

udit's Copy

MF-200A
(Rev. April 1956)

RECEIVED
NOV 20 1957
D.M.E.A.

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No. Idm–E*	*County*	*State*
4325	Mica	1147	Upson	Georgia

It is agreed 31 OCT 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Jeter Boone, Homer Boone, Howard Boone, John Phillips and Sam L. Phillips, a partnership

whose mailing address is c/o Sam L. Phillips, Spruce Pine, North Carolina

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before DEC 15 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 3 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $5,696.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $4,272.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: a royalty of 1/8 (one-eighth) on the minerals taken and sold from the land payable to lessors

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien and Subordination Agreement of Lessors

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

.....

.....

.....

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.....

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Executed in sextuplicate the day and year first above written.

By Jeter Boone Partner
Jeter Boone

By Homer Boone Partner
Homer Boone

By Howard Boone Partner
Howard Boone

By John Phillips Partner
John Phillips

By Sam L. Phillips Partner
Sam L. Phillips

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ....., who signed this contract on behalf of the Operator, was then ..... of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

EXPLORATION PROJECT CONTRACT
JETER BOOME ET AL.
DOCKET NO. DMRA-4825

ANNEX I

The land referred to in Article 2 of the contract is a 34 acre tract, known as the "Mercer Prospect", situated in Upson County, Georgia, and more particularly described as follows:

> Beginning at an iron stake on the southeast side of the Tryum Mill Road, near a creek, running thence with the said creek south 14 degrees west, 1160 feet to a 2-inch iron pipe, thence east 1200 feet to a 2-inch iron pipe, thence north 4 degrees 30 minutes east 1348 feet to a 2-inch iron pipe on the southeast side of the Tryum Mill Road, thence running with the said road west 575 feet to a stake, thence continuing with said road south 60 degrees west 500 feet to an iron stake, the place of beginning, containing 34 acres. This property is located approximately 6½ miles northwest of Thomaston, Georgia, on the Tryum Mill Road.

The Operator is in possession by virtue of a lease dated September 4, 1957, from the owners, L. T. Mercer and Essie B. Mercer.

A Consent to Lien and Subordination Agreement, executed September 4, 1957, by the owners, is attached.

EXPLORATION PROJECT CONTRACT
JETER BOONE ET AL.
DOCKET NO. DMEA-4825

Exhibit A

Exploration for concentrations of strategic mica shall be performed in the area indicated on map entitled "Mercer Prospect, Upson County, Georgia, DMEA-4825 (mica)," attached hereto and made a part hereof.

The work is divided into two stages. The Operator shall complete Stage I, and shall perform as much of Stage II work as is approved in writing in advance by the Government.

Stage I

1. Bulldoze two trenches along the strike to properly expose the westerly and easterly limbs of the structure. The dimensions of the trenches shall be: No. 1 (along westerly contact) approximately 120 feet long by 12 feet wide by 5 feet deep aggregating not more than 226 cubic yards of excavation, and No. 2 (along easterly contact) approximately 80 feet long by 12 feet wide by 5 feet deep aggregating not more than 178 cubic yards of excavation.

2. Excavate hand trenches, in addition to the bulldozer trenches, to expose the pegmatite in places where hard rock may limit the effectiveness of bulldozer work. The hand excavated trenches shall be spaced approximately 25 feet apart, normal to the structure, and shall be approximately 2 feet wide by 1 foot deep, aggregating not more than 180 cubic feet of excavation.

Stage II

1. Construct:

(a) A toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.

(b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.

(c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

The toolhouse may be unfloored; shall be made from unfinished lumber, with protective roof covering; and shall be equipped with lock and key.

The powder and exploder magazine shall be boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood lumber; and shall be braced at the corners. No metal shall be exposed; and the doors shall be equipped with the equivalent of a 5-tumbler jarproof lock.

2. From a site and in a direction and inclination determined by the results of Stage I work, and with the prior approval of the Government, sink a two-compartment vertical or inclined shaft, a distance of not more than 60 feet. From the bottom or near the bottom of the shaft drive 80 feet of crosscut, drift and/or raise to define the down-dip or plunge dimension of any favorable material outlined by the surface work.

The shaft and the drifts and/or crosscuts shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All work shall be performed on the pegmatite or in as close proximity thereto as possible.

The location, inclination, direction, and extent of all work are subject to the approval of the Government.

ESTIMATED COSTS OF THE PROJECT
Fixed Unit Costs

Stage I

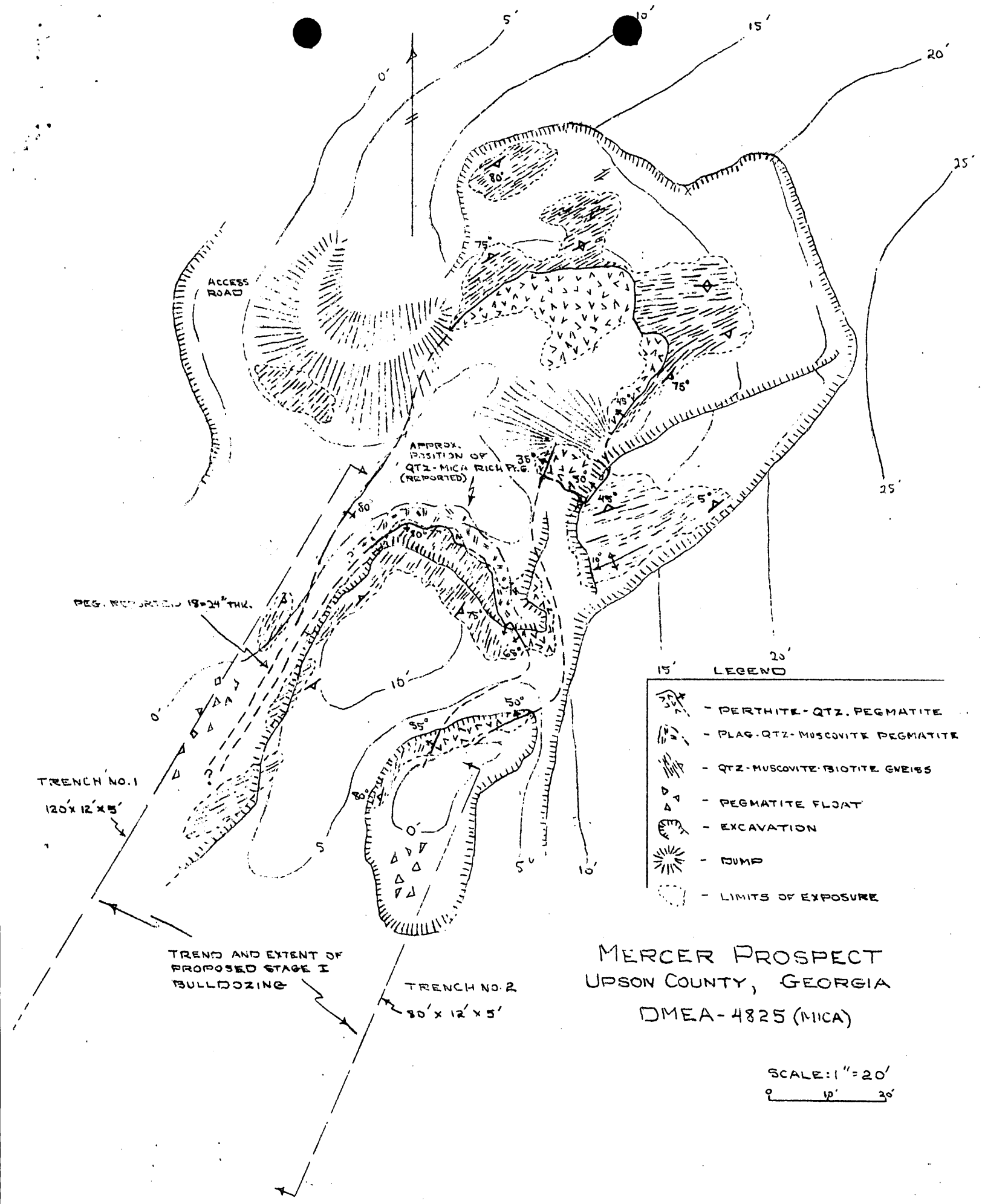
1. Excavating 444 cubic yards of trench with bulldozer @ $0.30/cu. yd. (rounded)	$133.00	
2. Excavating 180 cubic feet of trench by hand @ $0.15/cu. ft.	27.00	$ 160.00

Stage II

1. Construct toolhouse[1/]	$ 76.00	
Construct powder magazine[1/]	25.00	
Construct exploder magazine[1/]	15.00	116.00

2. Sink shaft - 60 feet @ $45.00/ft.	$2,700.00
3. Drift, crosscut and/or raise - 80 feet @ $34.00/ft.	2,720.00
Estimated Total Cost of Project	$5,696.00
Government Participation @ 75%	$4,272.00

1/ The completed work constitutes the unit.



MERCER PROSPECT
UPSON COUNTY, GEORGIA
DMEA-4825 (MICA)

EXTRA COPY
D M E A
RECEIVED OCT 10 1957

DATE	INITIALS	CODE

DMEA Form 14

Contract No. Idm-E 1147

Docket No. 4825

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
October 31, 1957	**V**	**Georgia**	**Mica**

Name and Address of Operator: **Jeter Boone, Homer Boone, Howard Boone, John Phillips, Sam L. Phillips**
c/o Sam L. Phillips
Spruce Pine, North Carolina

	Reserve	Obligation
Prior Amount	0	0
Increase	4,272.00	0
Decrease	0	0
Revised Amount	4,272.00	0

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington **10/31/57**

22845