JUL 30 1962

Memorandum

To: Chief, Fiscal Section
Division of Administrative Services
Office of the Secretary

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMSA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-X439

Enclosed for deposit to the subject DMSA account under symbol 14X4401 as a royalty receipt is an unnumbered check dated July 6, 1962, in the amount of $53.56, drawn by Ralph Cunningham, Franklin, North Carolina, on The Bank of Franklin, Franklin, North Carolina.

This check, which is drawn erroneously to the order of "U. S. Dept. of The Interior, Mica Industries Inc.", is in payment of royalty delinquently due the Government on December 1960 sales of production. Collection was effected by one of the landowners, Mrs. Eliza C. Grist, Rabun Gap, Georgia, in response to a June 28 payment request by the Director, OME.

Enclosure

EDTalbert/ama 7-30-62

cc:
Docket
Director's Reading File
CA & A Division
Region IV Files (2)

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

EXTRA COPY
O. M. E
RECEIVED JUL 27 62
DATE
JUL 18 1962
800

Mr. W. H. Hooker
104 Hemlock Drive
Marietta, Georgia

Re: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-E459

Dear Mr. Hooker:

Correspondence regarding the referenced DMEA exploration project contract addressed to Mr. Frank Siersma at Franklin, North Carolina, and La Grange, Georgia, has been returned by the post offices.

I understand that you have been associated with Mr. Siersma in some business affairs in the past and may have his present address. If so, your advice will be greatly appreciated.

Sincerely yours,

George Fumich, Jr.

Director

Sorry I cannot be of help to you in locating Mr. Siersma. I have neither seen nor heard from him in several years. Could not the Internal Revenue Service be of assistance?

W. H. H.

Two copies sent to Region IV files.

JUL 18 1962

Mr. W. H. Hooker
104 Hemlock Drive
Marietta, Georgia

Re: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-5459

Dear Mr. Hooker:

Correspondence regarding the referenced DMEA exploration project contract addressed to Mr. Frank Siersma at Franklin, North Carolina, and La Grange, Georgia, has been returned by the post offices.

I understand that you have been associated with Mr. Siersma in some business affairs in the past and may have his present address. If so, your advice will be greatly appreciated.

Sincerely yours,

George Fumich, Jr.

Director

EDTalbert/ama 7-18-62

cc:
Docket
Director's Reading File
CA & A Division
Region IV Files (2)

E 459 12/11/52 DMGA-2579 Mica Industries, Inc.

Macon County, N.C. Baird, Baird Cove Mine

Last reported Depot sale None

Other known parties of possible interest:

Bauer Mining Company, orig. Opr. Minerals Processing Company

Bernard Bauer Partner Sam L. Phillips

Frank Sierama Partner M. E. Burleson

Paul L. & Eliza Cobb Grist Ralph Cunningham, Last Operator prospecting

No royalty paid activity in 1960-1961!

Two purchases in 1960 noted in S.P. Depot records. Settlement sheets attached.

EEJ 6/21/62

Psuedo Ab

A

FORM APPROVED BY COMP. GEN. U.S. MAY 23, 1957

GENERAL SERVICES ADMINISTRATION

FINAL SETTLEMENT - PROGRAM B - MICA PURCHASE

(MICA REGULATION 7, REVISION 3, AMENDMENT 2, FURTHER AMENDED BY 4 AND 8)

MICA PURCHASE DEPOT - Spruce Pine, N. C.

DATE PURCHASED: 8-[redacted]-60

ACCEPTANCE NUMBER: BR3-47(a) Max. $600

W.A.I. NUMBER	LOT NUMBER	VOUCHER NUMBER	SCHEDULE NUMBER
[redacted]-3-160B	SPBR-47(a)		

TYPE OF MICA	POUNDS PURCHASED	INITIAL PAYMENT
[X] RUBY [ ] NONRUBY	1400.00	$ 118.50

STATEMENT OF ACTUAL YIELD

QUALITY	POUNDS	PROGRAM A - VALUE STAINED MICA (B)
1. GOOD STAINED AND BETTER	2.60	
2. STAINED	25.90	$ 281.21
3. HEAVY STAINED	9.63	
4. TOTAL YIELD	38.13	

COSTS

6. RIFTING: 68 HOURS x $ 1.05 = $ 71.40

7. TRIMMING: 139½ HOURS x $ 1.10 = $ 152.35

8. RIFTING AND TRIMMING (Per pound): TOTAL COSTS (Items 6 and 7) $223.75 ÷ TOTAL YIELD (Item 4) 38.13 = COST PER LB. $ 5.87

COMPUTATION OF FINAL PAYMENT

9. POUNDS OF GOOD STAINED AND BETTER (Item 1) 2.60 x $ 37.057 PER LB. - RUBY	=	$ 96.30
10. POUNDS OF STAINED (Item 2)		NUMBER OF POUNDS 25.90
11. POUNDS OF GOOD STAINED AND BETTER (Item 1) 2.60 x 1.5 = EQUIVALENT LBS. OF STAINED		NUMBER OF POUNDS 3.90
12. DIFFERENCE (Item 10 minus 11)		NUMBER OF POUNDS 22.00
13. PROGRAM A - VALUE OF STAINED (Item 5) $ 281.21 ÷ LBS. OF STAINED (Item 2) 25.90	=	(Per lb.) $ 10.86
14. DUE SELLER ON STAINED (Item 12) 22.00 x (Item 13) $ 10.86	=	$ 238.92
15. TOTAL (Item 9 + Item 14)		$ 335.22
16. COST OF RIFTING AND TRIMMING (Item 12 x Item 8)		$ 129.14
17. GROSS AMOUNT DUE SELLER (Item 15 - Item 16)		$ 206.08
18. MAXIMUM ALLOWABLE (1400.00 lbs. X 30¢)		$ 420.00
19. INITIAL PAYMENT		$ 118.50
20. DUE [X] SELLER [ ] GOVERNMENT		$ 87.58

NAME AND LOCATION OF MINE: Baird Cove Mine, Mason County, N. C.

SELLER'S NAME AND ADDRESS (Type or print):

Baird Cove Mining Co.
Route 3, % Ralph Cunningham
Franklin, N. C.

459

APPROVED

DEPOT SUPERINTENDENT: J. P. McKinney

DATE: 12-2-60

GSA WASH D C 58-3177

GSA FORM 1013a SEPTEMBER 1957

APPROVED BY GEN. U.S. 25, 1957

GENERAL S /ICES [redacted] NINISTRATION

FINAL SETTLEMENT - PROGRAM B - MICA PURCHASE

MICA REGULATION 7, REVISION 3, AMENDMENT 2, FURTHER AMENDED BY 4 AND 8)

MICA PURCHASE DEPOT - Spruce Pine, N. C.

E PURCHASED [redacted] -20-60

ACCEPTANCE NUMBER 383-68(a) Max. $600

W A I. NUMBER	LOT NUMBER	VOUCHER NUMBER	SCHEDULE NUMBER
DMB-3-160B	SPBR-68(a)		

TYPE OF MICA	POUNDS PURCHASED	INITIAL PAYMENT
[X] RUBY [ ] NONRUBY	2884.00	$ 296.28

STATEMENT OF ACTUAL YIELD

QUALITY	POUNDS	PROGRAM A - VALUE STAINED MICA (B)
1. GOOD STAINED AND BETTER	6.97	
2. STAINED	109.90	$ 1291.30
3. HEAVY STAINED	24.07	
4. TOTAL YIELD	140.94	

COSTS

6. RIFTING: 118 HOURS x $ 1.05 = $123.90

7. TRIMMING: 344.75 HOURS x $ 1.10 = $ 379.23

8. RIFTING AND TRIMMING (Per pound)

TOTAL COSTS (Items 6 and 7) $503.13 ÷ TOTAL YIELD (Item 4) 140.94 = COST PER LB. $ 3.57

COMPUTATION OF FINAL PAYMENT

9. POUNDS OF GOOD STAINED AND BETTER (Item 1) 6.97 x $ 37.037 PER LB. - RUBY =		$ 258.15
10. POUNDS OF STAINED (Item 2)		NUMBER OF POUNDS 109.90
11. POUNDS OF GOOD STAINED AND BETTER (Item 1) 6.97 x 1.5 = EQUIVALENT LBS. OF STAINED		NUMBER OF POUNDS 10.46
12. DIFFERENCE (Item 10 minus 11)		NUMBER OF POUNDS 99.44
13. PROGRAM A - VALUE OF STAINED (Item 5) $ 1291.30 ÷ LBS. OF STAINED (Item 2) 109.90 =		(Per lb.) $ 11.75
14. DUE SELLER ON STAINED (Item 12) 99.44 x (Item 13) $ 11.75 =		$ 1168.42
15. TOTAL (Item 9 + Item 14)		$ 1426.57
16. COST OF RIFTING AND TRIMMING (Item 12 x Item 8)		$ 355.00
17. GROSS AMOUNT DUE SELLER (Item 15 - Item 16)		$ 1071.57
18. MAXIMUM ALLOWABLE (2884.00 lbs. X 30¢)		$ 865.20
19. INITIAL PAYMENT		$ 296.28
20. DUE [X] SELLER [ ] GOVERNMENT		$ 568.92

NAME AND LOCATION OF MINE

Baird Cove Mine, Mason County, N. C.

R.R.

SELLER'S NAME AND ADDRESS (Type or print)

Baird Cove Mining Co.
Route 3, % Ralph Cunningham
Franklin, N. C.

APPROVED

DEPOT SUPERINTENDENT: J. P. McKinney

DATE: 12-23-60

GSA WASH D C 58-3177

GSA FORM 1013b SEPTEMBER 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

ROOM 11 POS FILE BLDG
KNOXVILLE, TENN

July 16, 1962

Memorandum

To: George C. Selfridge, Chief, Division of Field Operations
Office of Minerals Exploration, Washington 25, D. C.

From: Robert A. Laurence

Subject: DMEA-2579 (Mica)
Mica Industries, Inc., assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idn-4459

In today's mail, I note that you have received a reply from [illegible] inquiry on DMEA-2150 (Weld and Hooker) from W. H. Hooker of Marietta, Georgia. I recall that Mr. Hooker was also associated with Frank Sierma in several early mica applications ([illegible] in DMEA-2579); and also, I believe, in other business affairs. Atlanta before Mr. Sierma went to Franklin, North Carolina, [illegible] it is possible that Mr. Hooker could provide you with Mr. [illegible] current address.

It also occurred to me that Charles M. Trammell, who was [illegible] associate of Mr. Sierma and others in the early '50's [illegible] his address. At the time, Mr. Trammell's address was [illegible] NW, Washington 6, D. C., and his telephone number was [illegible] 8-2325. I do not know if he still maintains an office in [illegible]

W. H. Hooker
104 Hemlock Drive
Marietta, Ga.

Robert A. Laurence

Robert A. Laurence

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

ROOM 11 POST OFFICE BUILDING
KNOXVILLE 2, TENNESSEE

July 12, 1962

Memorandum

To: George E. [illegible], Chief
Division of Field Operations, OME, Washington,

From: Robert A. Laurence

Subject: IPEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract I[illegible]59

Reference: Your memo of July 10.

The latest address we have for Frank Sierma, in May 1[illegible] was 200 Church Street, LaGrange, Georgia, but I am sure mail sent to him at that address was returned. I was told in 19[illegible] that he was living in Atlanta and was interested in a mica operation near Canon City, Colorado. He is not listed in the current Atlanta telephone directory.

I have no idea where Bernard Besser could be located.

Robert A. Laurence

Robert A. Laurence

JUL 10 1962

Memorandum

To: Robert A. Laurence, U. S. Geological Survey

From: Chief, Division of Field Operations

Subject: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-8459

Our letters of June 28 addressed to Messrs. Bernard Sauer and Frank Siersma have been returned by the post offices stamped "Unknown" and "Moved. Left no address", respectively.

Your advice as to any later addresses as disclosed by your files will be appreciated.

George C. Selfridge

EDTalbert/ama 7-9-62

cc:
Docket
Director's Reading File
CA & A Division
Review Committee

Mr. Paul L. Grist
Mrs. Alma Cobb Grist
Sabura Gap, Georgia

Re: [illegible]-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Ida-2459

Dear Mr. Grist and Mrs. Grist:

In a letter dated March 23, 1961, you advised that you let two different parties do exploratory work on your property known as Baird Cove Mine and that there had been no production from the mine so far as you knew.

This office is informed of two purchases of block mica made by the G.S.A. Mica Purchase Depot, Spruce Pine, North Carolina, from Baird Cove Mining Co., Route 3, c/o Ralph Cunningham, Franklin, North Carolina, described as originating from Baird Cove Mine, Macon County, North Carolina, as follows:

Lot No.	Quantity	Total Settlements	Date Approved by Depot
[illegible]-58-47(a)	1600 lbs.	$205.[illegible]	Dec. 2, 1960
[illegible]-58-68(a)	2884 lbs.	865.20	Dec. 23, 1960

The Government is entitled to receive, but has not received, $53.56 in royalty at 5 percent on the above sales of production from the property as provided in the contract and Termination Agreement, as well as the Owner's Consent to Lien dated December 10, 1952, executed by you as an inducement for the Government to enter into the exploration contract.

Will you please favor us with a remittance of the amount of $53.56 or arrange with Baird Cove Mining Co. for payment of that amount if your agreement with them provided that they should pay the royalty to the Government? Also, if there was any other production from the property subject to the payment of royalty to the Government, it should be reported and the royalty paid.

Sincerely yours,

George Fumich, Jr.
Director

CEFisher/ama
6-28-62

cc: Mr. Bernard Bauer
Bauer Mining Company
Cullasaja, N. C.

Mr. Frank Siersma
P. O. Box 336
Franklin, N. C.

Docket
Director's Reading File
CA & A Division
Region IV Files (2)

Mr. Bernard Bauer
Bauer Mining Company
Cullasaja, North Carolina
and
Mr. Frank Siersma
P. O. Box 336
Franklin, North Carolina

Re: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-8459

Gentlemen:

Enclosed is a copy of my letter of this date to Mr. Paul L. Grist and Mrs. Elise Cobb Grist, Rabun Gap, Georgia, together with a copy of a letter to each of you dated August 7, 1956, by the Administrator, Defense Minerals Exploration Administration. These letters relate to royalty due to the Government under terms of the above-referenced exploration project contract and, I believe, are self-explanatory.

This information is being furnished each of you because of your obligation as surety in the event the royalty presently due and any additional royalty that may be determined to be due to the Government cannot be collected from the seller of the production.

Sincerely yours,

George Fumich, Jr.

Director

Enclosures

CEFisher/ama 6-28-62

cc:
Docket
Director's Reading File
CA & A Division
Region IV Files (2)

Aerogram letter returned by P.O. marked "moved, left no address" 7/4/62

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	[illegible]	500
		120
		110
		100
		220

Idm-E459

June 27, 1962

Memorandum

To: E. D. Talbert, Acting Chief
Contract Administration and Audit Division

From: [illegible], OMS Auditor

Subject: Audit Trip to Spruce Pine, North Carolina

I left Washington, D. C., via Southern Railway train No. 47 at 9:00 p.m., EST, June 17, 1962. Arrival in Asheville, N. C., was about 10:00 a.m., June 18. There I secured an automobile from Avis Rent-A-Car and drove to Spruce Pine, N. C. Left Spruce Pine at 10:00 a.m., June 23, and arrived back in Washington at 5:10 a.m., June 24, via Southern Railway train No. 16.

Most of the time in Spruce Pine was spent in reviewing the purchase records of the U.S.A. Mica Purchase Depot for the purpose of determining whether any unreported purchases had been made by that Depot of production from mines on which DMSA had entered into exploration project contracts. A total of 57 contracts were assigned for this investigation.

The last purchase by the Depot under the Mica Purchase Program was made on June 7, 1962. Mr. J. P. McKinney, Depot Superintendent, stated that processing the mica on hand and making final settlements with vendors will take another 60 to 90 days before the Depot is finally closed. Mr. McKinney also advised that [illegible],972 Participation Certificates were issued and 21,609 lots of mica were purchased during the program. At June 15 the yield of strategic mica amounted to 1,51[illegible],755.75 pounds. This will increase some when all processing is completed. As of June 1 the total payments to vendors amounted to $20,526,000. This amount will be increased when final settlements have been completed.

My review of the Depot records disclosed 15 contracts under which the Government may be entitled to royalty as hereinafter discussed. The investigation failed to disclose any purchases of production from the properties covered by the remaining [illegible] contracts. Memoranda for the files have been prepared for this latter group of contracts.

63683

During the early stages of the exploration program, that is until 1957/8, the Government representatives were supervising exploration work in this mica region. They made frequent inspections of the various properties and were aware of what was happening. Mr. Beck made regular trips through the area and reminded the various parties of their royalty obligations. He checked the Depot records and often collected royalty. Several audit trips were made by representatives of this office, the last being my trip in February 1958. Mr. Beck continued his visits to the Depot and to the various operators through 1959 and subsequent investigations have been made by Messrs. Lynch and Lesure.

I believe that the reduction in royalty collections in the past 3 or 4 years may be accounted for by several circumstances:

First, a typical contract resulted in production during the exploration period and sometimes a little longer. Most of the mica exploration contracts were completed prior to 1959.

Second, some of the mica exploration contractors had repaid their entire investment charge prior to 1959 and, of course, had no further royalty obligation. (For example, the owners, Idm-5364, [illegible], operated right up to the [illegible] but stopped buying.)

Third, there was a tendency on the part of the individual miners and some of the larger operators to work properties not subject to the Government lien for royalty. [illegible] instances where the name of the [illegible] indicated that the production came from properties where [illegible] issued letters [illegible] Government. If the Government was [illegible] most of the mining [illegible] in the form of contributions to [illegible] ration costs, why [illegible] a property not subject to the Government's 5% royalty?

I visited the [illegible] Mica [illegible] Lawrence Conley, who has [illegible] many years. [illegible] the [illegible] White Face Mine (Contract [illegible] were the two lo[illegible] collected $17.74 [illegible] property-owner, [illegible] on March 1, 1961. [illegible] they expressed the opinion that no work had been done on the property since the last [illegible] was there.

The Spruce [illegible] Company operates a [illegible] plant. They primarily depend upon imported mica and this was especially true during the Government purchase program [illegible] was

concentrat[illegible] strategic [illegible] only the local material [illegible] eligible for purchase [illegible] be kept. Mr. Conley state[illegible] local miners have been in to "talk" about the [illegible] certi[illegible] mining [illegible] are "considering" the matter. He indicated that he expected some land-owner farmers would probably bring in punch from time to time as they felt the need for cash. Just another crop from the land.

B-K Associates (Contract Idm-[illegible], DMEA-[illegible]) sell punch to the Spruce Pine Mica Company. Mr. Conley hopes they will continue operations as the Grayson Mine is a good source of supply and, further, he would like to see a North Carolina operation continued. He stated that B-K Associates had a couple of punch presses (presumably in Bethel, [illegible]), but that as far as he knew they had not used them on Grayson Mine production.

Sam Phillips met with me for an hour or [illegible] Friday afternoon at the Bakee Motel. This was after the [illegible] investigation had been completed and I was satisfied that there was not much to be gained by such a meeting. Our talk was very general and limited mainly to projects in which he had been interested. He called my attention to the fact that [illegible] projects in which he was interested had repaid the Government always in full. I carefully refrained from mentioning that in at least [illegible] times as many projects, he, and his associates, had stopped mining almost as soon as the Government contributions ceased. He mentioned the [illegible] Mine (Contract Idm-[illegible]), [illegible] but I did not see a [illegible] discussion of that case.

Mr. Phillips told me that all feldspar [illegible] the area were large operations [illegible] operations and [illegible] practically impossible for the small operator to sell [illegible]. The big operators have their own adequate supplies and [illegible] to be bothered. The price is so low that the little fellow cannot afford to mine and haul his supply. Of course, with most of the mining expense was an exploration cost, some of [illegible] Mineral was sold. For example, Contract Idm-6412, [illegible] the Miners, was certified because of feldspar discovery [illegible] to Mr. Phillips the property has not [illegible] operated [illegible] completion of the exploration project.

My review of the Denver records indicated [illegible] royalty in connection with 13 contracts as follows:

Contract Idm-5311, DMEA-2377, [illegible]

I secured for our files a copy of the final settlement statement for lot No. SP4P-149(a), approved May 14, [illegible], covering purchase from

Frank W. Phillips of 1,315 pounds of block mica, yielding 51.74 pounds of trimmed mica, for which payments aggregated $394.50. A Report of Royalty Review dated April 23, 1959, indicated $19.73 unpaid royalty applicable to this sale. A copy of the document was obtained to complete the DMEA files. This sale was made from production subsequent to "abandonment" by the original operators under the contract. Under a ruling by the Solicitor's office royalty is not collectible unless the original operators should again mine the property during the repayment period.

Contract Idm-8349, DMEA-2375, Douglas M. Robinson & H. Cline West

Final settlement statement for lot No. SPAR-12(a), approved July 20, 1956, under which Robert H. Redus, Jr., 4½ Wall Street, Asheville, N. C., received a net settlement of $35.20, shows the mine name as "Summer" but does not give the location of the mine. This contract covered exploration at the Swannanoa Mine. According to the contract and the Landlord's Subordination Agreement executed by T. B. Sumner, that mine is located in Buncombe County, N. C. Asheville is the county seat of Buncombe County. It is believed that the sale by Mr. Redus covered production from Swannanoa Mine, reported by him under the mine owner's name, and erroneously shown as Summer Mine on the settlement sheet.

On March 11, 1955, Mr. Beck and I called upon Mr. Sumner whose address is Sumner & Foster, Inc., Haywood Building, Asheville, N. C., and found him to be very cooperative in furnishing information about sales from the Swannanoa Mine on which he had received royalty as owner of the property. I suggest that he be contacted regarding the sale by Redus and asked if there is any other production on which the Government is entitled to royalty. This project was certified because of reserves of feldspar.

Contract Idm-8431, DMEA-2610, Dixie Minerals, Inc.

Final settlement statement was obtained for lot No. SPAR-229(a), approved August 6, 1956, under which Jackson Mining Company, Box 962, Sylva, N. C., received payments aggregating $272.12. This settlement statement shows the mine name as Shell Ridge, but does not give the location of the mine. Contract Idm-8431 covered exploration at the Shell Ridge Mine located in Jackson County, N. C., of which Sylva is the county seat.

Contract Idm-8459, DMEA-2579, Mica Industries, Inc.

Final settlement sheets SPBR-47(a), approved December 2, 1960, and SPBR-68(a), approved December 23, 1960, covered payments aggregating

$206.08 and $865.20, respectively, for mica sold by Baird Cove Mining Company, Route 3, c/o Ralph Cunningham, Franklin, N. C. The name and location of the mine are shown as Baird Cove Mine, Macon County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-E495, DMEA-2793, Burns-Spangler Construction Co.

Final settlement sheet SPAR-157(a), approved September 18, 1958, covered payments aggregating $136.64 to Ed Burleson, Box 265, Bakersville, N. C. The name and location of the mine are shown as Lee Cornwell, Cleveland County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-E548, DMEA-2921, Fred Taylor, Julian Greene & Johnnie Greene

Final settlement sheet SPAR-547(a), approved May 8, 1959, covered payment of $214.14 to Lewis Aldridge, Spruce Pine, N. C. The name and location of the mine are shown as Cow Camp, Avery County, N. C., which is in agreement with the description of the mine in the exploration contract.

Contract Idm-E557, DMEA-3000, B. T. R. Mining Company

Check dated June 14, 1962, from B-K Associates brought royalty receipts under this contract up to $4,279.39 or within $130.61 of the total Government contribution.

The Depot records indicated additional purchases from B-K Associates as follows:

Date	Lot No.	Amount	
6/7/62	SPAR-496	$2,145.16	Final
6/15/62	" -512	1,214.58	"
4/5/62	" -523	1,1[illegible].98	Preliminary
4/12/62	" -530	1,191.30	"
4/19/62	" -537	9[illegible].32	"
4/26/62	" -542	875.89	"
5/3/62	" -547	966.57	"
5/10/62	" -560	842.03	"
5/18/62	" -566	917.21	"
6/1/62	" -591	435.49	"
6/5/62	" -599	236.26	"
6/7/62	" -607	279.04	"
4/5/62	SPAO-156	222.24	"
4/12/62	" -161	296.28	"

[illegible] Contract [illegible], [illegible]-3182, [illegible]

[illegible] paid to [illegible] in connection with the following [illegible] statements:

[illegible]	[illegible]	[illegible]	Amount
[illegible]	[illegible]	[illegible], Ala.	$[illegible],019.20
[illegible]	[illegible]	" "	455.57
[illegible]	[illegible]	" "	861.37
" [illegible]-14(a)	[illegible]	L. T. [illegible], Rt. 2, Columbiana, Ala.	157.82
" [illegible]	[illegible]	" " "	649.37
" [illegible]	[illegible]	" " "	356.95

Contract [illegible], [illegible]-[illegible], [illegible] et al.

Final [illegible] approved August 24, 1965, [illegible] amounts aggregating $[illegible] to [illegible] Burleson & [illegible], c/o [illegible], Bruce Fire, N. C. [illegible] of the [illegible] Johnson Mine, [illegible], which [illegible] the description of the [illegible] exploration was [illegible].

Contract [illegible], [illegible]-[illegible]40, [illegible] et al.

[illegible] approved January [illegible] amounts [illegible] Grindstaff, [illegible] the name [illegible] are [illegible], [illegible] Co., N. C., [illegible] with the [illegible] which [illegible].

Contract [illegible], [illegible]-4337, Hawk Mining [illegible]

Royalty [illegible] paid to the Government in connection with the following [illegible] statements:

Lot No.	Date Received	Seller	Amount
[illegible]-475(a)	4/18/59	J. E. Wilson, c/o Mitchell Lumber Co., Spruce Pine, N. C.	$ 114.80
[illegible]	[illegible]	" " " "	594.62
[illegible]	[illegible]	" " " "	1,070.75*
[illegible]	[illegible]	" " " "	302.37*

* [illegible] production from various mines. Amounts applicable to [illegible] are $[illegible] and $[illegible], respectively.

Contract Idm-E665, DMEA-3216, Hector Mining Company

Final settlement sheets for lots SPAO-10(a) and SPAO-14(a), approved September 7, 1960, covered payments aggregating $195.70 and $141.11, respectively, to Dan Allen, Route 2, Burnsville, N. C. The name and location of the mine are shown as Hector Mine, Yancey County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-E734, DMEA-3452, Howard Boone & John Jarrett

Final settlement sheet for lot SPAR-359(a), approved December 1, 1959, covered payments aggregating $101.31 to Persley & Grindstaff, c/o Ray Grindstaff, Route 3, Bakersville, N. C. The name and location of the mine are shown as Putman, Mitchell County, N. C., which is in agreement with the description of the mine in which exploration was performed.

The following is furnished for your use in the unlikely event you may find it necessary to secure additional information regarding purchases by the Spruce Pine Depot.

Mr. McKinney stated that he does not know what is to become of the Spruce Pine Depot records when the Depot is finally closed. He is recommending that the copies of settlement statements and supporting papers maintained at the Depot be destroyed as they are duplicates of original documents on which disbursements were made. The original documents are in the custody of:

General Services Administration, Region 3
Office of Regional Comptroller
Document Control and Collections Section
Room 6238, Regional Office Building
7th and D Streets, S. W.
Washington 25, D. C.

During the purchase program it was the practice to furnish copies of all settlement sheets to:

Mr. Avery H. Reed, Jr., Chief
Knoxville Field Office
Division of Mineral Industries
Bureau of Mines
404 Hamilton Bank Building
Knoxville 2, Tennessee

I understand that these copies were used by the Bureau of Mines to compile statistical data relating to production from the various mines. I do not have any information regarding the ultimate disposition made of these copies.

CHFisher/ama 6-27-62

cc:
Mails and Files
Director's Reading File
CA & A Division
Region IV Files (2)

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E459, Docket DMEA-2579 (mica), dated December 12, 1952, with

Bauer Mining Company
P. O. Box 336, Franklin, North Carolina
and its assignee
Mica Industries, Inc.
c/o Mr. John T. Fizzano, General Manager
Minerals Processing Company
Crum Lynne, Pennsylvania

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as the Baird Mica Mine located in Macon County, North Carolina, during the period December 12, 1952, through April 21, 1961.

In accordance with Article 4 of a termination agreement dated November 14, 1955, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated February 1, 1956, indicated accepted costs under the exploration contract amounting to $3,180.13 with the Government's contribution, on a 90 percent basis, being $2,862.12.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review disclosed no sales of production for the period; therefore, at April 21, 1961, the royalty account of this project was found to be:

Total Royalty Due	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

October 27, 1961

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The original Operator under this contract, the Bauer Mining Company, was a partnership composed of Bernard Bauer, Cullasaja, North Carolina, and Frank Siersma, P. O. Box 336, Franklin, North Carolina. On April 27, 1953, the partnership assigned the contract to Mica Industries, Inc., whose address was then Franklin, North Carolina, and whose president was Frank Siersma. The assignment included the assignor's consent "to any and all future amendments to the said contract". The Government consented to the assignment "without releasing the Operator from any of the terms, provisions, and conditions of the said Exploration Project Contract".

Although no certification of discovery or development was issued, the November 14, 1955, termination agreement waived the certification requirements and specifically provided that the Operator, as principal if the producer or as surety if not the producer, should pay the Government's percentage royalty under the same conditions as if a certification had been made. In an opinion dated July 30, 1956, the Associate Solicitor, Division of Mineral Resources, held that both the Operator-Assignors and the Operator-Assignee were bound by this provision of the termination agreement.

This same opinion, however, held that the payment of royalty was no longer secured by a lien on the land. The Owner's Consent to Lien, as executed on December 10, 1952, by Paul L. Grist and Eliza Cobb Grist, secured the payment of royalty "provided for under the terms of said exploration contract, or any amendment thereof which does not * * * * alter the provisions for repayment". The termination agreement altered the repayment provisions of the contract.

During the latter part of 1953 Mica Industries, Inc., became a wholly-owned subsidiary of Minerals Processing Company with address at that time at Franklin, North Carolina, but later at Crum Lynne, Pennsylvania. The Operator-Assignee subsequently went bankrupt and relinquished its lease of the property. The property thereafter was leased by Sam L. Phillips, who sold his lease to M. E. Burleson of Spruce Pine, North Carolina.

This review of the records disclosed no sales of production during the exploration work or thereafter through April 21, 1961. The only activity, since work under the contract was terminated in December 1955, has been some further prospecting and exploration work during 1958, 1959, and 1960, the last work reportedly being done by a Ralph Cunningham of Franklin, North Carolina.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate that no production from the property has been sold since the date of the exploration project contract; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

OCT 31 1961

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary

From: Chief, Division of Field Operations, GSE

Subject: DMEA -2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Mecklenburg County, North Carolina
Contract Ldm-5A59

Attached for your files is the original of a Report of Royalty Review on the subject contract.

George C. Selfridge

Attachment

GCSelfridge/hb (10/31/61)
Copy to: Docket DMEA-2579
Director's Reading File
CA & A Division
G. C. Selfridge
R. A. Lawrence, Region IV w/cys of Report of Royalty Review dtd 10/27/61; original memo dtd 10/27/61 by Chief, CA&A Div., to Chief, Div. of Field Operations; and Report of Inspection dtd 5/18/61 by Frank G. Lesure.
V. J. Lynch w/cys of all listed for Mr. Lawrence.

OCT 2 7 1961

Memorandum

To: Chief, Division of Field Operations

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-2979 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-8459

Attached are the original and one copy of a Report of Royalty Review covering the subject Region IV contract. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary; and

(b) Copy to Region IV files.

This report is for OME record purposes only; therefore, no copy has been provided for the Operator.

As evidence of your concurrence, a copy of your memorandum transmitting the original of this report to the Department's Fiscal Section should be furnished this Division. If for any reason you do not concur, the original and copy should be returned to this Division with your comments.

Attachments

EDTalbert/ama
October 27, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Denver Mining Company
P. O. Box 336, Franklin, N. C.
and their assignees:
Mica Industries, Inc.
P. O. Box 33, Franklin, N. C.

pertaining to Exploration Project Contract No. DMA-2459, Docket No. DMEA-2579, including Amendment Nos. 1, 2, 3, 4, and 5, for the months of December 1952, to December 1953, inclusive, covering a project for the exploration of mica on property, known as the Baird Mica Mine, located in Macon County, North Carolina.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of Region V, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to value of the contract or the estimated amount of possible additional disallowances thereunder;
(b) the Monthly Reports were supported by documentary proof of the costs incurred under the contract; and
(c) a major portion ($2,969.13) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$3,283.00
Exceptions:		
By DMEA Finance Officer	$102.87	
Herewith	-0-	102.87
Total Accepted Cost		$3,180.13

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of two thousand eight hundred sixty-two and 12/100 Dollars

$2,862.12

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

February 1, 1956

C. E. Fisher, Auditor

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
SEP 28 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of AUGUST 1953 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name MICA INDUSTRIES INC. Minerals MICA
Address P. O. Box 336 Franklin, N. C.
Contract Amount, $ 9,100.- Government Participation: 90% Amount, $ 8,190.-

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		175.	175.		175.00	175.00
Crosscutting						
Drifting Shafting	680.	1880.	2560.	577.13	1,880.00	2,457.13
(2) Labor and Supervision:						
Labor						
Supervision		36.	36.		36.00	36.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	136.	376. ~~512.~~	512.	136.00	376.00	512.00
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	~~816.~~	~~2467.~~	~~3283.~~	713.13 ~~846.00~~ was	2467.00 ~~2467.00~~ was	3,180.13 ~~3283.00~~ was

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-16

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9/1/53 *Payee MICA INDUSTRIES INC.
Per W. E. Mashburn Title Vice President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 641.82
$ ~~734.40~~ was
Cora A. Jones
Signature (Authorized Certifying Officer)
Date SEP 23 1953 Vou. No. 84
(See other side)

5

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tm-E459 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S. Bom Date Sept. 4, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date SEP 9 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of AUGUST 195 3 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name MICA INDUSTRIES INC. Minerals MICA
Address P. O. Box 336 Franklin, N.C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising		577.13		2487.13		38.39	20	28.57
Shafts	ft	~~680.~~ was	17	~~2560.~~ was	64	~~2560.~~ was	55 ~~75~~ was	40.00 ~~40.-~~ was
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	hr			175.	17½	175.	20	10.-
~~Test Pits~~ Labor etc.	hr			36.	24	36.	24	1.50
Roads and Trails								
Timbering	ft	136.	17	512.	64	512.	75	8.-
Total Distributed Costs		713.13 ~~816.~~ was		3180.13 ~~3283.~~ was				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		713.13 ~~816.~~ was		3180.13 ~~3283.~~ was				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 9/1/53 Operator Mica Industries Inc.

Per N E Mashburn Title Vice President

NOTE.—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.

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

RX

9/1/53

MICA INDUSTRIES INC.
P. O. BOX 336
FRANKLIN, N. C.

DOCKET NO. DMEA - 2579

CONTRACT NO. Idm-E 459

PROGRESS REPORT FOR AUGUST - 1953.

Completed 17 feet of shafting & timbering.

- 64 feet completed to date -

Work is now through quartz which is very large. Now on north side of vein, which is dipping south; shaft is following vein.

- - - - -

EXECUTIVE OFFICER
DMEA REGION VII
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

September 15, 1953

Mr. W. E. Mashburn, Vice Pres.
Mica Industries Inc.
P.O. Box 336
Franklin, N. C.

Ref: DMA A-2579, Idm-E459 (mica)

Dear Mr. Mashburn:

Your August monthly report and voucher is being sent to the Finance Officer today for payment.

Because the size of your shaft has been reduced from 5' x 7', as specified in the contract to 5' x 5', that portion of your shaft sinking below 55' will be paid on a proportional basis. All shaft sinking on the 5' x 5' size will be paid at 5/7 of $40.00 or $28.57 per foot. On this months report you claim 17 feet of shaft sinking of which 8 feet was 5' x 7' and 9' was 5' x 5' in size. Therefore, shaft sinking for the month has been changed from $680.00 to $577.13. The items under shafting will now be $577.13, $1880.00 and $2,457.13, and your totals at the bottom of the page $713.13, $2,167.00 and $3,180.13. Please change your copy of the MF-104 and MF-104A to conform with ours.

Very truly yours,

Wm. A. Beck, for R. A. Laurence
Executive Officer, DMEA Field Team
Region 7

WAB/mm
Finance Office-3
Beck
Lynch
Laurence

EXECUTIVE OFFICER
DMEA REGION VII
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

September 15, 1953

Memorandum

To: Helen Miller, Administrative Officer

From: Wm. A. Beck

Subject: Corrected Monthly Report for August on DMEA-2579, Idm-E459
Mica Industries.

Transmitted herewith are original and two corrected copies of the subject report and voucher.

After sinking the shaft to a depth of 55 feet its dimensions were reduced from 5' x 7' to 5' x 5'. The allowance for shaft sinking has been reduced in proportion to its size. Thus, instead of paying $40.00 per foot for sinking the 5' x 5' shaft we are paying 5/7 of $40.00 or $28.57 per foot. The rate of $8.00 for timbering will remain the same.

In a telephone conversation between Mr. R. A. Laurence and Mr. L. G. Houk, Chief Non-Metallic Minerals Division on September 14, 1953, Mr. Houk advised the above procedure.

WAB

WAB/xx

Finance Office-3

Lynch

Beck

Laurence

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R10303.
Approval expires 6-30-53.

PAID ON VOUCHER & SCHEDULE
PAYMENTS K-8

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JULY, 1953 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name MICA INDUSTRIES INC. Minerals MICA
Address P.O. BOX 336 Franklin, N. C.
Contract Amount, $9,100.00 Government Participation: 90% Amount, $8,190.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		175.-	175.-			
Crosscutting						
Drifting						
Shafting	200.-	1680.-	1880.-			
(2) Labor and Supervision:						
Labor						
Supervision					36.00	36.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	40.-	336.-	376.-			
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	240.-	2191.-	2431.-	240.00	2,227.00	2,467.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8/3/53 *Payee MICA INDUSTRIES INC.
Per N. E. Marshburn Title VICE PRESIDENT

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$216.00
Signature Cora A. Piper (Authorized Certifying Officer)
Date AUG 13 1953 Vou. No. 37
(See other side)

24.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E459 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Aug. 5, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lamman Title EXECUTIVE OFFICER DMEA REGION VII Date AUG 6 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JULY 1953 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name MICA INDUSTRIES INC. Minerals MICA
Address P. O. BOX 336 Franklin, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	ft	200.-	5	1880.-	47	1880.-	75.	40.-
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	hr.			175.-	17½	175.-	20	10.-
Test ~~Pits~~ Labor etc.	hr.			36.-	24	36.-	24	1.50
Roads and Trails								
Timbering	ft.	40.-	5	376.-	47	376.-	75	8.-
TOTAL DISTRIBUTED COSTS		240.-		2467.-				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		240.-		2467.-				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 8/3/53 Operator MICA INDUSTRIES INC.

Per N E Marshburn Title VICE PRESIDENT

REMARKS:

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

8/3/53 NF-104A

MICA INDUSTRIES INC.
P. O. BOX 336
FRANKLIN, N. C.

DOCKET NO. DMEA- 2579 CONTRACT NO. Idr-7 459

PROGRESS REPORT - JULY - 1953

WORK ACCOMPLISHED

July 28 to 31. 5 ft. of shafting
5 ft. of timbering

Formation is becoming harder; now in vein material.

Found small blocks of mica.

Quartz beginning to appear in small formations.

- - -

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

MAY 14 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of APRIL, 1953 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name MICA INDUSTRIES INC. (Assigned from Bauer Mining) Minerals MICA
Address P. O. Box 336 FRANKLIN, N. C.
Contract Amount, $ 9,100.00 Government Participation: 90 % Amount, $ 8,190.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		175.00	175.00			
Crosscutting						
Drifting						
Shafting	1080.-	600.00	1680.00			
(2) Labor and Supervision:						
Labor						
Supervision		36.00	36.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	216.-	120.00	336.00			
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1296.-	931.00	2227.00	1,296.00	931.00	2,227.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date May 2, 1953 *Payee MICA INDUSTRIES INC.

Per Frank Dressler Title PRESIDENT

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$1,166.40

Signature Cora A. Piper
(Authorized Certifying Officer)

Date MAY 8 1953 Vou. No. 160
(See other side)

129.60

3

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E459 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date May 5, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Wm. M. Beck Title ACTING EXECUTIVE OFFICER DMEA REGION VII Date MAY 8 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 14 1953

Month of APRIL 1953 Docket No. DMEA 2579 Contract No. Iom-E 459
Operator's Name MICA INDUSTRIES INC. (Ass'd from Bauer Mining Co.) Minerals MICA
Address P. O. BOX 336 FRANKLIN, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	1080.-	27	1680.00	42	1680.-	75	40.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	HR.			175.00	17½	175.-	20	10.00
Test Pits Labor etc.	HR.			36.00	24	36.00	24	1.50
Roads and Trails								
Timbering	FT.	216.-	27	336.00	42	336.00	75	8.00
TOTAL DISTRIBUTED COSTS		1296.-		2227.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1296.-		2227.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date May 2, 1953 Operator MICA INDUSTRIES INC.

Per Frank Siersma Title PRESIDENT

NOTE.—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.

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To-Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

5/2/53 MF-104A MICA INDUSTRIES INC. P.O.BOX 396 FRANKLIN, N.C.

DOCKET NO. DMEA-2579 CONTRACT NO. 14m-X 459

NOTE: CONTRACT ASSIGNED FROM BAUER MINING CO., TO MICA INDUSTRIES - APRIL 27, 1953.

PROGRESS REPORT - APRIL 1953

Work Accomplished

Continued shafting in accordance with terms and conditions of Contract.

Footage made during the periord was low because:

1. Very bad ground; thin and "soupy".
2. Breakage of 3 pumps.

Ground pressure has become very strong but completed shafting and timbering 27 additional feet, to a total depth of 42 feet.

Cost of work performed

27' Shafting @ $40.00	$1080.00
27' Timbering @ $8.00	216.00
TOTAL	$1296.00

It is hoped that mica will be encountered within 6' to 12' of furtherm shafting, and that the formation will become harder.

- - -

RECEIVED
MAY 8 1953
U.S. BUREAU OF MINES
DEC. MIN. ADM.
Knoxville, Tennessee

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 27 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of MARCH 1953 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name BAUER MINING COMPANY Minerals MICA
Address P. O. Box 336 Franklin, N. C.
Contract Amount, $9,100.00 Government Participation: 90 % Amount, $8,190.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		175.-	175.-			
Crosscutting						
Drifting						
Shafting	600.-		600.-			
(2) Labor and Supervision:						
Labor						
Supervision		36.-	36.-			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	120.-		120.-			
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	720.-	211.00	931.-	720.00	211.00	931.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 4/10/53 *Payee BAUER MINING COMPANY

Per Frank Bauer Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 648.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date APR 20 1953 Vou. No. 145

(See other side)

72.00

2

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E459 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date April 13, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date APR 16 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

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Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

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Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 27 1953

Month of MARCH 193 Docket No. DMEA 2579 Contract No. DMA-E 459
Operator's Name BAUER MINING COMPANY Minerals
Address P.O. BOX 336 FRANKLIN, N. C. MICA

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	600.-	15	600.-	15	600.-	75	40.00 ~~50.00~~
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	Hr.			175.-	17½	175.-	20	10.00
~~xxxxxx~~ts Labor etc.	Hr.			36.-	24	36.-	24	1.50
Roads and Trails								
Timbering	Ft.	120.-	15	120.-	15	120.-	75	8.00
TOTAL DISTRIBUTED COSTS		720.-		931.-				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		720.-		931.-				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 4/10/53 Operator BAUER MINING COMPANY

Per Frank Sessoms Title Partner

REMARKS:

→ NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

4/10/53 MP-104A BAUER MINING COMPANY BOX 336 FRANKLIN, N.C.

PROGRESS REPORT - MARCH 1953. DOCKET NO. DMEA 2579 Idm-B 459

Work Accomplished

Moved in, erected and installed:

Hoist, Pump, Boom, Tool House (10' x 16'), floored ground, installed piping, electric line & power, dug trenching to dispose of water into branch.

Constructed 15 feet of shaft, fully timbered, with manholes; in accordance with contract.

Cost of Work Performed

15 feet of Shafting @ $40.00	$ 600.00
15 feet of Timbering @ $8.00	120.00
	$ 720.00

Work is progressing very satisfactorily. Setting-up of equipment and machinery is about completed. Future work will be on shafting.

- - - - -

Form MF-1[illegible]
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1952 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name Bauer Mining Company Minerals LICA
Address P. O. Box 336 Franklin, N. C.
Contract Amount, $ 9,100.00 Government Participation: 90% Amount, $ 8,190.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	$175.00	-	$ 175.00	175.00	—	175.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor / Supervision	36.00	-	36.00	36.00	—	36.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	211.00		$ 211.00	211.00		211.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 1/2/53 *Payee Bauer Mining Company

Per [signature] Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 189.90

Signature
(Authorized Certifying Officer)

Date 1/9 Vou. No.
(See other side)

21.10

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E459 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Jan. 6, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title Executive Officer Date JAN 8 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF–104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF–104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF–104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF–104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF–200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF–200; and delete word "Independent" if the contract reported is on Form MF–200 (A). Also, report work paid for on a unit basis under contract Form MF–200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF–104 when submitted for reimbursable expenses incurred under contract Form MF–200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF–200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF–104 is required to be documented. The four copies of Form MF–104 are not to be thus supported.

Form MF–104 submitted for reimbursement under fixed price contracts on Form MF–200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF–104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form DF-10
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 195 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name BAUER MINING COMPANY Minerals Mica
Address P. O. BOX 336 FRANKLIN, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	Hr.	$175.00	17½	$175.00	17½		20	$ 10.00
Test Pits								
Roads and Trails								
Labor & Supervision	Hr.	36.00	24	36.00	24		24	1.50
TOTAL DISTRIBUTED COSTS		$211.00		$211.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$211.00		$211.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 1/2/53 Operator Bauer Mining Company

Per Frank Bressler Title Partner

REMARKS:

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Room 13, Post Office Building
Knoxville 2, Tennessee

January 8, 1953

Frank Siersma
Bauer Mining Co.
Box 336
Franklin, N. C.

Re: DMEA-2579, Idm-E459 (mica)

Dear Mr. Siersma:

Your December voucher for work under exploration contract Idm-E459 has been received, approved, and forwarded to the Finance Office for payment of $189.90 (90% of $211.00).

Please submit with your next month's voucher a receipted invoice for $175.00 for bulldozer rental. This will be necessary in accordance with auditing requirements.

Very truly yours,

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

RAL/zm
cc:
Beck
Lynch
Norris-3
Files

1/2/53 FORM MF-104A BAUER MINING COMPANY P.O. BOX 336 FRANKLIN, N.C.

OPERATOR'S PROGRESS REPORT - DECEMBER 1952 DMEA-2579 Idm-E 459

Work Accomplished

Due to the terrain of the ground, and nearness to road of proposed trenching, a slight change from the intended work to be done in Stage 1 - was made with approval of the Field Team. A trench approximately 15 feet wide at the North end and 20 feet wide at the South end, to an approximate depth of 7 feet, has been completed; prepared to allow for suitable drainage. The vein has been exposed at the North end of strip. Property is in condition for shafting.

Daily Notes

Dec. 30. Bulldozer moved in and started work.

Dec. 31. Bulldozing continued.

Jan. 1. Bulldozing completed.

Cost of work performed

Macon Mica Company, Franklin, N. C.

17½ hrs. bulldozing @ $10.00 per hr.	$ 175.00
Norman Mashburn, Franklin, N. C.	
24 hrs. Labor & Supervision @ $1.50 hr.	36.00
TOTAL COST	$ 211.00

STAGE 1 HAS BEEN COMPLETED IN ACCORDANCE WITH CONTRACT.

STAGE 11 WILL COMMENCE AFTER VISITATION BY FIELD TEAM.

- - - - - - - -

JAN 1 1 1963

Mica Industries, Inc., Assignee
c/o Mr. John T. Fleming, General Manager
Minerals Processing Company
Chester Pike and Angele Avenue
Crum Lynne, Pennsylvania

Re: DMSA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract I-Sm-8499

Gentlemen:

By the terms of the subject Exploration Contract, as amended, and the Termination Agreement dated November 14, 1955, all minerals mined or produced from December 11, 1952, to December 11, 1962, were subject to the Government's royalty as set forth in the said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Director

SPMalt/nm
1-10-63
cc: Director's Reading File
Region IV (2)
✓CMM Division
Docket
Code 500
Mr. Paul Grist and Mrs. Elizabeth Cobb Grist,
Auburn Dam, Georgia

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

AUG - 7 1956

Mica Industries, Inc.
c/o Mr. John T. Finnane
General Manager
Minerals Processing Company
Cross Lanes, Pennsylvania

Re: Docket No. DMEA-2579 (mica)
Mica Industries, Inc., Assignee
Baird Cove Mine
Mason County, North Carolina
Contract No. [illegible]

Gentlemen:

By the terms of the Termination Agreement dated November 14, 1955, Mica Industries, Inc., which by assignment is the Operator under the contract, is obligated to pay to the Government the percentage royalty, as set forth in the contract, on all minerals mined or produced from the land described therein, until the sum of $2,[illegible].12 is paid or until December 11, 1962, whichever occurs first. If the minerals are produced by someone other than Mica Industries, Inc., during that time, Mica Industries, Inc., would be liable as surety for such royalty, if it is not paid by the producer thereof.

To protect its right to such royalty, the Government also has a lien on the legal interest in the land possessed by Mica Industries, Inc. If Mica Industries, Inc., assigns its interest in the land, the assignee, of course, would also be subject to paying the aforesaid royalty to the Government on any production therefrom to the extent of the Government's lien.

Royalty payments should be made to Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, and checks should be drawn payable to the Defense Minerals Exploration Administration.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of ore sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

Sincerely yours,

C. O. Mittendorf

Administrator

Fladrich/cmd 7/19/56
Copy to: DMEA Docket
Adm. R. File
Operating Committee
Mr. Dietrich
Mr. Hilliggard
Field Team, Reg. V (2)
Mr. Chambers
Mr. Beck Mr. Beyer Mr. Indritz chron. pending

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

140

AUG - 7 1956

Mr. Bernard Bauer

Cullasaja, North Carolina

and

Mr. Frank Sierens
P. O. Box 335
Franklin, North Carolina

Re: Docket No. DMEA-2379 (Mica)
Mica Industries, Inc., Assignee
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-2459

Gentlemen:

This letter is intended to inform you that you may be liable, as surety, to pay royalty to the Government on all minerals mined or produced in the 10 year period from December 11, 1952, to December 11, 1962, from the land described in Contract No. Idm-2459 dated December 11, 1952, if the producer of the minerals fails to pay such royalty. The amount of such royalty liability may total as much as $2,262.12. You would not be liable for such royalty if the producer of the minerals pays the royalty.

The basis for your obligation as surety is as follows: Payment of royalty is prescribed in Contract No. Idm-2459 which you entered into on December 11, 1952, and subsequently assigned to Mica Industries, Inc., by an assignment dated April 27, 1953, subject to the Government's consent thereto. In said assignment you consented to any and all future amendments to the said contract. Under date of April 6, 1953, the Government consented to the assignment without releasing the Operator (i.e., Bernard Bauer and Frank Sierens) from any of the terms, provisions, and conditions of the said Exploration Project Contract.

The contract was terminated by Termination Agreement dated November 14, 1955, subject, among other matters, to section 4 of said Agreement which reads as follows:

"4. The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived."

By virtue of this provision, and the terms of the contract, the Operator is obligated to pay to the Government the percentage royalty, as set forth in the contract, on all minerals mined or produced from the land described in the contract, until the sum of $2,862.12 is paid or until December 11, 1962, whichever occurs first. If the royalty is not paid by the producer of the minerals, you would be liable for such royalty as surety.

Any royalty payments made by you pursuant to such surety obligation should be made to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, by checks drawn payable to the Defense Minerals Exploration Administration. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of ore sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

Sincerely yours,

C. O. Mittendorf

Administrator

PIndritz/emd
7/19/56
Rewritten 8/3/56
PIndritz:bbt

Copy to: DMEA Docket
Adm. R. File
Operating Committee
Mr. Dietrich
Mr. Kiilsgaard
Field Team, Reg. V (2)
Mr. Chambers
Mr. Houk
Mr. Dwyer
Mr. Indritz
chron.
pending

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

JUL 30 1956

Memorandum

To: The Administrator, BMRA
Attention: Chief, Nonmetallic Minerals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Liability of owner's interest to lien for payment of royalty to Government - Docket No. BMRA-2579 (mica)
Mica Industries, Inc., Assignee, Contract Ldn-2439

Contract Ldn-2439, dated December 11, 1952, was entered into with Messrs. Bauer and Sierens. The latter had a possessory interest in the land by virtue of a 10-years lease from Paul L. Grist and Eliza Cobb Grist dated December 13, 1952. On December 11, 1952, the Grists executed a Consent to Lien granting a lien to the Government on the land involved. This lien was to secure payment to the Government of the percentage royalty on production provided for "under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated /$8,199/ or alter the provisions for repayment . . ."

Bauer subsequently transferred his interest in the lease to Sierens, and thereafter Sierens, by instrument dated February 14, 1953, transferred his interest in the lease to Mica Industries, Inc. Meters. Bauer and Sierens assigned their interest in the Exploration Project Contract to Mica Industries, Inc., by an assignment dated April 27, 1953, and agreed in such assignment "to any and all future amendments to the said contract." The Government consented to the latter assignment on April 6, 1953, without releasing Bauer and Sierens "from any of the terms, provisions, and conditions of the said Exploration Project Contract."

By Termination Agreement dated November 14, 1955, the Assignee, Mica Industries, Inc., and the Government agreed to terminate the Exploration Project Contract, subject, however, among other matters, to Section 4 of the Termination Agreement, reading as follows:

"4. The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on

production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived."

The effect of the latter provision was to waive the provision for certification contained in the Exploration Project Contract, and to subject the land and persons involved to all repayment provisions of the contract as if a certification had been made.

The Operator-Assignee, Mica Industries, Inc., clearly had the power to execute such waiver of certification, insofar as subjecting itself to liability for royalty payments to the Government, and insofar as subjecting its leasehold interest to the Government's lien for such royalty. Moreover, by virtue of the consent given by Bauer and Sierens to any future amendment to the Exploration Project Contract, the assignee had the power to waive certification insofar as concerns the liability of Bauer and Sierens as surety for the payment of royalty to the Government.

However, the assignee had no such power with respect to the lessor's interest in the land. The Consent to Lien executed by the Grists was specifically conditioned upon the terms of the Exploration Project Contract and "any amendment thereof which does not....alter the provisions for repayment...." Under the Exploration Project Contract, no repayment obligation arose until there had been a certification of discovery or development. The waiver of certification executed by the assignee completely altered this provision for repayment. Hence, the Consent to Lien, conditioned as it was on the repayment provisions of the Exploration Project Contract, including the requirement of certification and the making of such certification, did not give the Government a lien that would be effective simply on the basis of the waiver executed by the assignee, Mica Industries, Inc. No certification has been made under this Exploration Project Contract. A certification cannot now be made since the Termination Agreement which terminated all obligations of the parties under the Exploration Project Contract except as specifically provided in the Termination Agreement, did not make provision for a certification.

Accordingly, it is our opinion that the Government does not now have a lien on the lessor's interest in the land, although it does have a lien on the lessee's interest in the land which Mica Industries, Inc., as assignee, has under the lease of December 13, 1952.

We have prepared letters to Mica Industries, Inc. and to Bauer and Sierens advising them of their possible liabilities for royalty, and of the Government's lien on the leasehold interest, but we have not prepared a letter to the Grists concerning a lien on their interest in the land.

Robert P. Dwyer

PIndritz/and/wog
July 27, 1956
Copy to: BMMA Docket
Solicitor's Docket (2)
LGHauk (2)
G.C.Selfridge
J.L.Chambers
RPDwyer
PIndritz
Chron.

Government's copy

RECEIVED

NOV 3 1 1955

TERMINATION AGREEMENT

It is agreed this 14th day of November, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mica Industries, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E459, Docket No. DMEA-2579, dated December 11, 1952, hereinafter called the "Contract," that:

1. Effective JAN 1 1954, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date shall be for the sole account of the Operator without contribution by the Government.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract.

4. The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitchell Dorr
Administrator, Defense Minerals Exploration Administration

MICA INDUSTRIES, INC.

By [illegible] Pres.

[illegible] Simpson Pres.

[illegible] T. [illegible]

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

JAN 25 1955

Mr. Guy Houk, President
Mica Industries, Inc.
P. O. Box 449
Franklin, North Carolina

Re: Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina

Dear Mr. Houk:

On November 23, 1954, this office wrote Mr. Frank Sierema, former president of Mica Industries, Inc., that the Government would not be disposed to grant additional extensions of time for performing the work, and inquired as to the company's intentions with respect to resuming work under the subject contract. We now note in our file a copy of a letter dated May 31, 1954, from Mr. Sierema to our Executive Officer, Mr. Laurence, at Knoxville, Tennessee, stating that you are in charge of this matter and that communications should be addressed to you at the above address. We assume that you have seen the letter of November 23, 1954, to Mr. Sierema.

Mica Industries, Inc., has long been in default under the provisions of the subject contract, and it is now necessary that the matter be wound up promptly in some manner. We perceive two possible alternatives:

1. We would be disposed to terminate the contract with you by agreement providing the termination agreement contains a provision that you will be responsible for the payment of any royalties that may accrue upon production from the property regardless of any certification of discovery or development by the Government.

2. The Government could give you a notice of rescission of the contract for your default thereunder, with a demand for the payment of all money contributed. If the money was not promptly paid, the account would be referred to the Attorney General for collection.

Mr. Chambers

Please favor us with a prompt reply to this letter. In the absence of a prompt reply we shall deem it necessary to proceed on the second alternative.

Sincerely yours,

C. O. Mittendorf

Administrator

JLHoffland/end
1/19/54

Copy to: DMEA Docket
Solicitor's Docket
Adm. R. File
Operating Committee
Mr. Dietrich
Mr. Kiilsgaard
Mr. Chambers
Mr. Houk
Field Team, Reg. V (2)
J. L. Hoffland
ahrem,
pending

Government Copy

DEFENSE MINERALS EXPLORATION ADMINISTRATION

AMENDMENT No. 5

Contract Idm-E 459, Docket DMEA-2579, dated 11th day of December 1952, between the United States of America, acting through the Defense Minerals Exploration Administration (Interior Department) herein after called the "Government", and Mica Industries, Inc., Franklin, North Carolina is further amended as follows:

1. Article 3 is amended to read "..... ; and shall bring the project to completion within a period of twenty-four (24) months from the date of the original contract...." instead of twenty (20) months as written in Amendment No. 4.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to pay, nor the amount of any item designated as 'Allowable maximum'".

August 9, 1954

UNITED STATES OF AMERICA

By: W. A. Beck

ACTING EXECUTIVE OFFICER
DMEA REGION VII

MICA INDUSTRIES, INCORPORATED

By: G. R. Lewis

President.

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Government Copy

Defense Minerals Administration
RECEIVED
FEB 26 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT

AMENDMENT NO. 4

Contract Docket No. DMEA-2579, Idm-E 459 (mica) dated 11th day of December 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration, herein after called the"Government," and Bauer Mining Company, assigned on April 27th 1953 to Mica Industries, Inc., Franklin, N. C. is hereby amended as follows:

1. Article 3 is amended to read ".....; and shall bring the project to completion within a period of twenty (20) months from date of the original contract....." instead of 14 months as written in Amendment No. 3 dated October 5, 1953.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the cost which the Government may be obligated to pay, under the provisions of Article 8 of the contract form.

February 10, 1954.

THE UNITED STATES OF AMERICA

By W. M. Beck
Acting Executive Officer, DMEA-Reg. 7

MICA INDUSTRIES, INCORPORATED

By Frank Siersma
Frank Siersma, President

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Government Copy

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

AMENDMENT NO.-3

Contract Docket No. DMEA-2579, Idm-E459 (mica) dated 11th day of December 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration, hereinafter called the "Government", and Bauer Mining Company, assigned on April 27th 1953 to MICA INDUSTRIES, INCORPORATED, Franklin, North Carolina, is hereby Amended as follows:

1. Article 3 is amended to read ".....; and shall bring the project to completion within a period of fourteen (14) months from the original contract..." instead of ten (10) months as written in Amendment No. 1 dated May 15, 1953.

This amendment is necessary because difficulties due to excessive water and heavy ground have greatly delayed progress on the project.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the cost which the Government may be obligated to pay, under probisions of Article 8 of the contract form.

October 5, 1953

THE UNITED STATES OF AMERICA
By Robert A. Lawrence
Executive Officer, DMEA-Region 7

MICA INDUSTRIES, INCORPORATED
By Frank Siersma
Frank Siersma, President

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
FILED
JUN 15 1953

AMENDMENT NO. 2

Contract Docket No. DMEA-2579, Idm-E459 (mica) dated the 11th day of December 1952, between the United States of American, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Bauer Mining Company, assigned on April 27th 1953 to Mica Industries, Incorporated, Franklin, North Carolina, hereinafter called the "Operator", is amended as follows:

STAGE II of exhibit "A" under "Description of the Work" is amended to discontinue the sinking of the shaft noted in the original contract and start a new shaft at a point mutually agreeable to the Operator and the Government. This shaft will be sunk to an estimated depth of 75 feet including a 5-foot sump.

The cost of sinking the first shaft shall be borne by the Operator and any amount charged by the Operator during that operation shall be deducted from the cost of sinking the second shaft.

This amendment is necessary because after sinking the shaft to a depth of 46 feet inadequate pumping facilities, and extremely heavy ground caused the shaft to be lost.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the cost which the Government may be obligated to pay, under the provisions of Article 8 of the contract form.

Dated: June 15, 1953

MICA INDUSTRIES, INCORPORATED

By: Frank Siersma
Frank Siersma, President

THE UNITED STATES OF AMERICA

Robert A. Lawrence
Executive Officer, DMEA Field Team
Region VII

United States
Department of the Interior
Defense Minerals Exploration Administration

AMENDMENT NO. 1

Contract Docket No. DMEA-2579, Idn-E459 (mica) dated the 11th day of December 1952, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Bauer Mining Company, assigned on April 27th 1953 to MICA INDUSTRIES, INCORPORATED, Franklin, North Carolina, is hereby amended as follows:

1. Article 3 is amended to read.."..... ; and shall bring the project to completion within a period of ten months (10) from the date of the contract..." instead of six (6) months as written in the original contract.

This amendment is necessary because of heavy ground and bad weather.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the cost which the Government may be obligated to pay, under provisions of Article 8 of the contract form.

Dated May 15, 1953.

MICA INDUSTRIES, INCORPORATED

By Frank Siersma
Frank Siersma, President

THE UNITED STATES OF AMERICA

By Robert A. Lawrence
Executive Officer, DMEA, Region 7

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Government's copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 1 1953

ASSIGNMENT OF CONTRACT
ASSIGNEES' ACCEPTANCE
GOVERNMENT'S CONSENT

WHEREAS, the Bauer Mining Company, a partnership composed of Bernard Bauer of Cullasaja, North Carolina, and Frank Siersma of Franklin, North Carolina (hereinafter called the "Operator"), entered into an Exploration Project Contract dated December 11, 1952, Contract No. Idm-E459, Docket No. DMEA-2579, with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, Paul L. Grist and his wife, Eliza Cobb Grist, by a mining lease dated April 29, 1952, leased to Zeb Angel and Neil Childers for a period of 10 years, the real property covered by the aforesaid Exploration Project Contract; and

WHEREAS, the said lessees by instruments dated May 16, June 12 and 14, 1952, respectively, duly transferred all their interest in the aforesaid lease to Charles W. Nicol and Bernard Bauer; and

WHEREAS, Charles W. Nicol by an instrument dated August 4, 1952, duly assigned his half interest in the said lease to Frank Siersma; and

WHEREAS, Paul L. Grist and his wife, Eliza Grist, Bernard Bauer, and Frank Siersma, by an instrument dated December 13, 1952, agreed to, and did terminate and cancel the aforesaid lease; and

WHEREAS, Paul L. Grist and his wife, Eliza Grist, by a mining lease also dated December 13, 1952, leased directly to Frank Siersma and Bernard Bauer the same real property mentioned in the aforesaid Exploration Project Contract and covered by the aforesaid lease dated April 29, 1952; and

WHEREAS, the said Bernard Bauer by an instrument dated January 9, 1953, conveyed to Frank Siersma the exclusive right and option to purchase his interest in the aforesaid mining lease dated December 13, 1952; and

WHEREAS, the said Frank Siersma by an instrument dated FEB. 14, 1953, duly assigned his interest in the aforesaid mining lease dated December 13, 1952, and in the aforesaid option agreement dated January 9, 1953, to Mica Industries, Inc. (hereinafter called the "Assignee"); and

WHEREAS, the Assignee is a corporation duly organized and existing under and by virtue of the laws of the State of North Carolina, having an office located at P.O. Box 336 FRANKLIN N.C.

NOW THEREFORE, the Operator in consideration of the sum of One Dollar ($1.00) lawful money of the United States and other good and valuable consideration received from the Assignee, does hereby assign, transfer, and convey to the Assignee all its right, title, and interest in and to the aforesaid Exploration Project Contract including any and all property purchased for, and the right to use any and all property devoted to the exploration work under this Exploration Project Contract, and hereby consents to any and all future amendments to the said contract; Provided, however, That the Government shall pay to the Operator all monies which may be or become due and payable to the Operator before the first day of the second month following the month in which this Assignment is accepted in writing by the Assignee; and upon payment thereof, the Operator agrees to release and hereby releases the Government from any and all claims, past, present, or future arising out of the said Exploration Project Contract.

This Assignment is subject (1) to the written consent of the Government; (2) to written acceptance by the Assignee; and (3) assumption by the Assignee of the terms, provisions, and conditions of said Exploration Project Contract binding upon the Operator.

Dated APRIL 27th, 1953.

BAUER MINING COMPANY

BB By Bernard Bauer

By Frank Siersma

The Assignee, this 27th day of April, 1953, hereby accepts the above Assignment, and assumes and

agrees to be bound by the terms, provisions, and conditions of said Exploration Project Contract that are binding on the Operator.

MICA INDUSTRIES, INC.

By Frank Siersma
President

On this 27th day of APRIL, 1953, before me Neal Johnston, the undersigned officer, personally appeared FRANK SIERSMA who acknowledged himself to be the President of the Mica Industries, Inc., a corporation, and that he as President, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

Neal Johnston
Notary Public

My commission expires on the 9th day of October, 1954.

The Government this 6th day of April, 1953, without releasing the Operator from any of the terms, provisions, and conditions of the said Exploration Project Contract, hereby consents to the above Assignment.

THE UNITED STATES OF AMERICA

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

Docket No. 2579

Commodity Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 459

Date of Contract December 11, 1952

Name and Address of Operator:

Mica Industries, Inc.
Franklin, North Carolina

Amount of Government participation $8,190.00

Percent of Government participation 90 %

Region: V State: North Carolina

Note: Please release $5,327.88. Contract terminated.

(Name)

J. L. Chambers, Chief
Contract Administration and
Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 2/27/56

54458

Docket No. 2579

Commodity Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 459

Date of Contract ~~Amendment~~ December 11, 1952

Name and Address of Operator:

Bauer Mining Company
Cullasaja, North Carolina

Amount of Government participation $ 8,190.00

Percent of Government participation 90 %

Region: VII State: North Carolina

(Name)

J. L. Chambers
Chief, Contract, Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 12/11/52 13908

MF-206
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2579

COMMODITY Mica

Idm-F 459

Government's Copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 31 1952

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 11th day of December, 1952 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Bauer Mining Company, a partnership composed of Bernard Bauer, Cullasaja, N. C. and Frank Siersma, P.O. Box 336, Franklin, N. C.

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Macon, described as follows: [3] Being the lands conveyed by deed dated October 15, 1936, from G.A.Jones, Comm., to M. D. Billings, Registered in Book A-4, page 192, in the Register's office for Macon County, N. C.

the Operator represents and undertakes: [4]

(*a*) ~~That the Operator is the owner, in possession and entitled to possession and that the property is subject only to the following liens, or encumbrances, a copy of which the subordination agreement of the holder is attached:~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

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.

ARTICLE 3. *Exploration project.*—The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for [5] Mica in or upon the described land; and shall bring the project to completion within a period of Six (6) Months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—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.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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] Legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to [illegible] production from which is not to be subject to the Government's percentage royalty.
[4] Provision not applicable.
[5] Minerals.

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, 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.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *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. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 90 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $8190.00, which is 90 percent of $9,100.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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 worth while 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 dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. O. Mitteudorf
Administrator, Defense Minerals Exploration Administration

Bauer Mining Company
(Operator)

By Bernard Bauer Partner
Partner

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

_____

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

[CORPORATE

EXPLORATION PROJECT CONTRACT
BAUER MINING COMPANY
DOCKET NO. DMEA-2579

EXHIBIT "A"

Description of the Work

This exploration project consists of two stages as hereinafter indicated, and the location, direction and extent of the work to be performed shall be specified by the Government.

The foreman in charge of the work must be acceptable to the Government.

Stage I

West of the proposed exploration indicated on the map entitled "Baird Mica Mine, Macon County, N. C., DMEA-2579" attached hereto and made a part hereof, excavate a trench approximately north-south in direction and 12 feet wide at the bottom to explore for the westward extension of the pegmatite.

Stage II

Approximately as indicated on the above-mentioned map, sink a 5' x 7' shaft 75 feet deep, including a 5-foot sump, drift and crosscut not to exceed 150 feet. The location of the shaft may be changed by the Government if results of the trenching performed in Stage I, warrant a more favorable location.

Estimated Costs of the Project
(*Indicates allowable maximum)

Stage I

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants

Working foreman, 3 8-hr. shifts @ $1.50/hr.* $ 36.00*

(3) Operating Materials and Supplies

None

(4) Operating Equipment

To be rented

1 - Bulldozer (caterpillar D-6 or equal) 20 hrs. @ $10/hr.*1/	$200.00

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous	14.00
(8) Contingencies	
None	
Total Stage I	$250.00*

Stage II

The Government will contribute to the costs of the shaft sinking, crosscutting and drifting in this Stage for units of work actually performed, as they accrue, on the basis of the below agreed unit costs per foot, which include all costs of the work, in lieu of actual costs.

75 feet of shaft sinking @ $40/ft. exclusive of timber	$3,000.00
75 feet of 2" cribbed shaft timbering @ $8/ft.	600.00
150 feet of crosscutting and drifting @ $35/ft.	5,250.00
Total Stage II	$8,850.00

SUMMARY

Total Estimated Cost of Stage I	$ 250.00*
Total Agreed Estimated Cost of Stage II	8,850.00
Total Estimated Cost of the Project	$9,100.00*
Government Participation @ 90%	$8,190.00*

1/ This includes the cost of the Operator, gas, oil and repairs.

OWNER'S CONSENT TO LIEN

Our copy given to Feitler, 1-5-52, to be returned for date.

MF-203

OWNER'S CONSENT TO LIEN

Govt. Copy
DMEA 2579
EdmE 459

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Macon, described as follows:1/ Being the lands conveyed by deed, dated October 15,1936, from Gilmer A Jones, Commissioner, to M D Billings,registered in Book A-4, page 192, and being ~~the same lands described in a deed from C C Smith and wife to Emma Baird recorded~~ in the Registers office for Macon County, North Carolina, in Book A A Page 340

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Bernard Bauer, Chas W Nicol and Neil Childers, lessees ofthe above aaptioned property.

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 8190.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 10 day of December, 195 2.

E.C.B.
P.L.G.

Mrs. Eliza Cobb Grist [Seal]

Paul L. Grist [Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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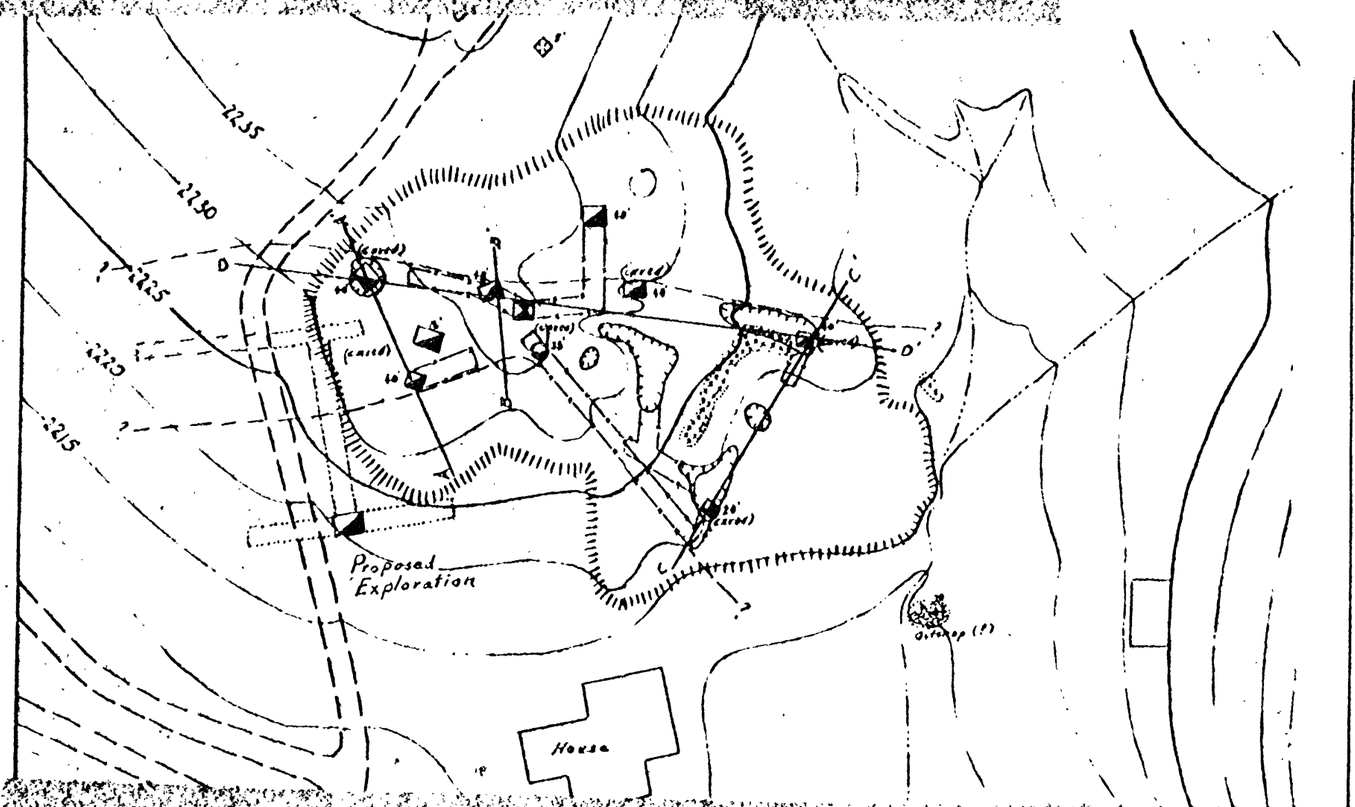
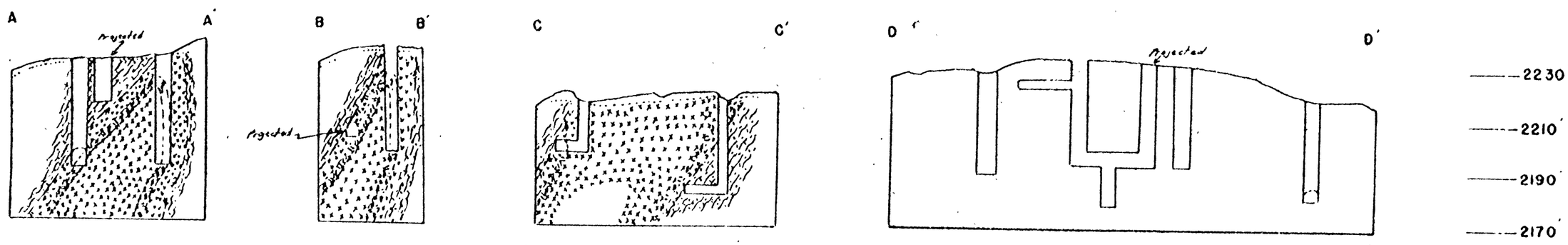


EXPLANATION

- Sheet mica zone
- Quartz
- Barren pegmatite
- Biotite gneiss
- Backfill
- Geologic boundary, inferred
- Proposed drift or crosscut

N



SECTIONS THROUGH REPORTED WORKINGS

FROM DESCRIPTIONS BY F. WILLIS, SUPT.

BAIRD MICA MINE

MACON COUNTY, N.C.

0 20' 40'

DMEA-2579