DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 1912

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

Ant Exploration

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

To:	Mr. Dart	Date	8/3/51
To:	Mr Lyon	Date	9-25
To:	Reports & Records	Date	OCT 1 1951
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CONTROLLED DOCUMENT

INT.-DUP. SEC., WASH., D.C. 98868

FILE COPY
SURNAME:

SAFeitler
LGHouk

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

600

APR 14 1952

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region VII
Room 13, Post Office Building
Knoxville 01, Tennessee

Subject: Exploration Applications denied without field referral, Region VII

Dear Mr. Laurence:

We enclose one copy of each application pertaining to your region for cases denied without field referral. These are for your information and files.

If, in your opinion any of these properties merit further consideration, a new application will be necessary.

Copies of the following applications are included:

Docket number DMA -

1583X	2119
1675X	2151
1903	2196
1912	2197
1946	2204
1995	2224
2070	2285

Sincerely yours,

4/14

Lawrence G. Houk 4-14-52

Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration
Administration

Enclosures: - 14
SAFeitler:mp 4/10/52
cc: Docket File
Adm. Reading File
Mr. Norton, G-232, GSA Bldg.
Mr. Dietrich, 3526
Mr. Houk

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

370

OCT 1 1951

Memorandum

To: Reports and Records, DMA

From: Chief, Industrial Minerals Branch, DMA

Subject: DMA-1912, Charles Mining Company
Commodity: Mica
Amount: 90% of $18,712.00

Denial recommended because:

1. Wartime production records indicate that mica produced by this mine was non-ruby and hence, would not qualify at the present time.

2. No sound basis for expecting to encounter strategic (ruly) mica in the deposit has been demonstrated.

Attached:

1. Form MF-103, in triplicate with supplemental information, maps, Mining Lease.
2. Six copies of Landlord's Subordination Agreement.
3. Six copies of Contract forms (blank)
4. Letter from W. R. Griffitts, 9-20-51, in duplicate.

James A. Barr, Sr.,

Approved:
Tom Lyon
Director, Supply Division

FILE COPY
SURNAME:

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

370

Worley
Barr

OCT 1 1951

Charles Mining Company, Inc.
c/o Fletcher Phillips, President
Spruce Pine, North Carolina

a.z.e.

Subject: DMA-1912 - Mica
Charles Robinson Mine

Gentlemen:

Your application for aid for an exploration project on mica deposit located in Charles Robinson Mine, near Spruce Pine, North Carolina, and docketed as DMA-1912, has been reviewed by this office.

Projects approved by Defense Minerals Administration must, in its judgment, show definite promise of yielding material of acceptable grade, physical character and specifications, in quantities that will significantly improve the mineral supply position for National Defense.

A very careful study of your proposal revealed the following:

1. Wartime production records indicate that mica produced by this mine was non-ruby and hence, would not be considered strategic at the present time.

2. No sound basis for expecting to encounter significant amounts of strategic mica in the deposit has been demonstrated.

Under these circumstances, your application for exploration aid to the extent of 90% of $18,712 is denied. Should additional information become available, or in the event that non-ruby mica becomes "strategic" by virtue of a revision of Stockpile Specifications, we would be glad to have you resubmit your proposal for consideration.

Unless we receive a request within 30 days, we will consider the case closed.

Sincerely yours,

JF-10/1

Tom Lyon
Tom Lyon, Director
Supply Division

RCMAHEY:mp
9-26-51
cc: Field Team, Region VII (2)
DMA Docket File, Mr. Barr

FILE COPY
SURNAME:

Wasky
Barr

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

370

September 26, 1951

Memorandum

To: Reports and Records, DMA

From: Chief, Industrial Minerals Branch, DMA

Subject: DMA-1912X, Charles Mining Company
Commodity: Mica
Amount: 90% of $18,712.00

Denial recommended because:

1. Wartime production records indicate that mica produced by this mine was non-ruby and hence, would not qualify at the present time.

2. No sound basis for expecting to encounter strategic (ruby) mica in the deposit has been demonstrated.

Attached:

1. Form DM-133, in triplicate with supplemental information, maps, Mining Lease.
2. Six copies of Landlord's Subordination Agreement.
3. Six copies of Contract forms (blank)
4. Letter from W. H. Griffitts, 9-20-51, in duplicate.

James A. Barr, Sr.,

Approved:

Tom Lyon

Director, Supply Division

BWASKY:mp
9-26-51
cc: Field Team, Region VII (2)
DMA Docket File
Mr. Barr

September 26, 1951

Memorandum

To: Reports and Records, DMA

From: Chief, Industrial Minerals Branch, DMA

Subject: DMA-1912X, Charles Mining Company
Commodity: Mica
Amount: 90% of $18,712.00

Denial recommended because:

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Attached:

1. Form MF-103, in triplicate with supplemental information, maps, Mining Lease.
2. Six copies of Landlord's Subordination Agreement.
3. Six copies of Contract forms (blank)
4. Letter from W. M. Griffitts, 9-20-51, in duplicate.

James A. Barr, Sr.,

Approved:

Director, Supply Division

RWASKEY:mp
9-26-51
cc: Field Team, Region VII (2)
DMA Docket File
Mr. Barr

Charles Mining Company, Inc.
c/o Fletcher Phillips, President
Spruce Pine, North Carolina

Subject: DMA-1912X - Mica
Charles Robinson Mine

Gentlemen:

Your application for aid for an exploration project on mica deposit located in Charles Robinson Mine, near Spruce Pine, North Carolina, and docketed as DMA-1912, has been reviewed by this office.

Projects approved by Defense Minerals Administration must, in its judgment, show definite promise of yielding material of acceptable grade, physical character and specifications, in quantities that will significantly improve the mineral supply position for National Defense.

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Unless we receive a request within 30 days, we will consider the case closed.

Sincerely yours,

Tom Lyon, Director
Supply Division

RWWAKEY:mp
9-26-51
cc: Field Ream, Region VII (2)
DMA Docket File, Mr. Barr

G-MD-WRG

September 20, 1951

Memorandum

To: Robert Waskey, Defense Minerals Administration

From: W. R. Griffitts, U. S. Geological Survey

Subject: Loan application DMA-1912X from the Charles Mining Company, Inc., for exploration at the Charles Robinson Mica Mine, Yancy County, North Carolina.

This application should be denied although the sole objection is that the color of the mica is ~~given~~ green to light yellowish olive.

This mica has an excellent production record and was, during much of World War II, one of the ten most productive mines in the district. The mica concentration being mined was apparently exhausted and the price dropped at about the same time, hence, the mine was abandoned. There is at least a fair chance for the discovery of another mica shoot. All those mined so far seem to have been near the crust or the keel of the southwestward plunging pegmatite dike.

Unfortunately, the mica is not ruby colored, but is ~~given~~ green to light yellowish olive. It therefore would probably be considered non-strategic. Hence you will probably want to deny this loan application.

If specifications are revised to permit the encouragement of green mica mines, this application could be reconsidered. The exploration program outlined by the applicant seems, in general, to be satisfactory but should be restudied if a re-application is made.

An idea of the value of the product can be obtained from the following data based on records of the Morton Mining Company for the period June 1, 1943 through December 31, 1943.

Total mica produced,	65,754 lbs.	Percent of total	100.0
" sheet "	4,757 lbs.		7.4
" washer punch	23,299 lbs.		36.4

Percent strategic in Sheet 65% (1943 specifications).

copy to: Defense Minerals Administration

W. R. Griffitts

IN REPLY REFER TO:

G-MD-WRG

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

September 20, 1951

Memorandum

To: Robert Waskey, Defense Minerals Administration

From: W. R. Griffitts, U. S. Geological Survey

Subject: Loan application DMA-1912X from the Charles Mining Company, Inc., for exploration at the Charles Robinson Mica Mine, Yancy County, North Carolina.

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" sheet "	4,757 lbs.		7.4
" washer punch	23,299 lbs.		36.4

Percent strategic in Sheet 65% (1943 specifications).

W R Griffitts

W. R. Griffitts

August 6, 1951

Mr. Fletcher Phillips, President
Charles Mining Company, Inc.
Spruce Pine, North Carolina

Subject: DMA-1912
Re: Exploration Loan -
Charles Robinson Mine

My dear Mr. Phillips:

Receipt is acknowledged of your application and attachments of August 1, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1912 and referred to Mr. James A. Barr, Chief, Industrial Minerals Branch on August 3, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1912.

Sincerely yours,

SIGNED

Robert E. Adams
Chief, Reports & Records Unit

REAdams:jc
cc: ✓Barr
Lyon
Reports & Records File

1912-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 (FIVE (5) sheets) to be a true copy of

CERTIFICATE OF INCORPORATION OF CHARLES MINING 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 8th day of August in the year of our Lord 19 51.

Thad Eure
Secretary of State

65684

CERTIFICATE OF INCORPORATION

OF

CHARLES MINING 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: Charles Mining 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, Mitchell County, 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 Phillips, Spruce Pine, N. C.

Fourth: That this corporation is authorized to issue only one class of shares of stock, the total number of which is 3 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 Phillips, President	Spruce Pine, N. C.
Ernest Crowder, Vice. Pres.	Spruce Pine, N. C.
E. A. Ellis, 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 Phillips	Spruce Pine, N. C.	(1)
Ernest Crowder	Spruce Pine, N. C.	(1)
E. A. Ellis	Spruce Pine, N. C.	(1)

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 ____day of July, 1951.

Fletcher Phillips

Ernest Crowder

E. A. Ellis

STATE OF NORTH CAROLINA }
MITCHELL COUNTY } SS

On this 11th day of July, 1951, before me, the undersigned notary public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared Fletcher 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.

Tess Burleson
Notary Public of said County and State

(NOTARIAL SEAL)

My commission expires:

Jan. 17, 1952

STATE OF NORTH CAROLINA)
MITCHELL COUNTY) SS

On this 11th day of July, 1951, before me, the undersigned notary public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared Ernest Crowder 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.

Tess Burleson
Notary Public of said County and State

(NOTARIAL SEAL)
My commission expires:
Jan. 17, 1952

STATE OF NORTH CAROLINA)
MITCHELL COUNTY) SS

On this 11th day of July, 1951, before me, the undersigned notary public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared E. A. Ellis 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.

Tess Burleson
Notary Public of said County & State

(NOTARIAL SEAL)
My commission expires:
Jan. 17, 1952

FILED AUG 8 1951
THAD EURE
SECRETARY OF STATE

CERTIFIED COPY OF

CERTIFICATE OF INCORPORATION

OF

CHARLES MINING CO., INC.

Office of the

Secretary of State

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
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-1912

Date received 8/2/51

Participation

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 2 1951

Charles Mining Co., Inc.
c/o Fletcher Phillips, Pres.
Spruce Pine, North Carolina

Name and address of applicant

Date

FILL IN THIS BLOCK

Date of application August 1, 1951

Estimated cost

Mineral or metal Mica

Percentage of Government participation 90%

Location of mine 9 miles west of Spruce Pine, N. C.

Date of filing MF-100 not filed

DMA Docket Number, if available

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.

Charles Mining Co., Inc.
(Name of company)

By /s/ Fletcher Phillips
(Signature of authorized official)

August 1, 1951
(Date)

President
(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 FM 103 Defense Minerals Administration

Charles Mining Co., Inc.
c/o Fletcher O. Phillips, President
Spruce Pine, North Carolina

Charles Robinson Mine
Yancey County, N. C.
(1½ mi. S. of Boon Ford, N. C.)

1. Corporation. See Exhibit A

2. Not a partnership

3. See page 3 of Exhibit A

4. Fletcher O. Phillips	President	See Exhibit B
Ernest Crowder	Vice President	Exhibit C
E. A. Ellis	Secty-Treas	Exhibit D

5. Lessee. See Exhibit E

6. Not owner

7. Lease is in good standing. Exhibt E

Note: Six copies of required subordination form are attached at Exhibit F.

8. New corporation

9. Operator will donate the items listed below, or the value of the rental of them, at the option of DMA. If any additional contribution is needed, the applicant will supply that difference in cash.

1 double drum hoist	$ 1,500
1 muck truck	700
1 Pickup truck	700

10. (a) Legal description of property is set forth in lease which is attached as Exhibit E.

(b) Exploration is to be conducted within a 500 foot radius of the proposed shaft on top to the hill as indicated on the map of the mine attached as Exhibit H.

11. Known for past several years as Charles Robinson Mine.

12. Mine is located approximately 9 miles west of Spruce Pine. Condition of roads, location of towns, railroads, etc. is indicated on copy of State highway map attached to original copy of this application as Exhibit G.

13. Strategic sheet mica mine. No flow operations contemplated.

14. None

15. Ore will not be milled. Mica books will be shipped by truck to Spruce Pine which is approximately 9 miles by road from mines. Good roads to mine is shown on same map referred to above as Exhibit G.

16. Sheet mica of strategic grade from this mine was sold to Colonial Mica Corporation during World War II.

17. Not now in production. See answer to 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 vininity. Mining operations ceased only when the price of sheet mica fell from six dollars a pound to less than twenty cents a pound.

19. None.

20. Strategic Mica

21. It is proposed to remove the overburden by dozer at the top of the hill as indicated on the mine map at Exhibit N. After the overburden has been removed at that point a 6 x 6' shaft will be lowered for a distance of 200 feet or until mica bearing ore has been contacted and penetrated.

At a point lower on the hill (indicated on map) it is proposed to sink a second shaft to a depth of 150 feet or until the pegmatite dike is penetrated.

It is requested that the mica bearing dike be lowered through by the shafts so that the mineralization of the dike and its sheet mica percentage can be ascertained.

22. Production possibilities are of recomd with the U. S. Bureau of Mines, U. S. Geological Survey, and R. F. C. files. All of these records show that mica of strategic quality has been removed from this ore body.

23.

	Per Week	20 Week Period
(a) 2 muckers at $60	$120	$ 2,400
1 hoist operator at $75	75	1,500
1 jack hammer operator at $70	70	1,400
(b) 1 supervisor	100	2,000
(c) None		
(d) Tool shed		200
(e) 1 electric pump 220 V 3 phase		750
1 gasoline power generator		2,000
1 air compressor		3,500
1 jack hammer		350
200 feet 2" pipe		120
200 feet 1" pipe		60
Drill steel and bits		500
(f) None		
(g) 1 hoist at $60 per month		300
1 dump muck truck at $60 per month		300
1 Pickup truck at $60 per month		300

(h) Misc hand tools		$ 200
(i) gas and oil	$ 30	600
dynamite and caps	30	600
		$17,080
Dozer work 17 days at $12 per hour		1,632
24.		$18,712

24. It is expected to take a total of five months after the dozer operations has been completed. All equipment listed under 23 (e) will have to be purchased before the shafts can be sunk.

CERTIFICATE OF INCORPORATION

of

Charles Mining 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:

Charles Mining 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, N.C.**. That the name and address of the agent authorized to accept service on the corporation in the State of North Carolina is **Fletcher Phillips Spruce Pine, N.C.**

FOURTH: That this corporation is authorized to issue only one class of shares of stock, the total number of which is ~~900~~ **3** 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 Phillips, President	Spruce Pine, N.C.
Ernest Crowder, Vice. Pres.	Spruce Pine, N.C.
E.A. Ellis, 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 Phillips	Spruce Pine, N.C.	(1) share
Ernest Crowder	Spruce Pine, N.C.	(1) share
E.A. Ellis	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 day of

Fletcher Phillips

Ernest Crowder

E A Ellis

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 11th day of July 1951 before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared

Fletcher 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.

Tess Burleson
Notary Public of said County and State
My Commission expires: Jan. 17, 1952

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 11th day of July 1951 before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared

Ernest Crowder

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.

Tess Burleson
Notary Publicof said County and State
My commission expires: Jan. 17, 1952

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 11th day of July 1951 before me, the undersigned Notary Publicin and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared

E. A. Ellis

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.

Tess Burleson
Notary Public of said County & State
My commission expires: Jan. 17, 1952

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.

ERNEST CROWDER

Ernest Crowder is forty-four years old and has lived all his life in Mitchell County, North Carolina. His first employment was in local mines as a mucker at the age of sixteen.

For the past twenty years he has been a mining supervisor having from five to fifteen men under his supervision including drillers, muckers, drag line operators, and truckers. As a result of his many years of experience, he is thoroughly familiar with the location of and mining of mica and feldspar.

Due to his knowledge of blasting and his penchant for safety preparations in pillowing, timbering and supporting shafts and caves, miners are not afraid to work under him. In fact, his reputation for safety is well known, and the insurance underwriters usually insure "his" mines at low rates.

His past employment record is as follows:

Ewrin Feldspar	"C" Mine	1927 - 1929
Carolina Minerals	"Pink Mine"	1929 - 1936
Tennessee Minerals	"Deerpark"	1936 - 1937

For self and in partnership with others since 1937.

* * * * * *

References:

Mr. Ed. Fortner
Insurance Agent, Spruce Pine, North Carolina
Mr. "Bill" McKinney, General Manager
Spruce Pine Store Co., Spruce Pine, North Carolina
Mr. Carroll Rogers,
Blue Ridge Mining Co., Spruce Pine, North Carolina

EDWARD A. ELLIS

Edward A. Ellis was born at Mitchell County, North Carolina, October 8, 1884, and has lived most of his life in the Spruce Pine area except for a few years when he lived in Birmingham, Alabama.

Mr. Ed Ellis finished the seventh grade at the Bandana Grammer School, and was unable to further his formal education due to his father's death when he was 14 years old.

From 1898 to 1904 he farmed his widowed mother's farm, and in 1904 to 1909 he worked as a laborer on the construction detail for the Clinchfield Railroad. In 1909 he was made foreman of a construction crew in which capacity he worked until 1915.

In 1915 he was appointed mining manager for the Clinchfield Products Company which was a subsidiary of the Clinchfield Railroad. His mining experience was gained in the following mines -- Pressnell, Yancey County; Bowdich, Yancey County; Hickey, Mitchell County; Old Dake, Mitchell County; Hawkins, Mitchell County. He left his employment in 1926 to start the Mayland Motor Company.

He has operated the Mayland Motor Company which holds the Pontiac automobile, International truck, International Harvester Farm Equipment dealerships. In 1940 this business was incorporated and Mr. Ed Ellis was elected president and general manager which job he has held to date.

His mine interests and experience is as follows:

1941 - 1946	Cook Mine operated by Mr. Ed. Ellis as an individual, on the property of the Cook heirs in Mitchell County.
1942 - 1945	One of three partners in the partnership of E. A. Ellis, Frank E. Ellis and B. G. Thomas, Charles Robinson Mine on the property of E. A. Ellis and Frank E. Ellis.
1942 - 1943	E. A. Ellis and Frank E. Ellis, Little Hawk Mine owned by Ashville Mica Company located approximately 15 miles northeast of Spruce Pine.
1942 - 1945	One of three partners in the partnership of E. A. Ellis, Frank E. Ellis and B. G. Thomas in the operation of "No. 12" Mine on the property of the Bailey heirs, Mitchell County, approximately 5 miles west of Spruce Pine.

* * * * * *

References:

G. G. Fortner
Spruce Pine, North Carolina
W. G. Pippin, Real Estate Broker
Spruce Pine, North Carolina
Dr. C. A. Peterson, Physician
Spruce Pine, North Carolina

MINING LEASE

State of North Carolina Yancey County:

This indenture made this 11 day of July, 1951

between E. A. Ellis & Frank E. Ellis

of Mitchell County and State of North Carolina, as party of the first part, and known as lessor s, and Charles Mining Co.

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

WITNESSETH, That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessor s, 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 at a chestnut standing N 54° W 12 poles from the mine and runs S 36° W 34 poles to a maple on the lower bank of the road; thence S 54° W 24 poles to a Dogwood; thence N 36° E 68 poles to a sourwood; thence N 54° W 24pples to a sourwood; thence S 36° W 34 poles to the beginning containing ten & one eights (10 1/8) acres as recorded in Book 91 at page 45 in the land records at Burnsville, N. C., the County Seat of Yancey County.

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 erect such buildings as he needs to carry on such mining 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 erect 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 lessee hereby agrees to pay to the said parties of the first part, or his or their heirs or assigns, a rental royalty of one eight (1/8) on all mica and 50¢ per ton (2240 lbs) on Feldspar.

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 at the 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 part___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.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real eastate described and set forth in this lease for a total purchase price of $ no option , said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

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.

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

Witness:

/s/ E. A. Ellis (Seal)

/s/ F. O. Phillips

/s/ Frank E. Ellis (Seal)

(Seal)

NORTH CAROLINA, Mitchell COUNTY:

The execution of the foregoing instrument was this day acknowledged before me by E. A. Ellis & Frank E. Ellis the grantor___ for the purposes therein expressed. Let the same, with this certificate, be registered. This 11 day of July, 1951.

/s/ Tess Burleson, Notary Public

My Commission Expires: 1-17-52

******

NORTH CAROLINA, _____ COUNTY:

I, _____, do certify that _____ and _____, his wife personally appeared before me this day, and acknowledged the execution of the annexed mining lease and the said _____ 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 _____ day of _____, 1951.

_____

_____

******

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

SUBORDINATION

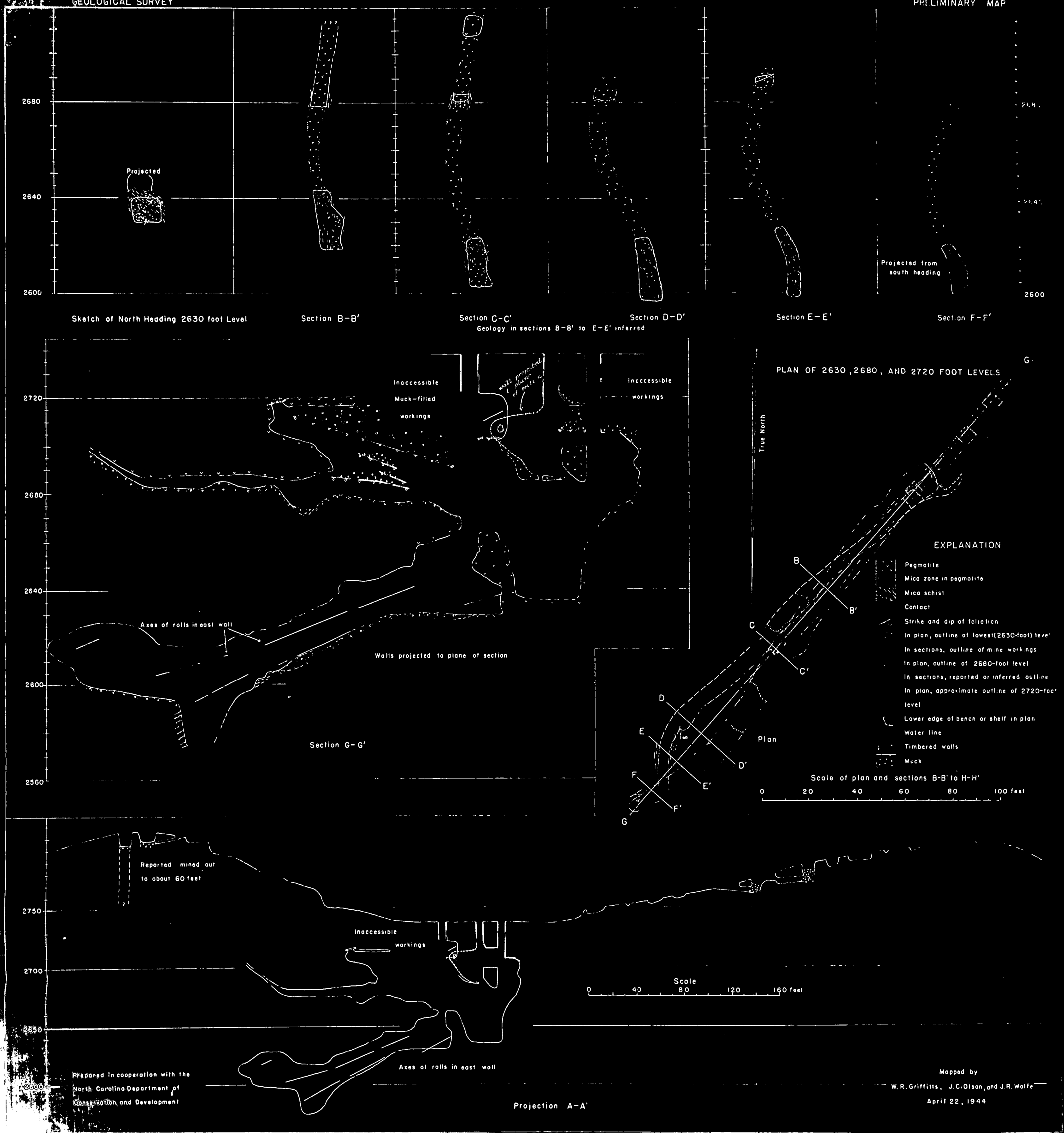
Six duly executed required subordination agreements are attached to the original copy of this application at Exhibit F.

A ROAD MAP

showing the location of towns, highways, and railroads, etc. is attached to the original file copy of this application at Exhibit G.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP



Prepared in cooperation with the North Carolina Department of Conservation and Development

Mapped by
W. R. Griffitts, J. C. Olson, and J. R. Wolfe
April 22, 1944

CHARLES ROBINSON MICA MINE, YANCEY COUNTY, NORTH CAROLINA

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP

EXPLANATION

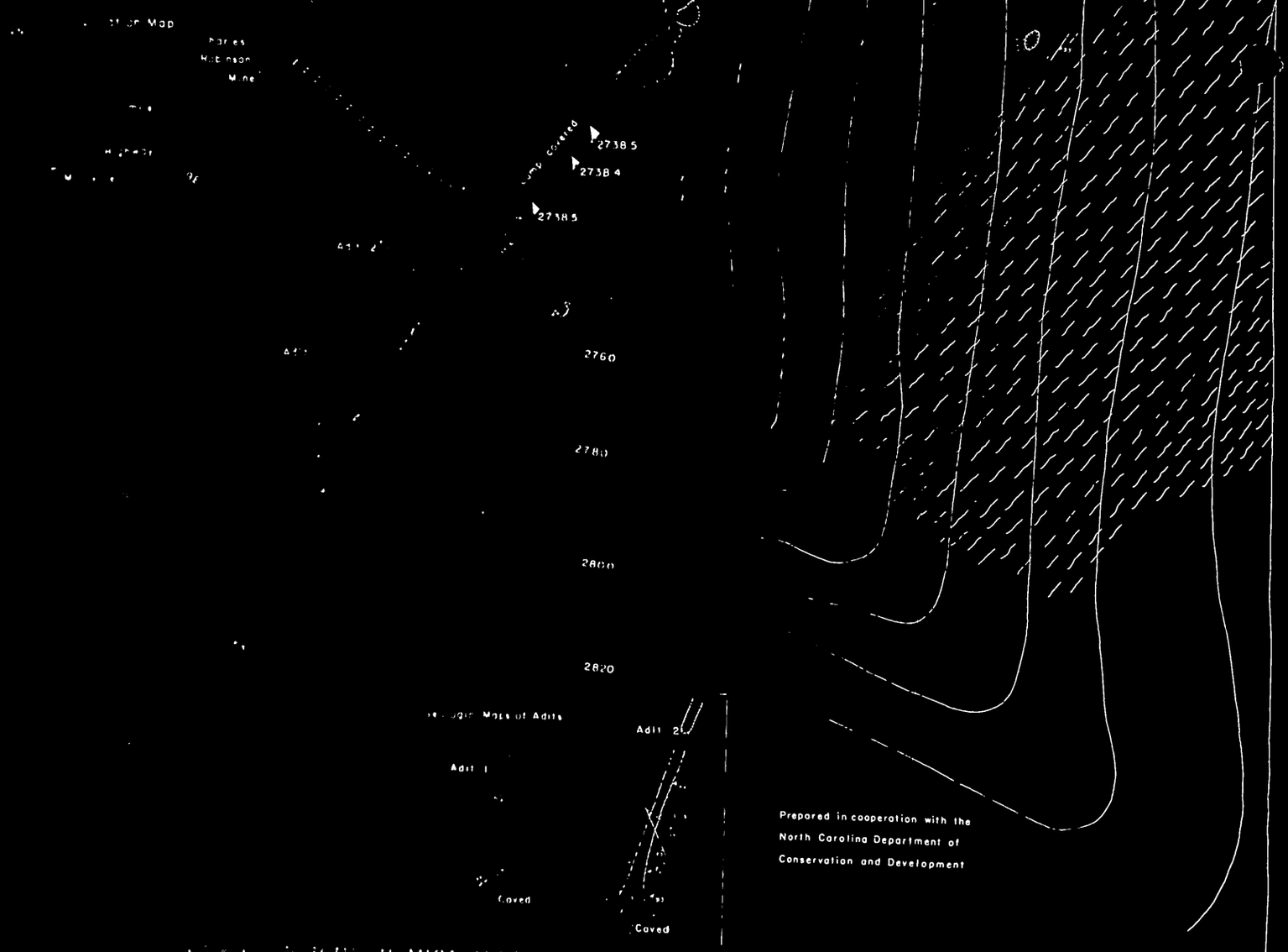
- Pegmatite
- Mica zone in pegmatite
- Migmatite
- Contact, showing dip
- Strike and dip of foliation
- Fault, showing dip
- Outline of shallow workings
- Outline of workings at 2640-foot level
- Outline of workings at lowest (2610 foot) level
- Shaft
- Open cut
- Dump
- Reference point, giving elevation

Scale

0 40 80 120 feet

Contour interval 20 feet Datum assumed

Geology and topography by
[illegible] and
J. R. Wolfe
April 22, 1944



Prepared in cooperation with the
North Carolina Department of
Conservation and Development

[illegible] MICA MINE, YANCEY COUNTY, NORTH CAROLINA

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
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-1912X

Date received 8/2/51

Participation

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 2 1951

Charles Mining Co., Inc.
c/o Fletcher Phillips, Pres.
Spruce Pine, North Carolina

Name and address of applicant

Date

FILL IN THIS BLOCK

Date of application August 1, 1951

Estimated cost

Mineral or metal Mica

Percentage of Government participation 90%

Location of mine 9 miles west of Spruce Pine, N. C.

Date of filing MF-100 not filed

DMA Docket Number, if available

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.

Charles Mining Co., Inc.
(Name of company)

By Whitelaw Phillips
(Signature of authorized official)

August 1, 1951
(Date)

President
(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 FM 103 Defense Minerals Administration

Charles Mining Co., Inc.
c/o Fletcher O. Phillips, President
Spruce Pine, North Carolina

Charles Robinson Mine
Yancey County, N. C.
($1\frac{1}{2}$ mi. S. of Boon Ford, N. C.)

1. Corporation. See Exhibit A

2. Not a partnership

3. See page 3 of Exhibit A

4.

Fletcher O. Phillips	President	See Exhibit B
Ernest Crowder	Vice President	Exhibit C
E. A. Ellis	Secty-Treas	Exhibit D

5. Lessee. See Exhibit E

6. Not owner

7. Lease is in good standing. Exhibt E

Note: Six copies of required subordination form are attached at Exhibit F.

8. New corporation

9. Operator will donate the items listed below, or the value of the rental of them, at the option of DMA. If any additional contribution is needed, the applicant will supply that difference in cash.

1 double drum hoist	$ 1,500
1 muck truck	700
1 Pickup truck	700

10. (a) Legal description of property is set forth in lease which is attached as Exhibit E.

(b) Exploration is to be conducted within a 500 foot radius of the proposed shaft on top to the hill as indicated on the map of the mine attached as Exhibit H.

11. Known for past several years as Charles Robinson Mine.

12. Mine is located approximately 9 miles west of Spruce Pine. Condition of roads, location of towns, railroads, etc. is indicated on copy of State highway map attached to original copy of this application as Exhibit G.

13. Strategic sheet mica mine. No flow operations contemplated.

14. None

15. Ore will not be milled. Mica books will be shipped by truck to Spruce Pine which is approximately 9 miles by road from mines. Good roads to mine is shown on same map referred to above as Exhibit G.

16. Sheet mica of strategic grade from this mine was sold to Colonial Mica Corporation during World War II.

17. Not now in production. See answer to 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 vininity. Mining operations ceased only when the price of sheet mica fell from six dollars a pound to less than twenty cents a pound.

19. None.

20. Strategic Mica

21. It is proposed to remove the overburden by dozer at the top of the hill as indicated on the mine map at Exhibit H. After the overburden has been removed at that point a 6 x 6' shaft will be lowered for a distance of 200 feet or until mica bearing ore has been contacted and penetrated.

At a point lower on the hill (indicated on map) it is proposed to sink a second shaft to a depth of 150 feet or until the pegmatite dike is penetrated.

It is requested that the mica bearing dike be lowered through by the shafts so that the mineralization of the dike and its sheet mica percentage can be ascertained.

22. Production possibilities are of record with the U. S. Bureau of Mines, U. S. Geological Survey, and R. F. C. files. All of these records show that mica of strategic quality has been removed from this ore body.

23.

	Per Week	20 Week Period
(a) 2 muckers at $60	$120	$ 2,400
1 hoist operator at $75	75	1,500
1 jack hammer operator at $70	70	1,400
(b) 1 supervisor	100	2,000
(c) None		
(d) Tool shed		200
(e) 1 electric pump 220 V 3 phase		750
1 gasoline power generator		2,000
1 air compressor		3,500
1 jack hammer		350
200 feet 2" pipe		120
200 feet 1" pipe		60
Drill steel and bits		500
(f) None		
(g) 1 hoist at $60 per month		300
1 dump muck truck at $60 per month		300
1 Pickup truck at $60 per month		300

(h) Misc hand tools		$ 200
(i) gas and oil	$ 30	600
dynamite and caps	30	600
		$17,080
Dozer work 17 days at $12 per hour		1,632
		$18,712

24. It is expected to take a total of five months after the dozer operations has been completed. All equipment listed under 23 (e) will have to be purchased before the shafts can be sunk.

CERTIFICATE OF INCORPORATION

of

Charles Mining 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:

Charles Mining 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 all 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, N. C. . That the name and address of the agent authorized to accept service on the corporation in the State of North Carolina is Fletcher Phillips, Spruce Pine, N. C. .

FOURTH: That this corporation is authorized to issue only one class of shares of stock, the total number of which is 3 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 Phillips, President	Spruce Pine, N. C.
Ernest Crowder, Vice. Pres.	Spruce Pine, N. C.
E. A. Ellis, 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 Phillips	Spruce Pine, N. C.	(1) share
Ernest Crowder	Spruce Pine, N. C.	(1) share
E. A. Ellis	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 day of

/s/ Fletcher Phillips

/s/ Ernest Crowder

/s/ E. A. Ellis

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 11th day of July, 1951 before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared
Fletcher 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.

/s/ Tess Burleson
Notary Public of said County and State
My Commission expires: Jan. 17, 1952

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 11th day of July, 1951 before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared
Ernest Crowder
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.

/s/ Tess Burleson
Notary Public of said County and State
My Commission expires: Jan. 17, 1952

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 11th day of July, 1951 before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared
E. A. Ellis
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.

/s/ Tess Burleson
Notary Public of said County and State
My Commission Expires: Jan. 17, 1952

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.

ERNEST CROWDER

Ernest Crowder is forty-four years old and has lived all his life in Mitchell County, North Carolina. His first employment was in local mines as a mucker at the age of sixteen.

For the past twenty years he has been a mining supervisor having from five to fifteen men under his supervision including drillers, muckers, drag line operators, and truckers. As a result of his many years of experience, he is thoroughly familiar with the location of and mining of mica and feldspar.

Due to his knowledge of blasting and his penchant for safety preparations in pillowing, timbering and supporting shafts and caves, miners are not afraid to work under him. In fact, his reputation for safety is well known, and the insurance underwriters usually insure "his" mines at low rates.

His past employment record is as follows:

Ewrin Feldspar	"C" Mine	1927 - 1929
Carolina Minerals	"Pink Mine"	1929 - 1936
Tennessee Minerals	"Deerpark"	1936 - 1937

For self and in partnership with others since 1937.

* * * * * *

References:

Mr. Ed. Fortner
Insurance Agent, Spruce Pine, North Carolina
Mr. "Bill" McKinney, General Manager
Spruce Pine Store Co., Spruce Pine, North Carolina
Mr. Carroll Rogers,
Blue Ridge Mining Co., Spruce Pine, North Carolina

EDWARD A. ELLIS

Edward A. Ellis was born at Mitchell County, North Carolina, October 8, 1884, and has lived most of his life in the Spruce Pine area except for a few years when he lived in Birmingham, Alabama.

Mr. Ed Ellis finished the seventh grade at the Bandana Grammer School, and was unable to further his formal education due to his father's death when he was 14 years old.

From 1898 to 1904 he farmed his widowed mother's farm, and in 1904 to 1909 he worked as a laborer on the construction detail for the Clinchfield Railroad. In 1909 he was made foreman of a construction crew in which capacity he worked until 1915.

In 1915 he was appointed mining manager for the Clinchfield Products Company which was a subsidiary of the Clinchfield Railroad. His mining experience was gained in the following mines -- Pressnell, Yancey County; Bowdich, Yancey County; Hickey, Mitchell County; Old Dake, Mitchell County; Hawkins, Mitchell County. He left his employment in 1926 to start the Mayland Motor Company.

He has operated the Mayland Motor Company which holds the Pontiac automobile, International truck, International Harvester Farm Equipment dealerships. In 1940 this business was incorporated and Mr. Ed Ellis was elected president and general manager which job he has held to date.

His mine interests and experience is as follows:

1941 - 1946	Cook Mine operated by Mr. Ed. Ellis as an individual, on the property of the Cook heirs in Mitchell County.
1942 - 1945	One of three partners in the partnership of E. A. Ellis, Frank E. Ellis and B. G. Thomas, Charles Robinson Mine on the property of E. A. Ellis and Frank E. Ellis.
1942 - 1943	E. A. Ellis and Frank E. Ellis, Little Hawk Mine owned by Ashville Mica Company located approximately 15 miles northeast of Spruce Pine.
1942 - 1945	One of three partners in the partnership of E. A. Ellis, Frank E. Ellis and B. G. Thomas in the operation of "No. 12" Mine on the property of the Bailey heirs, Mitchell County, approximately 5 miles west of Spruce Pine.

* * * * * *

References:

G. G. Fortner
Spruce Pine, North Carolina
W. G. Pippin, Real Estate Broker
Spruce Pine, North Carolina
Dr. C. A. Peterson, Physician
Spruce Pine, North Carolina

MINING LEASE

State of North Carolina Yancey County:

This indenture made this 11 day of July, 1951

between E. A. Ellis & Frank E. Ellis

of Mitchell County and State of North Carolina, as party of the first part, and known as lessors, and Charles Mining Co.

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

WITNESSETH, That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessors, 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 at a Chestnut standing N54°W 12 poles from the mine and runs S 36°W 34 poles to a maple on the lower bank of the road; thence S 54 W 24 poles to a Dogwood; thence N36 E 68 poles to a Sourwood; thence N 54 W 24 poles to a Sourwood; thence S 36 W 34 poles to the beginning containing ten & one eight (10-1/8) acres as recorded in Book 91 at page 45 in the land records at Burnsville, N. C., the county seat of Yancey County.

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 erect such buildings as he needs to carry on such mining 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 erect 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 lessee hereby agrees to pay to the said part~~ies~~ of the first part, or his or their heirs or assigns, a rental royalty of One eight (1/8) on all minerals & 50¢ per ton (2240 lbs) on Feldspar

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 at the 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 part____ 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.

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.

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

Witness:

F O Phillips

E A Ellis (Seal)

Frank T. Ewell (Seal)

_____ (Seal)

NORTH CAROLINA, Mitchell COUNTY:

The execution of the foregoing instrument was this day acknowledged before me by E. A. Elling & Frank E. Elling the grantor S for the purposes therein expressed. Let the same, with this certificate, be registered. This 11 day of July, 1951.

Tess Burleson - N.P.

My Commission Expires: 1-17-52

******

NORTH CAROLINA, _____ COUNTY:

I, _____, do certify that _____ and _____, his wife personally appeared before me this day, and acknowledged the execution of the annexed mining lease and the said _____ 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 _____ day of _____, 1951.

_____

_____

******

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

D. M. A. Docket No. 1912
Charles Mining Company
Spruce Pine, North Carolina

Charles Mine
Charles Robinson Property
Yancey County, North Carolina

"Beginning at a chestnut standing N 54° W 12 poles from the mine and runs S 36° W 34 poles to a maple on the lower bank of the road; thence S 54° W 24 poles to a Dogwood; thence N 36° E 68 poles to a sourwood; thence N 54° W 24 poles to a sourwood; thence S 36° W 34 poles to the beginning containing ten and one eights (10 1/8) acres as recorded in Book 91 at page 45 in the land records at Burnsville, N. C., the County Seat ofYancey County."

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MF-200
(June 1951)

Docket No. DMA 1912

Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195___, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] _____

_____

_____

_____

_____

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 _____, County of _____ described as follows: [3] _____

_____

_____

_____

_____

_____

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 is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder 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 _____ days from the date of this contract shall commence work on a project of exploration for [5] _____; 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] _____ 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.

[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 _____ percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $_____, which is _____ percent of the agreed estimated total cost of this project, $_____.

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.

THE UNITED STATES OF AMERICA

By _____

Charles Mining (Operator) Inc.

By Stitcher Phillips

President

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

MF-200
(April 1951)

Docket No. DMA 1912

Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195___, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] _____

_____

_____

_____

_____

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 _____, County of _____ described as follows: [3] _____

_____

_____

_____

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 is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder 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 _____ days from the date of this contract shall commence work on a project of exploration for [5] _____; 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] _____ 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. Attached hereto, marked "Exhibit 'B'," is a detailed list of 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 its agreed pro-rata share of the cost. 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.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. 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.

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[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.* Attached hereto, marked "Exhibit 'D'," is 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.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable 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, 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 the 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, or any other indirect costs not expressly allowed by these regulations, 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. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator ---------- percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $----------, which is ---------- percent of the agreed estimated total cost of this project, $----------.

12. *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.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract 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.

14. *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 additional for each 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 property 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.

15. *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.

16. *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 triplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By ----------

Charles Mining Co., Inc.
(Operator)

By Fletcher Phillips
President

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

MF-200
(April 1951)

Docket No. DMA 1912
Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195___, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] _____

_____

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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 _____, County of _____ described as follows: [3] _____

_____

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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 is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: _____

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(*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 _____ days from the date of this contract shall commence work on a project of exploration for [5] _____; 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] _____ 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. Attached hereto, marked "Exhibit 'B'," is a detailed list of 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 its agreed pro-rata share of the cost. 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.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. 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.

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[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.

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10. *Allowable costs of the project.* The allowable 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, 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 the 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, or any other indirect costs not expressly allowed by these regulations, 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. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator ---------- percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $----------, which is ---------- percent of the agreed estimated total cost of this project, $----------.

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Executed in triplicate the day and year first above written.

Charles Mining Co., Inc.
(Operator)

By Stitches Phillips
President

THE UNITED STATES OF AMERICA

By ----------

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

MF-200
(April 1951)

Docket No. DMA 1912

Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] _____

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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.

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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 additional for each 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 property 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.

15. *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.

16. *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 triplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By .....

Charles Mining Co., Inc.
(Operator)

By Whitelaw Phillips

President

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

MF-200
(April 1951)

Docket No. DMA 1912

Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] _____

_____

_____

_____

_____

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 _____, County of _____ described as follows: [3] _____

_____

_____

_____

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 is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder 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 _____ days from the date of this contract shall commence work on a project of exploration for [5] _____; 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] _____ 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. Attached hereto, marked "Exhibit 'B'," is a detailed list of 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 its agreed pro-rata share of the cost. 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.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. 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.

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[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.* Attached hereto, marked "Exhibit 'D'," is 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.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable 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, 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 the 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, or any other indirect costs not expressly allowed by these regulations, 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. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator ..... percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $....., which is ..... percent of the agreed estimated total cost of this project, $.....

12. *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.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract 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.

14. *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 additional for each 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 property 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.

15. *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.

16. *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 triplicate the day and year first above written.

Charles Mining Co., Inc.
(Operator)

By Fletcher Phillips
President

THE UNITED STATES OF AMERICA

By .....

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

MF-200
(April 1951)

Docket No. DMA 1912

Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195___, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] _____

_____

_____

_____

_____

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 _____, County of _____ described as follows: [3] _____

_____

_____

_____

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 is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder 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 _____ days from the date of this contract shall commence work on a project of exploration for [5] _____; 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] _____ 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. Attached hereto, marked "Exhibit 'B'," is a detailed list of 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 its agreed pro-rata share of the cost. 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.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. 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.

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[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.* Attached hereto, marked "Exhibit 'D'," is 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.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

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12. *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.

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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 additional for each 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.

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15. *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.

16. *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 triplicate the day and year first above written.

Charles Mining Co., Inc.
(Operator)

By Fletcher Phillips
President

THE UNITED STATES OF AMERICA

By _____

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

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 Yancey, State of North Carolina, described in a certain Exploration Project Contract dated _____, 195__, between _____, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 11, 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 11th day of July, 1951

E G Ellis

Frank E Ellis

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

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 Yancey, State of North Carolina, described in a certain Exploration Project Contract dated _____, 195__, between _____, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 11, 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 11th day of July, 195 1

/s/ E. A. Ellis
/s/ Frank E. Ellis

U. S. GOVERNMENT PRINTING OFFICE 940768

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 Yancey, State of North Carolina, described in a certain Exploration Project Contract dated ....., 195...., between .....,

the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 11, 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 11th day of July, 195 1

/s/ E. A. Ellis
/s/ Frank E. Ellis

U. S. GOVERNMENT PRINTING OFFICE 940768

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 Surry, State of North Carolina, described in a certain Exploration Project Contract dated _____, 195__, between _____, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 11, 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 11th day of July, 1951

/s/ E. A. Ellis
/s/ Frank D. Ellis

U. S. GOVERNMENT PRINTING OFFICE 940768

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 Pasquotank, State of North Carolina, described in a certain Exploration Project Contract dated _____, 195__, between _____, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 12, 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 11th day of July, 1951

/s/ E. A. Ellis
/s/ Frank E. Ellis

U. S. GOVERNMENT PRINTING OFFICE 940768

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 [illegible], State of [illegible], described in a certain Exploration Project Contract dated _____, 195__, between _____, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated [illegible], 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.

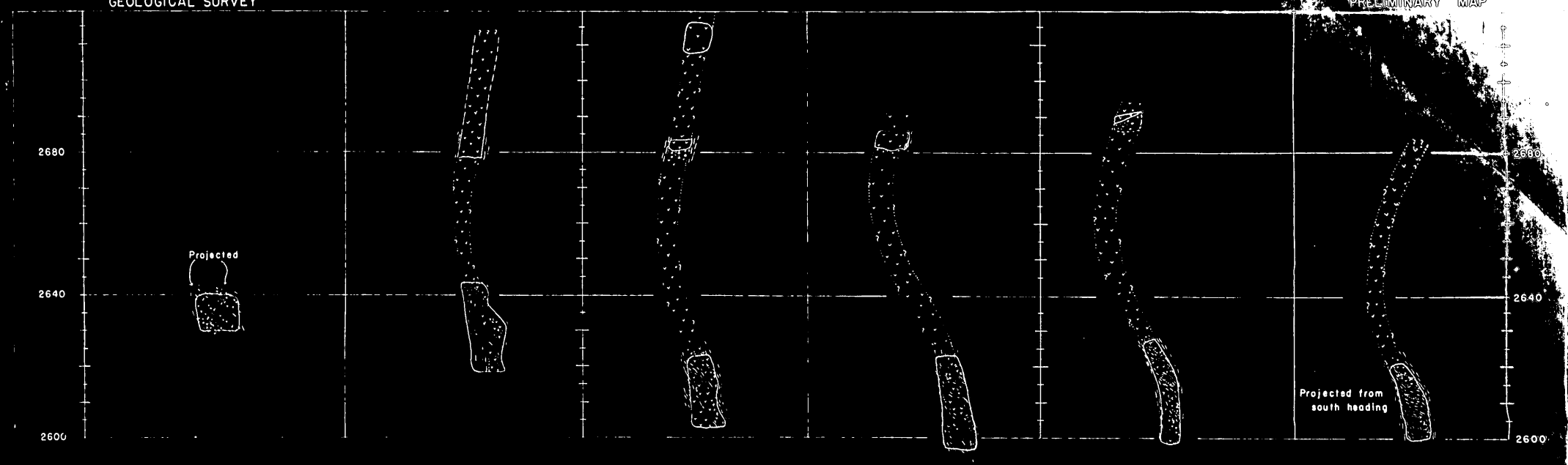
Dated this [illegible] day of [illegible], 195[illegible]

/s/ [illegible]
/s/ [illegible]

U. S. GOVERNMENT PRINTING OFFICE 940768

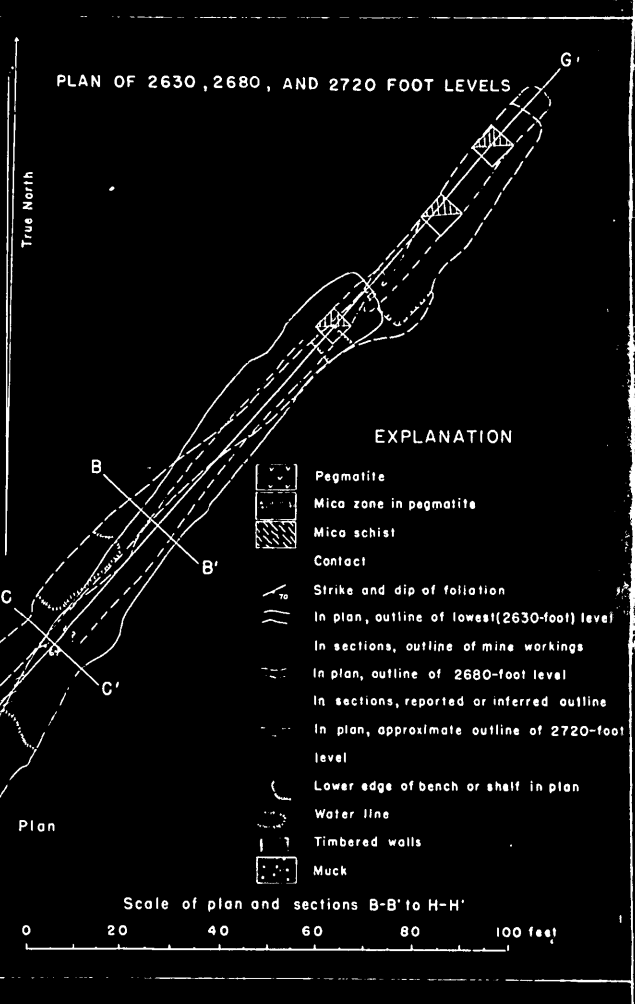
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

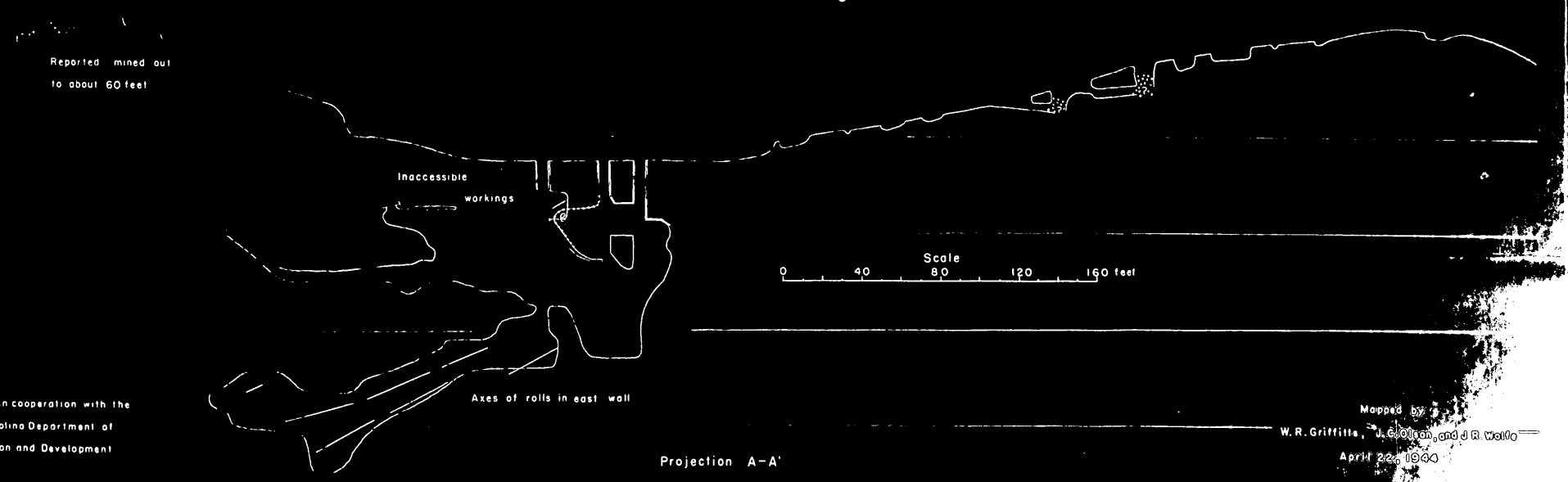
STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP



Sketch of North Heading 2630 foot Level — Section B-B′ — Section C-C′ — Section D-D′ — Section E-E′ — Section F-F′

Geology in sections B-B′ to E-E′ inferred





Prepared in cooperation with the North Carolina Department of Conservation and Development

Mapped by W. R. Griffitts, J. C. Olsen, and J. R. Wallo
April 22, 1940

CHARLES ROBINSON MICA MINE, YANCEY COUNTY, NORTH CAROLINA

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP

EXPLANATION

Pegmatite

Mica zone in pegmatite

Migmatite

Contact, showing dip

Strike and dip of foliation

Fault, showing dip

Outline of shallow workings

Outline of workings at 2640-foot level

Outline of workings at lowest (2610 foot) level

Adit

Open cut

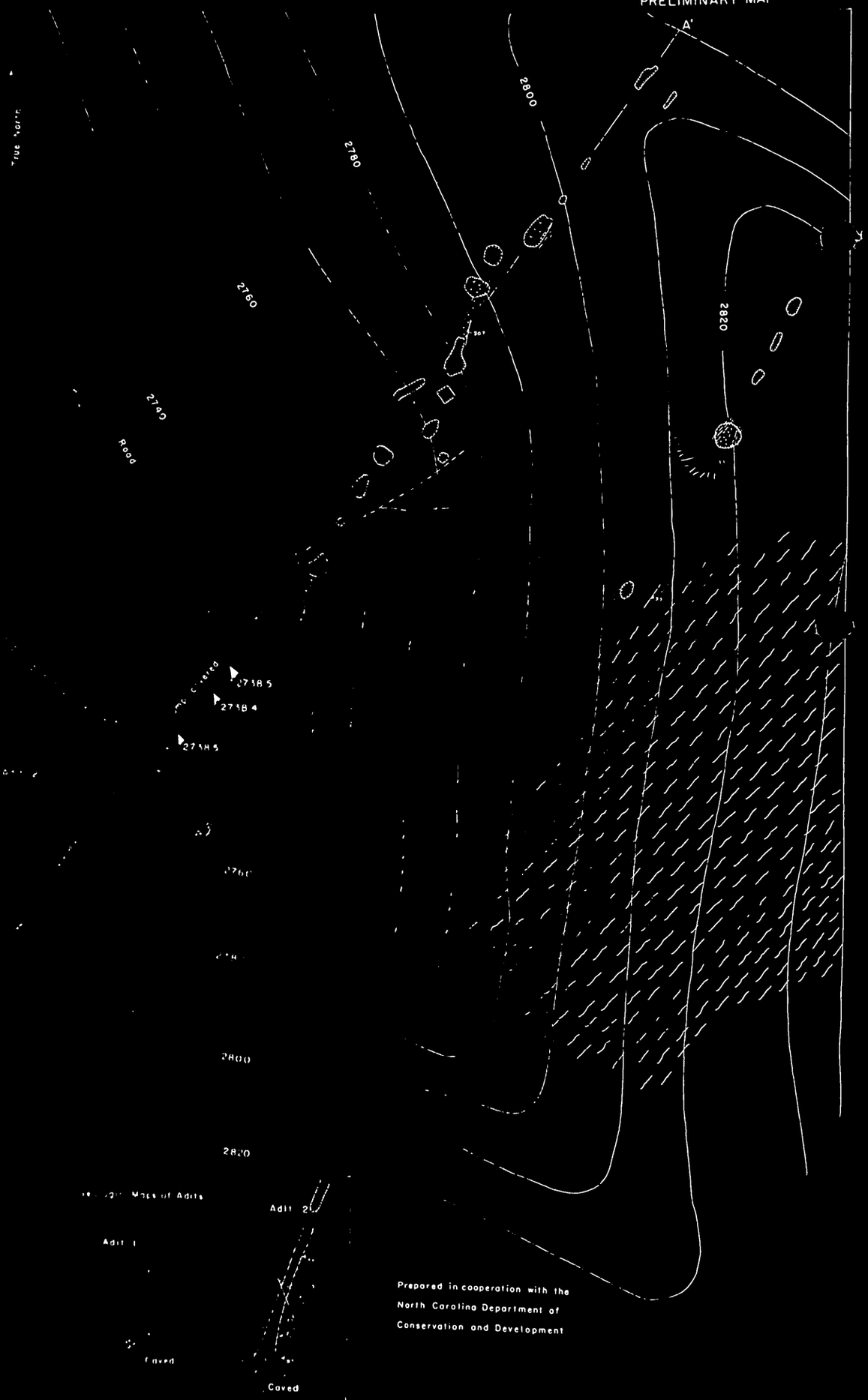
Dump

Reference point, giving elevation

Scale

0 60 120 feet

Contour interval, feet (datum assumed)



Prepared in cooperation with the North Carolina Department of Conservation and Development

MICA MINE, YANCEY COUNTY, NORTH CAROLINA

Form MF-103
(April 1951)

U. DEPARTMENT OF THE INTERIOR
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-1912

Date received 8/2/51

Participation

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 2 1951

Charles Mining Co., Inc.
c/o Fletcher Phillips, Pres.
Spruce Pine, North Carolina

Name and address of applicant

Date

FILL IN THIS BLOCK

Date of application August 1, 1951

Estimated cost

Mineral or metal Mica

Percentage of Government participation 90%

Location of mine 9 miles west of Spruce Pine, N. C.

Date of filing MF-100 not filed

DMA Docket Number, if available

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.

Charles Mining Co., Inc.
(Name of company)

By /s/ Fletcher Phillips
(Signature of authorized official)

August 1, 1951
(Date)

President
(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 FM 103

Defense Minerals Administration

Charles Mining Co., Inc.
c/o Fletcher O. Phillips, President
Spruce Pine, North Carolina

Charles Robinson Mine
Yancey County, N. C.
(1½ mi. S. of Boon Ford, N. C.)

1. Corporation. See Exhibit A

2. Not a partnership

3. See page 3 of Exhibit A

4.

Fletcher O. Phillips	President	See Exhibit B
Ernest Crowder	Vice President	Exhibit C
E. A. Ellis	Secty-Treas	Exhibit D

5. Lessee. See Exhibit E

6. Not owner

7. Lease is in good standing. Exhibt E

Note: Six copies of required subordination form are attached at Exhibit F.

8. New corporation

9. Operator will donate the items listed below, or the value of the rental of them, at the option of DMA. If any additional contribution is needed, the applicant will supply that difference in cash.

1 double drum hoist	$ 1,500
1 muck truck	700
1 Pickup truck	700

10. (a) Legal description of property is set forth in lease which is attached as Exhibit E.

(b) Exploration is to be conducted within a 500 foot radius of the proposed shaft on top to the hill as indicated on the map of the mine attached as Exhibit H.

11. Known for past several years as Charles Robinson Mine.

12. Mine is located approximately 9 miles west of Spruce Pine. Condition of roads, location of towns, railroads, etc. is indicated on copy of State highway map attached to original copy of this application as Exhibit G.

13. Strategic sheet mica mine. No flow operations contemplated.

14. None

15. Ore will not be milled. Mica books will be shipped by truck to Spruce Pine which is approximately 9 miles by road from mines. Good roads to mine is shown on same map referred to above as Exhibit G.

16. Sheet mica of strategic grade from this mine was sold to Colonial Mica Corporation during World War II.

17. Not now in production. See answer to 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 vininity. Mining operations ceased only when the price of sheet mica fell from six dollars a pound to less than twenty cents a pound.

19. None.

20. Strategic Mica

21. It is proposed to remove the overburden by dozer at the top of the hill as indicated on the mine map at Exhibit H. After the overburden has been removed at that point a 6 x 6' shaft will be lowered for a distance of 200 feet or until mica bearing ore has been contacted and penetrated.

At a point lower on the hill (indicated on map) it is proposed to sink a second shaft to a depth of 150 feet or until the pegmatite dike is penetrated.

It is requested that the mica bearing dike be lowered through by the shafts so that the mineralization of the dike and its sheet mica percentage can be ascertained.

22. Production possibilities are of record with the U. S. Bureau of Mines, U. S. Geological Survey, and R. F. C. files. All of these records show that mica of strategic quality has been removed from this ore body.

23.

	Per Week	20 Week Period
(a) 2 muckers at $60	$120	$ 2,400
1 hoist operator at $75	75	1,500
1 jack hammer operator at $70	70	1,400
(b) 1 supervisor	100	2,000
(c) None		
(d) Tool shed		200
(e) 1 electric pump 220 V 3 phase		750
1 gasoline power generator		2,000
1 air compressor		3,500
1 jack hammer		350
200 feet 2" pipe		120
200 feet 1" pipe		60
Drill steel and bits		500
(f) None		
(g) 1 hoist at $60 per month		300
1 dump muck truck at $60 per month		300
1 Pickup truck at $60 per month		300

(h) Misc hand tools		$ 200
(i) gas and oil	$ 30	600
dynamite and caps	30	600
		$17,080
Dozer work 17 days at $12 per hour		1,632
24.		$18,712

24. It is expected to take a total of five months after the dozer operations has been completed. All equipment listed under 23 (e) will have to be purchased before the shafts can be sunk.

CERTIFICATE OF INCORPORATION

of

Charles Mining 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:

Charles Mining 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 all 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, N. C. That the name and address of the agent authorized to accept service on the corporation in the State of North Carolina is Fletcher Phillips, Spruce Pine, N. C.

FOURTH: That this corporation is authorized to issue only one class of shares of stock, the total number of which is 3 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 Phillips, President	Spruce Pine, N. C.
Ernest Crowder, Vice. Pres.	Spruce Pine, N. C.
E. A. Ellis, 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 Phillips	Spruce Pine, N. C.	(1) share
Ernest Crowder	Spruce Pine, N. C.	(1) share
E. A. Ellis	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 day of

/s/ Fletcher Phillips

/s/ Ernest Crowder

/s/ E. A. Ellis

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 11th day of July, 1951 before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared Fletcher 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.

/s/ Tess Burleson
Notary Public of said County and State
My Commission expires: Jan. 17, 1952

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 11th day of July, 1951 before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared Ernest Crowder 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.

/s/ Tess Burleson
Notary Public of said County and State
My Commission expires: Jan. 17, 1952

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 11th day of July, 1951 before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared E. A. Ellis 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.

/s/ Tess Burleson
Notary Public of said County and State
My Commission Expires: Jan. 17, 1952

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.

ERNEST CROWDER

Ernest Crowder is forty-four years old and has lived all his life in Mitchell County, North Carolina. His first employment was in local mines as a mucker at the age of sixteen.

For the past twenty years he has been a mining supervisor having from five to fifteen men under his supervision including drillers, muckers, drag line operators, and truckers. As a result of his many years of experience, he is thoroughly familiar with the location of and mining of mica and feldspar.

Due to his knowledge of blasting and his penchant for safety preparations in pillowing, timbering and supporting shafts and caves, miners are not afraid to work under him. In fact, his reputation for safety is well known, and the insurance underwriters usually insure "his" mines at low rates.

His past employment record is as follows:

Ewrin Feldspar	"C" Mine	1927 - 1929
Carolina Minerals	"Pink Mine"	1929 - 1936
Tennessee Minerals	"Deerpark"	1936 - 1937

For self and in partnership with others since 1937.

* * * * * *

References:

Mr. Ed. Fortner
Insurance Agent, Spruce Pine, North Carolina
Mr. "Bill" McKinney, General Manager
Spruce Pine Store Co., Spruce Pine, North Carolina
Mr. Carroll Rogers,
Blue Ridge Mining Co., Spruce Pine, North Carolina

EDWARD A. ELLIS

Edward A. Ellis was born at Mitchell County, North Carolina, October 8, 1884, and has lived most of his life in the Spruce Pine area except for a few years when he lived in Birmingham, Alabama.

Mr. Ed Ellis finished the seventh grade at the Bandana Grammer School, and was unable to further his formal education due to his father's death when he was 14 years old.

From 1898 to 1904 he farmed his widowed mother's farm, and in 1904 to 1909 he worked as a laborer on the construction detail for the Clinchfield Railroad. In 1909 he was made foreman of a construction crew in which capacity he worked until 1915.

In 1915 he was appointed mining manager for the Clinchfield Products Company which was a subsidiary of the Clinchfield Railroad. His mining experience was gained in the following mines -- Pressnell, Yancey County; Bowdich, Yancey County; Hickey, Mitchell County; Old Dake, Mitchell County; Hawkins, Mitchell County. He left his employment in 1926 to start the Mayland Motor Company.

He has operated the Mayland Motor Company which holds the Pontiac automobile, International truck, International Harvester Farm Equipment dealerships. In 1940 this business was incorporated and Mr. Ed Ellis was elected president and general manager which job he has held to date.

His mine interests and experience is as follows:

1941 - 1946	Cook Mine operated by Mr. Ed. Ellis as an individual, on the property of the Cook heirs in Mitchell County.
1942 - 1945	One of three partners in the partnership of E. A. Ellis, Frank E. Ellis and B. G. Thomas, Charles Robinson Mine on the property of E. A. Ellis and Frank E. Ellis.
1942 - 1943	E. A. Ellis and Frank E. Ellis, Little Hawk Mine owned by Ashville Mica Company located approximately 15 miles northeast of Spruce Pine.
1942 - 1945	One of three partners in the partnership of E. A. Ellis, Frank E. Ellis and B. G. Thomas in the operation of "No. 12" Mine on the property of the Bailey heirs, Mitchell County, approximately 5 miles west of Spruce Pine.

* * * * * *

References:

G. G. Fortner
Spruce Pine, North Carolina
W. G. Pippin, Real Estate Broker
Spruce Pine, North Carolina
Dr. C. A. Peterson, Physician
Spruce Pine, North Carolina

MINING LEASE

State of North Carolina Yancey County:

This indenture made this 11 day of July, 1951

between E. A. Ellis & Frank E. Ellis

of Mitchell County and State of North Carolina, as party of the first part, and known as lessor s, and Charles Mining Co.

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

WITNESSETH, That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessors, 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 at a chestnut standing N 54° W 12 poles from the mine and runs S 36° W 34 poles to a maple on the lower bank of the road; thence S 54° W 24 poles to a Dogwood; thence N 36° E 68 poles to a sourwood; thence N 54° W 24pples to a sourwood; thence S 36° W 34 poles to the beginning containing ten & one eights (10 1/8) acres as recorded in Book 91 at page 45 in the land records at Burnsville, N. C., the County Seat of Yancey County.

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 erect such buildings as he needs to carry on such mining 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 erect 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 lessee hereby agrees to pay to the said parties of the first part, or his or their heirs or assigns, a rental royalty of **one eight (1/8) on all mica and 50¢ per ton (2240 lbs)**

on Feldspar.

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 at the 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 part___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.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real eastate described and set forth in this lease for a total purchase price of $ **no option** , said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

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.

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

Witness:

/s/ F. O. Phillips

/s/ E. A. Ellis (Seal)

/s/ Frank E. Ellis (Seal)

(Seal)

NORTH CAROLINA, Mitchell COUNTY:

The execution of the foregoing instrument was this day acknowledged before me by E. A. Ellis & Frank E. Ellis the grantor___ for the purposes therein expressed. Let the same, with this certificate, be registered. This 11 day of July, 1951.

/s/ Tess Burleson, Notary Public

My Commission Expires: 1-17-52

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NORTH CAROLINA, _____ COUNTY:

I, _____, do certify that _____ and _____, his wife personally appeared before me this day, and acknowledged the execution of the annexed mining lease and the said _____ 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 _____ day of _____, 1951.

_____

_____

******

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

SUBORDINATION

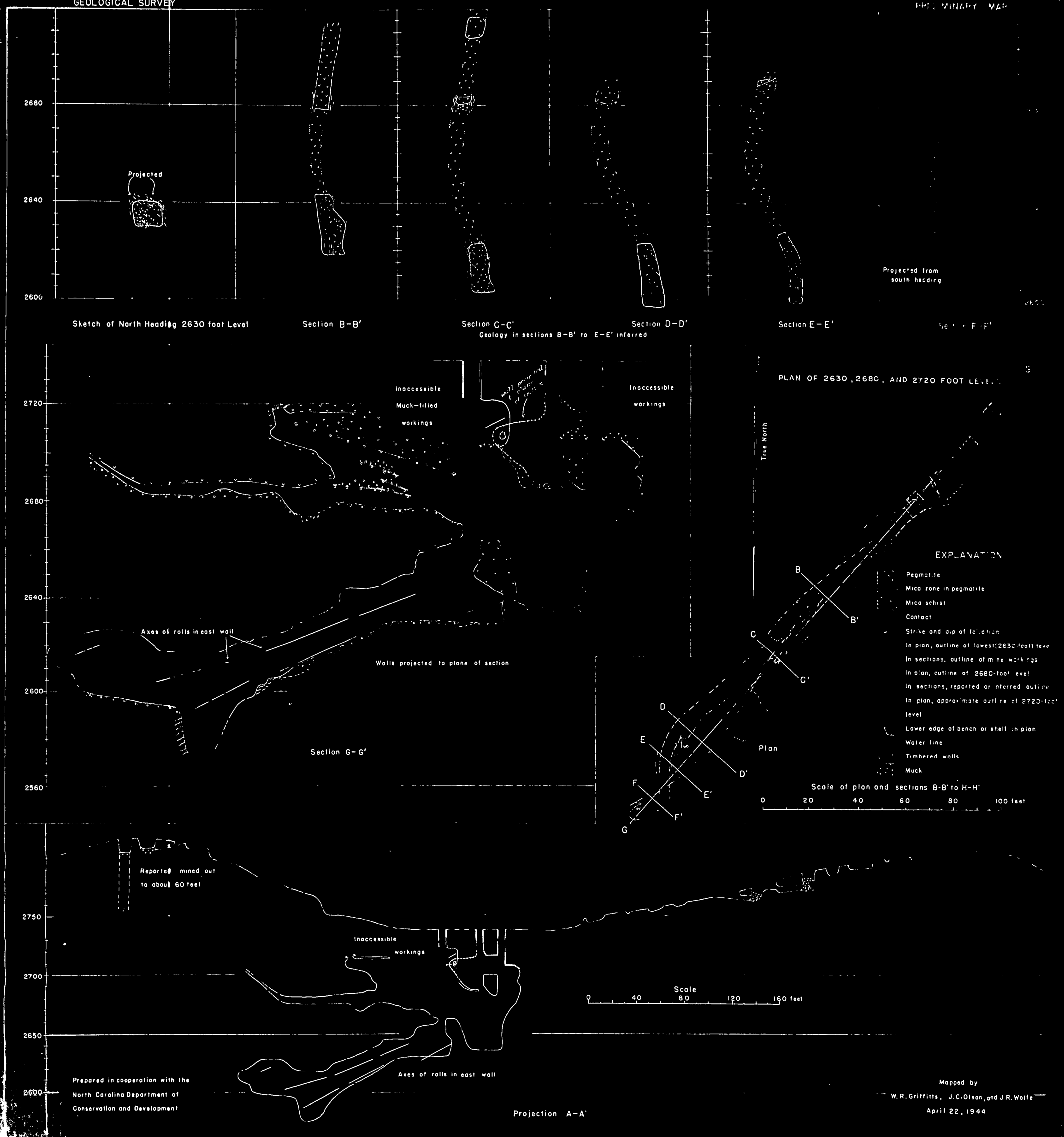
Six duly executed required subordination agreements are attached to the original copy of this application at Exhibit F.

A ROAD MAP

showing the location of towns, highways, and railroads, etc. is attached to the original file copy of this application at Exhibit G.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP



Prepared in cooperation with the North Carolina Department of Conservation and Development

Mapped by
W. R. Griffitts, J. C. Olson, and J. R. Wolfe
April 22, 1944

CHARLES ROBINSON MICA MINE, YANCEY COUNTY, NORTH CAROLINA

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP

EXPLANATION

- Pegmatite
- Mica zone in pegmatite
- Migmatite
- Contact, showing dip
- Strike and dip of foliation
- Fault, showing dip
- Outline of shallow workings
- Outline of workings at 2680-foot level
- Outline of workings at lowest (2630-foot) level
- Shaft
- Open cut
- Dump
- 2738.5 Reference point, giving elevation

Scale

0 40 80 120 feet

Contour interval 10 feet. Datum assumed.

Geology and topography by
W. R. Griffitts, J. C. Olson, and
J. R. Wolfe
April 22, 1944

Prepared in cooperation with the
North Carolina Department of
Conservation and Development

CHARLES ROBINSON MICA MINE, YANCEY COUNTY, NORTH CAROLINA