UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No._____

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

Report of Review.

✓Termination Notice or Agreement: etc.

Recision Notice.

✓Assignment of Contract.

Contract Amendments (latest on top).

✓Contract with all exhibits and annexes.

Owner's Consent to Lien.

✓Subordination Agreement.

Leases and assignments of leases.

✓Application and attachments.

Schedule of Collections.

Operator's monthly reports and all attachments (latest on top).

Right Side

Project summary.

Work completed analysis.

✓All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report. (Tab)

Operator's Final Report.

Interim Reports.

✓On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number_____

Operator's Monthly Reports in folder number _____

7973

_____
Reviewer's Initials

C O P Y

Room 13, Post Office Building
Knoxville, Tennessee

December 13, 1951

Mr. Fletcher O. Phillips

Spruce Pine, N. C.

Re: DMA-1389X, Idm-E69
DMA-1391X, Idm-E70

Dear Mr. Phillips:

We have given full consideration to your requests, stated in your letter of December 3, that we amend the above designated contracts to provide for shaft-sinking instead of core drilling, as provided in the contract.

After due consideration of all the problems involved, it is our opinion that shaft sinking would not be justified under present conditions and the present exploration program of the Government. Therefore, in accordance with your next to last paragraph, we will consider the contracts terminated.

Very truly yours,

Robert A. Laurence, Executive Officer
Defense Minerals Exploration Admin.
Region VII

MF-200
(June 1951)

Docket No. DMA 1391-X
Commodity Mica
Idm-E-70

Idmm -

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

RECEIVED
JUL 26 1951
G. A. O.
Index
No. Card
Card
Reviewed NC 8/31/51

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 19th day of July, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2]

Bess Gaston Mica Company, Inc.
c/o Fletcher O. Phillips
Spruce Pine, North Carolina

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of North Carolina, County of Gaston described as follows: [3]

See Annex I attached

with respect to which the Operator represents and undertakes: [4]

(*a*) ~~That he is the sole owner in possession and entitled to possession, and that the property subject to this contract is not subject to any lease or other encumbrance, a copy of which lease or encumbrance or of the title is attached.~~

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within 15 days from the date of this contract shall commence work on a project of exploration for [5] Mica; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] Three (3) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

JUL 26 1951
RECEIVED
CONTRACT SECTION
G. A. O.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 90 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $4,950.00, which is 90 percent of the agreed estimated total cost of this project, $5,500.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

Bess Gaston Mica Company, Inc.
(Operator)

By Fletcher Phillips

President

THE UNITED STATES OF AMERICA

By C. D. Mitterdorf

Director
Production Expansion Division
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

DMA Docket 1391x
The Bess Gaston Mica Co., Inc.

ANNEX I

The "Big Bess" Mine
M. S. Bess Farm, Gaston County, North Carolina

"Beginning on a stake on Cherryville & Kings Mountain State Highway and edge of M. S. Bess' yard where he now lives and running S 85° E 500 feet to a stake in field thence S 21° W 457 feet to stake, thence S 84° W 268 feet to stake, thence N 52° W 157 feet to concrete tile butment in highway, thence N 6° E 432 feet with highway to the beginning.

DMB 1591 X

Exhibit "E"

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Gaston, State of North Carolina, described in a certain Exploration Project Contract dated July 19, 1951, between Bess Gaston Mica Company, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated May 21, 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 26th day of May, 1951

M. S. Bess

U. S. GOVERNMENT PRINTING OFFICE 940768

x Georgia A Bess

EXHIBIT "A"

Performance of work

* Work will consist of diamond drilling eight (8) N.X. holes totaling 850 feet. These holes are to be drilled to locate and determine the directional trend and size of the pegmatite in which the mica mineralization is found. The hole depth is to range from 50' to 180' - the depth to be mutually agreed upon by the company and Field Team engineer of the Government.

* Hole locations are shown on the attached map. Changes of hole location and drilling direction may be changed with the approval of the Government field engineer provided the total footage drilled does not exceed 850'.

Cost of Project

* 850' of NX size diamond drill hole @ $5.00/ft.	$ 4,250.00
Coreboxes, shipping, etc.	100.00
Truck rental, by operator - 10 days @ $14.00/day	140.00

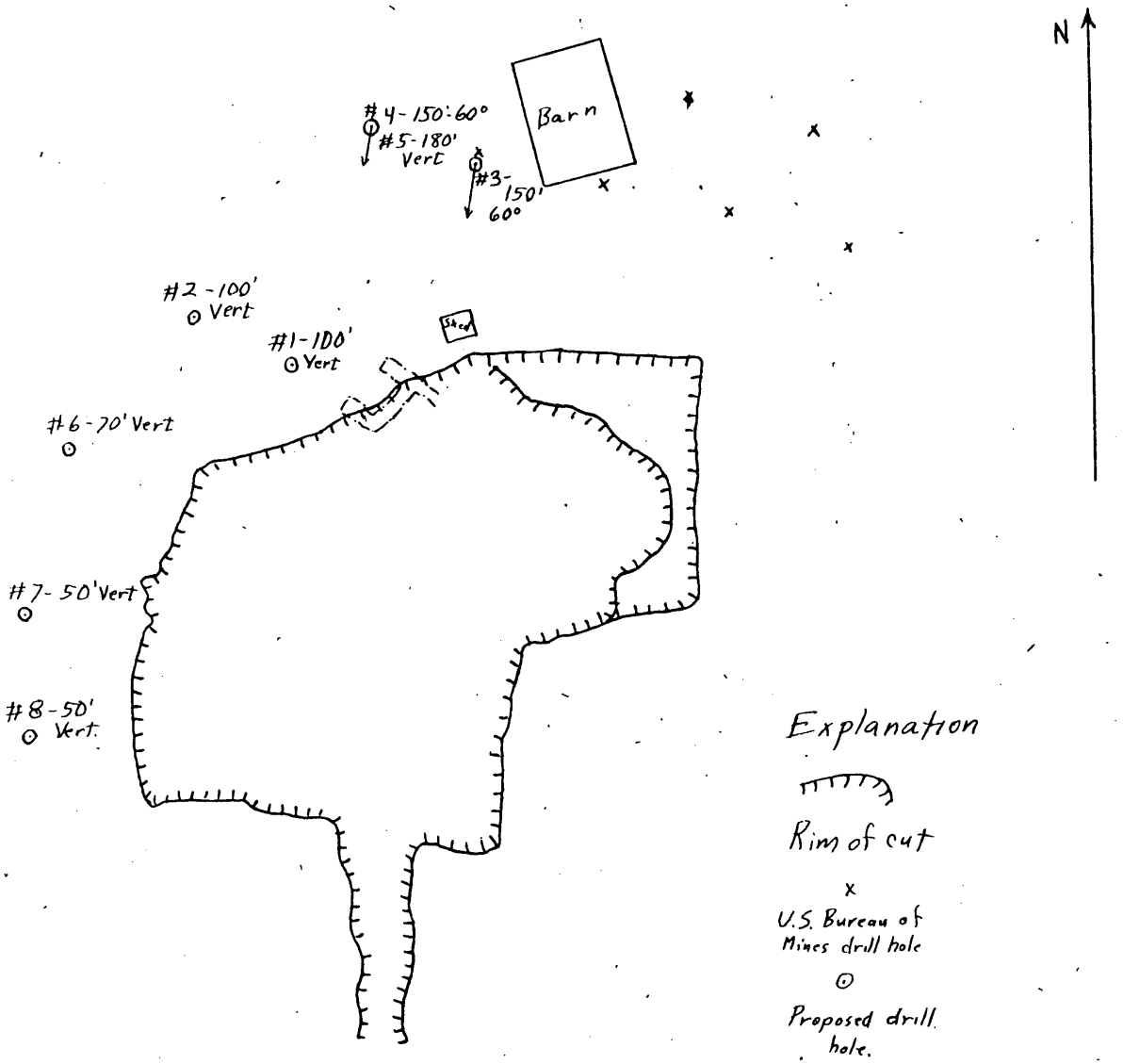
Labor and Supervision

1 - Engineer-Superintendent @ $20.00/day part time	$ 300.00
1 - Truck driver - 12 days @ $10.00/day	120.00
1 - Laborer - 10 days @ $10.00/day	100.00
Payroll taxes	50.00
Miscellaneous expense	240.00

Fixtures and Improvements

Core house (shelter, tools house)	$ 200.00
Total Cost	$ 5,500.00

* **Drill core recovery and sampling must be done under the supervision of the Government field engineers.**



BESS-GASTON
DMA-1391 X

Form MF-103
(April 1951)

U. DEPARTMENT OF THE INTER
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 13918

Date received 5-31-51

Participation

The Bess Gaston Mica Co., Inc.
c/o Fletcher O. Phillips
Spruce Pine, North Carolina

Name and address of applicant

Date

FILL IN THIS BLOCK

Date of application May 30, 1951

Estimated cost $31,233.28

Mineral or metal Mica

Percentage of Government participation 90%

Location of mine Bess Farm, Gaston County, North Carolina
See Exhibit "A"

Date of filing MF-100

DMA Docket Number, if available dma 13918

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.

---------- By ----------
(Name of company) (Signature of authorized official)

---------- ----------
(Date) (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

Form MF-103 Defense Minerals Administration

The Bess Gaston Mica Co., Inc. Bess Farm, Gaston County, N. C.

1. Corporation

2. Not a partnership

3. See personal qualifications of key persons in Exhibit A at page 3.

4. Fletcher O. Phillips will manage the project. His qualifications are attached as Exhibit B. The qualifications of the other key man in the corporation are attached as Exhibit C.

5. Lessee

6. Not owner

7. Lease is attached as Exhibit D. It is in good standing.

   Note: Subordination Form attached as Exhibit E to original file.

8. New corporation

9. Corporation is investing its Reo truck 109A - 42425, C 21 B - 55979, 2100, 2470291A Model 1948. Valued at $3,200. Corporation owns this truck free and clear. Assignment is attached as Exhibit F.

10. Legal description of portion of Bess Farm leased is set forth in lease attached as Exhibit D. Exploration will be conducted over entire area leased.

11. Bess, Gaston County, North Carolina

12. Mine is three miles from Cherryville, North Carolina. Truck routes and railroads serve Cherryville. Roads are hard surface or good solid gravel top. See Exhibit "H"

13. No water needed in the mining of strategic mica. There is no branch or creek within the leased area. There is a well on the farm within 1000 feet of leased area from which drinking and radiator cooling water may be obtained.

14. None

15. Ore can be placed on box cars at Cherryville, or trucked to Spruce Pine, N. C. which is 70 miles. Spruce Pine is the area in which practically all of the fabricating and milling factories in the United States are located. People in that area have the ability and know-how to utilize all of the strategic and punch grades of mica.

16. Sheet mica of strategic grade from this mine was sold to Colonial Mica Corporation during World War II. These records are now in the files of R.F.C. (Call Mr. Tully Executive 3111 Extension 550)

17. See answer 16.

18. Mica deposits cannot be assayed as to their sheet or strategic grade content. This mine produced large quantities of strategic mica during World War II, as can be ascertained from the records of Colonial Mica Corporation. It is estimated that mica of like amounts and quality is still in the immediate vicinity. Mining operations ceased only when the price of sheet mica fell after the last war.

19. None

20. Mica

21. Eight shafts will be dug to a depth of 60 to 75 feet. Since the persons in this corporation were familiar with the location of the mine face before it was filled in after abandoment after the last war, they will try to "strike" or "locate" the old mine face with the first few shafts. The remaining shafts will be lowered to strike the vein at other points within the area. The shafts will be so located that they complete area will be explored. It is expected to take one month to set up and dig one shaft. The project should be completed within eight months.

22. Production posibilities are of record with the U. S. Bureau of Mines, U. S. Geological Survey, and RFC files. All of these records show mica of strategic quality in this vicinity. Also see Exhibit "G".

			Per month	8 month period	
23.	(a)	1 timber man	$70 per week	303.33	2426.64 1/3	
		1 truck driver	60 per week	260.00	2080.00	
		3 muckers	60 per week	780.00	6240.00	
		1 hoist operator	60 per week	260.00	2080.00	
					12826.64 1/3	12,826.64 1/3
	(b)	1 supervisor	100 per week	433.33 1/3	3466.64 1/3/	3,466.64 1/3
	(c)	None				
	(d)	Bunk house			1000.00	
		Tool shed			200.00	
					1200.00	1,200.00
	(e)	1 Reo dump truck with bed*			3200.00	
		1 Double drum hoist complete including bracket, shives, cables, etc.			3500.00	
		2 Electric motor pumps, 220V Single phase 5 horsepower each			1500.00	
		Misc. mining timber, supports, cribbing, etc.			3000.00	
					11200.00	11,200.00
	(f)	None				
	(g)	None				
	(h)	2 wheelbarrows, hand tools, etc			300.00	300.00

*Invested by applicant

	Per month	8 month period	
(i) Electric power (a) 80 per mo.	80.00	640.00	
Supplies, gasoline, oil, repairs, etc. (a) 200 per mo.	200.00	1600.00	
		2240.00	2,240.00
			31,233.28 2/3

24. Project is expected to be completed within an eight month period after awardation of the exploration contract. It is expected to sink one shaft per month, with a total of eight shafts covering the leased area. Schedule might not be maintained if considerable feldspar or granite is encountered surrounding mica in the earth.

The first month's expenditures will include the total cost of the equipment that must be purchased, excluding the Reo truck invested by the applicant. Each month thereafter will include salaries, supplies, power, and mining timber, if it is not all purchased within the first month.

First Month's Operation

1 timber man	303.33 1/3
1 truck driver	260.00
3 muckers	780.00
1 hoist operator	260.00
1 supervisor	433.33 1/3
electric power & supplies	280.00
1 bunk house	1000.00
1 tool shed	200.00
1 Reo Truck*	3200.00
1 double drum hoist	3500.00
2 electric motor pumps	1500.00
Misc timber	3000.00
Hand tools	300.00
	$15,016.66 2/3

Each Month Thereafter

1 timber man	303.33 1/3
1 truck driver	260.00
3 muckers	780.00
1 hoist operator	260.00
1 supervisor	433.33 1/3
Electric power & supplies	280.00
	$2,316.66 2/3

*Invested by applicant

Exhibit "A"

STATE OF NORTH CAROLINA
Department of State

To all to whom these presents shall come, Greeting:

I, Thad Eure, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached (Four (4) sheets) to be a true copy of

CERTIFICATE OF INCORPORATION OF THE BESS GASTON MICA CO., INC.,

the original of which is now on file and a matter of record in this office.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

Done in Office, at Raleigh, this 25th day of May in the year of our Lord 19 51.

Thad Eure
Secretary of State

CERTIFICATE OF INCORPORATION

of

The Bess Gaston Mica Co., Inc.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the State of North Carolina, and do hereby certify:

FIRST: That the name of the said corporation is:

The Bess Gaston Mica Co., Inc.

SECOND: That the purposes for which said corporation is formed are:

(a) To initially engage in the primary business of exploring, prospecting, developing, mining and milling mica and minerals of every character and description.

(b) To purchase or otherwise acquire, to own, hold, lease, sell or otherwise dispose of, deal in and improve real estate, and to mortgage, convey in trust or otherwise encumber the same and to erect, manage, care for, maintain, extend and alter buildings thereon and other improvements.

(c) To purchase or otherwise acquire, to own, hold, lease, sell or otherwise dispose of, deal in and improve real estate, and to mortgage, convey in trust or otherwise encumber or hypothecate the same.

(d) To enter into partnerships or into any arrangement for sharing profits, union of interest, corporation, joint adventure, reciprocal concession, or otherwise, with any person, partnership, firm or corporation, in any business or transaction in which this corporation is authorized to carry on or engage in so as to directly or indirectly benefit this corporation.

(e) To take, acquire by purchase, exchange or otherwise, and to own, hold, deal in, sell or otherwise dispose of, mortgage, hypothecate or otherwise encumber, letters patent and inventions and shares of stock or bonds, and while the owner of said shares to vote the same.

(f) To borrow money and to execute and deliver its secured promissory note or notes or other evidences of indebtedness therefor.

(g) To issue bonds, notes, debentures, certificates, script or other corporate obligations or evidences of debt, and to secure the payment therefor by mortgage, pledge or deed of trust of or upon the whole or any portion of the corporate property, funds, credits and franchises and to sell, pledge or otherwise use or dispose of the same.

(h) To exercise in respect to all such bonds, notes, mortgages, shares of capital stock and other securities and other obligations, any and all rights, powers and privileges of individual owners thereof; including the right to vote upon any shares of stock held by it to the same extent that a natural person might or could do.

(i) To carry on business in states outside of North Carolina and to purchase and hold real and personal property in said states.

(j) To engage in any and all lawful business other than those above specified which may be permitted by any law or laws of the State of North Carolina now in force or hereinafter enacted, and for which no special authorization or permit is necessary.

(k) To do and perform all things whatsoever that shall be necessary or proper for the full and complete execution of the foregoing purposes.

(l) To act as guarantor or surety on contracts, notes, bonds, mortgages, deeds of trust or other securities.

THIRD: That the principal office for the transaction of the business of this corporation is to be located in Spruce Pine, North Carolina. That the name and address of the agent authorized to accept service on the corporation in the State of North Carolina is Fletcher O. Phillips, Spruce Pine, North Carolina.

FOURTH: That this corporation is authorized to issue only one class of shares of stock, the total number of which is 900 shares with no par value.

FIFTH: That the number of directors of said corporation shall be three (3) who must be shareholders and the names and addresses of the persons who are appointed to act as the first directors and to hold office until the selection and qualification of their successors are as follows:

Fletcher O. Phillips, President	Spruce Pine, N. C.
John Phillips, Vice President	Spruce Pine, N. C.
Willie Mae Phillips, Secty-Treas.	Spruce Pine, N. C.

SIXTH: That the duration of this corporation shall be 100 years; original capital to commence business to be $30.00.

SEVENTH: That the following shares of stock have been subscribed by the incorporators:

Fletcher O. Phillips	Spruce Pine, N. C.	(1) share
John Phillips	Spruce Pine, N. C.	(1) share
Willie Mae Phillips	Spruce Pine, N. C.	(1) share

EIGHTH: That the number of persons named above shall constitute the number of directors in the corporation until changed by amendment to the by-laws.

NINTH: Said corporation shall not have the power to levy assessments upon the shares or shareholders thereof.

TENTH: The shareholders of said corporation shall have preemptive rights to subscribe to any and all issues of shares of securities.

IN WITNESS WHEREOF, the persons named herein as directors have hereunto set their hands this 24 day of May 1951

Fletcher O. Phillips

John Phillips

Willie Mae Phillips

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 24 day of May, 1951 before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared

Fletcher O. Phillips

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Mitchell, the day and year first hereinabove written.

Kenneth R. McKinney
Notary Public of said County and State
My Commission expires 11-21-52

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 24 day of May 1951 before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared

John Phillips

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Mitchell, the day and year first hereinabove written.

Kenneth R. McKinney
Notary Public of said County and State
My Commission expires 11-21-52

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 24 day of May 1951 before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared

Willie Mae Phillips

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Mitchell, the day and year first hereinabove written.

Kenneth R. McKinney
Notary Public of said County and State
My Commission expires 11-21-52

STATE OF

NORTH CAROLINA

CERTIFIED COPY OF

CERTIFICATE OF INCORPORATION

OF

THE BESS GASTON MICA CO., INC.

Office of the

Secretary of State

Exhibit "B"

FLETCHER O. PHILLIPS

Fletcher O. Phillips is 46 years old, a native of the Spruce Pine area, and has lived in that mining district most of his life.

He has 26 years of mining experience, and at present is mining mica and feldspar on a commercially profitable basis in the Dogwood Flat near Yellow Mountain in the Spruce Pine area. This mine is presently producing one thousand pounds of mica of punch or better quality per week and approximately seventy-five tons of feldspar.

During World War II, Mr. Phillips was one of three partners in the mica fabricating plant of "Carpenter and Phillips Mica Company" which employed from 90 to 180 persons. One of his duties was to purchase mica for fabricating. That experience has thoroughly schooled Mr. Phillips in appraising and grading blocks and sheets of mica.

His two years mining education at North Carolina State College is one of his greatest assets in that it helps him to evaluate out croppings and to follow "leads" once mining operations have commenced.

His past employment record is as follows:

Bennidict Coal Co.	St. Charles, Va.	1927 - 1928
Mining School	State College, N. C.	1928 - 1930
Bennidict Coal Co.	St. Charles, Va.	1930 - 1932
Hoot Owl Mine	Spruce Pine, N. C.	1934 - 1936
Mining for self	Spruce Pine, N. C.	1936 - 1941
Carpenter & Phillips Mica Co. (partner)	Spruce Pine, N. C.	1941 - 1945

* * * * * *

References:

Mr. Ernest Poteat, Cashier
Northwestern Bank, Bakersville, N. C.
Mr. Roy Welds, Manager
Harris Clay Co., Spruce Pine, N. C.
Mr. J. P. McKinney, Mine Manager
United Feldspar & Minerals, Spruce Pine, N. C.

Exhibit "C"

JOHN PHILLIPS

John Phillips is thirty-four years old and a native of the Spruce Pine area where he has lived most of his life.

He operated the Bouy Mine in Spruce Pine during the years 1941 to 1943 from which he produced a large quantity of book mica of punch and better grade.

In 1941 at the same time he was operating the Bouy Mine, he became a member of the partnership "Carpenter and Phillips Mica Company." This firm fabricates punch grade mica for the electric and electronic industry.

Mr. Phillips' business acumen is evidenced by his rapid expansion in conservative business interests. He is one of two partners in the partnership of "Phillips and Coulter." This partnership is engaged in the following businesses:

1. The Texas Company Distributorship for Avery, Mitchell and Yancy Counties.
2. Studebaker automobile and truck dealer for Avery, Mitchell and Yancy Counties, North Carolina.
3. Firestone Retail Store
4. Texaco Service Station, Spruce Pine.

* * * * *

References:

Mr. Robert Guy, Cashier
Avery County Bank, Newland, N. C.
Mr. Baxter Johnson, Owner
Johnson Electric Co., Spruce Pine, N. C.
Mr. L. L. McMurry, Supervising Engineer
Feldspar Flotation Co., Spruce Pine, N. C.

MINING LEASE

Exhibit "D"

State of North Carolina Gaston County:

This indenture made this 21st day of May, 1951

between M. S. Bess

of Gaston County and State of North Carolina, as party of the first part, and known as lessor__, and Ernest Crowder

of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the party of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessor___, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written, to wit:

Beginning on a stake on Cherryville + Kings Mountain State Highway and edge of M. S. Bess' yard where he now lives and running S85°E 500 feet to a stake in field, thence S21°W 457 ft to stake, thence S84°W 268 ft to stake, thence N52°W 157 ft to concrete tile butment in highway, thence N6°E 432 ft with highway to the begining.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the conditions of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to errect such buildings as he needs to carry on such minin operations during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to errect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lesse hereby agrees to pay to the said party of the first part, or his or their heirs or assigns, a rental royalty of one eighth on all mica

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and atthe usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor___ reserve the right to use the land, or convey the same not conflicting

with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease. Lessee shall not start operations until present surface crops are harvested.

AND IT IS FURTHER AGREED That the leassee, his heirs, or assigns, is hereby given an option to purchase the title to the land above set forth and described for a price of no option Dollars ($_____), and it is agreed that any and all royalities paid as rent up to that time, the time the option is exercised, shall be allocated and applied to this agreed purchase price. And that upon tender of payment of the purchase price the lessor will convey title to the lessee or his assigns by special warranty deed.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor. The lessee agrees that during the period of this lease or the continuance of this lease that work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted. All holes or mines shall be filled and made smooth after ore is removed. Lessee shall be responsible to fill holes.

WITNESS our hands and seals the day and year first above written.

Witness:

M. S. Bess (seal)

Georgia A Bess (seal)

(seal)

NORTH CAROLINA, Gaston COUNTY:

The execution of the foregoing instrument was this day acknowledged before me by M. S. Bess the grantor for the purposes therein expressed. Let the same, with this certificate, be registered. This 21st day of May, 1951.

Kenneth R. McKinney

***

NORTH CAROLINA, Gaston COUNTY:

I, Kenneth R. McKinney, do certify that M. S. Bess and Georgia A. Bess, his wife personally appeared before me this day, and acknowledged the execution of the annexed mining lease and the said Georgia A. Bess being by me privately examined separate and apart from her said husband, touching her voluntary execution of the same; doth state that she signed the same free and voluntarily, without fear or compulsion of her said husband, or of any other person, and that she doth still voluntarily assent thereto. This 21st day of May, 1951.

Kenneth R. McKinney

NORTH CAROLINA, _____ COUNTY:

The foregoing certificate of _____ of _____ County is adjudged to be correct and sufficient. Let the instrument, with the certificate be registered.

Witness my hand and official seal, this _____ day of _____, 1951

Clerk Superior Court

***

Filed for Registration at ____ o'clock __ M, _____, 1951 and registered in the office of Register of Deeds for _____ County in Book No. ____ Page No. ____

A S S I G M E N T

I, (~~We~~), Ernest Crowder

the undersigned for and in consideration of One Dollar and other valuable consideration, in hand received and hereby acknowledged, do hereby sell, assign, transfer, quit-claim, and deliver unto

The Bess Gaston Mica Co., Inc.

all my (~~xxxx~~) right title and interest, both legal and quitable, in and to the following described property, chattles, or goods:

A lease dated the 21st day of May, 1951 granting to me the right to mine a certain portion of the Bess Farm.

WITNESS my (~~xxxx~~) hand(~~xx~~) and seal(~~xx~~) this 23rd day of May 1951.

Ernest Crowder

STATE OF NORTH CAROLINA)
0 ss
COUNTY OF MITCHELL:)

On this _____ day of _____, 1951, before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared

known to me to be the person(s) whose name(s) is (are) subscribed to the within instrument, and acknowledged to me that he (they) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Mitchell, the day and year first hereinabove written.

Notary Public of said County and State

My commission expires _____.

Exhibit "F"

A S S I G M E N T

I, (~~We~~), Ernest Crowder

the undersigned for and in consideration of One Dollar and other valuable consideration, in hand received and hereby acknowledged, do hereby sell, assign, transfer, quit-claim, and deliver unto

The Bess Gaston Mica Co., Inc.

all my (our) right title and interest, both legal and quitable, in and to the following described property, chattles, or goods:

One Reo Truck 109 A - 42425, C 21 B - 55979, 2100, 2470291A Model 1948.

WITNESS my (~~our~~) hand(~~s~~) and ~~seal~~(s) this 23rd day of May 1951.

Ernest Crowder

STATE OF NORTH CAROLINA)
0 ss
COUNTY OF MITCHELL:)

On this_____day of_____, 1951, before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared_

known to me to be the person(s) whose name(s) is (are) subscribed to the within instrument, and acknowledged to me that he (they) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Mitchell, the day and year first hereinabove written.

Notary Public of said County and State

My commission expires_____.

Exhibit "G"

GENERAL TEST DATA FOR MICA SPECIMENS[1]/

NAME OF MINE OR PROSPECT: Big Bess mine[2]/

District: Shelby-Hickory
County and State: Gaston, North Carolina
Type of material: 5, 6, 7
Color: Pinkish bluff
Proportion of material with mineral stain (to nearest 5 percent): Trace
Type of mineral stain: Rare specks and spots of magnetite and hematite
Remarks: Slightly clay-stained; local pale-green vegetable stain

Electrical Tests

Number of lots tested: 3
Total number of pieces tested: 775
Percent E-1: 100
Percent E-2: 0
Percent E-3: 0
30-mil stack (number of stacks in parentheses): E-1 (2)

Proportion of tested defects (to nearest 5 percent)
Material with conducting substances: 0
Material with cracks: Trace
Material with pinholes: 10

* * * * * * * *

NAME OF MINE OR PROSPECT: Huskins mine[3]/

District: Shelby-Hickory
County and State: Gaston, North Carolina
Type of material: 5, 6, 7
Color: Pinkish buff, with tinges of pale yellowish green
Proportion of material with mineral stain (to nearest 5 percent): 25
Type of mineral stain: Scattered magnetite specks and hematite dendrite specks and spots
Remarks: Clay-stained; rare light-brown bursts.

Electrical Tests

Number of lots tested: 7
Total number of pieces tested: 1,245
Percent E-1: 100
Percent E-2: 0
Percent E-3: 0
30-mil stack (number of stacks in parentheses): E-1 (5)

Proportion of tested defects (to nearest 5 percent)
Material with conducting substances: 0
Material with cracks: 0
Material with pinholes: 5

* * * * * * * *

NAME OF MINE OR PROSPECT: Self, E. R., (Old Neale) mine[4]/

District: Shelby-Hickory
County and State: Gaston, North Carolina
Type of material: 5, 6, 7
Color: Pinkish buff
Proportion of material with mineral stain (to nearest 5 percent): Trace
Type of mineral stain: Rare magnetite spots and hematite dendrite spots and specks
Remarks: Clay-and iron-stained; rare brown bursts; sparse light-brown mottling

Electrical Tests

Number of lots tested: 5
Total number of pieces tested: 383
Percent E-1: 100
Percent E-2: 0
Percent E-3: 0
30-mil stack (number of stacks in parentheses): E-1 (4)

Proportion of tested defects (to nearest 5 percent)
Material with conducting substances: 0
Material with cracks: 0
Material with pinholes: 0

* * * * * * * *

1/ PHYSICAL CHARACTERISTICS OF COMMERCIAL SHEET MUSCOVITE IN THE SOUTHEASTERN UNITED STATES -- Geological Survey Proffessional Paper 225

2/ Table 10. Page 52.

3/ Table 10. Page 71.

4/ Table 10. Page 87.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

My dear Senator Hoey:

I am pleased to report to you that the Defense Minerals Administration of this Department has recently entered into a contract with Ross Gaston Mica Company, Inc., operating in your state for the exploration of possible sources of mica.

The contract provides that the Government will participate in the expense of this work up to 90% of the cost thereof.

This type of assistance is provided for under Section 303 of the Defense Production Act.

The Defense Minerals Administration will be glad to furnish you any further details you may desire regarding the matter.

Sincerely yours,

Secretary of the Interior

Hon. Clyde R. Hoey
United States Senate
Washington 25, D. C.

Same letter also sent to
Senator Willis Smith and
Congressman Woodrow W. Jones

FLKnouse/ecl
Written 7/25/51
cc to: Messrs. Secy's. Reading File
Admr's. Reading File
Mittendorf - Olund
Reports & Records
FLKnouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
Room 13, Post Office Building
Knoxville 01, Tennessee

Krause
8/2/51

July 26, 1951

Mr. C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration
United States Department of the Interior
Washington 25, D. C.

Re: Docket No. DMA-1391X - Idm-E70
Bess Gaston Mica Company, Inc.
Exploration Contract

Dear Mr. Mittendorf:

This will acknowledge receipt, on this date, of one signed and approved copy of Exploration Contract No. DMA-1391-X - Idm-E70, Bess Gaston Mica Company, Inc., c/o Fletcher O. Phillips, Spruce Pine, North Carolina.

Sincerely,

Robert A. Laurence

Robert A. Laurence
Executive Officer
Field Team, Region VII

AFS A. BARR, SR., INDUSTRIAL MINERALS BRANCH — INTER OFFICE FILO FORM NO. 1

THIS FORM MUST REMAIN IN THIS FILE JACKET AT ALL TIMES

DMA-

TA-

ROUTED TO		DATE	SIGN'D INITIALS	RET'D	REMARKS
ANDALE					
ANDERSON					
BARR					
BOYD, ADMIN.					
BACON					
BOWLES, DR.					
BOURRET					
BRYSON					
CADEN					
CHANDLER					
CRIM					
FIELD TEAM					
GUNNSALLUS					
JOSEPHSON					
KEMP					
LYON					
MORAN					
PLUNY					
MITTINGOFF					
MARSH					
MOON					
MOSIER					
NORTON					
PARKINS					
STROBEL					
VAN ALSTINE					
WASALY	x	6-2-51	sgl		
WEBER					

NAME OF APPLICANT: The Bess Gaston Mica Company, Inc.

BUS. ADDRESS: c/o Fletcher O. Phillips, Spruce Pine, North Carolina

PLANT SITE: Bess Farm, Gaston County, North Carolina

TYPE OF LOAN: Exploration

TA:

DMA # & AMOUNT: 1391-X $31,233.28 90%

COMMODITY & QUANTITY OR PURPOSE: Mica

FINAL ACTION: APPROVED 7-25-51.

DMA Docket 1391x
The Bess Gaston Mica Co., Inc.

ANNEX I

The "Big Bess" Mine
M. S. Bess Farm, Gaston County, North Carolina

"Beginning on a stake on Cherryville & Kings Mountain State Highway and edge of M. S. Bess' yard where he now lives and running S 85° E 500 (1) feet to a stake in field thence S 21° W (2) 457 feet to stake, thence S 84° W (3) 268 feet to stake, thence N 52° W (4) 157 feet to concrete tile butment in highway, thence N 6° E (5) 432 feet with highway to the beginning. also beginning on the corner and SE end of the 500 foot line and runs N (a) 112 feet to a sweet gum tree; thence S 80° W (b) 165 feet to the corner at barn; thence (c) S 4 O W 100 ft back to a stake in the 500 ft line, thence S 85 E 136 ft to the beginning.

Also - "that plot and parcel of land on the farm of M. S. Bess and Georgia A. Bess in Gaston County where they now reside, commencing on a stake located by F. O. Phillips and Mr. Griffith of U S G S, said stake being 69 feet S 25 degrees W of the SE corner of the barn and inscribed by a circle 150 feet in radius from that stake.

Probable Program for adit ground for the Bess Farm

FILE COPY
SURNAME:

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

July 19, 1951

Mr. Frank McAtee, Jr.
Contract Services Section
General Accounting Office
4th Floor - New GAO Building
Washington 25, D. C.

Re: Docket No. DMA-1391-X -
Bess Gaston Mica Company, Inc.
Exploration Project Contract
No. Idm-E70

Dear Mr. McAtee:

Enclosed for recording in your office is the original of an executed Exploration Project Contract between the Operator named in the above reference and the Government of the United States.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

FLKnouse/ecl

cc to: Admr's. Reading File
Messrs. Mittendorf - Olund
Reports & Records
Barr
Norton
R. Laurence, Reg. VII (2)
Knouse
F I L E S

FILE COPY
SURNAME:

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

F.E.C. Mittendorf

July 19, 1951

AIR MAIL

Mr. Robert Laurence
Executive Officer
Region VII
Room 14
Post Office Building
Knoxville, Tennessee

Re: Docket No. DMA-1391-X - Idm-E70
Bess Gaston Mica Company, Inc.
Exploration Contract

Dear Mr. Laurence:

We are enclosing one signed and approved copy of Exploration Contract No. DMA-1391-X - Idm-E70, Bess Gaston Mica Company, Inc., c/o Fletcher O. Phillips, Spruce Pine, North Carolina. A copy of this contract will be forwarded to the Region Finance Officer by the Washington Finance Officer together with their accounting instructions.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

FLKnouse/ecl

cc to: Admr's. Reading File
Messrs. Mittendorf - Olund
Reports & Records -
Barr -
Norton -
Miss Terry
Knouse
F I L E S

FILE COPY
SURNAME:

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

F.L.K.
Mittendorf

July 19, 1951

Bess Gaston Mica Company, Inc.
c/o Fletcher O. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMA-1391-X - Idm-E70
Bess Gaston Mica Company, Inc.
Exploration Contract

Gentlemen:

We are enclosing one signed and approved copy of Exploration Contract No. DMA-1391-X - Idm-E70 together with five copies of Form MF-104 monthly reports and one copy of Int. 3337 "Questions and Answers on the Mineral Exploration Program." Four copies of Form MF-104 are to be completed monthly and transmitted to the office of the Executive Director, Region VII, Room 14, Post Office Building, Knoxville, Tennessee. Additional copies of Form MF-104 may be obtained from the office of Region VII.

In accordance with Article 4 of your contract the contract to do the diamond drilling as outlined in this contract is subject to the approval of the Government Field Engineers.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

FLKnouse/ecl

cc to: Admr's. Reading File
Messrs. Mittendorf - Olund
Reports & Records
Barr -
Norton -
R. Laurence, Reg. VII
Knouse
F I L E S

FILE COPY
SURNAME:

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

July 17, 1951

Memorandum

To: Chief, Production Expansion Division

From: General Counsel

Subject: Bess Gaston Mica Company, Inc., exploration contract -- Docket No. DMA-1391-X

This office has reviewed the proposed contract in the above case and finds it to be in satisfactory form for execution and dating.

Your file in this case is returned.

J. L. Hofflund
General Counsel

Attachment

CJKoontz/ema

Copy to: L. F. Strobel
C. J. Koontz
J. L. Hofflund
Chron.
Files

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

Room 13, Post Office Building
Knoxville 01, Tennessee

July 16, 1951

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 16 1951
[illegible]
Executive Secretary

To: Mr. Tom Lyon
Chairman, Coordinating Committee
Defense Minerals Administration

From: DMA Field Team, Region VII

Subject: DMA-1391X, Bess Gaston Mica Co., Inc.

On July 6 we sent you by Registered Mail four dockets, one of which was DMA-1391X, Bess Gaston Mica Co., Inc. Under exhibit "A" in that docket we neglected to put funds required for the work. We are inclosing a revised copy of exhibit "A", kindly destroy the original exhibit and replace with the one enclosed.

Robert A. Laurence

Robert A. Laurence
U. S. Geological Survey

Wm. A. Beck

Wm. A. Beck for V. J. Lynch
U. S. Bureau of Mines

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 16 1951
Executive Secretary

DMA-1391X

Exhibit "A"

The Bess Gaston Mica Co., Inc.
c/o Fletcher O. Phillips
Spruce Pine, North Carolina

Location of Mine, Bess Farm, Gaston County, N.C.

It is proposed to diamond drill 8-NX holes to depth of from 50 to 180 feet to determine the western and northern extensions of the pegmatite and to see whether it extends to depth. It is estimated that this work can be completed in 6-weeks after drilling is started.

All holes will be vertical with the exception of No.3 and No. 4 which will be at an angle of 60°. Hole No. 3 will be at practically the same location as old U. S. B. M. drill hole No. 11 which was a vertical hole. Drilling will be by contract. Locations of the drill holes are shown on the accompanying map.

Funds required for this work are as follows:

850-feet of diamond drilling at $6.47 per foot .....$5500.

Total cost of project $5500.

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

June 27, 1951

Memorandum

To: Mr. James A. Barr, Sr.

From: Mr. A. B. Parons

Subject: Docket DMA-1391X; Mica
The Bess Gaston Mica co.,Inc.
c/o Fletcher O. Phillips
Spruce Pine, North Carolina

The prospective available supply of Mica is far short of meeting defense requirements. Consequently, it is highly desirable that explorations for new domestic deposits be stimulated by any reasonable Government assistance to private interests. Any exploration project that holds promise of finding significant new reserves, merits consideration by the Defense Minerals Administration.

A.B. Parons J.L.G.
A.B. Parsons
Assistant Director
Supply Division

MAYLAND MOTOR COMPANY

TELEPHONE 29

PONTIAC CARS ★ INTERNATIONAL TRUCKS ★ FARMALL TRACTORS ★ POWER UNITS ★ FARM MACHINERY ★ ACCESSORIES

SPRUCE PINE, NORTH CAROLINA

June 26, 1951

Mr. Fletcher O. Phillips, President
The Bess Gaston Mica Co., Inc.
Spruce Pine, North Carolina

Re: DMA 1391 X

Dear Mr. Phillips:

This is to confirm our conversation to the effect that this company will diamond core drill the property your are exploring at a cost to you not exceeding $4.76 per foot of depth.

Mayland Motor Company
E A Ellis
E.A.Ellis,Pres.

2 copies

Barr

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SECRETARY

JUL 9 - 1951

Executive Secretary

DMA-1391-X, Bess-Gaston Mica Company, Gaston County,
North Carolina

Wallace R. Griffitts
U. S. Geological Survey

W. A. Beck
U. S. Bureau of Mines

June 23, 1951

Bess-Gaston Mica Company
M. S. Bess farm, Gaston County N. C.

DMA-1391-X

The mica mine on the M. S. Bess farm, along the east side of the Kings Mountain-Cherryville highway and 3.5 miles S. 32° E. of Cherryville, was opened as the Jasper Glenn Mine about 1897. It was worked above water level before 1900 by H.M. Carpenter, of Kings Mountain. At least three inclines were driven down the dip of the dike from its outcrop and drifts and small rooms were opened laterally from them. The workings were extended to 27 feet depth during World War I by means of shafts. Although much mica was obtained from the old workings the operations were stopped because of the strong flow of water and the weak, caving ground.

In November 1943, F. B. Hendricks and H. L. Kennedy, road contractors, sank a shaft and drove several tens of feet of drifts from it. Early in 1944 they opened a cut, which had reached a diameter of about 250 feet by the fall of 1945. Early in 1945 the cut reached a depth of 70 feet and, because of the hardness of the overburden and the steep dip of the pegmatite dike at that point, stripping was discountinued and several drifts and inclines were driven from the north end of the cut. When last examined the workings had reached a depth of more than 90 feet. They are reported to have ended at about 100 feet. All the openings have been re-filled.

The country rock is a quartzose muscovite-biotite schist that contains a small amount of sillimanite. It has been weathered rather thoroughly to a depth of 70 feet or more, but stood well in nearly vertical walls in the old open cut.

The pegmatite dike trends nearly east. Its general dip is gentle and to the north, but local reversals occur. The dip is steep at the upper, or southern side of the cut and at the lower, or northern side. The dip in the middle part of the opening was very gentle. In most places the dike is thinner than 10 feet, and the steeply dipping parts are thicker than the gently dipping parts. The maximum thickness, near the north end of the cut, is about 30 feet. Several rolls in both the hanging wall and the foot wall were as wide as 12 feet and as high as 8 feet. They plunge very gently to the east or west. The plunge of the main mica shoot that was mined in the open cut as well as in the older workings was to the north, down the dip of the dike and normal to the rolls in the contact. In the latter respects it differs from shoots in the Spruce Pine district, which nearly everwhere plunge parallel to the rolls and resembles some deposits in the Black Hills, which plunge normal to rolls.

One thin, continuous dike of pegmatite containing small books of muscovite was encountered in most of the northern half of the open cut. It probably is the dike encountered at 60 to 70 feet depth in the U. S. Bureau of Mines diamond drill holes. A less continuous dike, 10 to 15 feet higher than it was also found in both the open cut and the diamond drill holes. Locally these contained books of mica large enough to yield sheet.

The pegmatite is composed of oligoclase, perthite, quartz, muscovite, and traces of biotite, beryl, apatite, garnet, and tourmaline. The upper steeply dipping part of the dike is poorly zoned, and consists of plagioclase, perthite, quartz, muscovite, and biotite. The mica books are moderately small. The middle, gently dipping part of the dike is well zoned with a wall zone of plagioclase, quartz, muscovite, and a core of

perthite, ~~quartz~~, and quartz. The lower steeply dipping part of the dike contains a massive quartz core and a plagioclase, perthite, quartz, and muscovite wall zone. The border zone contains apatite in the lower part of the dike, which is the only part that was sufficiently hard to retain fresh plagioclase.

Muscovite is very abundant in the hanging wall zone, where it may constitute 25 percent or more of the pegmatite. It is much less abundant near the footwall. Most books are large; those 12 inches in diameter are common and a few are 2½ feet long. The heaviest book recovered during World War II weighed 78 pounds. The mica is ruby color. Most books are free-splitting, flat, and hard. "A" structure is rare, although some books are faintly reeved near their margins. Some books are ruled and many are clay-stained. The clay stains reduced the recovery of sheet mica from the mine run to 2 percent or lower in most of the cut but were unimportant below a depth of about 75 feet, and the sheet recovery may have reached 10 percent. About 1/3 of the mica is No. 1 quality and probably 60 percent or more of the trimmed sheet sold during World War II was 1¼ x 2 inches and larger. The largest reserves of mica in the summer of 1945 appeared to be below and west of the workings at 90 feet depth, although much small-sized mica probably remains west of the old open cut.

In view of the large production -- over $150,000 of this mine during World War II, and the high quality of the mica it seems very desirable to prove definitely that the dike either ends near the old workings or persists beyond the northwestern part of the open cut. Diamond drill holes can serve very well to determine the continuity of the dike, but

will give little information on the size and quality of the mica books. In view of the known distribution of the coarse mica books one might reasonably conclude that any pegmatite found in the area to be explored by drill holes 1 to 5 that could be correlated with the main dike, will contain large mica books from which high quality sheet could be obtained. Those holes, supplimenting the holes already drilled by the U. S. Bureau of Mines, would definitely check the possible northerly and northwesterly extensions of the main dike. Hole 6 to 8 will similarly check the possible westerly extension of the dike.

The estimated expenses of drilling the M. S. Bess deposit are given in exhibit "A".

Exhibit "A" DMA-1391X

The Bess Gaston Mica Co., Inc.,
c/o Fletcher O. Phillips
Spruce Pine, North Carolina

Location of Mine, Bess Farm Gaston County, N.C.

It is proposed to diamond drill 8-NX holes to depths of from 50 to 180 feet to determine the western and northern extensions of the pegmatite and to see whether it extends to depth. It is estimated that this work can be completed in 6 weeks after drilling is started.

All holes will be vertical with the exception of No. 3 and No. 4 which will be at an angle of - 60°. Hole No. 3 will be at practically the same location as old U. S. B. M. drill hole No. 11 which was a vertical hole. Drilling will be by contract. Locations of the drill holes are shown on the accompanying map.

Exhibit "B" EMA-1391X

The Bess Gaston Mica Co. Inc.,
c/o Fletcher O. Phillips
Spruce Pine, North Carolina

No additional facilities, buildings or fixtures are to be purchased, installed or erected.

Exhibit "C" DMA-1391X

The Bess Gaston Mica Co. Inc.,

Below is a list of operating equipment to be rented by the operator for use on the project:

1 jeep at $6 per day for 30 days $180.00

The above jeep is owned by the operator and will be rented to the project.

Exhibit "D" DMA-1391X

The Bess Gaston Mica Co. Inc.

Below is an itemized schedule of labor by numbers and classes snd of supervisors by numbers and positions, with maximum wages and salaries that may be paid to each as an allowable cost of the project:

1 sampler- 6 weeks @ $60 per week $360.

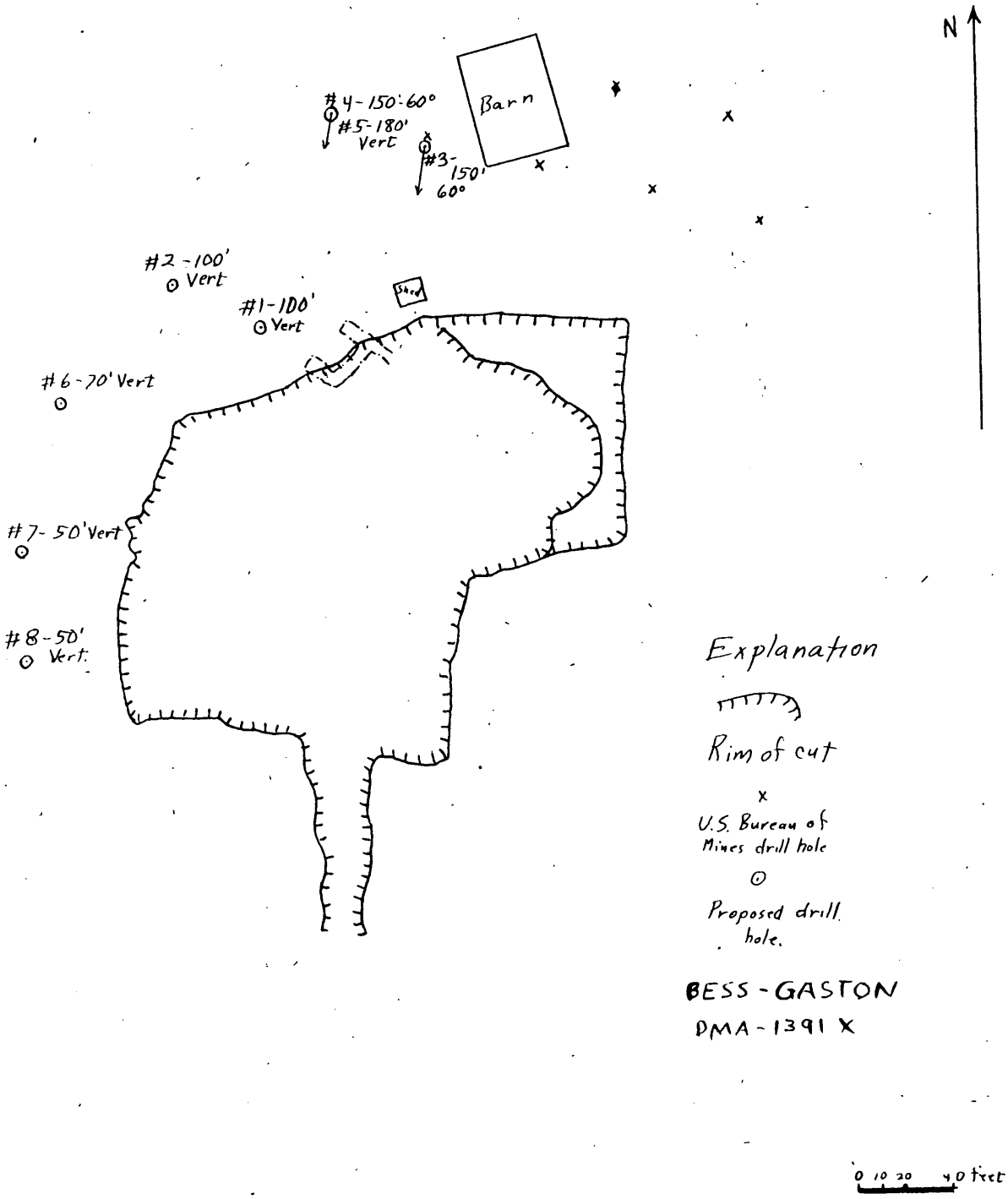
1 superintendent 1/2 time @ $100 per week $300.

The superintendent will devote his time between projects Dma-1391X, Bess Mine; DMA-1388X, Huskins Mine; and DMA-1389X, Self Mine.

Exhibit "E" DMA-1391-X

The Bess Gaston Mica Co. Inc.,

There are no existing facilities, buildings, installations or fixtures on the property and no rehabilitation or repairs will be necessary.


N
Barn
#4-150'-60°
#5-180' Vert
#3-150' 60°
#2-100' Vert
#1-100' Vert
Shed
#6-70' Vert
#7-50' Vert
#8-50' Vert
Explanation
Rim of cut
U.S. Bureau of Mines drill hole
Proposed drill hole.
BESS-GASTON
DMA-1391 X
0 10 20 40 feet

C. BRASWELL COLLINS
ATTORNEY AT LAW
THE ARLINGTON BUILDING
1025 VERMONT AVENUE, N. W.
WASHINGTON 5, D. C.

NATIONAL 7808

June 14, 1951

1391-7

Mr. James A. Barr, Sr.
Chief, Industrial Minerals
Branch, DMA
Department of Interior
Washington 25, D. C.

RE: Bess Gaston Mica Co., Inc.

Attention Mr. Wasky:

Please remove the answer called for in Form MF 103 from all four copies of the Bess Gaston Mica Co., Inc. and insert the enclosed pages as amendments therefor.

It is respectfully requested that all communications concerning this application be addressed to this office.

Sincerely yours,

C. Braswell Collins

C. Braswell Collins

CBC:EBN

Enclosure

Defense Minerals Administration 6-12-51

Review of Application for Exploration Assistance

Docket No. DMA 1391X

Commodity Mica

Total Amount $31,233.28

Govt. Participation 90%

1. Name and Address of Applicant The Bess Gaston Mica Co Inc
% Fletcher O. Phillips, Spruce Pine, North Carolina

2. Location of Property Bess Farm, Gaston County, No. Car.
3 mi SE from Cherryville.

3. Mineral or metal Mica Is it listed in Section 9 of MO-5? Yes

If not, application will be rejected.

4. Geologic probability of discovery -- based on data in application (question #16, 17, 18, 20 and 22).*

Mines or Survey reports, etc., do you rate chances:

a) Good

b) Poor

c) None

d) Don't know --- needs field examination

e) Is there an alternative and favorable project? Yes JAR
(If so, attach an explanation)

see attached sheet JAR

5. Is the applicant's right to the property clearly stated? Yes
(question 5, 6, 7)

6. If applicant is a lessee, is a copy of the lease attached? Yes

Does the lease have sufficient time to run to cover a future productive period? Yes - 5 yrs & right of extension for 5 yrs

*Question numbers are those of MF-103

Answer to question 4 - DMA-1391X

The Geological Survey mapped and described the Bess Mine in detail during the last World War. The geology of the mine is fairly well known. The mine was a good mica producer according to the records.

About the only part of the applicant's project that could be interpreted as exploration would be the confirmation that the pegmatite and mica zones extend down-dip. This could be established at less cost by diamond drilling. Since the pegmatite has a relatively gentle dip, probably 800 feet of drilling, costing one tenth as much as the proposed shafts, would sufficiently outline the deposit and determine if further development work would be desired.

The only disadvantage of the diamond drilling is that if the deposit proves sufficiently large then it would take some time to complete the development work.

The field team should supervise the diamond drilling locations.

Probably the field team should visit prior to granting of any exploration funds

J. A. Redden

7. Are subordination agreements necessary? Yes

a) MF-201?

b) MF-202 attached — OK

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes — only 7 men to be employed

b) Equipment and supplies Yes —
(question 14 plus general knowledge of availability)

c) Accessibility (question 12) Yes — 3 mi. Cherryville — good roads

d) Water (question 13) Yes — water for exploration — 1000 ft.

e) Power (question 13) No mention of

Is a field check needed on any of these points? NO

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4) Yes

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)

a) Is the project adequately described? Work to be done — Yes; Location — No

If not, are there sufficient data given so that you can describe the project? no — (sketch attached) If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? No — Location of shaft to be at discretion of applicant.

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes. — to the extent of work mentioned. See attached sheet, answer to question 4 JAR

If not, what part of it is?

Is this part a worthwhile exploration project? _____

d) Are the cost estimates detailed? No

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? No If so, attach a draft.

e) Are the cost estimates reasonable? none given except totals

f) Should more information be requested from applicant? field examination

g) Is a field examination necessary to complete Exhibit A? yes See attached sheet for Question 4 JM

11. Exhibit B (question 23-d)

a) Is it applicable? Yes

b) If so, are sufficient data furnished? Yes If so, attach a draft.

c) Is a field check needed? no

12. Exhibit C (question 23-e, f and g)

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft.

c) Are rents and charges reasonable? none listed although truck should be rented

d) Is a field check needed? no

13. Exhibit D (question 23-a,b)

a) Are there sufficient data? wages given on weekly basis - OK

b) Is the schedule adequate for the work proposed? probably yes

c) Is the schedule excessive for the work proposed? no

d) Are the proposed wages and salaries reasonable? yes

e) Is a field check needed? no

14. Exhibit E (question 23-c)

a) Is it applicable? No - no present structures or facilities

b) Sufficient data? yes

c) Reasonable? ——

d) Field check needed? no

15. In your judgment, can the proposed work be done in the proposed time? doubtful unless conditions exceptionally good.

(All exploration must be completed within two years.)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing questions? If sent to field - should investigate possibility of drilling instead of sinking shafts + request applicant to modify application.

Applicants Washington Representative says would be glad to have revised program drawn up with help of Field Team - Costs should be revised downward for instance part time services of supervisor only, same with truck driver - Note that DMA-1388-X - 1389-X, -1390-X & 1391-X are all from same group of people so that in any event they would no doubt want same general supervision - DW

Reviewed by: JAR 6/11/51

Date 6/12/51

6/7/51 Docket No: DMA-1391X

Sect. 10 Exhibit A.-

a) Type + amount of work briefly given - "8 shafts to depth of 60 to 70 ft." The location of first few shafts to be at discretion of members of applicant corporation on basis of their recollection of old abandoned workings: + later to further explore for extrusions of "veins". No mention is made of thickness of overburden or whether shafts are to go only to bedrock or to extend into it or whether drifting is to be done from the shafts.

It is doubtful whether the time limit, 8 months, will be sufficient for the 8 shafts but the work should easily be done within the two year limit of exploration work although the funds asked for will not permit work for much beyond the 8 months.

Sect. 11 Exhibit "B"

No bunk house is needed as area only 3 miles from Cherryville. If built a cook house + cook would be required which is not included in application. The bunk house is not an exploration need - might be wanted if production started.

Sect 12 Exhibit "C"

The inclusion of Reo dump truck as an "investment" of the applicant is not proper - it could be rented to the project but its inclusion as a purchase is out. The applicant has been advised of this & has agreed to change this portion of the application. Such change should be received in next couple of days.

6/12/51

DMA 1391 X

Section 16 Recommendations

This application should be referred to the field for decision as to whether or not drilling could replace shaft sinking for exploration. A possibility is that one or two shafts could be sunk in the most favorable spots & drilling done in the rest of the area. By this means any production to be obtained as a result of the exploration work would not be unduly delayed.

If the applicant wishes to change his program to include the drilling a modification of the application should be submitted.

MB

FILE COPY
SURNAME:

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

June 8, 1951

Mr. Fletcher O. Phillips
The Bess Gaston Mica Company, Inc.
Spruce Pine, North Carolina

Subject: DMA-1391X
Re: Exploration Loan
Bess Farm

My dear Mr. Phillips:

Receipt is acknowledged of your application and attachments for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1391X and was referred to Mr. James A. Barr, Chief, Industrial Minerals Branch on June 1, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1391X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:js
cc: Strobel-2
>Files
Barr
Lyon

DMA 1391

856

Memorandum:

To: Director, Production Expansion Division
Defense Minerals Administration

From: Director, Supply Division
Defense Minerals Administration

Subject: Recommendation for Contract Approval

Name of Applicant: The Bess Gaston Mica Co., Inc.
c/o Fletcher O. Phillips
Spruce Pine, North Carolina

DMA No. 1391X

Commodity: Mica

Amount Requested: $ 31,233.28

Amount Approved: $ 5,500

Government Participation: 90 % $ 4950

Tom Lyon

Tom Lyon

Docket DMA-1391X

EXHIBIT "A"

Work will consist of diamond drilling by contract 8 holes totaling approximately 850; core NX. Location of holes to be mutually agreeable to the Operator and Field Team member. Core handling, testing etc. to be done by Operator.

Docket DMA-1391X

EXHIBIT "B"

Core house (shelters, tool house)	$	200.00

EXHIBIT "C"

Contract 850' NX drilling @ $5	$	4250.00
Core boxes, shipping etc.		100.00
Truck rental by Operator 10 days @ $14		140.00

EXHIBIT "D"

1 engineer- Superintendent part time $20	$	300.00
1 truck driver days--10 @ $10		120.00
1 laborer 10 days @ $10		100.00
Payroll taxes		50.00
Contingencies		240.00
Total	$	5,500.00

EXHIBIT "E"

Not Applicable

Note: Operator should be allowed some latitude in distribution of expense items as long as toal is not exceeded.

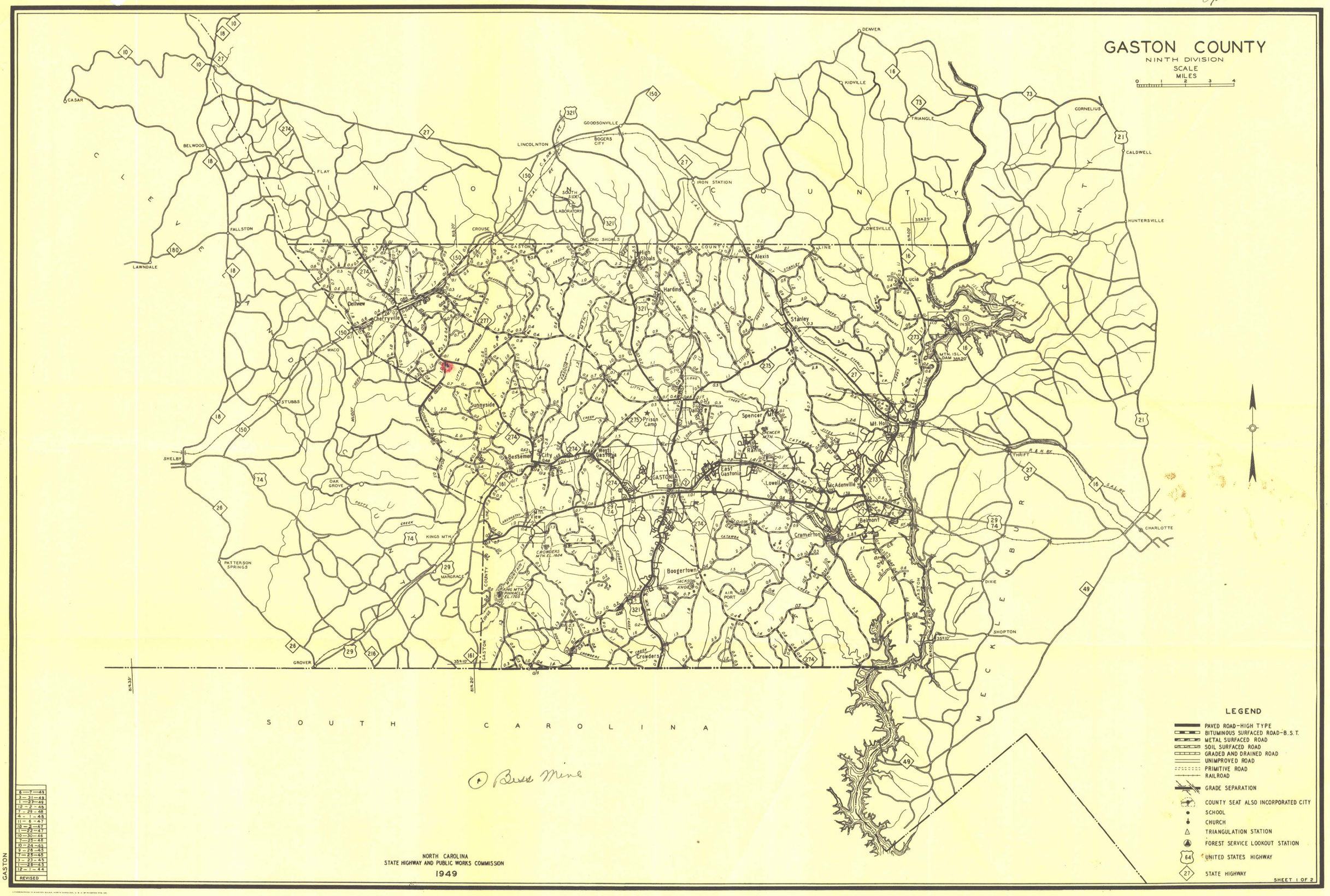
June 27, 1951

Docket DMA-1391X

RECOMMENDATION

That an Exploration Aid Contract be granted in the amount of $15,500, Government Participation 90% in accordance with attached exhibits.

Exhibit "H"



Bess Mine