✓ Actual R.R. 1-19-54 WORK ANALYSIS SHEET - DMEA PROJECT [redacted] Actual Cost

Certified Analysis as of 12-3-54 ✓ Agreed Unit Costs
Incl. Voucher for Dec. 1953

Name American Mica Corporation Docket No. 2961

State N.C. Commodity Mica Idm-E No. 563

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	225 ~~100~~ ~~50~~	8500	225	8500	8500
Raising					
Shafts					
Winzes	50	2750	50	2750	2750
Trailing (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		11,250		11,250	11,250

Prepared by L. G. H.

Mr. Robertson

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

American Mica Corporation
Franklin, North Carolina

pertaining to Exploration Project Contract No. Idm-E563, Docket No. DMEA-2961, including Amendment No. 1, for the months of July, 1953 to December, 1953, inclusive, covering a project for the exploration of mica on property known as the Beasley No. 2 Mine, located in Macon County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to reports of the Government representatives who visited and examined the project, 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 reason:

the contract provides for payment by the Government on the basis of agreed estimated costs of units 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		$11,250.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$11,250.00

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 Ten thousand one hundred twenty-five and no/100 Dollars

$10,125.00

is considered valid and proper.

E. D. Talbert, Auditor

Jan. 19, 1954

Division Copy

EXPLORATION PROJECT CONTRACT
AMERICAN MICA CORPORATION
DOCKET NO. DMEA-2961

AMENDMENT NO. 1

It is agreed this 16th day of November, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and American Mica Corporation, each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E563, Docket No. DMEA-2961, dated July 3, 1953, between the parties hereto, be modified and amended as of said date as follows:

1. In Article 4 of the contract form, the figures "$7,425.00" and "$8,250.00" are deleted, and the figures "$10,125.00" and "$11,250.00," respectively, are substituted therefor.

2. Exhibit "A" is deleted in its entirety, and in its place Exhibit "A" Amended attached hereto is substituted.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitchell
Administrator, Defense
Minerals Exploration
Administration

AMERICAN MICA CORPORATION

By [illegible]
Pres.

EXPLORATION PROJECT CONTRACT
AMERICAN MICA CORPORATION
DOCKET NO. DMEA-2961

EXHIBIT "A" AMENDED

Description of the Work

As approximately indicated on the map attached hereto and entitled "Plan of Part of Beasley No. 2 Mine, Macon County, N. C., DMEA-2961 (mica)," the work shall be done in two stages.

Stage I

One hundred (100) linear feet of drift and crosscut are to be driven west from the point where the new adit cuts the pegmatite.

Stage II

This stage shall only be undertaken after Stage I is completed and with the prior written approval of the Executive Officer, DMEA Field Team, Region VII. The work shall consist of sinking a winze 5 feet by 7 feet in cross-section to a depth of 50 feet, followed by driving from this winze drifts or crosscuts not in excess of 125 feet to explore the pegmatite zone.

The location and direction of all work shall be subject to approval of the Government engineers.

AGREED UNIT COSTS

Stage I

Drift/or crosscut 100 feet @ $35.00/ft.	$3,500.00	

Stage II

Sink winze 50 feet @ $55.00/ft.	2,750.00	
Drift/or crosscut 125 feet @ $40.00/ft.	5,000.00	
Total Agreed Unit Costs of Stages I and II		$11,250.00
Government Participation @ 90%		$10,125.00

Department of the Interior
Defense Minerals Administration
RECEIVED
JUL 27 1953

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2961

COMMODITY Mica

Division Copy

IDM-E 563

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 3rd day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Mica Corporation, a corporation duly organized and existing under and by virtue of the laws of the State of North Carolina Franklin, North Carolina

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II attached hereto and made a part hereof

ARTICLE 1. *Authority for contract.*—This agreement is made 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 the mineral rights in certain land situated in the State of North Carolina, County of Macon, described as follows:[3] set forth in Annex II

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 encumbrances, exceptions, and reservations: [illegible]

(*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 60 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. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. 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 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 50 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $7,425.00, which is 50 percent of $14,850.00, 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 check or 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. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed 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 units of work performed 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.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*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 the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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 and statement of work performed to accompany his final report.

ARTICLE 6. *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: See Annex I, substituted for that part of 6(a) preceding the colon.

(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 the 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 7. *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 8. *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.

ARTICLE 9. *Changes and added provisions* The Operator represents that he has ample ground for the dumping and disposal of waste rock mined from this project and will assume full responsibility for waste disposal and save the Government harmless from any liability for damages therefrom.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. P. Mattendorf
Administrator, Defense Minerals Exploration Administration

AMERICAN MICA CORPORATION
(Operator)

By [signature]

I, [signature], certify that I am the acting secretary of the corporation named as Operator herein; that R. G. Lichtenstein, who signed this contract on behalf of the Operator, was then President 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.

[signature] [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
AMERAX MICA CORPORATION
IOCT NO. [illegible]-261

DEPARTMENT OF THE INTERIOR
Bureau of Land Management
RECEIVED
JUL [illegible] 1953

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 6 which precedes the colon:

If at any time the Government considers that a discovery or 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 final report and final account required by the exploration project contract, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land which is the subject of the exploration project contract, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of 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, as follows:

EXPLORATION PROJECT CONTRACT
AMERICAN MICA CORPORATION
DOCKET NO. DMEA-2961

ANNEX II

The land referred to in Article 2 of the contract form is known as the Beasley No. 2 Mine and consists of 250 acres of a 500-acre, more or less, tract of land on the waters of Cowee Creek in Macon County, North Carolina. The 500 acres lie within State Grants Nos. 3247, 3248, and 3249, and were conveyed to Junaluskee Lodge No. 145, A. F. & A. M., by Mary L. Bowers by deed dated September 6, 1900, and recorded in Book JJ, at page 136, Public Registry of Macon County, and are more particularly described as follows:

> BEGINNING at a chestnut oak at a rock corner located 20 poles North of the creek, the Northeast corner of Grant 3249, runs thence with the East line of 3249 S 25 W. 160 poles to a chestnut, the Southeast corner of Grant 3249; thence E 90 poles to a chestnut, the Northeast corner of Grant 3247; thence S 170 poles to a white oak; thence W 300 poles to a chestnut oak; thence N 30 E 70 Poles to a black oak on top of the mountain; thence N 20 W 80 poles to a locust; thence N 53 E 20 poles to a chestnut; thence N 20 W 10 poles to a lynn, a corner common to Grants 3247 and 3248; thence still N 20 W 50 poles to a chestnut; thence N 20 E 100 poles to the Northwest corner of Grant 3248; thence E to the BEGINNING.

The Beasley No. 2 Mine on which this exploration project is to be conducted, and which alone is subject to the provisions of Article 2 of the contract, consists of all the aforesaid land to the south of the ridge, the crest of which separates the Beasley No. 1 and Beasley No. 2 Mines which together comprise the entire 500 acres.

DEPARTMENT OF THE INTERIOR
Bureau of Land Management
RECEIVED
JUL 27 1983

EXPLORATION PROJECT CONTRACT
AMERICAN MICA CORPORATION
DOCKET NO. DMEA-2961

EXHIBIT "A"

Description of the Work

As approximately indicated on the map attached hereto and entitled "Plan of Part of Beasley No. 2 Mine", Macon County, North Carolina, DMEA-2961 (Mica), the work shall be done in two stages.

Stage I

One hundred (100) linear feet of drift and crosscut are to be driven west from the point where the new adit cuts the pegmatite.

Stage II

This stage shall only be undertaken after Stage I is completed and with the prior written approval of the Executive Officer, DMEA Field Team, Region VII. The work shall consist of sinking a 5 by 7 winze a depth of 50 feet, followed by driving from this winze a drift/or crosscut to explore the pegmatite zone, a distance of 50 feet.

The location and direction of all work shall be subject to approval of the Government engineers.

Agreed Unit Costs

Stage I

Drift/or crosscut 100 ft. @ $35.00/ft.	$3,500.00	

Stage II

Sink winze 50 ft. @ $55.00/ft.	2,750.00	
Drift/or crosscut 50 ft. @ $40.00/ft.	2,000.00	
Total Agreed Unit Costs of Stages I and II		$8,250.00
Government Participation @ 90%		$7,425.00

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

Bureau of Land Management
RECEIVED
JUL 20 1953

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/

The Dunlap No. 2 Line, consisting of about 30 acres to the south of the ridge, the crest of which separates the Dunlap No. 1 line and the Dunlap No. 2 line which, together, comprise 50 acres of land more or less conveyed to Junaluskee Lodge No. 145, A.F. & A.M., by Mary L. Bowers, by deed dated October 6, 1950, and recorded in Book 33 at page 136, Public Registry of Macon County, North Carolina

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/ American Tin Corporation, Franklin, North Carolina, a corporation duly organized and existing under and by virtue of the laws of the State of North Carolina

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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.

4. Changes and added provisions _____

Dated this 18th day of July, 1953.

JUNALUSKEE LODGE # 145 [Seal]

G. G. Moore [Seal]
Designated Representative

[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.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or 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 final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of 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, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent 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) 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 ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

c. Definitions.--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.

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

Project Summary Report

By: Lawrence G. Houk May 6, 1954

1. DMEA Docket No. 2961 - Mica
   Contract No. Idm-E563
   Beasley No. 2 Mine
   Macon County, North Carolina

   Operator: American Mica Corporation
   R. G. Lichenstein, President
   Franklin, North Carolina

   Operator's property rights: Lessee
   Lease dated October 6, 1952
   Owner's Consent to Lien dated July 18, 1953

2. Contract - dated July 3, 1953

   Work authorized:

Stage I	
100 feet drifts or crosscuts @ $35.00/ft.	$3,500.00
Stage II	
50 ft. winze @ $55.00/ft.	2,750.00
50 ft. drift/or crosscut @ $40.00/ft.	2,000.00
Total agreed unit cost	$8,250.00
Government participation @ 90%	$7,425.00

   Amendments:

   No. 1 amends the contract as follows:

   1. In Article 4 of the contract form, the figures $7,425.00 and $8,250.00 are deleted and the figures $10,125.00 and $11,250, respectively, are substituted therefor.

   2. Exhibit "A" is deleted in its entirety and in its place Exhibit "A" Amended is substituted as follows:

Stage I	
100 ft. drift/or crosscut @ $35.00/ft.	$3,500.00
Stage II	
50 ft. winze @ $55.00/ft.	2,750.00
125 ft. drift/or crosscut @ $40.00/ft.	5,000.00
Total agreed unit costs Stages I and II	$11,250.00
Government participation @ 90 percent	$10,125.00

Work completed:

Stage I	
100 ft. drifts @ $35.00/ft.	$3,500.00
Stage II	
114 ft. drifts @ $40.00/ft.	4,560.00
11 ft. crosscuts @ $40.00/ft.	440.00
50 ft. winzes @ $55.00/ft.	2,750.00
Total cost	$11,250.00
Government participation @ 90%	$10,125.00

Work began July 22, 1953, and was completed on December 15, 1953. Operator's final report received by field team March 18, 1954. Field Team final report received March 26, 1954.

Geological Survey comments that if certification is not needed to protect the Government's interest in case of future development then terminate without certification.

Bureau of Mines comments concurrence in the field team's recommendation to deny certification of discovery or development.

3. Audit: Report of Review dated January 19, 1954 (no exceptions).

Accepted cost	$11,250.00
Government participation @ 90%	$10,125.00

4. Certification of discovery - none recommended.

5. Comments:

How conducted - good.

Operation - efficiently.

Engineering - good.

Geologic premises - Mica encountered in drill holes would be present in economic quantity.

Geologic criteria upon which work was based - Indications of a possible productive pegmatite was evidenced by drilling of three holes in 1945, by Bureau of Mines which encountered mica of strategic grade and quality.

Criteria developed during project - none. However, the field team pointed out the fallacy of depending too much upon interpretation of drill hole data in evaluating mica production possibilities.

Future possibilities - difficult to evaluate. This pegmatite has been a good producer and our expectation was that a sizeable discovery would be made.

Recommendations:

Field Team - no certification.
Geological Survey - no certification.
Bureau of Mines - no certification.
DMEA - no certification.

LGHouk:gad 5/7/54

Copy to: Admr. R. File
Mr. Houk

600

MAY 21 1954

American Mica Corporation

Franklin, North Carolina

Re: Docket No. DMEA-2961 - Mica
Beasley No. 2 Mine
Macon County, North Carolina
Contract No. IDM-2563

Gentlemen:

We are pleased to advise you that your performance of exploration work under the subject contract has been satisfactory to the Government, and the account relating thereto has been closed. The final audited and settled account shows:

Total claimed for units of work performed	$11,250.00
Total Government contribution at 90 percent	$10,125.00

Your attention is called to the provision of the contract which requires you to keep and preserve your records and accounts of this transaction for a period of three years for possible future reference.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the exploration contract. In the absence of such certification, the Government retains no claim or lien against the property or any production therefrom.

The Government is grateful for your participation in the exploration program of the Defense Minerals Exploration Administration.

Sincerely yours,

R. D. Mittenderf

Administrator

LGHouk:gad 5/14/54

Copy to: Junaluskee Lodge #145
C. G. Moore, Designated Representative
(Attached to Field Team's copy for forwarding.)

Copy to: Admr. R. File
Docket File
Mr. Houk
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

April 7, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2961

Contract Number: Edm-E563

Applicant: American Mica Corporation

Name and Location of Property: Beasley No. 2 Mine
Macon County, North Carolina

Date of Field Team Final Report: March 24, 1954

Date Rec'd. by Ceramic & Fert. Mats. Branch: April 1, 1954

Field Team Recommendation:

1. No certification of discovery or development.

Comments:

1. No strategic mica bearing pegmatite was encountered.
2. Expenditures -

Total approved	$11,250
Total cost	11,250
Government share	10,125
Value	None

Recommendation:

I concur in the field team's recommendation to deny certification of discovery or development.

Signed

W. F. Dietrich

IN REPLY REFER TO:

G-MD-CMM

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

March 31, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2961 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: American Mica Corporation, Franklin, N. C.
Name of property: Beasley No. 2 Mine
Location of property: Macon County, N. C.
Date of field team report: March 18, 1954.
Authorship of field team report: K. H. Teague, D. H. Amos, L. E. Shirley.
Field team's recommendation: Termination of project without certification of discovery.
Comments:
1. No quantity of sheet mica found.
2. Should a certification be made to protect Government interest in case of future development?

ACTION RECOMMENDED:
Follow field team's recommendation, if comment No. 2 is answered in the negative.

D. M. Larrabee

Larrabee:jeh
4/1/54
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee G-230

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

COPY

~~WASHINGTON 25, D.C.~~
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

March 24, 1954

Memorandum

To: Operating Committee, D M E A - Washington

From: Field Team, D M E A - Region VII

Subject: Final Report, DMEA-2961, Idm-E 563 (mica)
American Mica Corporation, Franklin, North Carolina.
Beasley No. 2 Mine, Macon County, N. C.

Enclosed are 4 copies of the final report on the subject exploration contract. Operator's final report and map were sent to you on January 25, 1954.

Although the project was conducted efficiently results were disappointing. It shows again how difficult it is to predict the economical possibilities of a pegmatite from a few drill holes. We agree that certificate of discovery should not be issued.

/s/ Robert A. Laurence
Executive Officer
DMEA Region VII

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

Reviewed by
DMEA OPERATING COMMITTEE
4-2-54
(date)

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

Defense Minerals Administration
RECEIVED
MAR 26 1954

FINAL REPORT
FIELD TEAM, REGION VII

On

DMEA-2961, BEASLEY NO.2 Mine
(mica)
Macon County, N. C.

By

Kefton H. Teague, Geologist
U. S. Geological Survey

Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

D. H. Amos, Geologist
U.S. Geological Survey

March 18, 1954

Reviewed by
DMEA OPERATING COMMITTEE
4-2-54
(date)

Defense Minerals Administration
RECEIVED
MAR 26 1954

FINAL REPORT
On
DMEA-2961, BEASLEY NO. 2 Mine
Idm-E 563, (mica)

Operator: American Mica Corporation, c/o R. G. Lichtenstein, Franklin, N.C.

The Beasley No. 2 mica mine is about 12 miles by road N. 25° E. of Franklin, Macon County, North Carolina.

The Operator's final report transmitted on January 25, 1954, adequately summarizes results obtained from this project. No sheet mica-bearing pegmatite was discovered, thus no certification of discovery should be issued.

This project began on July 22, 1953 and was completed on December 15, 1953. The operators final report gives a description of the openings, a map, and a general description of the geology. In addition to the description of the geology given in the operator's final report, it should be added that in all the openings the pegmatite contains a quartz core which ranges in thickness from 1 to 8 feet. Also there is more potash feldspar on the footwall than on the hanging wall. Sulphides are abundant, especially on the footwall side of the quartz core. The amount of fine mica in each zone appears to be about equal.

This pegmatite was drilled by three holes in 1945. Results from the drilling appeared to indicate a considerable reserve of sheet mica-bearing pegmatite. The project has shown that these conclusions are in error, especially in that portion of the pegmatite explored. No certification of discovery should be issued for this project.

Expenditures:

(a)	Total approved	$11,250.00
(b)	Total cost of project	11,250.00
(c)	Government's ahre of cost	10,125.00
(d)	Government's ahare unespended	none
(e)	Value of production	none

This operator is to be congratulated on having conducted an efficient operation. Progress on this project was as good as or better than any in Region VII. No equipment was purchased for the project.

March 18, 1954.

K. H. Teague and D. H. Ames, Geologists
U. S. Geological Survey

L. E. Shirley, Mining Engineer, USBM

Franklin, North Carolina
January 15, 1954

Robert A. Laurence
Executive Officer, DMEA
Region VII
Room 13, P. O. Building
Knoxville 2, Tennessee

Re: EXPLORATION PROJECT CONTRACT
AMERICAN MICA CORPORATION
Docket No. DMEA 2961
Contract No. IDM-E 563
MINERAL: MICA

Dear Mr. Laurence:

I am submitting herewith a final report of the findings resulting from work completed under the above contract, together with plan map, accurately setting out the work (1) completed by American Mica alone and (2) work completed with the assistance of DMEA.

In both levels of exploration the pegmatite was composed of a conglomerate of potash felspar frequently carrying an iron oxide intrusion and soda felspar which usually carried the fine mica. This held true on both the hanging wall and footwall sides of the quartz core. Every foot of the work done, except in the crosscuts through the core, was in pegmatite rich with scrap mica. In some cases the rock carried mica as high as 30% to 35% scrap and I believe a conservative overall estimate of the scrap mica content of all the pegmatite handled would be 12% to 15%.

At no point in any of the work was sheet mica encountered. The only indication of any large mica was found on the footwall side of the 3015' elevation. It was due to this finding that the winze was located and put down where it is. A few blocks of mica of punch and circle size were exposed during the sinking of the winze and during the drifting in the west lateral on the 2969' level.

The main tunnel on the hanging wall side of the core is entirely in pegmatite and is approximately 250' in length. First exploration work was drifting to the right from the adit for a distance of approximately 170' until the vein pinched out. We then drifted on the footwall from the end of the raise, immediately to the right of the back of Adit No. 3, for a distance of 21'. This raise is approximately 39' long at a 30° slope.

We then put the first crosscut to the hanging wall on the 3015' level and then came back to within 55' of the face of the drift and put in another crosscut to the footwall. It was at this point on the footwall that we first saw a little mica which indicated better things. We then dropped back westerly in the drift 45' and put in the crosscut which connected at the back of the latter crosscut above. This phase of all the work was carried on entirely by American Mica Corporation.

The opening work under the above contract was 100' of drifting and crosscutting on the hanging wall west of the end of Adit No. 3. The vein was pinching out when we reached a face 80' from the adit and work was discontinued at this point, **a total distance of 100' with the two crosscuts to the footwall.**

The second phase of work under the contract was the sinking of the winze on the footwall for a distance of 50' at 50°, a distance vertically of approximately 38'. From the bottom of the winze we drifted east 15' and crosscut to the hanging wall, a distance of 11'.

The third phase under the contract was drifting and crosscutting an additional 75' to make a total of 125' of drifting and crosscutting at the 2969' level. All drifting was on the footwall with crosscutting to the hanging wall. The westerly drift from the winze is 103' and the crosscut to the hanging wall is approximately 15'. The mica burr in the lower level seemed to be even richer than it was in the next upper level.

Study of the map indicates the face of the west lateral in the lower level is approximately 50' west of where D. H. No. 1 intersected the pegmatite and is just about directly over where D. H. No. 3 hit the pegmatite. Study of the work completed to date seems reasonably to indicate there is no sheet mica shoot on either the hanging or footwall side of the quartz core between the main workings, 3015' level, and the deepest workings from Adit No. 2, next above, approximately 55' vertically.

It seems to be an even more positive fact that there is no sheet mica shoot between the 3015' and the 2969' workings. If there is any rich sheet mica in this mine, as there seems to be a possibility indicated by D. H. No. 1, it is approximately 70' to 75' at a 50° slope from the bottom of the winze and approximately 50' deeper vertically. The question of additional exploration definitely ascertaining if sheet mica in quantity is at this lower level (D. H. No. 1 - 2916') seems to involve just two alternatives: (1) extending the winze an additional 70' and drifting again laterally to the west or (2) put in a new adit approximately at the 2916' level directly to D. H. No. 1.

The first alternative would no doubt involve less cost than a tunnel perhaps 400' long. However, completion of the first method, if we struck commercial sheet mica, would present an extremely unsatisfactory and costly working condition which would very quickly more than be offset by the increased cost of a straight adit reaching directly to the working face. Both of these plans are now under consideration as well as additional exploratory work on the surface of the property to see if it might be possible to locate an outcrop of an extension of the vein. I am not prepared to state at this time which, if any, of the above plans may be undertaken. I hope that my associates and myself may have reached a definite decision by not later than the middle of next month and I shall advise you as to our future plans concerning the property as soon as they are definitely reached.

Please permit me to express on behalf of my associates as well as myself our thanks and deep appreciation for your kind and cordial cooperation and I desire particularly to thank Kefton Teague and Larry Shirley for their guidance, suggestions and helpfulness.

Yours very truly,

AMERICAN MICA CORPORATION

By R. G. Lichtenstein
President

RGLisw

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

Mr. Robertson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

INTERIOR VOUCHER & SCHEDULE 39

Defense Minerals Administration
RECEIVED
JAN 18 1954
174

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1953 Docket No. DMEA 2161 Contract No. DMEA-R 563
Operator's Name American Mica Corporation Minerals Mica
Address Franklin, N. C.
Contract Amount, $11,250.00 Government Participation: 90 % Amount, $10,125.00

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						
Crosscutting		440.00	440.00			
Drifting	760.00	7300.00	8060.00			
Wanco		2750.00	2750.00			
(2) Labor and Supervision:						
Labor						
Supervision						
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	760.00	10,490.00	11,250.00	760.00	10,490.00	11,250.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Dec. 21, 1953 *Payee American Mica Corporation
Per [signature] 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:

$ 684.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date JAN 13 1954 Vou. No. 174
(See other side)

76-00

(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. Dm-E563 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Dec. 22, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date JAN 4 1954

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-R1151.1
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
JAN 18 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1953 Docket No. DMEA 2961 Contract No. IDM-R 563
Operator's Name American Mica Corporation Minerals Mica
Address 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	feet	760.00	19	8060.00	100 114	.35 .40	100 114	.35 .40
Crosscutting	feet			440.00	11	.40	11	.40
Raising								
Shafts								
Winzes	feet			2750.00	50	.55	50	.55
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		760.00	19	11,250.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		760.00	19	11,250.00				11,250.00

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 Dec. 21, 1953 Operator American Mica Corporation

Per [signature] Title President

Remarks: Contract completed - no discovery

→ 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.

RECEIVED
DEC 24 1953
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

GPO 83-38475

AMERICAN MICA CORPORATION'S
MONTHLY PROGRESS REPORT
for the
MONTH OF DECEMBER, 1953

DMEA No. 2961
IDM-E 563

Work Accomplished

Nineteen feet drilled in West lateral which completes amendment to contract providing for seventy-five feet of additional drilling. Completion of this work places the face of the West lateral ninety-nine feet from the winze and is approximately over where the No. 3 diamond drill hole picked up the pegmatite. This makes a total of 125' of drifts and crosscuts completed under Stage II of the original contract and amendment thereof. There has been no change in the formation of the pegmatite, which is rich in small mica but carries no sheet mica.

Daily Notes

December 1, 2, 3, 4 & 5: No work

December 7: Operation reopened. Straight drilling in West lateral.

December 8: Straight drilling. Quartz core coming in from left, crowding foot wall to right.

December 9: Straight drilling.

December 10: Straight drilling. Quartz core backing off again to left. Full face of lateral rich burr.

December 11: Straight drilling - rich, rich burr. Having difficult time making shots pull last three days.

December 14: Straight drilling

December 15: Straight drilling. Today's shot put us 100' from winze, against 99' necessary to complete (24' - contract plus 75' provided by amendment)

RECEIVED
DEC 24 1953
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 31 1953

INTERIM REPORT

DMEA-2961 Idm-E563 (mica) BEASLEY #2 MINE

OPERATOR: American Mica Corp., Franklin, North Carolina.

LOCATION: About 12 miles by road N 25° E of Franklin, Macon County, N. C.

All footage under contract at this mine has been completed without making a sizeable discovery of strategic mica. The west drift has been extended from 25 feet to 100 feet, consuming the additional 75 feet of drift granted by an amendment dated November 16, 1953. Material encountered in this work didi not change appreciably from the first 25 feet of work and was composed principally of feldspar, quartz, rich zones of thumbnail size and smaller muscovite mica, garnet and secondary sulphides, principally pyrite. The operator has begun some crosscut work to the hanging wall at two locations in the drift at his own expense and results of this work will be announced upon completion.

All work was conducted in a safe and efficient manner and the operator and workers were cooperative at all times.

Mr. R. A. Laurence, Executive Officer of DMEA, Region VII, accompanied the Examiners on this visit to the mine.

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. H. Teague, Geologist
U. S. Geological Survey

Dewey Ance, Geologist
U. S. Geological Survey

December 17, 1953

Form DF-105 (Rev.) (April 1952)

Mr. Robertson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

ON VOUCHER & SCHEDULE
DOCUMENTS K- 34

149
600

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1953 Docket No. DMEA 2961 Contract No. IDM-E 563

Operator's Name American Mica Corporation Minerals Mica

Address Franklin, North Carolina

Contract Amount, $ 11,250.00 Government Participation: 90 % Amount, $ 10,125.00

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						
Crosscutting		440.00	440.00			
Drifting	2240.00	5060.00	7300.00			
Winze		2750.00	2750.00			
(2) Labor and Supervision:						
Labor						
Supervision						
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	2240.00	8250.00	10,490.00	2240.00	8250.00	10,490.00

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

Date Nov. 30, 1953 *Payee American Mica Corporation

By [signature] 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:

$ 2016.00

Signature Cora A. Pipes
(Authorized Certifying Officer)

Date DEC 9 1953 Vou. No. 149

(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. Idm E563 in accordance with the terms of the contract.

Signature Lawrence C. Shirley Title Mining Engr. Date Dec. 4, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. E. Beck ACTING Title DMEA EXECUTIVE OFFICER REGION VII Date DEC 7 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 November 1953 Docket No. DMEA 2961 Contract No. IDM-2 563
Operator's Name American Mica Corporation Minerals Mica
Address Franklin, North Carolina

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	feet	2240.00	56	7300.00	100 95	$ 35 40	100 (114	$35 40)
Crosscutting	feet			440.00	11	40	(11	40)
Raising								
Shafts								
Winzes	feet			2750.00	50	55	50	55
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2240.00	56	10,490.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2240.00		10,490.00				11,250.00

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 Nov. 30, 1953 Operator American Mica Corporation

By [signature] 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.

(Instructions on reverse)

REMARKS: Leaves 19' to go in lateral to West. Will crosscut our own expense to hanging wall at least two locations upon completion of above work.

(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

AMERICAN MICA CORPORATION'S
MONTHLY PROGRESS REPORT
for the
MONTH OF NOVEMBER, 1953

BMEA No. 2961
IDM-E 563

Work Accomplished

Under amendment to contract, providing for 75' additional drilling, we drilled additional 56' during the last week in October and to and including Friday, November 20, when operations temporarily ceased. This puts the face of the West lateral 80' from the winze and leaves 19' additional to drill to complete the amended contract. On completion of a total of 99' the face of the West lateral shall be approximately over where the No. 3 diamond drill hole picked up the pegmatite.

Daily Notes:

October 26. Mucking out only, formation soda felspar carrying small mica and potash felspar carrying iron sulfide intrusion, the latter rock particularly very hard to drill.

October 27. Straight drilling.

October 28. Straight drilling.

October 29. Straight drilling.

October 30. Straight drilling. Potash felspar appears to be lessening.

November 2. Straight drilling.

November 3. Straight drilling.

November 4. Straight drilling.

November 5. Straight drilling.

November 6. Straight drilling.

November 9. Straight drilling.

November 10. Straight drilling.

November 11. Straight drilling.

November 12. Straight drilling.

November 13. Straight drilling. Messrs Teague and Shirley in for inspection. They measured 66' in West lateral, of which 24' completed old contract, leaving 42' to apply against possible amendment.

November 16. Straight drilling.

November 17. Straight drilling.

November 18. Straight drilling.

November 19. Straight drilling.

November 20. Straight drilling. No change in formation. Operations stopped today until word is received relative status application for amendment. West lateral drilled 80' from winze. Wrote Messrs. Teague and Shirley to that effect.

November 23. No. work.

November 24. No work.

November 25. No work.

November 26. No work.

November 27. No work.

November 30. No work.

600

NOV 17 1953

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

Subject: Docket No. DMEA-2961 - Mica
American Mica Corporation
Beasley No. 2 Mine
Macon County, North Carolina
Contract No. Idm-E563

Dear Mr. Laurence:

Enclosed are six copies of Amendment No. 1 to the subject contract signed by the Administrator.

If the amendment meets with your approval present it to the Operator for approval and signature. If any provisions are unsatisfactory to the Operator return all copies to this office with suggested changes for consideration.

After signing of the amendment, the usual distribution of copies is to be made.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

Enclosures 10

JTRobertson:gad 11/13/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, 232 GSA Bldg.
Mr. Houk

INTERIM REPORT

DMEA-2961 Idm-1563 (mica) BEASLEY #2 MINE

OPERATOR: American Mica Corporation, Franklin, North Carolina.

LOCATION: About 12 miles by road N 25° E of Franklin, Macon County, North Carolina.

Drifting has been completed on this contract for a total distance of 50 feet. This completes the contract, in so far as footage allowable is concerned, without finding a sizeable deposit of mica. A winze was sunk on an incline for 50 feet, a drift was driven from the winze bottom to the east along the footwall for 15 feet, a crosscut was driven south for 11 feet, which intercepted the hanging wall, and 24 feet has been driven to the west along the footwall. Material in the present west heading is rich in small muscovite mica. Other mineralization is principally feldspar and minor quartz. An amendment to the present contract will be necessary before additional hanging and footwall exploration is attempted.

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

November 2, 1953

Original to Docket

IN REPLY REFER TO:

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

October 28, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2961 (Mica).

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. A. Brobst, U. S. Geological Survey
Applicant: American Mica Corp., Franklin, N. C.
Name of property: Beasley #2 mine
Location of property: 8 air miles N. 25° E. of Franklin, N. C.
Date of field team report: October 26, 1953.
Authorship of field team report: R. A. Laurence and W. A. Beck
Field team's recommendation: Amend contract Idm E 563 to allow for 75 feet of additional lateral work to be conducted northwest of the bottom of the winze which will increase the cost of the project by $3000.

Comments:

This is a change from the requested amendment for 100 feet of additional laterals in the field team's report of October 9, 1953 and approved in the Survey's memo of October 22, 1953.

ACTION SUGGESTED:

"Follow field team's recommendation and prepare an amendment calling for 75 feet of new laterals."

D. A. Brobst

Copy to: DMEA (3)

INTERIM REPORT

DMA-2961 Idm-2563 (mica) BEASLEY #2 MINE

OPERATOR: American Mica Corporation, Franklin, North Carolina.

LOCATION: About 12 miles by road N 25° E of Franklin, Macon County, North Carolina.

This contract is nearing completion and drifting continues. Drifts to the east and west from the 52 ft. winze level, driven along the footwall, total 33 feet. A drift from this level to the hanging wall measures 11 feet. Only 6 feet of drift remains on the contract. Material encountered from all drifting is essentially the same, consisting of quartz, feldspar, biotite and small muscovite mica. A quartz core was encountered in the east drift and sulphides were evident at the contacts with the core. The largest mica recovered to date has come from the footwall side of the west drift. Remaining footage will be concentrated in exploring this area. Progress on this contract is satisfactory.

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. E. Teague, Geologist
U. S. Geological Survey

October 21, 1953

Mr. Robertson

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 26 118

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October 195 3 Docket No. DMEA 2961 Contract No IDM-E 563
Operator's Name AMERICAN MICA CORPORATION Minerals mica
Address Franklin, N. C.
Contract Amount, $8250.00 Government Participation: 90 % Amount, $7425.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
~~Crosscutting~~	$ 440.00		$ 440.00			
Drifting	1560.00	$3500.00	5060.00			
Winze	110.00	2640.00	2750.00			
(2) Labor and Supervision:						
Labor						
Supervision						
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	$2110.00	$6140.00	$8250.00	2,110.00	6,140.00	8,250.00

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

Date Oct. 26, 1953 Payee American Mica Corporation

Per [signature] 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:

$ 1,899.00

Signature Chas. A. Piper
(Authorized Certifying Officer)

Date NOV 3 1953 Vou. No. 118
(See other side)

4

2-11.00

(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-E563 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title U.S.B.M. Mining Engr. Date Oct. 28, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date OCT 30 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 October 1953 Docket No. DMEA 2961 Contract No. IDM-E 563
Operator's Name AMERICAN MICA CORPORATION Minerals mica
Address 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	feet	$1560.00	39	$5060.00	100 39	$ 35 40.	100 39	$35. 40.
Crosscutting	"	440.00	11	440.00	11	40.	11	40.
Raising								
Shafts								
Winzes	"	110.00	2	2750.00	50	55.	50	55.
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2110.00	52	$8250.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2110.00		$8250.00				$8250.00

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.

REMARKS: Completes Stages I and II of contract

Date Oct. 26, 1953 Operator American Mica Corporation

Per [signature] 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.

(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

AMERICAN MICA CORPORATION'S
MONTHLY PROGRESS REPORT
for the
MONTH OF OCTOBER, 1953

DMEA No. 2961
IDM-E 563

Work Accomplished

Stage II of contract completed, which completes full contract.

Daily Notes

October 1. Today's shot made 51' in winze which completes Phase 1 of Stage II of contract, calling for 50' in winze.

October 2. No drilling today, cleaned out winze and did necessary housekeeping preparatory to beginning drilling laterals.

October 5. Slabbed both sides and bottom of winze to make necessary room.

October 6. Straight drilling in lateral going East (left) from bottom of winze.

October 7. Straight drilling in East lateral.

October 8. Straight drilling in East lateral.

October 9. Straight drilling in East lateral. Teague and Shirley in for inspection. They definedd formation as stained potash felspar carrying an iron sulfide, quartz and soda felspar, which carries fine mica. Drilling in potash felspar is really tough. Still no sheet mica. Reached understanding with Teague and Shirley to drill East lateral 15' from bottom of winze; drill crosscut from bottom of winze to Hanging Wall and then begin drilling lateral to West (right) from bottom of winze for balance of footage of contract.

October 12. Today's shot pushed East lateral 15' from bottom of winze, far enough. No change in formation.

October 13. Further enlarged bottom of winze to facilitate drilling of crosscut and lateral to West.

October 14. Drilled round straight ahead from winze toward hanging wall.

October 15. Started drilling lateral to West. Lots of stained potash felspar with sulfide in vein material. Drillers say hardest rock they have ever drilled in - 12 hours and 3 sets of tungsten-carbide steel to drill the pattern of 24 holes.

October 16. Today's shot exposed hanging wall over full face of cross-cut from bottom of winze. Rich burr mica but no sheet. Distance 11'.

October 19. Straight drilling today in West lateral. Vein at this point, 2955' level, 16' thick against 30' in 2990' level above

and 11.7' by core of diamond drill hole #1 approximately 50' below 2955' level.

October 20. Straight drilling in West lateral.

October 21. Straight drilling in West lateral.

October 22. Straight drilling in West lateral. Teague and Shirley in for examination. They measured East lateral 15'; crosscut 11' and West lateral 18'. After discussion of situation, Teague said he would recommend expanded drilling program under present contract for 100' additional drilling West on this level (2955'), such drilling to include 2 crosscuts to hanging wall from foot wall and some drifting on hanging wall side of core. No change in formation, potash felspar, quartz and soda felspar carrying fine mica.

October 23. Today's shot in West lateral put us 26' from ~~bottom of~~ winze, which completes Phase 2 of Stage II of contract, divided as follows:

Winze.	.50'
East lateral . .	.15'
Crosscut to H.W..	.11'
West lateral . .	.24'
TOTAL	100'

RJH

EXECUTIVE OFFICER
DMEA REGION VII

DEPARTMENT OF THE INTERIOR,
Defense Minerals Administration
RECEIVED
OCT 28 1953

October 26, 1953

Memorandum

To: Operating Committee, DMEA- Washington

From: Field Team, Region 7 - Knoxville, Tenn.

Subject: Docket No. DMEA-2061, Idm-E 563 (mica) Beasley No. 2 Mine.
Operator: American Mica Corporation, Franklin, N. C.

As mentioned in Interim Report dated October 9, 1953, Stage II as provided in contract is nearing completion. On October 22 the examiners again visited the mine, at which time 6 feet of drift remained to be accomplished.

In Stage II a 50-foot winze at 50° was sunk on the footwall and from the bottom of the winze, 15 feet of drift has been driven to the southeast, 11 feet of crosscut driven to the hanging wall, and 18 feet of drift driven on the footwall to the northwest. Occasionally books of mica up to 5 inches across have been found in these openings, but not in sufficient concentration to constitute a discovery.

The purpose of the winze and laterals from it were designed to explore the possible upward extension of the mica zone cored in D. D. hole No. 1. To date the Field Team is of the opinion that this possibility has not been adequately explored. We believe 75 feet of additional lateral work should be conducted northwest of the bottom of the winze.

It is recommended that an amendment be prepared for the Administrator's signature for this work at the same unit cost as in the original contract, thereby increasing the total amount by $3000.

EXECUTIVE OFFICER
DMEA REGION VII

W A Beck

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

RAL/mm

EXECUTIVE OFFICER
DMEA REGION VII

Department of the Interior,
Defense Minerals Administration
RECEIVED
OCT 28 1953

October 26, 1953

Memorandum

To: Operating Committee, DMEA- Washington

From: Field Team, Region 7 - Knoxville, Tenn.

Subject: Docket No. DMEA-2061, Idm-E 563 (mica) Beasley No. 2 Mine.
Operator: American Mica Corporation, Franklin, N. C.

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EXECUTIVE OFFICER
DMEA REGION VII

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

RAL/mm

EXECUTIVE OFFICER
DMEA REGION VII

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1953

October 26, 1953

Memorandum

To: Operating Committee, DMEA- Washington

From: Field Team, Region 7 - Knoxville, Tenn.

Subject: Docket No. DMEA-2961, Idm-E 563 (mica) Beasley No. 2 Mine.
Operator: American Mica Corporation, Franklin, N. C.

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It is recommended that an amendment be prepared for the Administrator's signature for this work at the same unit cost as in the original contract, thereby increasing the total amount by $3000.

EXECUTIVE OFFICER
DMEA REGION VII

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

RAL/mm

Mr. Robert A. Lawrence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

Subject: Docket No. DMEA-2961 - Mica
American Mica Corporation
Beasley No. 2 Mine
Mason County, North Carolina
Contract No. Ida-2963

Dear Mr. Lawrence:

Reference is made to Interim Report, dated October 9, 1953, on the subject project in which there is suggested an amendment of contract to provide for another 100 feet of drifts or crosscuts to further explore from the new winze level.

We would like to receive your recommendations and justification for this work in the form of a memorandum. Please include a sketch showing the work done to date and the projected work, and their relationship to the foot-wall and hanging-wall of the pegmatite zone.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

JTRobertson:gad 10/21/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Original to Dock

IN REPLY REFER TO:
G-Min-Cook

OCT 22 1953

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

October 22, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2961 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: American Mica Corp., Franklin, North Carolina.
Name of property: Beasley #2.
Location of property: 12 miles N. 25° E. of Franklin, North Carolina.
Date of field team report: October 9, 1953 (Interim Report).
Authorship of field team report: M. H. Teague and L. E. Shirley.
Field team's recommendation: Amendment to contract to permit a maximum of 100' additional drifting, all in pegmatite.
Comments: See field team report.
ACTION SUGGESTED: Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
10/22/53
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee G-230

Min Resources

1184 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

112

VOUCHER SCHEDULE
K-22

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 1953 Docket No. DMEA 2961 Contract No. IDM-E 563
Operator's Name American Mica Corporation Minerals Mica
Address Franklin, N. C.
Contract Amount, $ 8250.00 Government Participation: 90 % Amount, $ 7425.00

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						
Crosscutting						
Drifting		$3500.00	$3500.00			
Winze	$2640.00		$2640.00			
(2) Labor and Supervision:						
Labor						
Supervision						
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	$2640.00	$3500.00	$6140.00	2640.00	3500.00	6140.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Oct. 6, 1953 *Payee American Mica Corporation
Per [signature] 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:

$ 3376.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date OCT 19 1953 Vou. No. 112
(See other side)

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-E563 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Oct. 12, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Beck ACTING Title EXECUTIVE OFFICER DMEA REGION VII Date OCT 15 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 MES-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 September 195 3 Docket No. DMEA 2961 Contract No. IDM-E 563

Operator's Name American Mica Corporation Minerals Mica

Address 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	feet			$3500.00	100	$35.00	100	$35.00
Crosscutting								
Raising								
Shafts								
Winzes	"	$264000	48	$2640.00	48	$55.00	50	$27.50
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2640.00	48	$6140.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2640.00		$6140.00				$8250.00

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.

REMARKS Stage I of contract completed

Stage II, Phase I
48' of 50' completed

Date October 6, 1953 Operator American Mica Corporation

Per [signature] 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.

(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

AMERICAN MICA CORPORATION'S
MONTHLY PROGRESS REPORT
for the
MONTH OF AUGUST, 1953

DMEA No. 2961
IDM-E 563

Work Accomplished

Stage II, Phase 1, virtually completed, 48' of 50' contracted for being completed.

Daily Notes

September 1. Drilled six 6' holes in winze. Endeavoring to open wedge to drill against. Yesterday's and today's shots did not pull clean.

September 2. Drilled four 6' holes, which again did not pull. Muck car wheel broke which stopped mucking virtually for day, while we were looking up another set of wheels.

September 3. Drilled seven 5' holes, which did better. Worked on assembly of blower pipe.

September 4. Drilled twenty-one holes: 13 in foot wall at opening of winze to enlarge working area and 8 in winze. Installation of blower air line completed to turntable, 218'.

September 7. Inspection by K. F. Teague, DMEA engineer, who checked out completed Stage I of contract and inspected work underway at winze. Winze now 10' down. No drilling today due to rigging of air hoist and appurtenent equipment.

September 8. No drilling. Worked on air hoist and blower line.

September 9. Worked on hoist and blower pipe line.

September 10. Worked on hoist and blower pipe line.

September 11. Hoist and blower completed. 335' of air line. Drilled complete round in winze.

September 14. Drilled full round in winze. Hit foot wall clear across bottom wall of winze, approximately 11 feet from tunnel level.

September 15. Slabbing at face of winze to go under quartz core.

September 16. Drilling under core and back from it to square face.

September 17. Straight drilling in winze.

September 18. Straight drilling.

September 21. Messrs. Teague and Shirley, DMEA engineers, in for inspection, pegmatite narrowing somewhat between core and foot wall. They measured winze 24½ feet down. Drilled full round. Hard going due to seamed quartz.

September 22. Straight drilling. Seems almost impossible to pull holes all

the way back. Varying pattern and burners in effort to get better breakage. Pegmatite approximately 4' thick between core and foot wall.

September 23. Straight drilling.

September 24. Straight drilling.

September 25. Straight drilling. Rock really tough on steel and overtime every day to drill out pattern. Today required 13 hours.

September 28. Straight drilling. Drillers say most difficult drilling ever experienced. 14 hours necessary to drill complete round today.

September 29. Straight drilling.

September 30. Straight drilling. After cleaning out muck in winze from today's shot measured winze 48' down. No change in formation during month. Pegmatite appears to be widening somewhat - about 5' between core and foot wall against approximately 4' on September 22. No sheet mica production in month.

Rm 4637

RECEIVED

[illegible]-2981 [illegible]-586 (mica) [illegible] 2 [illegible]

[illegible]: [illegible]erican [illegible]ica Corp., [illegible]ranklin, [illegible]orth [illegible]arolina.

[illegible]: [illegible]bout 12 miles by road N 25° [illegible] of Franklin, [illegible]acon County, [illegible]orth [illegible]arolina.

[illegible]tage [illegible] of this contract is in progress; inclined winze sinking has been completed and drifting is in progress. The winze was sunk on an incline for a total depth of 52 feet and a drift from this level to the southeast has advanced 10 feet. [illegible]aterial encountered during sinking was 5-8 feet of massive quartz and the remainder feldspar and quartz. [illegible] [illegible] [illegible] [illegible] [illegible], [illegible], feldspar, quartz and secondary sulphides and scattered mica. 40 feet of drift remains to be driven under contract and some of this footage will explore the footwall zone to the northwest.

The field examiners would like very much to see the hanging wall area of the pegmatite explored from this level, after completion of drifting in the footwall area. This work would explore the pegmatite between both walls and along the hanging wall for possible mica shoots. All of the proposed work would be in pegmatite. Crosscutting laterals could be driven from either or both drift areas and since little or no mica has been found to date in previous footwall exploration, some work at this lower level would appear justified while present operations are set up. This possibility has been discussed with the operator, who is more than willing to investigate this area. In all previous work the operator has been very cooperative and has conducted a clean, safe and efficient operation and we believe that this proposed

work will be conducted in the same manner. It is requested that an amendment to the present contract be prepared, allowing not more than 100 feet of drifts to explore those areas mentioned above; this work to commence upon completion of footage in the present contract.

L. W. Shirley, Mining Engineer
U. S. Bureau of Mines

M. R. Teague, Geologist
U. S. Geological Survey

October 9, 1953

DEPARTMENT OF THE INTERIOR
Bureau Lands Administration
RECEIVED
OCT 2 1933

[illegible]

DA-2301 DM-563 (mica) [illegible] 2 [illegible]

[illegible] American Mica Corporation, Marshall, North Carolina.

[illegible] about 12 miles by road S 25° [illegible] of Marshall, Madison County, North Carolina.

Outlined white mica [illegible] is in progress on this contract and is now at [illegible] feet. The first 6-[illegible] feet of shaft was sunk through massive quartz and the remaining footage has been in pegmatite, consisting of fel spar, quartz and small muscovite [illegible]. Mining will continue as before with no change in the target.

[illegible] air "Ingersoll" [illegible] has been installed and [illegible] has been laid to the mine site for removal of muck. [illegible] ventilation system has been installed and approximately 800 feet of metal piping started to carry air from the portal to the working face. This operation is being conducted as safely as conditions will permit. [illegible] extent to [illegible] is under way. Progress on this contract is satisfactory.

[illegible] Hirley, Mining Engineer
[illegible] Bureau of Mines

[illegible] Sague, Geologist
[illegible] Geological Survey

September 21, 1933

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
SOUTHEASTERN REGION
REGION VII

OFFICE OF
REGIONAL DIRECTOR

P. O. BOX 217
NORRIS, TENNESSEE

September 10, 1953

Memorandum

To: J. L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Officer, Region VII, Knoxville, Tennessee

Subject: Monthly Reports and Vouchers

We are enclosing two copies each of the monthly reports and vouchers:

Idn-S-553	Ray E. Bennett DMEA Docket No. 2930 2nd payment - month of August Amount $540.00
Idn-S-547	Duncan Mining Company DMEA Docket No. 2886 2nd payment - month of August Amount $545.40
Idn-S-557	B.T.R. Mining Company DMEA Docket No. 3000 2nd payment - month of August Amount $630.00
Idn-S-563	American Mica Corporation DMEA Docket No. 2951 2nd payment - month of August Amount $2331.00
Idn-S-524	Hooper Brothers DMEA Docket No. 2909 3rd payment - month of August Amount $1260.00

Idm-E-519 H. J. Twiggs, W. S. Glenn
IMFA Docket No. 2784
3rd payment - month of August
Amount $990.00

Idm-E-534 Blue Ridge Rice Co., Inc.
IMFA Docket No. 2870
3rd payment - month of August
Amount $802.80

Helen H. Miller

Enclosures 14

/hbm
Copies to: W. A. Beck
R. A. Laurence

MF-104 (Rev.)
(April 1952)

Mr Robertson

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of AUGUST, 1953 Docket No. DMEA 2961 Contract No. IDM-E 563
Operator's Name AMERICAN MICA CORPORATION Minerals MICA
Address FRANKLIN, N. C.
Contract Amount, $ 8250.00 Government Participation: 90% Amount, $ 7425.00

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						
Crosscutting						
Drifting 74 feet	$2590.00	$910.00	$3500.00			
(2) Labor and Supervision:						
Labor						
Supervision						
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	$2590.00	$910.00	$3500.00	2,590.00	910.00	3,500.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-13

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

Date AUG. 31, 1953 Payee AMERICAN MICA CORPORATION

Per [signature] 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:

$ 2,331.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date SEP 11 1953 Vou. No. 61

(See other side)

259.00

(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-E563 in accordance with the terms of the contract.

Signature Lawrence E. Shurley Title Mining Engr. U.S.B.M. Date Sept. 2, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. A. Beck Title ACTING EXECUTIVE OFFICER DMEA REGION VII Date SEP 4 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 AUGUST 1953 Docket No. DMEA 2961 Contract No. IDM-E 563
Operator's Name AMERICAN MICA CORPORATION Minerals MICA
Address 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	feet	$259000	74	$3500.00	100	$35.00	100	$3500.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2590.00		$3500.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2590.00		$3500.00				$8250.00

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.

REMARKS: This completes Stage I of contract

Date Aug. 31, 1953 Operator AMERICAN MICA CORPORATION

Per [signature] 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.

(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

AMERICAN MICA CORPORATION'S
MONTHLY PROGRESS REPORT
for the
Month of August, 1953

DMEA No. 2961
IDM-E 563

Work Accomplished

Stage I of said contract completed on August 27.
Preparatory work to beginning of sinking of winze, Stage II, begun August 31, but not finished.

Daily Notes

August 3. Hanging wall in upper left (southwest) corner of tunnel. Pegmatite is a powdery quartz heavily impregnated with scrap mica. Drilled full round.

August 4. Straight drilling

August 5. Straight drilling

August 6. Straight drilling. Laid more track today. Shot left uneven face.

August 7. Drilled straight round of short holes to square face of tunnel. Did road work. No change in formation of pegmatite, quartz core or hanging wall.

August 10. Straight drilling. Inspection by Messrs. Teague and Shirley, DMEA field team, who suggested drilling cross cut to foot wall at approximate location selected by them, beginning such work in morning. Upon reaching foot wall, their instructions were to begin drilling again at heading of main tunnel.

August 11. Drilled first heading at cross cut.

August 12. Straight drilling at cross cut heading

August 13. Straight drilling at cross cut heading.

August 14. Straight drilling at cross cut heading.

August 17. Reached foot wall of cross cut with today's shot. Showing definitely precluded any possibility of sheet mica at this location. Took us five days to go 14' to this footwall.

August 18. Drilled full round in main tunnel heading. Same pegmatite formation. Hanging wall in upper left (southwest) corner.

August 19. Straight drilling.

August 20. Straight drilling.

August 21. Straight drilling.

August 24. Straight drilling. Messrs. Teague and Shirley in for another

inspection. Authorized us to shoot today's round which was nearly completed upon their arrival and to begin tomorrow again to crosscut to foot wall near present advanced main tunnel heading. Vein material the same: powdery quartz with heavy scrap mica. Teague and Shirley worked with us in selecting location of winze at cross cut near east end of tunnel. Teague gave us verbal approval to proceed with winze upon completion of above cross cut, pending written approval from either Mr. Lawrence or Mr. Beck.

August 25. No drilling today due to necessity of mucking out main tunnel before we could set up to begin drilling cross cut. Working hard getting equipment together necessary in drilling winze. Air blower placed. Blower pipe ordered. Air hoist delivered to mine.

August 26. Drilling crosscut

August 27. Drilled into and exposed foot wall with today's shot. No change in material -- no sheet mica. Had only to drill seven feet in this cross cut to reach foot wall against 14' in preceding cross cut in same section of tunnel. Today's work completed Stage I of DMEA contract as follows:

August drilling:	Main tunnel 54'	
	Cross cut #1 14'	
	" " #2(73) 6'	
	Total August Footage	74'
	July Drilling	26'
	Total Footage	100'

August 28. Laid water pipe, airlines and track to winze site. Drilled first "wedge" going down.

August 31. Drilled round 6' holes sinking down on winze. Began installation of blower air lines -- hard job.

Opr. Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
EXECUTIVE OFFICER
DMEA REGION VII

August 24, 1953

American Mica Corporation
Mr. R. G. Lichenstein, Pres.
Franklin, North Carolina

Re: DMEA-2961, Idm-E563 (mica)

Dear Sir:

The Field Examiners have informed this office that Stage I of this project is nearing completion, and to date no discovery of strategic mica has been made.

This letter is to grant permission for your Corporation to undertake Stage II of subject contract which is to consist of sinking a 5 by 7 foot winze to a depth of 50 feet, followed by driving from this winze a drift/or crosscut to explore the pegmatite zone, a distance of 50 feet. //

Wm. A. Beck,
Acting Executive Officer,
DMEA - Region 7

KHT/Zm
8-copies

PROGRESS REPORT

DMA-2061 Idn-2063 (mica) BASELY 2 [illegible]

OPERATOR: American Mica Corp., Franklin, North Carolina

LOCATION: About 12 miles by road N 25° E of Franklin, Macon County, North Carolina.

Drifting continues to the northwest on this contract and is now at 75 feet. Material encountered remains essentially the same, with the exception of added quartz on the footwall side. Very little mica has been recovered to date. An exploratory crosscut has been driven a total distance of 14 feet to the northeast to explore the possibilities on the footwall. Turnoff for this work was at a point 30 feet in the drift. This footage yielded but little mica and although a few blocks of muscovite was observed in the walls, additional work at this point does not appear to be justified. The footwall is exposed in the lower section of the heading. Another similar crosscut will be started at 80 feet in the main drift in the near future.

Preparatory plans for Stage II were discussed with the operator and a winze location made.

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. H. Teague, Geologist
U. S. Geological Survey

August 24, 1953

[illegible]

INTERIM REPORT

[illegible]-2961 Idm-2583 (mica) BARLEY 2 mile

OWNER: American Mica Corp., Franklin, North Carolina

LOCATION: About 12 miles by road N. 25° W. of Franklin, Macon County, North Carolina

Drifting continues on this contract and is now at 60 feet. Country rock is exposed along the left wall from 38 ft. point to the face. Most of the drifting has been in pegmatite, consisting of quartz, feldspar and small muscovite mica. Approximately 20 pounds of block mica has been recovered to date. Drifting will continue for the present in the same general direction until another visit can be made. A location was selected for an exploratory crosscut that will be driven to the footwall when present drifting is completed. Progress on this contract has been satisfactory.

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

A. H. Teague, Geologist
U. S. Geological Survey

August 10, 1953

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

D ON VOUCHER & SCHEDULE
PAYMENTS K- 8
AUG 13 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JULY 195 3 Docket No. DMEA 2961 Contract No. IDM-E 563
Operator's Name AMERICAN MICA CORPORATION Minerals MICA
Address FRANKLIN N C
Contract Amount, $ 8250.00 Government Participation: 90 % Amount, $ 7425.00

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						
Crosscutting						
Drifting 26 feet	$910.00		$910.00			
(2) Labor and Supervision:						
Labor						
Supervision						
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	$910.00		$910.00	910.00	—	910.00

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

Date Aug. 1, 1953 Payee AMERICAN MICA CORPORATION

Per [signature] 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:

$ 819.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date AUG 13 1953 Vou. No. 32
(See other side)

1 of S- 7/22/53 91.00

(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. Dm-E563 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Aug. 3, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION VII Date AUG 5 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 195 3 Docket No. DMEA 2961 Contract No. IDM-E 563

Operator's Name AMERICAN MICA CORPORATION Minerals MICA

Address 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	feet	$910.00	26	$910.00	26	~~$910.00~~ 35.00	100	~~$8250.00~~ 35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$910.00		$910.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$910.00		$910.00				$8250.00

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.

REMARKS:

Date Aug. 1, 1953 Operator AMERICAN MICA CORPORATION

Per [signature] 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.

(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

AMERICAN MICA CORPORATION'S
MONTHLY PROGRESS REPORT
for the
Month of July, 1953
(beginning Wednesday, July 22)

DMEA No. 2961
IDM-M 563

Work Accomplished

Equipment already set up but had to shorten water and air lines to new face. Five man crew. Drilled and shot full round of 24 holes, Wednesday, July 22 and following Friday, Monday, Wednesday, Thursday and Friday, 6 days. On Thursday, July 23, only partial round was drilled to square face and on following Tuesday the same to slab off right side of tunnel. Advance for the month totaled 26 feet. No pumping necessary.

Daily Notes

July 22. The tunnel heading is in pegmatite about 7 feet thick between hanging wall and quartz core. Water and air lines shortened to new face, full round drilled, cleaned out water breaks on road to mine.

July 23. Only partial round drilled due to necessity of squaring face of heading. Did mine housekeeping.

July 24. Drilled full round today in a good heading.

July 27. Today's shot showed hanging wall coming in rather sharply, pushing across upper left (Southwest) corner of tunnel, necessitating pulling tunnel to right.

July 28. Slabbed off right side of tunnel with 8' holes. No forward drilling progress.

July 29. Drilled and shot full round of 24 holes.

July 30. Drilled and shot full round.

July 31. Drilled and shot full round. After today's shot, pegmatite is approximately 6 feet thick between hanging wall and core. Peg is a powdery quartz, so heavily impregnated with small mica it is about the richest scrap I have ever seen.

Total tunnel footage advance for 6 days of drilling and shooting, July 22 through July 31, inclusive, 26feet.

INITIAL REPORT

DMA-2981 Idm-1505 (mica) [illegible] 2 [illegible]

OPERATOR: American Mica Corp., Franklin, North Carolina

LOCATION: About 12 miles by road N 25° W of Franklin, Macon County, N. C.

Starting date on this contract is July 22, 1953. Drifting in Stage 1 is under way and the drift is being driven west along the hanging wall. The heading, which is now at 14.5 ft., showed about 50% biotite schist in the left wall and the remainder was pegmatite. Small sizes of ruby mica, not exceeding 2" x 2" and scrap mica has been recovered from recent work. Muck observed indicates that shooting is too hard and if this condition persists, it is doubtful that much mica could be recovered even if a shoot was found. Slabbing on the right wall will begin today, keeping the biotite schist in the left wall in sight.

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

A. S. Teague, Geologist
U. S. Geological Survey

July 22, 1953

JUL 3 1953 600

Mr. Robert A. Laurence
Executive Officer, DMA
Field Team, Region VII
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

Subject: Docket No. DMA-2961 - Mica
American Mica Corporation
Beasley No. 2 Mine
Macon County, North Carolina

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

The contract is in order except for the attachment of Owner's Consent to Lien to each copy of the contract. For this purpose, we are enclosing herewith six forms, MF-203 (revised July 1, 1953) that are to be signed by the land owner before the contract is executed.

If the contract meets with your approval, present it to the Operator for approval and signatures. Please explain to the Operator that when the contract is executed it is a firm commitment under the terms of which it is obligated to complete the work outlined at the agreed unit cost for the work. If any part of this contract does not have either your approval or that of the Operator and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract (and attachment of executed Owner's Consent to Lien), the copies are to be distributed in the usual manner.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

Enclosures 16

JTRobertson:gad 7/2/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk.

Department of the Interior
Defense Minerals Exploration
Administration

14X3943.970 Working Fund,
Interior, Defense Minerals Exploration
Administration

Mr. K. C. Lichtenstein, President
American Mica Corporation
Franklin, North Carolina

June 26, 1953

Execution of contract completed when your signature is attached to the contract forms. Unable to predict execution date, however, proposed contract going to Operating Committee tomorrow for their decision.

C. O. Mittendorf

Administrator, Defense Minerals
Exploration Administration

Confirmation Copy

JTRobertson:gad 6/25/53

Copy to: Admr. R. File
Docket File
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

C
O
P
Y

Franklin, North Carolina
June 10, 1953

Department Of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Att: Mr. Lawrence G. Houk - Chief
Non-metallic Minerals Division

Re: Docket No. DMEA-2961-Mica
Beasley No. 2 Mine
Macon County, North Carolina

Dear Mr. Houk:

Delay in answering your letter of May 21st was occasioned by the absence from the city of Mr. Guy Houk, counsel for the lessor of Beasley No. 2 Mine.

We are enclosing a metes and bounds description of the property as it appears on the Macon County Records. I hope this description will permit you to proceed with processing the application.

With regard to having adequate room available for dumping waste, please be advised that BLM lease Serial No. A-031772, dated April 1, 1953, has been issued Mr. Frank Siersma. This property adjoins our Beasley No. 2 Mine on the South and before the lease was granted, Mr. Siersma had Forest Service Permit 125008.366 (Nantahala 080.366) for land use. Such permit expires December 31, 1953, but the above mentioned lease now covering the adjoining property permits the continued use of such area as may be necessary for dumping.

This lease was assigned to the American Mica Corporation by Mr. Siersma on May 8, 1953 and the proper application for assignment to us has been filed with Mr. C. R. Drexilius, Assistant Chief, Division of Mining, Bureau of Land Management. Under these circumstances, therefore, we are of the opinion that there can be no question of our having far more room than is necessary for waste disposal.

We shall be pleased to furnish any additional information you may feel is necessary.

Yours very truly,

AMERICAN MICA CORPORATION

By /s/ R. G. Lichtenstein
R. G. Lichtenstein
President

Enc.

COPY

COPY

GUY L. HOUK
Attorney At Law
Franklin, N. C.

June 10, 1953

Mr. R. G. Lichtenstein
Franklin, North Carolina

RE: Beasley Mine # 2

Dear Sir:

Pursuant to your request I herewith give you a consolidated description of State Grants 3247, 3248 and 3249, the same being the property on which the Beasley Mines of Junaluska Lodge are located.

The property covered by your lease is, of course, located to the south of the ridge traversing these three Grants and, in my opinion, located on Grant 3247.

Herewith the description:

> BEGINNING at a chestnut oak a rock corner located 20 poles North of the creek, the Northeast corner of Grant 3249, runs thence with the East line of 3249 S 25 W 160 poles to a chestnut, the Southeast corner of Grant 3249; thence E 90 poles to a chestnut, the Northeast corner of Grant 3247; thence S 170 poles to a white oak; thence W 300 poles to a chestnut oak; thence N 30 E 70 poles to a black oak on top of the mountain; thence N 20 W 80 poles to a locust; thence N 53 E 20 poles to a chestnut; thence N 20 W 10 poles to a lynn, a corner common to Grants 3247 and 3248; thence still N 20 W 50 poles to a chestnut; thence N 20 E 100 poles to the Northwest corner of Grant 3248; thence E to the BEGINNING. The above tract consisting of 500 acres, more or less.

As above stated your lease covers approximately one-half of the above tract and is that part thereof lying South of the crest of the ridge traversing the above described lands.

Yours truly,

/s/ G. L. Houk

G. L. HOUK

GLH:nj

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

June 1, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2961, Mica, Beasley No. 2 Mine,
Macon County, North Carolina

I concur in the field team's recommendation for an exploration program in the amount of $8,250.

Signed

W. F. Dietrich

600

MAY 21 1953

Mr. [illegible] Lichtenstein, President
[illegible] Mica Corporation
[illegible], North Carolina

re: [illegible] - [illegible]
[illegible] No. 2 Mine
Franklin County, North Carolina

Dear Mr. Lichtenstein:

Reference is made to your letter of May 4, 1953 in reply to our letter of April 29, 1953, in which we requested cost data, description of property and a map.

We are not fully informed on the project cost, but we cannot process the application until we have a more complete description of the land.

It is important that adequate ponds be available for disposal of waste. We would therefore like to know how you propose to provide for waste disposal on the present leasehold.

Upon receipt of the requested information the application will be processed.

Sincerely yours,

SIGNED

[illegible], Chief
Nonmetallic Minerals Division

Lumberton:ts 5/21/53

Copy to: Mr. [illegible] File
[illegible] File
State [illegible], Region VII
Mr. Dietrich, 7526
Mr. Jarrubes, [illegible] Sta. Fe
Mr. [illegible]

IN REPLY REFER TO:

G-MD-CNM

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

May 21, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2961 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: American Mica Corp., c/o R. G. Lichtenstien, Franklin, North Carolina.
Name of property: Beasley #2.
Location of property: 12 miles by road N. 25° E. of Franklin, North Carolina.
Date of field team report: May 14, 1953.
Authorship of field team report: Teague and Shirley.
Field team's recommendation:

1. 100' of drifts and crosscuts.
2. If (1) is successful:
   50'-5x7' winze.
   50' drifts.

Comments: Clear the Siersma lease situation.
ACTION SUGGESTED: Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
G-5/21/53
cc:
Director's reading 4212
Branch " "
DMEA (3) ✓
Larrabee G-230

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

Robertson
Houk
Wattendorf

MAY 21 1953

Mr. R. G. Lichtenstein, President
American Mica Corporation
Franklin, North Carolina

Re: Docket No. DMEA-2961 - Mica
Beasley No. 2 Mine
Franklin County, North Carolina

Dear Mr. Lichtenstein:

Reference is made to your letter of May 4, 1953 in reply to our letter of April 29, 1953, in which we requested cost data, description of property and a map.

We are now fully informed on the project cost, but we cannot process the application until we have a metes and bounds description of the land.

It is important that adequate room be available for dumping waste. We would therefore like to know how you propose to provide for waste disposal on the present leaseholdings.

On receipt of the requested information the application will be processed.

Sincerely yours,

SIGNED
Lawrence G. Houk, Chief
Nonmetallic Minerals Division

JTRobertson:fls 5/21/53

P.H.
5-21-53

Copy to: Admr. R. File
Docket File
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Larrabee, G-232, GSA Bldg.
Mr. Houk

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

Room 13, Post Office Bldg.
Knoxville 2, Tenn.

COPY

May 15, 1953

Memorandum

To: Operating Committee, D M E A - Washington

From: Field Team, D M E A - Region 7

Subject: Field Examinations. (mica)

Transmitted herewith are three copies each of the field examination reports, and six extra copies each of the maps on the following:

DMEA-2944, Campbell Mine

DMEA-2961, Beasley No. 2 Mine

DMEA-2974, Quisenberry Mine

The Field team is in agreement with the recommendations set forth in the reports.

/s/ Robert A. Laurence
Executive Officer, DMEA, Reg. 7

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

Reviewed by
DMEA OPERATING COMMITTEE
5-22-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2961, BEASLEY No. 2 MINE (mica)
Franklin, Macon County, N. C.

By

Kefton H. Teague, Geologist
U. S. Geological Survey

Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
5-22-53
(date)

May 14, 1953

Field Examination Report
on
DMEA-2961, Beasley No. 2 Mine (mica)
Applicant: American Mica Corp. c/o R. G. Lichtenstien
Franklin, N. C.

Recent efforts to produce mica from this mine have been unsuccessful. The application discusses this effort satisfactorily. All recent work has been conducted from the lowest adit, by drifting on the pegmatite to the east along the hanging wall. The footwall has been exposed at four places and a drift has been driven along the footwall to connect the 38-foot and 20-foot crosscut. Some block mica was found by this drift, but not in sufficient amounts to pay mining costs.

There is a possibility that sheet mica may be found west of the point where the adit intersects the pegmatite. If no sheet mica bearing pegmatite is found west of the adit, another possibility exists by exploring the footwall zone in the area where some sheet mica has been recently obtained. The examiners recommend that a drift be driven to the west along the hanging wall for not more than 100 feet. If no sheet mica is found, Stage II should consist of sinking a winze on the footwall in the area where some mica was recently obtained (see attached map).

The Beasley No. 2 mine is about 12 miles by road N. 25° E. Franklin Macon County, North Carolina. Access to the mine is good at all seasons of the year.

This mine was examined on May 8, 1953. Mr. R. G. Lichtenstein accompanied the examiners on the inspection which required two hours.

It appears that the applicant has done a competent job on the exploration conducted at their own expense. Mining equipment on the property is in good shape and they appear to be competent to conduct the proposed exploration.

This property is held under lease. All of the pegmatite to be explored under this proposal is covered by the applicant's lease; however, they are not clear as to the southern boundary of the leased area. They are of the opinion, however, that the line is about 50 feet north of the portal of the lowest adit, thus all muck will have to be dumped on property not covered by the lease. The property on which the dump is located is held under lease by Frank Siersma (Holbrooks Mine-DMEA-2962, mica) on which denial has been recommended. Mr. Lichtenstein informed the field examiners that his Corporation had an option on this property from Mr. Siersma; but before a project is prepared, it would appear that the Application should exercise this option.

The geology and extent of this mine prior to 1950 has been adequately described in published and unpublished reports. A report dated June 20, 1951 on this mine (IMA-1194X) describes work completed after 1950 and the current application discusses work completed since the 1951 report.

The openings made during the recent work has exposed a pegmatite which ranges in thickness between 10 and 25 feet. Only two main parts of the pegmatite are present- both the hanging and footwall zones are composed of medium to fine grained quartz-feldspar-small muscovite pegmatite. These two segments are separated by a persistent quartz core which ranges from 2 to 6 feet in thickness. The attached sketch map shows in general the type of material, and the proposed location of the recommended work.

Estimated Cost: Stage I

100 ft. of drift and crosscuts to be driven west from the point where the adit cuts the pegmatite, @ $35/ft.	$3,500.00

Stage II

This work should not be undertaken if Stage I is successful.

50-foot, 5' x 7' winze @ $55/ft.	2,750.00
50-ft. drifts @ $40/ft.	2,000.00
Estimated total cost of Stages I & II	$ 8,250.00

Estimated time required, Stages I & II--90 shifts.

May 14, 1953

Kefton H. Teague, USGS

L. E. Shirley, USBM

600

APR 29 1953

Mr. R. G. Lichtenstein, President
American Mica Corporation
Franklin, North Carolina

Re: Docket No. DMA-2901 - Mica
Beasley No. 2 Mine
(or Beasley No. 1 Mine)
Franklin County, North Carolina

Dear Mr. Lichtenstein:

Reference is made to the subject application for exploration assistance and the omission of cost data and an apparent discrepancy in the property description as submitted in the application.

Please note Article 6 of MF-103, a blank copy of which is enclosed, that it is a requisite part of your application to include detailed cost estimates for the required work. Kindly supply answers to Article 6, (a) to (f) inclusive, giving a detailed cost breakdown under each of the subheadings.

We would like to know the proper name of the mine; the application states Beasley No. 1, whereas the lease provides for the Beasley No. 2. Which is correct? A metes and bounds description of the property together with any map, plat or sketch available should also be submitted.

Your application will be processed when the requested information is received.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosure
JTRobertson:gad 4/29/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

IN REPLY REFER TO:

G-MD-JJN

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

April 9, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 10 1953

Memorandum

REVIEW OF APPLICATION DMEA-2961 (Mica).

To: L. G. Houk, Defense Minerals Exploration Administration.
From: J. J. Norton and Basil O. Dean, U. S. Geological Survey.
Applicant: American Mica Corporation, Franklin, North Carolina.
Name of property: Beasley No. 2 mine.
Location of property: 8 miles N. 25° E. of Franklin, Macon County, North Carolina.
Estimated cost of project: None given.
Summary of applicant's proposal:
125 to 150 feet of drift.
Sources of information on applicant's property:
(1) Dahnerz, L. A. and McIntosh, P. K., 1948, North Carolina mica spots: Bureau of Mines R.I. 4241, pp. 3, 7-10.
(2) Jahns, R. H., Unpublished professional paper on Blue Ridge pegmatites.
(3) Olson, J. C. and others, 1946, Mica deposits of the Franklin-Sylva district, North Carolina, North Carolina Division of Mineral Resources, Bulletin No. 49.
(4) Field Team report on DMEA-1194 by K. H. Teague. pp. 22-25.
(5) Memo. from D. H. Kupfer to Robert Maskey regarding DMPA-2216. A copy is attached to this memo.

Comments:

1. DMEA-1194 on this property submitted by Porter Mica Corporation was turned down on recommendation of field team (June 20, 1951) that the property had been well explored and the proposed project was mainly development instead of exploration. In December 1951, the Beasley Mining Company's application DMPA-2216 for a $20,000 development loan was recommended for rejection by D. H. Kupfer because the property did not show blocked out reserves necessary for a DMPA loan. It was suggested the applicant resubmit an application for a DMEA loan. DMPA apparently later denied this loan and applicant did not reapply to DMEA.

2. The field team report on DMEA-1194 indicated that property should be developed by drifting on the lowest level along the known mica zone adjacent to the hanging wall. Applicant says that in recent months they have drifted for about 180 feet east along the hanging wall on this level but only small-size mica books were found.

3. Log of diamond drill hole No. 1 shows drill penetrated about 9 feet of zoned pegmatite with 9½ inch footwall zone of coarsely crystalline mica. This mica bearing pegmatite was about 100 feet below the present lowest level.

4. Applicant now wants to explore along the footwall at the same level as his recent unsuccessful hanging wall drift. Applicant has cross cut to the footwall in two places, and found mica in one of them.

5. Evidently a field examination is necessary to bring out information up to date, and to determine whether additional exploration is feasible on either the footwall or the hanging wall.

6. Evidently the American Mica Corporation is another part of Frank Sierama's complicated corporate structure.

RECOMMENDATION:

Field team examination.

J. J. Norton

Basil W. Dean

IN REPLY REFER TO:

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

April 9, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 10 1953

Memorandum

REVISED ATTACHMENT DMEA-2961 (Mica).

To: L. A. Houk, Defense Minerals Exploration Administration.
From: J. J. Norton and Basil W. Dean, U. S. Geological Survey.
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(3) Olson, J. C. and others, 1946, Mica deposits of the Franklin-Sylva district, North Carolina, North Carolina Division of Mineral Resources, Bulletin No. 49, pp. 22-25
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RECOMMENDATION:

Field team examination.

J. J. Norton

Basil G. Dean

IN REPLY REFER TO:

G-MD-JJN

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

April 9, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 10 1953

Memorandum

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To: L. A. Houk, Defense Minerals Exploration Administration.
From: J. J. Norton and Basil O. Bean, U. S. Geological Survey.
Applicant: American Mica Corporation, Franklin, North Carolina.
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RECOMMENDATION:

Field team examination.

J. J. Norton

Basil G. Dean

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

April 7, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2961, Beasley No. 1, Macon County, North Carolina.

Geological Survey (Professional Paper 225, p. 51) tested 73 pieces of mica from subject mine to be 100 percent of E-1 capacitor quality and color was classed as light cinnamon brown, generally acceptable as ruby mica. On the basis of this fact, it is requested that the field team investigate this mine for justifying an exploration program.

Signed

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

April 7, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2961, Beasley No. 1, Macon County, North Carolina.

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W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 7 1953

April 7, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2961, Beasley No. 1, Macon County, North Carolina.

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Signed

W. F. Dietrich

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Defense Minerals Administration
RECEIVED
MAR 30 1953

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. dmea 2961
Metal or Mineral
Date Received 3-30-53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address:

AMERICAN MICA CORPORATION
FRANKLIN, NORTH CAROLINA

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract BEING the lands known as Beasley Mine ~~K~~, No. 2, consisting of 250 acres, more or less, located on the waters of Cowee Creek, Macon County, North Carolina, as conveyed by deed, dated September 6, 1900, to Junaluskee Lodge No. 145, and recorded in the office of Register of Deeds in Book JJ, page 136.

(*b*) State any mine name by which the property is known. BEASLEY NO. ~~K~~ No. 2

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise LESSEE

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. COPY OF LEASE ATTACHED

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If, the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(a) State the mineral or minerals for which you will to explore STRATEGIC RUBY MICA

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of 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.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—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 the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? YES

(*b*) How do you propose to furnish your share of the costs?

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on accompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated MARCH 25th, 1953

AMERICAN MICA CORPORATION

(Applicant)

By [signature]

Pres.

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.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

4. This mine was first opened in 1890 and has been worked profitably, though intermittently, since that time. In September, 1942, Asheville Mica Company began operations and during that war period produced very large quantities; from tunnels 1 & 2 (see sketch attached). The last year's operation resulted in sales to the Colonial Mica Company in excess of $100,000.00. The mica is deep run in color and the books are generally hard and flat; sheeting to 6" x 8".

During the war period, the U.S. Bureau of mines drilled three (3) holes, with a total length of 647 feet, on this property; per Report of Investigations, R.I. 4241, April 1948. Core recovery in the dykes averaged approximately 93 percent. Hole 1, 247 feet deep, cored several mica books. Hole 2, 199 feet deep, cut a body of mixed pegmatite and gneiss between 140.4 to 157.5 feet. Hole 3, 201 feet deep, cut pegmatite between 175.1 and 194.3 feet. All holes drilled proved that the pegmatite continues below the present working level.

In 1951 Tunnel 3 was constructed for a distance of 213 feet, in a northeasterly direction toward past workings; at a lower level. This tunnel was abandoned because no block mica was encountered.

The American Mica Corporation secured a lease to the property on October 6, 1952 and began work on November 3, 1952. Since that date the company has drilled a tunnel approximately 180 feet easterly from about the end of tunnel constructed in 1951. This extension is along the hanging wall side of the mica pegmatite and was drilled in an effort to pick up the rich mica chute which was mined in adits 1 and 2 referred to above. This tunnel is 5' x 7' and every inch of it is in rock. The mineralized zone, which extended the full distance of the tunnel, was primarily fine-grained quartz heavily impregnated with small-size mica books but no sheet mica was discovered at this level on the hanging wall side.

The company drilled a cross cut through the quartz core to the foot wall, a distance of approximately 20'. The quartz core was 12' thick and a zone of oligoclase with some small mica and a foot wall zone of pegmatite containing some relatively coarse mica was uncovered.

The company has employed the services of Ralph A. Adair, Engineer and Geologist, of Asheville, N. C. On March 8, 1953, Mr. Adair made the following report of findings of his visit to the mine on February 22, 1953, together with drawings:

"Since my visit of last October, the recommended developement program has been carried out in a very competent manner, and both underground headings and surface installations are in excellent condition.

The dyke intercepted by Adit 3 has persisted for a total length, to date, of 164 feet east of the adit. Indications are that it will pinch out in the next round or two, or at least the quartz core, with which has been associated the strategic mica, will pinch out. This quartz core is substantially longer than on the upper levels, (60 to 80 feet) and is much wider at the end of the drift.

Although the hanging wall side of the dyke has shown increasing concentrations of small sheet mica, little or no evidence of commercial amount of strategic mica has appeared on this side. This is in direct contradiction to the condition obtaining on the upper levels.

A short crosscut (25') to the footwall, some 41 feet back from the face intercepted a broad barren quartz core, a zone of oligoclase with small mica, and a footwall zone of pegmatite containing some relatively coarse mica. One round remained to be removed before this footwall can be properly evaluated.

Since no concentration of coarse mica occurred at the footwall of the dyke where intercepted by the Adit, the western extremity of this zone is not known. This footwall zone is therefore a new ore-body of unknown size and value. Drifting both west and east along the footwall from the end of the crosscut will determine the limits of this zone, at this horizon. The drill holes 1 and 3 have cut this orebody at a horizon some 100' below.

Since my visit, communications received show that the drift has been pushed two rounds, (about 8') further east. The dyke at this point has diminished in width, particularly from the south wall, but test holes in the north wall show that the quartz is persisting. Numerous inclusions of wall rock in the dyke were encountered, suggesting an imminent change in structure. From my observation, and from these recent reports, I feel that no evidence is available to suggest that an extension of this drift will encounter strategic mica.

Although the footwall zone at the present developement level has not yielded commercial amounts of strategic mica, I believe that there is a strong probability of encountering a pay zone between the crosscut and the point where the Adit cut the dyke. In view of the work already done, you are unquestionably justified in exploring this contact."

The property is accessible for examination, about 10 miles northwest of Franklin; shipping, supply and residence point. Sufficient manpower, materials, etc., are available. Applicant owns all required equipment.

1. Following are officers and directors of American Mica Corporation, all Residents of Franklin, North Carolina:

R. G. LICHTENSTEIN	PRESIDENT & TREASURER
R. H. LICHTENSTEIN	
T. D. BRYSON, JR.	SECRETARY

5. Past profitable operations and Bureau of Mines core drilling have proven that a tremendous "pay zone" remains in this property; continuing to great depths. Recent exploration and development by applicant has narrowed the location of this "pay zone" so that it can now be encountered. Applicant proposes to explore the foot wall side of the dyke. The indication of coarse mica in the foot wall, as herein explained, would indicate that the sheet mica has changed from the hanging wall to the foot wall; this is substabtiated by the log of the cores of diamond drill holes #1 and #3, pages 7 and 9 respectively, Bureau of Mines Bulletin R. I. 4241, April 1948, in which the report of investigation of this property is made.

It is proposed to drill 125' to 150' of tunnel parallel to and on the footwall of the dyke to encounter the sheet mica chute for which this mine is well known.

Work will start immediately upon signing of contract and can be completed within 45 working days.

Active supervision of applicant's operations are carried on by R. G. Lichtenstein. He has been constantly associated with mica mining since 1946 and is thoroughly familiar with every phase of the industry.

6. It is anticipated that the Field Team will recommend approval of this application on a footage basis contract, after examination and consultation with applicant.

Costs of any additional work, other than the proposed tunnel, will be borne by applicant.

- - - - -

Reference is being made to application of Frank Sierema (3/25/53) to explore the adjacent Hollbrooks mine. The American Mica Corporation will supervise same in conjunction with its own work and requests consideration of both applications at the same time.

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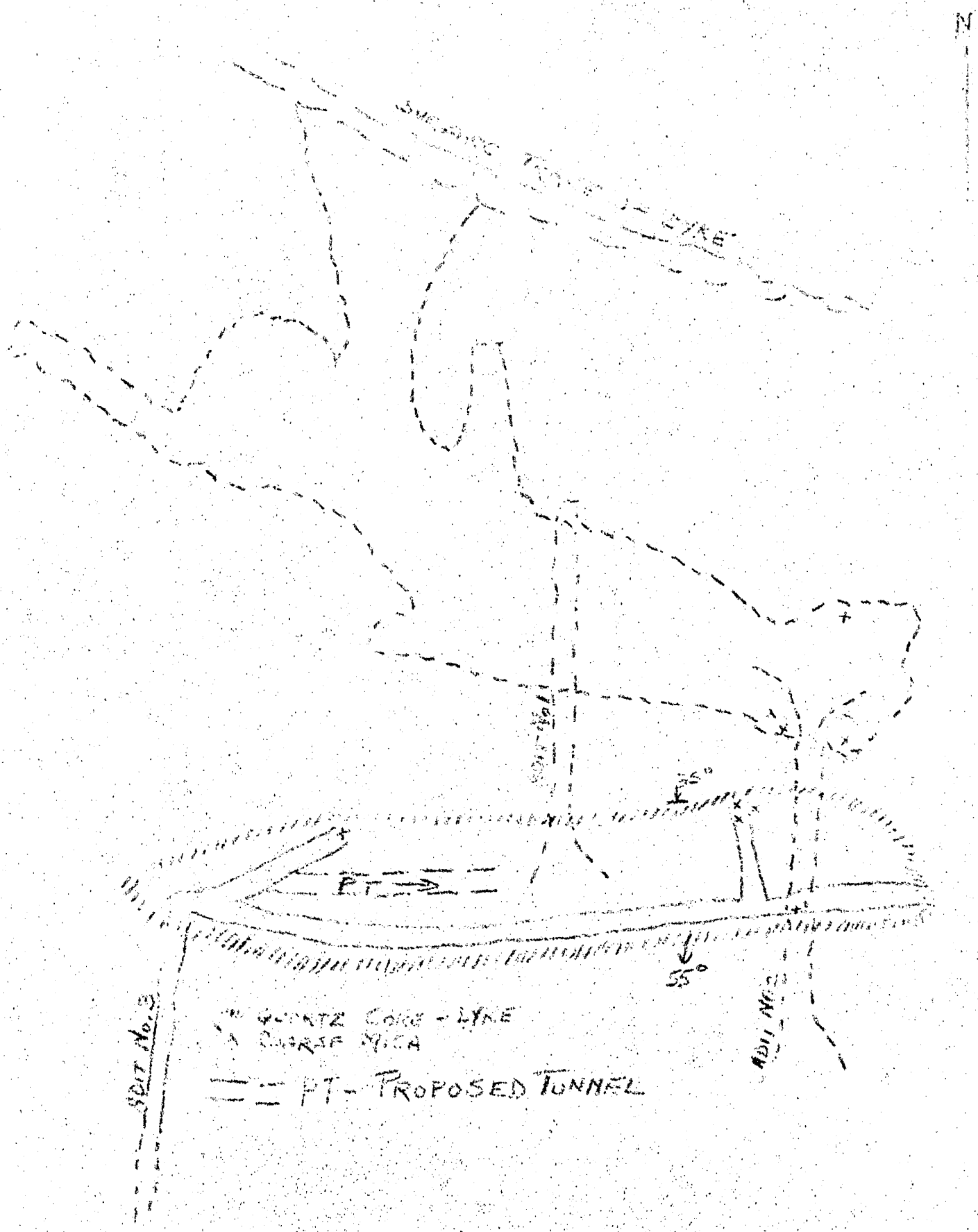
MF-103 AMERICAN MICA CORPORATION FRANKLIN, N.C.

- MICA -
BEASLEY MINE NO. 2
MACON COUNTY



MF-103 AMERICAN MICA CORPORATION FRANKLIN, N.C.

- MICA -
BEASLEY MINE NO. 2
MACON COUNTY

SECTION THROUGH DYKE ALONG PLANE OF HANGING WALL
(Projected to the vertical) Scale - 1" - - 50'
H. B. Adair, Engineer & Geologist. March 8, 1953

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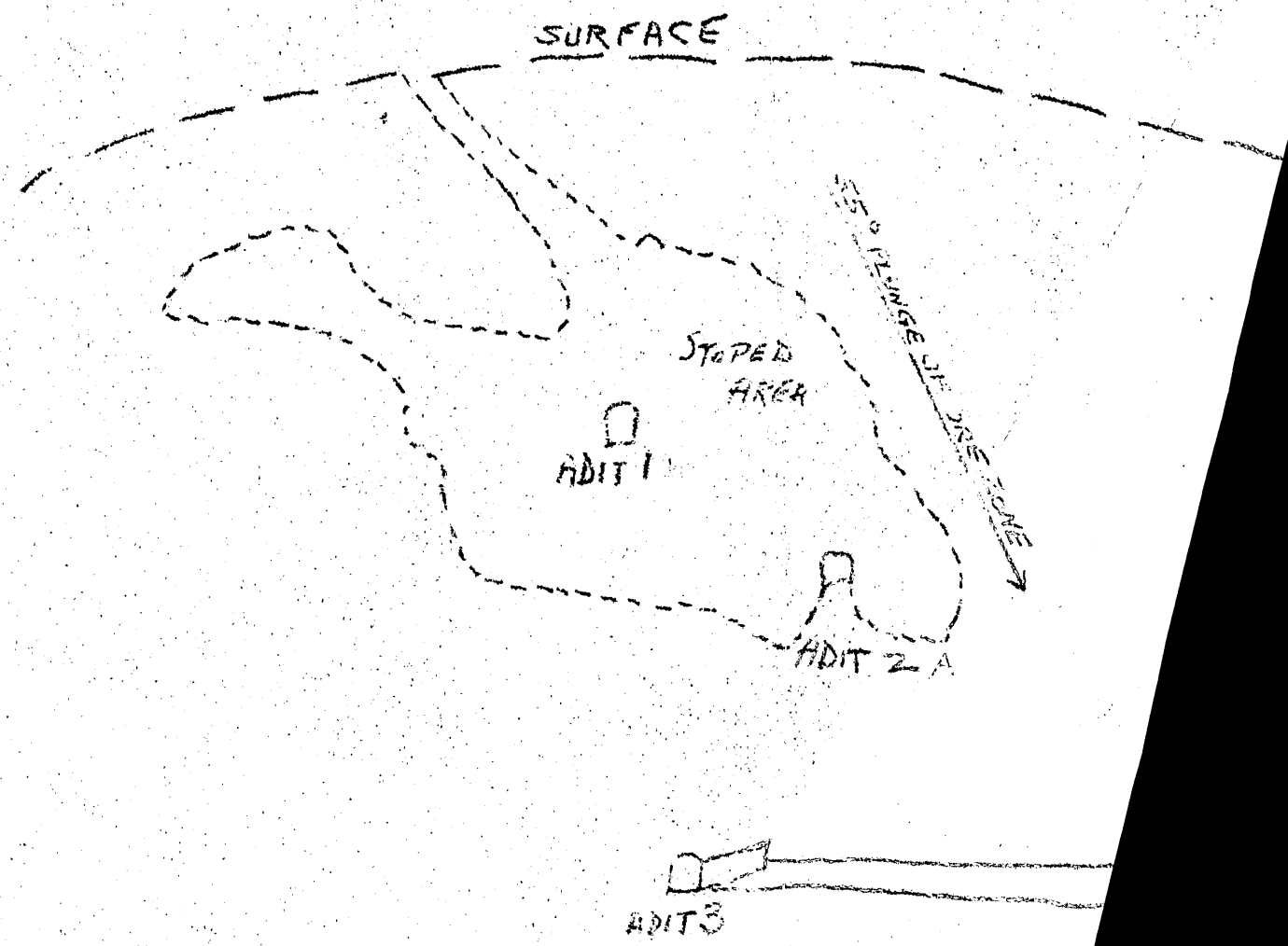


D. DRILL HOLE No. 3 ⊙

⊙ D. H

LEASE COPY

THIS LEASE, Made and entered into this the 6th day of October, 1952, by and between JUNALUSKEE LODGE NO. 145, A.F.&A.M., located in the Town of Franklin, North Carolina, party of the first part, and AMERICAN MICA CORPORATION, a North Carolina Corporation, party of the second part,

WITNESSETH; That for and in consideration of the covenants and agreements hereinafter set forth, to be done and performed by the party of the second part, their successors or assigns, the party of the first part has leased, and by these presents does lease unto the party of the second part, its successors or assigns, the exclusive right to prospect, mine, raise and remove any and all minerals, ores and mineral products in and upon the following described property:

The mineral interest and mining privileges on a tract of land consisting of 500 acres on the waters of Cowee Creek in Macon County, North Carolina, being a part of the property conveyed to Junaluskee Lodge No. 145 by Mary L. Bowers by deed, dated September 6, 1900, and recorded in Book JJ, at page 136, Public Registry of Macon County, and being the land on which the mines known as Beaslet # 1 and # 2 are located, together with the right of ingress, egress and regress to and from said land and also the right to cut and use such timber as may be necessary for the conduct of said mining operations and also the right to use any water necessary for mining purposes.
Excepting, however, from said 500 acres tract that portion thereof consisting of approximately 250 acres known as Beasley # 1 Mine, said 250 lying North of the crest of the ridge between Beasley # 1 and Beasley # 2 Mines.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

- 1 -

The term of this lease shall be for a period of five (5) years, beginning on the 1st day of October, 1952, and ending on the 1st day of October, 1957. It is mutually agreed, however, that this lease may be extended thereafter.

term of this lease, or any extension thereof.

Upon failure to begin operations, as aforesaid, and within the time stated, or upon failure to conduct operations upon said property for less than eight (8) months out of each twelve (12) months period, beginning November 1, 1952, this lease shall become null and void.

- 5 -

The party of the second part agrees to keep and maintain complete and accurate records of all sales of minerals removed from said property and to permit the party of the first part, through its designated representatives, to inspect and audit said records at any time.

- 6 -

Upon termination of this lease, or any extension thereof, the party of the second part shall have the right to remove from the leased premises all buildings, tools, machinery and equipment belonging to the party of the second part. This right shall, however, only accrue if all royalties then or theretofore due, shall have been paid. If, at said termination, there shall remain unpaid royalties for minerals removed from said premises, then, and in such event, no buildings, equipment or other property belonging to the party of the second part shall be removed from said premises until said indebtedness has been satisfied, or except by express permission of the party of the first part.

- 7 -

This lease shall not be assigned without the express permission of the party of the first part.

- 8 -

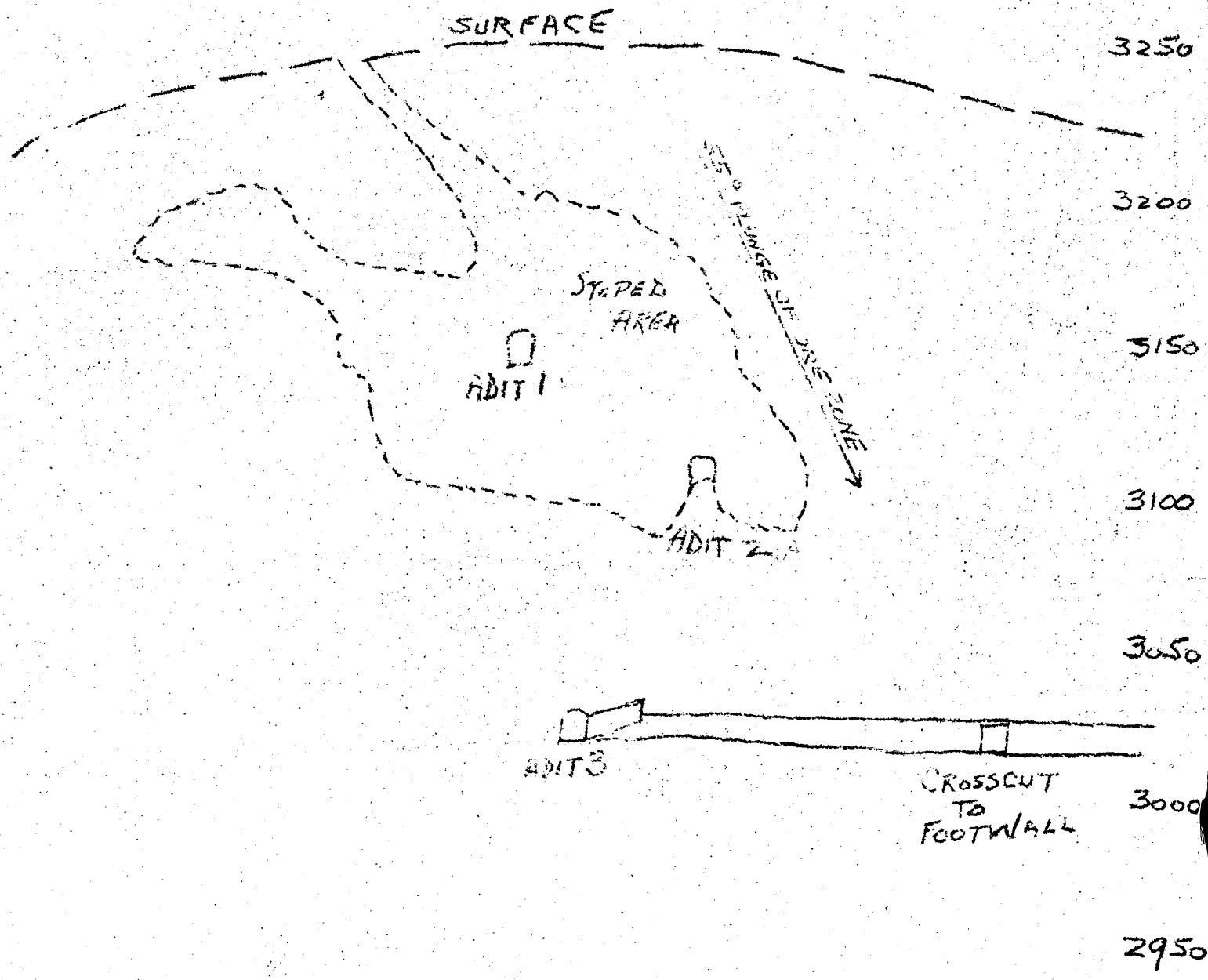
In the event that the party of the second part shall fail to pay any royalty when due, the party of the first part shall have the right, upon ten (10) days notice to the party of the second part, to terminate this lease. However, if the party of the second part shall, within ten (10) day period of notice, pay all royalties due the notice of termination of said lease shall deemed to be cancelled and thelease continued in full force and effect.

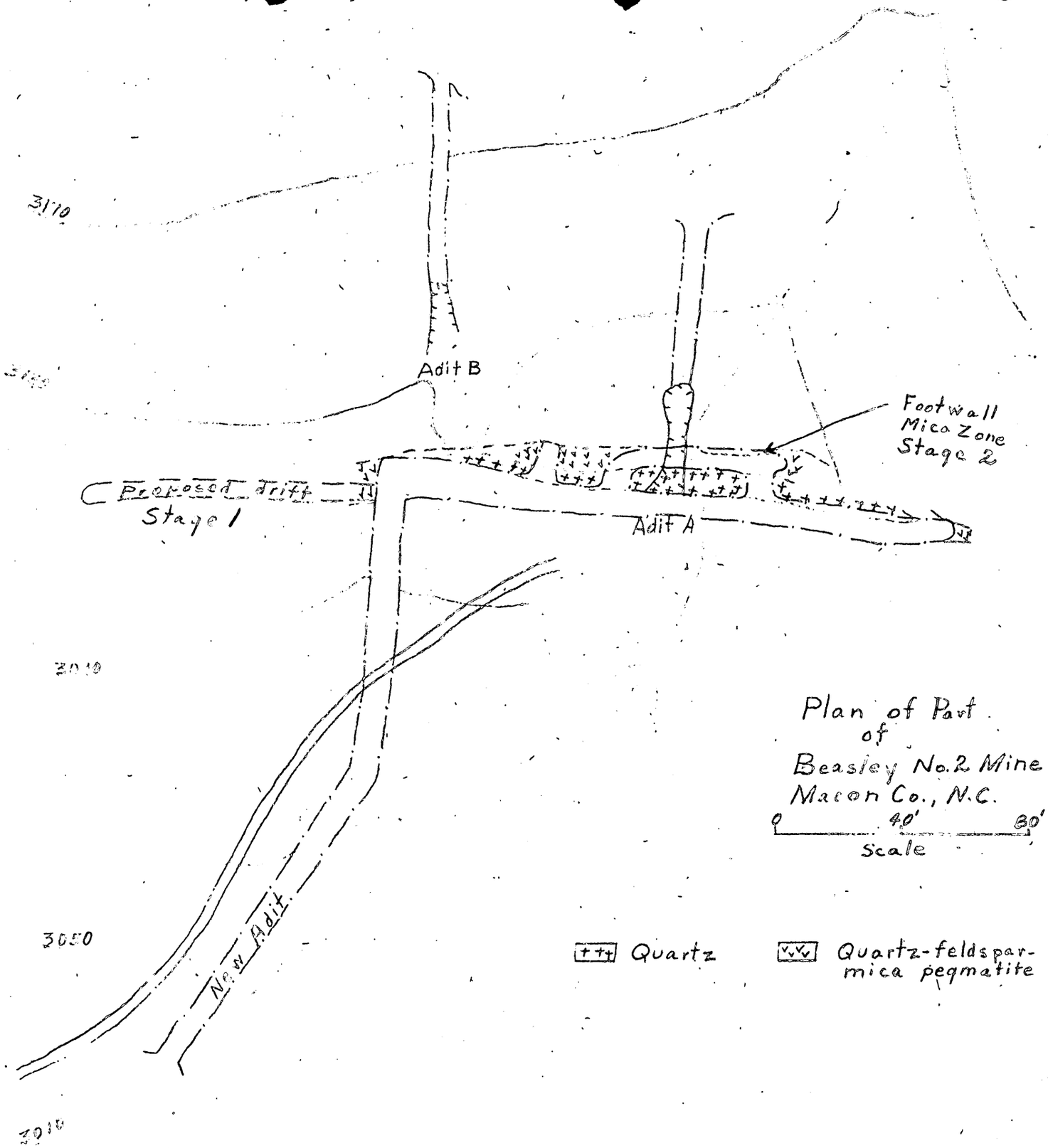
IN WITNESS WHEREOF, the party of the first part has caused this lease to be executed in its name by its three principal officers, and its common seal thereto affixed, all by the order of the Lodge in stated communication and

MF-103 AMERICAN MICA CORPORATION FRANKLIN, N.C.

- MICA -
BEASLEY MINE NO. 2
MACON COUNTY

SECTION THROUGH DYKE ALONG PLANE OF HANGING WALL
(Projected to the vertical) Scale - 1" - - 50'
H. B. Adair, Engineer & Geologist. March 8, 1953





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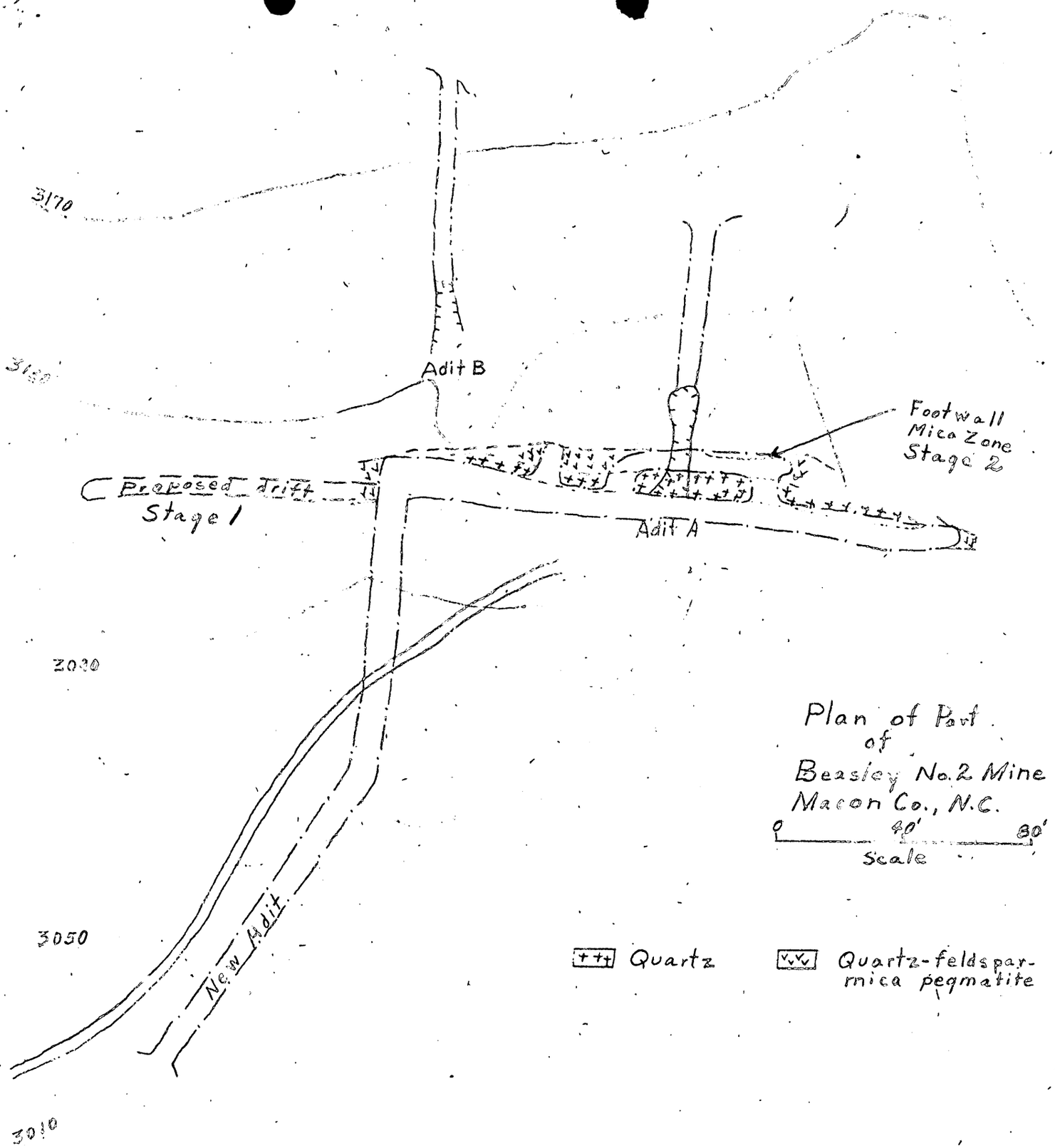
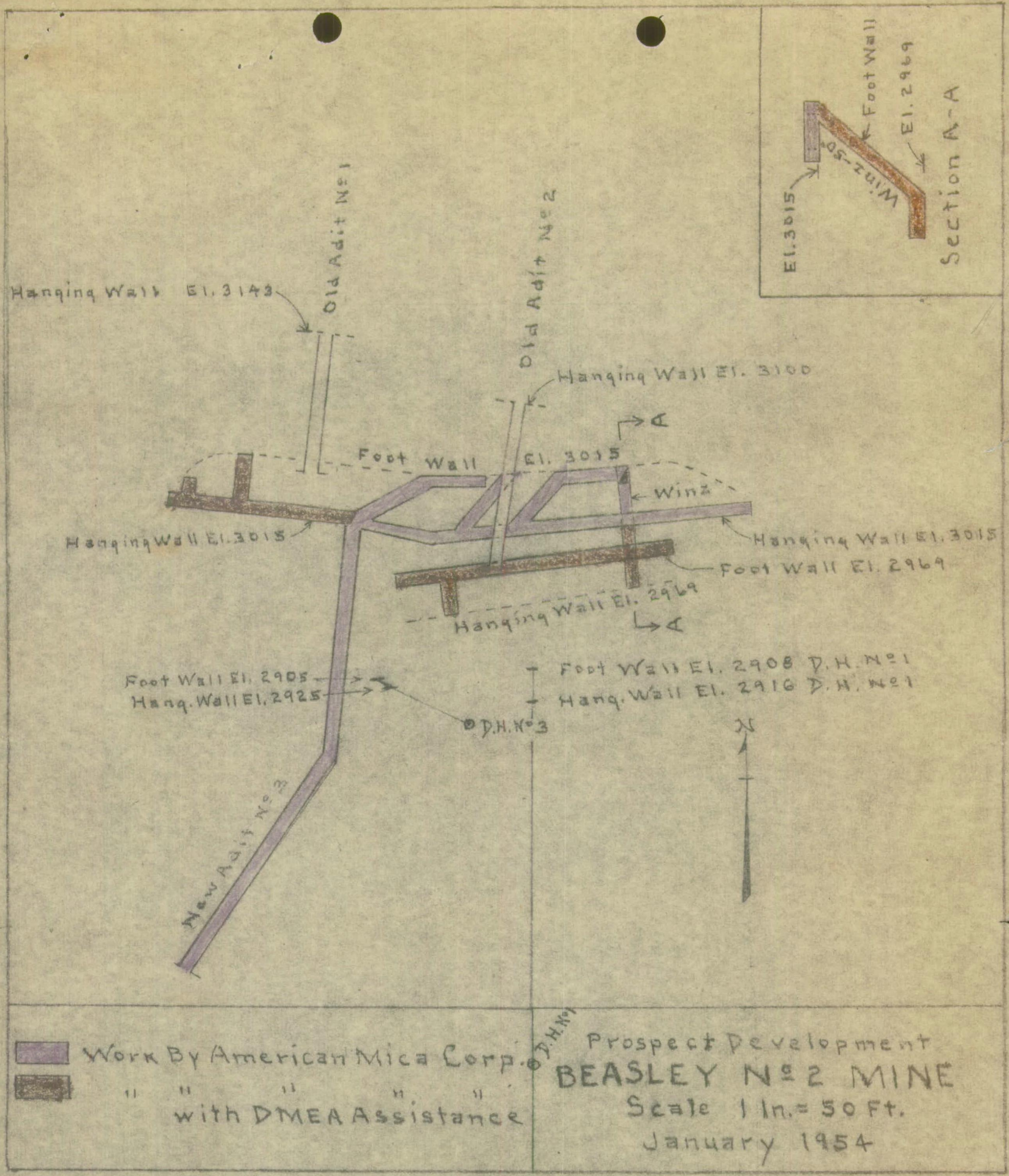


DMEA-2961(mica)


Section A-A
Foot Wall
El. 2969
Winz 50°
El. 3015
Old Adit No 1
Old Adit No 2
Hanging Wall El. 3143
Hanging Wall El. 3100
Foot Wall
El. 3015
Winz
Hanging Wall El. 3015
Hanging Wall El. 3015
Foot Wall El. 2969
Hanging Wall El. 2969
Foot Wall El. 2905
Hang. Wall El. 2925
D.H. No 3
Foot Wall El. 2908 D.H. No 1
Hang. Wall El. 2916 D.H. No 1
N
New Adit No 3
D.H. No 1
Work By American Mica Corp.
" " " " "
with DMEA Assistance
Prospect Development
BEASLEY No 2 MINE
Scale 1 In. = 50 Ft.
January 1954