DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 2993

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This document has been recorded as

EXPLORATION ASSISTANCE

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

Routing Slip
CYS TO USBM, USGS AND REGION VII

To:	Code 600	Date	4/23/53
To:	Robertson	Date	4/24/53
To:	Oper Comm	Date	5-22-53
To:	Oper Comm	Date	7-22-53
To:	Code 600 Rm. 4637	Date	7-23-53
To:	Oper Comm	Date	8-14-53
To:		Date	
To:		Date	
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CONTROLLED DOCUMENT

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AUG 1 4 1953

630

Mr. M. A. Sigler

Gay, North Carolina

Re: Docket No. [illegible] - Mica
Chatter-Keener Mine
Jackson County, North Carolina

Dear Mr. Sigler:

Your application for aid for an exploration project and other data available to us in Washington concerning your application have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of mica on your lease, indicates to us that the probability of disclosing minable ore reserves by your proposed program is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your lease to our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:gad 8/13/53

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

DMEA-2993
Mica
Region VII

M. S. ZIGLER, GAY, NORTH CAROLINA. Candler-Keener Mine, Jackson County, North Carolina.

Letter to the Field requesting a review of the application, an examination if necessary, and report, and enclosing copies of memoranda from the Bureau of Mines and the Geological Survey. Letter to the applicant. 5-22-53 No. 219

DMEA-2993
Mica
Region VII

M. S. ZIGLER, GAY, NORTH CAROLINA. Candler-Keener Mine, Jackson County, North Carolina.

Letter to the Field enclosing copy of a letter from the applicant, dated July 15, 1953, which presents additional information with respect to the mine lease. The Field was asked to make a second appraisal of this case and submit report to the Washington office. Also forwarded to the Field were copies of a memorandum by D. M. Larrabee, USGS, dated July 16, 1953. 7-22-53 #245

DMEA-2993
Mica
Region VII

M. S. ZIGLER, GAY, NORTH CAROLINA. Candler-Keener Mine, Jackson County, North Carolina.

Field Report recommending denial. The report was referred to the Commodity Group. 7-17-53 #243

DMEA-2993
Mica
Region VII

M. S. ZIGLER, GAY, NORTH CAROLINA. Candler-Keener Mine, Jackson County, North Carolina.

Letter to the Applicant denying the application. 8-14-53 #255

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600

August 12, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A denial of exploration assistance and closing review
Docket No. DMEA-29993 - Mica
Property: Candler Keener Mine (Formerly the Dietz Mine)
Gay, Jackson County, North Carolina
Located 1.0 mile south of State Highway 23, on East Fork Road and about 8 miles southwest of Dillsboro.
Applicant: M. S. Zigler
Amount requested: $7,500.00
No contract: Application denied
Examination Report of Field Team, dated July 7, 1953.
Authors: K. H. Teague and L. E. Shirley

Docket Summary:

4/22/53 Received application Form MF-103.
4/23/53 Receipt of application acknowledged.
4/27/53 Received memo from B. G. Dean, USGS, recommending field team examination.
4/30/53 Received memo from W. F. Dietrich, USBM, recommending field team examination.
7/7/53 Received Report of Examination by Field Team, Region VII. Authors: K. H. Teague and L. E. Shirley. The Field Team concurred in the denial of application.
7/16/53 Received memo from D. M. Larrabee, USGS. Concurred with Field Team recommendations.
7/24/53 Received memo from W. F. Dietrich, USBM, concurred with Field Team recommendations.

Resume:

This exploration concerns a nearly vertical pegmatite body, averaging 6 feet in thickness and running parallel to a mica gneiss foliation. The workings extend for 400 feet across the top of a ridge and comprise two caved drifts and a small open cut on one slope of the ridge, a 35 foot shaft on the ridge crest, and a shallow trench and one caved drift on the opposite slope. There are two caved drifts 100 feet northwest and another 75 foot caved drift 200 feet southeast of the group.

The main shaft showed a thick quartz core flanked by a core-margin mica zone, 18 inches thick and unusually well defined. The mica is clear brown in color, but a few books contained scattered black specks and others are slightly stained by limonite.

At the time of the examination, the Field Team reported that considerable difficulty was experienced in getting the applicant's cooperation. The applicant was informed of the need for obtaining a valid lease on the deposit or a statement from the owners indicating that the lease would be honored by them. This material has not been received.

The Field Team concludes its report by stating: "that the proper action to take in this application is to deny it". This stand is concurred in by all concerned.

Comments and Recommendation:

The report by the Field Team indicates that the deposit is not outstanding and is an example of a difficult exploration to appraise, since there is so little exposed to examination. This, together with the lack of interest shown by the applicant to cooperate and the reluctance of the original owners to produce mica, is thought by the Nonmetallic Minerals Division to be justifiable grounds for denial. The application for exploration assistance should be denied.

SIGNED

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad 8/12/53

Copy to: Admr. R. File
Docket File
Mr. Houk

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

July 24, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2993, Mica, Keener (Deitz) Mine,
Jackson County, North Carolina

I concur in the field team's recommendation to deny subject application on the basis that the lease has expired and the original holders of the lease are not interested in producing mica.

Signed

W. F. Dietrich

JUL 23 1953

600

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

Subject: Docket No. [illegible]-2993 - Mica
M. S. Ziglar
Candler-Keener Mine
Jackson County, North Carolina

Dear Mr. Laurence:

Reference is made to the Report of Examination by Field Team, Region VII, July 7, 1953, on the subject mine.

Since receipt of above report, we have received a letter, a copy of which is enclosed, from Mr. Charles S. Ziglar, presenting some new information with respect to the mine lease. We, therefore, ask that the new information be reviewed and a second appraisal be made of the application and reported to us at your convenience.

Enclosed please find a memorandum on the subject property by D. M. Larrabee, [illegible].

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

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

Enclosures
JTRobertson:gad 7/21/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

C
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July 15, 1953

Subject DMEA-2993
Re. Exploration Assist.
Candler-Keener Mine

Dear Mr. Adams,

Yesterday I talked with Mr. Teague of the DMEA Field Team from Knoxville who was in this area approx. a month ago he visited the Re. mine at which time I had a breakdown of some equipment at the big Painter Knob mine where we have been working against time to complete a 225 ft tunnel. I felt the need to leave the field team and hastened to return to find that they had left giving the impression to my main assistant Mr. Hall that they were favorable impressed by the Re. mine but unimpressed by my actions. This in the report Mr. Teague recommended that the loan be denied on the grounds of my lack of interest and the lease not being in force.

He suggested yesterday that I write you folks a letter asking an amendment to his report of which he will submit upon his receipt of a lease renewal which has a two month work clause. I will have this tomorrow and forward it to him in Knoxville. This property is one of the best and I regret that valuable time has elapsed because the possibilities are the best.

I respectfully hope that this case is not closed and will be given consideration of its own merits.

Very truly yours,

/s/ Charles D. Zigler

Agent M. S. Zigler

IN REPLY REFER TO:

G-ND-CNM

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

July 16, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2993 (mica)

To: L. G. Heck, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Zigler Mining Company
Name of property: Keener (Deitz) mine.
Location of property: Gay, North Carolina.
Date of field team report: July 7, 1953.
Authorship of field team report: Kefton H. Teague and Lawrence M. Shirley.
Field team's recommendation: Denial.
Comments:

1. After arranging to examine mine with Field Team, and meeting to start for the mine, applicant "pulled out" and disappeared. This is evidence of insincerity on his part.

2. Applicant not qualified to explore pegmatite.

3. Mica not of strategic quality.

4. This is one of the parcel of several leases transferred by Siersma to Zigler.

5. I would deny <u>any</u> application where action of applicant was as explained in paragraph 2 of Field Team report. We don't send a Team out for fun--it's work. This was not only a rank injustice to the Team, but a waste of Public funds. I recommend this be called to applicant's attention by Operating Committee

<u>ACTION SUGGESTED</u>:

Follow field team's recommendation.

<u>Denial</u> <u>Denial</u> <u>Denial</u>

(Please send copy to Field Team)

D. M. Larrabee

Larrabee:jeh
G-7/17/53
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Field Team
Larrabee G-230

C O P Y

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

July 8, 1953

Memorandum

To: Operating Committee, D M E A

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

Subject: Examination Report on DMEA-2993, Applicant: M. S. Zigler. (mica)

Transmitted herewith are four copies of the above subject examination.

The Field Team concurs in the denial of this application.

/s/ WM. A. BECK
Acting Executive Officer.
DMEA-Region 7

/s/ BENJAMIN GILDERSLEEVE
Benjamin Gildersleeve
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
7-17-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2993, KEBNER (Deitz) MINE
(mica)
Gay, North Carolina

By

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

--

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

Reviewed by
DMEA OPERATING COMMITTEE
7-17-53
(date)

July 7, 1953

REPORT OF EXAMINATION
BY FIELD TEAM, REGION VII

on

DMEA- Docket 2993, Keener (Deitz) Mine
(mica)

Applicant: M. S. Zigler Mining Co. c/o C. D. Zigler, Gay, N. C.

This deposit is in the same group as a large number of similar applications received from this area of North Carolina. The lease has expired (lease is dated May 30, 1952)and has a 60 day work clause. No work has been conducted within the specified time) Furthermore, there is considerable doubt as to the applicant's ability to conduct an exploration project. Therefore, the examiners recommend that the application be denied.

This deposit was examined on June 15, 1953, with two hours spent on the examination. Mr. Dexter Hall, Superintendent for M. S. Zigler, accompanied the examiners on the inspection. The manager of M. S. Zigler's interest, C. D. Zigler, was notified as to the date and time of the examination. He met the examiners at the point designated, but apparently discovered more pressing responsibilities between the meeting point and the mine, as he never showed at the mine to discuss the proposed exploration program.

The following description of the deposit is from an unpublished report in the files of the U. S. Geological Survey.

"The Deitz Mine is on the north side of East Fork Creek, 0.9 miles east of the junction with Savannah Creek. It is 0.25 miles northeast of East Fork Church. Access is good at all times. It was worked in 1943 by Robert Buchanan, and in 1944 Howard Frizzell and John Deitz worked for a shoft time. The workings, which trend N. 60° W. for 500 feet across the top of the ridge, comprise two caved drifts and a small open cut on the northwestern slope, a 35-foot shaft on the ridge crest, and a shallow trench and a caved drift on the southeast slope. Two caved drifts lie 100 feet northwest of the main workings, and a 75-foot drift is 200 feet southeast of the group. Nearly all of the workings are now caved, but local reports indicate that the deposit has been worked out to a depth of 35 feet in the main workings.

"The mica gneiss foliation strikes N. 70° W. and dips 60° to 70° NNE. The pegmatite body, which is parallel with the strike of the gneissic structure is nearly vertical. It averages 6 feet in thickness and is said to be offset by faults in several places down the dip. A thick quartz core is flanked by a core-margin mica zone that was as much as 18 inches thick and unusually well defined in the workings from the main shaft. The mica is clear brown in color, but a few books contain scattered black specks and others are slightly stained by limonite."

As the above description indicates, the deposit in itself is not outstanding, and past unpleasant experiences have caused the examiners to approach applications of this type with caution. It is an established fact that the original holders of the lease are not interested in producing mica, but in securing and selling leases. The applicant (Mr. Zigler) has no mica experience and from the action of his manager (C. [illegible]. Zigler) during the examination, has little interest in learning.

At the time of the examination, on June 15, Mr. Dexter Hall was informed of the need for obtaining a valid lease on the deposit or a statement from the owners indicating that the lease would be honored by them. This material has not been received.

From the above, it is readily apparent that the competency of the applicant is questionable. The examiners believe that the proper action to take in this application is to deny it.

July 7, 1953

K. H. Teague, USGS

L. L. Shirley, USBM

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

C
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May 19, 1953

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: D. M. Larrabee, U. S. Geological Survey

Subject: DMEA dockets 2993, 2994, 2995, 2996, and 3031

Recent information from the Field Team Executive Officer, Region 7, makes it advisable to amend our earlier memoranda on the above dockets. The amendments follow:

2993 be submitted to field team for their review. It may be unnecessary to make a field examination.

2994 denial - previously denied under docket 2224, and no new information.

2995 denial - previously denied under docket 2212, and no new information.

2996 same action as 2993.

3031 denial - previously denied under docket 2527, and no new information.

D. M. Larrabee

Larrabee:jeh
5/19/53
cc. Director's reading 4212
Branch 4211
Branch reading 4212
DMEA (3)
Larrabee G-230

MAY 2 5 1953

Mr. [illegible]

Gay, North Carolina

Re: Docket No. [illegible] - 93 - Mica
Cullasaja [illegible]
Jackson County, North Carolina

Dear Mr. [illegible]:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. [illegible], Executive Officer, [illegible] Field Team, Region VII, [illegible] Office, Knoxville 2, Tennessee, for a field inspection, should he deem it necessary.

The Regional Office will contact you at an early date, if an examination is [illegible]. Any [illegible] you may give this matter [illegible] will be appreciated.

Sincerely yours,

C. O. Mittendorf

Director

JTRobertson:jad 5/7/53

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

MAY 25 1953

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

Subject: Docket No. [illegible]-2993 - Mica
A. S. Ziegler
Candler-Kenner Mine
Jackson County, North Carolina

Dear Mr. Lawrence:

Please review the subject exploration application and, if necessary, arrange for a field examination of the property.

Enclosed find memoranda from the Geological Survey and the Bureau of Mines.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

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

Enclosures 4

JTRobertson:fls 5/21/53

Copy to: Admr. w. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Lorrahee, G-232, GSA Bldg.
Mr. Houk

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

April 30, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2993, Mica, Candler-Keener Mine
Jackson County, Gay, North Carolina

No data are available in this office on subject property. It is located in a general area in which ruby mica is known to be the characteristic variety. On the basis of the applicant's description of present exposures, a field team investigation is recommended.

Signed

W. F. Dietrich

IN REPLY REFER TO:

C-MD-CMM

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

April 27, 1953

Memorandum

REVIEW OF APPLICATION DMEA-2993 (mica).

To: L. G. Houk, Defense Minerals Exploration Administration.
From: Basil G. Dean, U. S. Geological Survey.
Applicant's name and address: N. S. Zigler, Gay (Jackson County), North Carolina.
Name of property: Candler-Keener mine.
Location of property: 8 miles southwest of Dillsboro, Jackson County, North Carolina.
Summary of applicant's proposal:
(1) Clean out and rehabilitate 75 foot adit.

(2) Extend adit 75 feet.

Sources of information on applicant's property:
None.

Comments:
(1) Although the applicant claims this mine has been worked for more than 20 years and has produced mica valued at thousands of dollars, there is no information available on the mine.

(2) The lease on this property was transferred to the applicant by Frank Sierema on January 7, 1953.

RECOMMENDATION:
Field team examination.

Basil G. Dean

Copy to DMEA (3)

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 22 1953

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-2993
Metal or Mineral
Date Received 4-22-53
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:

M. S. ZIGLER
GAY (JACKSON CO.)
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 described in a deed dated March 15, 1947, executed by A. Dietz et al, to Hanley Dietz and recorded in the office of the Register of Deeds for Jackson County, N. C. in Book 173, page 547.

(*b*) State any mine name by which the property is known. CANDLER-KESSNER MINE

(*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.

(*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 wish to explore STRATEGIC 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 acompanying 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 APRIL 21st, 1953

M. S. ZIGLER
(Applicant)

By C. D. Zigler
C. D. Zigler, Manager

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

MF-103 M. S. ZIGLER GAY, N. C. - MICA -

CANDLER-KEENER MINE

1. Applicant is an individual. C. D. Zigler is Manager, with full right to execute all instruments.

3. Copy of lease, assignments & Owner's Consent to Lien are attached,

4. This mine has been worked for more than 20 years, producing blocks of mica, 10" x 16", which have sheeted to as much as 6" x 6" of flat, clear, hard ruby. Many thousand dollars worth has been sold to the Asheville Mica Company at past low prices. Locan miners claim this to be one of the largest and best mines in the area.

   Principal past workings have been by a 30' shaft and 75' tunnel. The exposed vein is 12' wide and appears to cover an area of more than 400 feet. The pegmatite is composed of quarts, flint, spar etc. It is located about one mile south of State Highway 23, on East Fork Road, a county road, and about one mile north of Painter Knob Mine; on the same mica lead. From the latter mine sales have been made under the present GSA purchasing program.

   The property is about 8 miles southwest of Dillsboro - shipping, supply and residence points.

   Sufficient manpower, etc., is available for the project.

5. As noted on attached sketch, it is proposed to clean out and rehabilitate the present 75' tunnel and extend same 75 feet further into the pegmatite, to reach the main part of the mica vein.

   Work will start upon receipt of contract and be completed within 60 working days; with one (1) shift.

   Charles D. Zigler, applicant's son and manager, has not had a great deal of experience in mica mining. However, his Superintendent is Dexter Hall, a native of the district - fully versed in all phases connected with the mining, processing, etc., of mica. He has more than 20 years experience in the pegmatites of the area.

   At applicant's own expense, a tunnel is now being constructed in the nearby Painter Knob Mine for a distance of 215' (165' has been completed). Applicant holds leases on several mines in this district which have been examined, tested and proven to contain commercial reserves; therefore desires exploratory aid to place all in operation and reach production, in maximum quantities, as quickly as possible.

- - - - -

MF-103 H. S. ZIGLER GAY, N. C.

- MICA -
CANDLER-WEBNER MINE
JACKSON COUNTY

ANSWERS TO QUESTION 6.

(a)	Bulldozing to prepare improved tunnel entrance, etc. 30 hours @ $12.00 per hour (est. 900 cu. yds. overburden @ 40¢)	$ 360.00	$ 360.00
(b)	1 Working Foreman, 60 days @ $12.00	720.00	
	1 Miner-Driller 60 days @ 10.00	600.00	
	2 Muckers 60 days @ 8.00 each	960.00	2,280.00
(c)	Hand Tools:- picks, shovels, saws, hammers, wheelbarrow, axes, etc.	70.00	
	4 Lamps @ Carbide	35.00	
	4 Miners' Hard Hats	25.00	
	20 pcs. Steel @ $6.00 average	120.00	
	1000 Timkin Bits @ 42¢	420.00	
	22 cases Explosives @ $13.50	297.00	
	Exploders	65.00	
	Blasting Machine	75.00	
	Timber, props, legging, etc.	275.00	1,382.00
(d)	Rental, 105 cfm Air Compressor, 3 months	525.00	
	45# Jackhammer 3 "	120.00	
	Purchase, 400' track, tram car, spikes @ cross ties (est.)	350.00	
			995.00
(e)	None.		
(f)	Tool & Equipment House	275.00	
	Explosives storage house	80.00	355.00
(g)	Accounting	65.00	
	Compensation & Liability Insurance	450.00	
	Payroll Taxes	55.00	570.00
(h)	Contingencies - approx. 5%	300.00	
			300.00
	ESTIMATED COSTS		$ 6,242.00

- - - -

MF-103 M. S. ZIGLER GAY, N. C. COPY - CANDER- KEENER LEASE.

THIS LEASE AGREEMENT, made and entered into this 30th day of May, 1952, by and betweenMrs. E. Z. Candler and Ernest Keener of Jackson County, N. C., parties of the first part, hereinafter referred to as Lessors, and Dexter Hall of Jackson County and Frank Siersma of Macon County, N. C., parties of the second part, hereinafter referred to as Lessees,

WITNESSETH, that subject to the terms and conditions hereinafter set forth, said Lessors who covenant and agree they are the owners in fee simple of the mineral rights and mining privileges hereinafter described, have let and leased unto said Lessees, their heirs and assigns, the exclusive right and privilege to mine, dig and remove all minerals, metals, stones, etc., now in, under and upon a certain tract or parcel of land lying and being in Jackson County, N. C., consisting of 29.75 acres more or less, described as follows:

BEING the lands described in a deed dated March 15, 1947, executed by A. A. Deitz et al, to Hanley Deitz and recorded in the office of the Register of Deeds for Jackson Co., N.C., in Book 173 at page 547.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

1. Unless sooner terminated asherein provided, this lease shall exist and continue for a term of five (5) years fromdate hereof.

2. As rental or royalty, Lessees, their heirs and assigns shall pay to Lessors a sum equal to twelve and one-half (12½%) percent of all mica, and the usual royalties on all other minerals, mined and sold from said property; said royalties shall be paid on the 20th day of each calendar month following the production, sale and receipt of the sale price thereof. Lessees shall keep an accurate record of all sales of minerals from this property and same shall be open for inspection by Lessors at reasonable times, and if requested by Lessors, Lessees shall furnish duplicates of sales tickets with royalty payments.

3. Should said Lessees, their heirs and assigns fail to make royalty payments to Lessors within sixty (60) days after same are due, this lease shall then terminate.

4. Lessees, their heirs and assigns agree to start minigg operations within six months from date hereof, and during the life of this lease is said operations shall cease for a period of three (3) consecutivemonths then, and in such event, this lease shall terminate.

5. Should Lessees apply for Government aid, or a loan to explore or operate this property, Lessors hereby authorize Dexter Hall, as their Attorney in Fact, in their name and stead, to sign any subordination or required agreement in connection with same.

So long as this lease remains in force the Lessors, their heirs and assigns, in connection with same, shall have and enjoy the following rights and privileges:

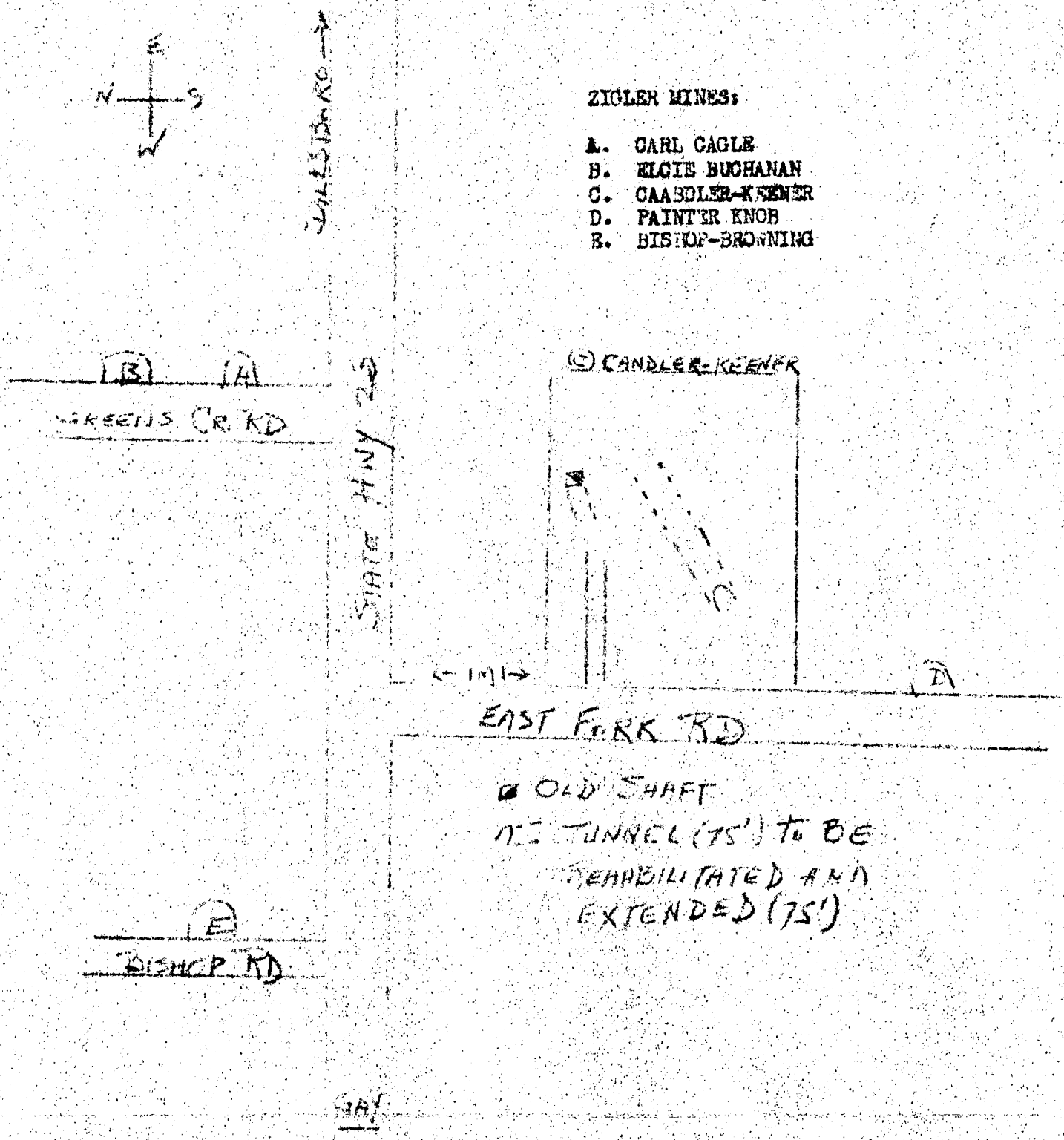
The right to reasonable use of said lands as may be necessary and/or convenient in mining and removing minerals from same and to use such portions of the surface as may be required for the purpose of dumping mine refuse and tailings; the right to construct and place buildings and machinery upon said lands and remove same; the right to cut and use and standing timber on said lands for mining purposes; the right to construct and maintain roads, trails and railways to such portions where mining operations are in progress or to be conducted; the complete right of ingress, egress and regress to, into and from said lands, and to do all things necessary in the conduct of said mining operations.

MF-103 M. S. ZIGLER GAY, N. C.

- MICA -
CANDLER-KEENER MINE
JACKSON COUNTY

ZIGLER MINES:

A. CARL CAGLE
B. ELCIE BUCHANAN
C. CANDLER-KEENER
D. PAINTER KNOB
E. BISHOP-BROWNING



IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

s/ MRS. C. Z. CANDLER
s/ ERNEST KEENER
DEXTER HALL & FRANK SIERSMA
By Dexter Hall.

RECORDED IN JACKSON COUNTY, N.C. JUNE 4, 1952; BOOK 189, PAGE 463.

- - - -

ASSIGNMENT BY HALL TO SIERSMA:

I, Dexter Hall, of Jackson County, N. C., for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations, do hereby sell, assign and transfer to Frank Siersma, all my right, title and interest in and to the following lease:

BEING the lease executed to Dexter Hall and Frank Siersma, dated May 30, 1952, and recorded in the office of the Register of Deeds for Jackson County, N. C., in Book 189 at page 463.

IN WITNNESS WHEREOF, I have hereunto set my hand and seal this 25th day of November, 1952.

s/ Dexter Hall

ASSIGNMENT BY ~~XXXXXXXXXX~~ SIERSMA TO ZIGLER:

I, Frank Siersma, of Macon County, N. C., for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations, do hereby sell, assign and transfer to M. S. Zigler all my right, title and interest in and to the following lease:

BEING the lease executed May 30, 1953, from C. Z. Candler et al, to Dexter Hall and Frank Siersma, and recorded in the office of the Register of Deeds for Jackson County, N. C., in Book 189 at page 463, the interest of Dexter Hall having been assigned to me on November 25, 1952, which assignment is attached hereto and made a part hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this the 7th day of January, 1953.

s/ Frank Siersma

BOTH ASSIGNMENTS RECORDED IN JACKSON COUNTY, N. C., March 12, 1953, in Book 198, page 97.

- - -

FILE COPY
SURNAME:

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

AUG 1 4 1953

Anderson
Houk
Martin
Hedges
Sewell
Selfridge

Mr. M. S. Zigler

Gay, North Carolina

Re: Docket No. DMEA-2993 - Mica
Candler-Keener Mine
Jackson County, North Carolina

Dear Mr. Zigler:

Your application for aid for an exploration project and other data available to us in Washington concerning your application have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of mica on your lease, indicates to us that the probability of disclosing minable ore reserves by your proposed program is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your lease to our attention.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

WCAnderson:gad 8/13/53

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

HHH
8-14-53

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

August 12, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A denial of exploration assistance and closing review
Docket No. DMEA-29993 - Mica
Property: Candler Keener Mine (formerly the Dietz Mine)
Gay, Jackson County, North Carolina
Located 1.0 mile south of State Highway 23, on East Fork Road and about 8 miles southwest of Dillsboro.
Applicant: M. S. Zigler
Amount requested: $7,500.00
No contract: Application denied
Examination Report of Field Team, dated July 7, 1953.
Authors: K. H. Teague and L. E. Shirley

Docket Summary:

4/22/53 Received application Form MF-103.
4/23/53 Receipt of application acknowledged.
4/27/53 Received memo from B. G. Dean, USGS, recommending field team examination.
4/30/53 Received memo from W. F. Dietrich, USBM, recommending field team examination.
7/7/53 Received Report of Examination by Field Team, Region VII. Authors: K. H. Teague and L. E. Shirley. The Field Team concurred in the denial of application.
7/16/53 Received memo from D. M. Larrabee, USGS. Concurred with Field Team recommendations.
7/24/53 Received memo from W. F. Dietrich, USBM, concurred with Field Team recommendations.

Resume:

This exploration concerns a nearly vertical pegmatite body, averaging 6 feet in thickness and running parallel to a mica gneiss foliation. The workings extend for 400 feet across the top of a ridge and comprise two caved drifts and a small open cut on one slope of the ridge, a 35 foot shaft on the ridge crest, and a shallow trench and one caved drift on the opposite slope. There are two caved drifts 100 feet northwest and another 75 foot caved drift 200 feet southeast of the group.

The main shaft showed a thick quartz core flanked by a core-margin mica zone, 18 inches thick and unusually well defined. The mica is clear brown in color, but a few books contained scattered black specks and others are slightly stained by limonite.

At the time of the examination, the Field Team reported that considerable difficulty was experienced in getting the applicant's cooperation. The applicant was informed of the need for obtaining a valid lease on the deposit or a statement from the owners indicating that the lease would be honored by them. This material has not been received.

The Field Team concludes its report by stating: "that the proper action to take in this application is to deny it". This stand is concurred in by all concerned.

Comments and Recommendation:

The report by the Field Team indicates that the deposit is not outstanding and is an example of a difficult exploration to appraise, since there is so little exposed to examination. This, together with the lack of interest shown by the applicant to cooperate and the reluctance of the original owners to produce mica, is thought by the Nonmetallic Minerals Division to be justifiable grounds for denial. The application for exploration assistance should be denied.

W. C. Anderson

W. C. Anderson
Nonmetallic Minerals Division

FILE COPY
SURNAME:

Anderson
Hark
Martin

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
600
WASHINGTON 25, D. C.

August 12, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A denial of exploration assistance and closing review
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Property: Candler Keener Mine (formerly the Dietz Mine)
Gay, Jackson County, North Carolina
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SIGNED

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad 8/12/53

Copy to: Admr. R. File
Docket File
Mr. Houk

HHH 8-14-53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG - 5 1953

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

August 3, 1953

Memorandum

To: Operating Committee, DMEA, Washington, D. C.

From: Field Team, DMEA, Region VII

Subject: Docket No. DMEA-2993 (mica), M. S. Zigler
Candler Kiener Mine, Jackson County, North Carolina

Reference is made to "new" information on subject mine with the request of July 23, 1953 by the Operating Committee to review and reappraise application.

Our opinion as to the competency of the applicant still is unchanged. The applicant was allowed adequate time to provide the requested information (three weeks) before an examination report was prepared. In the applicant's letter to Mr. Adams, dated July 15, 1953, he states that a lease renewal would be available on July 16 and that it would be forwarded to Knoxville. It has not been received.

We contend that if the applicant's behavior during the processing of the application by the field-team is indicative of the action to be expected after any contract is executed, then the Government is entirely justified in denying the application. Furthermore, without the lease renewal, there is no indication that he has a valid interest in the property.

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

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

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

3 19 L-6

July 24, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2993, Mica, Keener (Deitz) Mine,
Jackson County, North Carolina

I concur in the field team's recommendation to deny subject application on the basis that the lease has expired and the original holders of the lease are not interested in producing mica.

W. F. Dietrich

W. F. Dietrich

FILE COPY
SURNAME:

Robertson
Selfridge
Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

600

JUL 23 1953

Mr. Robert A. Laurence
Executive Officer, DMA
Field Team, Region VII
Room 15, Post Office Bldg.
Knoxville 2, Tennessee

Subject: Docket No. [illegible]-2993 - Mica
[illegible] Sigler
Candler-Keener Mine
Jackson County, North Carolina

Dear Mr. Laurence:

Reference is made to the Report of Examination by Field Team, Region VII, July 7, 1953, on the subject mine.

Since receipt of above report, we have received a letter, a copy of which is enclosed, from Mr. Charles D. Sigler, presenting some new information with respect to the mine lease. We, therefore, ask that the new information be reviewed and a second appraisal be made of the application and reported to us at your convenience.

Enclosed please find a memorandum on the subject property by R. M. Barrance, [illegible].

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

A. R. Kinkel, Jr. (JHB)
Member, Geological Survey

Enclosures: 2
JTRobertson:gad 7/21/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.S. 7-23-53

July 15, 53

DEPARTMENT OF THE INTERIOR
Bureau of Land Management
RECEIVED
JUL 1 5 1953

Subject DM Ea-2993
Re, Exploration Assist.
Candler-Kenner Mine

Dear Mr. Adams,

Yesterday I talked to Mr. Teague of the D.M.E.a. Field Team from Knoxville who was in this area approx. a month ago he visited the Re. mine at which time I had a break down of some equipment at the big Painter Knob mine where we have been working against time to complete a 225 ft tunnel. I felt the need to leave the field team and hastened to return to find that they had left giving the impression to my main assistant Mr. Hall that they were favorable impressed by the Re. mine but unimpressed by my actions. Thus in the report Mr. Teague recommended that the loan be denied on the grounds of my lack of interest and the lease not being in force.

He suggested yesterday that I write you folks a letter asking an amendment to his report of which he will submit upon his receipt of a lease renewal which has a two month work

lance. I will have this tomorrow and forward it to him in Knoxville. This property is one of the best and I regret that valuable time has elapsed because the possibilities are the best.

I respectfully hope that this case is not closed and will be given consideration of its own merits.

Very truly yours,

Charles H. Tyler

agent M. S. Tyler

IN REPLY REFER TO:

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 16 1953

G-MD-CNM

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

July 16, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2993 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Zigler Mining Company
Name of property: Keener (Deitz) mine.
Location of property: Gay, North Carolina.
Date of field team report: July 7, 1953.
Authorship of field team report: Kefton H. Teague and Lawrence E. Shirley.
Field team's recommendation: Denial.
Comments:

1. After arranging to examine mine with Field Team, and meeting to start for the mine, applicant "pulled out" and disappeared. This is evidence of insincerity on his part.

2. Applicant not qualified to explore pegmatite.

3. Mica not of strategic quality. ?

4. This is one of the parcel of several leases transferred by Siersma to Zigler.

5. I would deny <u>any</u> application where action of applicant was as explained in paragraph 2 of Field Team report. We don't send a Team out for fun--it's work. This was not only a rank injustice to the Team, but a waste of Public funds. I recommend this be called to applicant's attention by Operating Committee.

<u>ACTION SUGGESTED</u>:

Follow field team's recommendation.
<u>Denial</u> <u>Denial</u> <u>Denial</u>

(Please send copy to Field Team)

D M Larrabee

D. M. Larrabee

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

July 8, 1953

Memorandum

To: Operating Committee, D M E A

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

Subject: Examination Report on DMEA-2993, Applicant: M. S. Zigler. (mica)

Transmitted herewith are four copies of the above subject examination.

The Field Team concurs in the denial of this application.

Acting Executive Officer.
DMEA-Region 7

Benjamin Gildersleeve
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE

7-17-53
(date)

Non Metallics

7/21/53

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2993, KEENER (Deitz) MINE
(mica)
Gay, North Carolina

By

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

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

July 7, 1953

Reviewed by
DMEA OPERATING COMMITTEE
7-17-53
(date)

REPORT OF EXAMINATION
BY FIELD TEAM, REGION VII

on

DMEA- Docket 2993, Keener (Deitz) Mine
(mica)

Applicant: M. S. Zigler Mining Co. c/o C. D. Zigler, Gay, N. C.

This deposit is in the same group as a large number of similar applications received from this area of North Carolina. The lease has expired (lease is dated May 30, 1952 and has a 60 day work clause. No work has been conducted within the specified time) Furthermore, there is considerable doubt as to the applicant's ability to conduct an exploration project. Therefore, the examiners recommend that the application be denied.

This deposit was examined on June 15, 1953, with two hours spent on the examination. Mr. Dexter Hall, Superintendent for M. S. Zigler, accompanied the examiners on the inspection. The manager of M. S. Zigler's interest, C. D. Zigler, was notified as to the date and time of the examination. He met the examiners at the point designated, but apparently discovered more pressing responsibilities between the meeting point and the mine, as he never showed at the mine to discuss the proposed exploration program.

The following description of the deposit is from an unpublished report in the files of the U. S. Geological Survey.

"T he Deitz Mine is on the north side of East Fork Creek, 0.9 miles east of the junction with Savannah Creek. It is 0.25 miles northeast of East Fork Church. Access is good at all times. It was worked in 1943 by Robert Buchanan, and in 1944 Howard Frizzell and John Deitz worked for a shoft time. The workings, which trend N. 60° W. for 400 feet across the top of the ridge, comprise two caved drifts and a small open cut on the northwestern slope, a 35-foot shaft on the ridge crest, and a shallow trench and a caved drift on the southeast slope. Two caved drifts lie 100 feet northwest of the main workings, and a 75-foot drift is 200 feet southeast of the group. Nearly all of the workings are now caved, but local reports indicate that the deposit has been worked out to a depth of 35 feet in the main workings.

"The mica gneiss foliation strikes N. 70° W. and dips 60° to 70° NNE. The pegmatite body, which is parallel with the strike of the gneissic structure is nearly vertical. It averages 6 feet in thickness and is said to be offset by faults in several places down the dip. A thick quartz core is flanked by a core-margin mica zone that was as much as 18 inches thick and unusually well defined in the workings from the main shaft. The mica is clear brown in color, but a few books contain scattered black specks and others are slightly stained by limonite."

As the above description indicates, the deposit in itself is not outstanding, and past unpleasant experiences have caused the examiners to approach applications of this type with caution. It is an established fact that the original holders of the lease are not interested in producing mica, but in securing and selling leases. The applicant (Mr. Zigler) has no mica experience and from the action of his manager (C. D. Zigler) during the examination, has little interest in learning.

At the time of the examination, on June 15, Mr. Dexter Hall was informed of the need for obtaining a valid lease on the deposit or a statement from the owners indicating that the lease would be honored by them. This material has not been received.

From the above, it is readily apparent that the competency of the applicant is questionable. The examiners believe that the proper action to take in this application is to deny it.

July 7, 1953

K. H. Teague, USGS

L. E. Shirley, USBM

zm

FILE COPY
SURNAME:

Robertson
Houk
Martin
K Johnson

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

MAY 2 5 1953

Mr. M. L. Ziglar

Gay, North Carolina

Re: Docket No. [illegible]-[illegible] - Mica
Candler-Keener Mine
Jackson County, North Carolina

Dear Mr. Ziglar:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region VII, Room [illegible], Post Office Building, Knoxville [illegible], Tennessee, for a field examination, should he deem it necessary.

The Regional Office will contact you at an early date, if an examination is to be made. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

JTRobertson:gad 5/7/53

P.H. 5-25-53

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

FILE COPY
SURNAME:

Robertson
Houk
Martin
Hedges
Kinkel
Johnson

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

MAY 2 5 1953

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

Subject: Docket No. DMEA-2993 - Mica
M. S. Zigler
Candler-Keener Mine
Jackson County, North Carolina

Dear Mr. Laurence:

Please review the subject exploration application and, if necessary, arrange for a field examination of the property.

Enclosed find memoranda from the Geological Survey and the Bureau of Mines.

Sincerely yours,

W. S. Martin (JHH)
ACTING Chairman, Operating Committee

Approved:

J. H. Hedges (JHH)
Member, Bureau of Mines

A. R. Kinkel, Jr. (JHH)
Member, Geological Survey

P.H. 5-25-53

Enclosures 4

JTRobertson:fls 5/21/53

Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232, GSA Bldg.
Mr. Houk

Mr. Robertson

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

April 30, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2993, Mica, Candler-Keener Mine
Jackson County, Gay, North Carolina

No data are available in this office on subject property. It is located in a general area in which ruby mica is known to be the characteristic variety. On the basis of the applicant's description of present exposures, a field team investigation is recommended.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:
G-MD-CNM

Mr. Robertson

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

April 27, 1953

RECEIVED
APR 28 1953

Memorandum

REVIEW OF APPLICATION DMEA-2993 (mica).

To: L. G. Houk, Defense Minerals Exploration Administration.
From: Basil G. Dean, U. S. Geological Survey.
Applicant's name and address: M. S. Zigler, Gay (Jackson County), North Carolina.
Name of property: Candler-Keener mine.
Location of property: 8 miles southwest of Dillsboro, Jackson County, North Carolina.
Summary of applicant's proposal:

(1) Clean out and rehabilitate 75 foot adit.

(2) Extend adit 75 feet.

Sources of information on applicant's property:
None.

Comments:

(1) Although the applicant claims this mine has been worked for more than 20 years and has produced mica valued at thousands of dollars, there is no information available on the mine.

(2) The lease on this property was transferred to the applicant by Frank Siersma on January 7, 1953.

RECOMMENDATION:
Field team examination.

Basil G. Dean

Basil G. Dean

April 23, 1953

Mr. M. S. Zigler
Gay
North Carolina

Subject: DMEA-2993
Re: Exploration Assistance
Candler-Keener Mine

My dear Mr. Zigler:

The receipt of your application dated April 21, 1953 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2993 and referred to the Nonmetallic Minerals Division.

Kindly refer to DMEA-2993 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams, Chief
Operations Control and
Statistics Division

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

APR 22 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. NMEa-2993
Metal or Mineral
Date Received 4-22-53
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:

M. S. ZIGLER
GAY (JACKSON CO.)
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 described in a deed dated March 15, 1947, executed by A. Dietz et al, to Hanley Dietz and recorded in the office of the Register of Deeds for Jackson County, N. C. in Book 173, page 547.

(*b*) State any mine name by which the property is known. CANDLER-KEENER MINE

(*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.

(*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 wish to explore STRATEGIC 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 acompanying 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 APRIL 21st, 1953

M. S. ZIGLER
(Applicant)

By C. D. Zigler
C. D. Zigler, Manager

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

MF-103 M. S. ZIGLER GAY, N. C.

- MICA -
CANDLER-KEENER MINE
JACKSON COUNTY

ANSWERS TO QUESTION 6.

(a)	Bulldozing to prepare improved tunnel entrance, etc. 30 hours @ $12.00 per hour (est. 900 cu. yds. overburden @ 40¢)	$ 360.00	$ 360.00
(b)	1 Working Foreman, 60 days @ $12.00	720.00	
	1 Miner-Driller 60 days @ 10.00	600.00	
	2 Muckers 60 days @ 8.00 each	960.00	2,280.00
(c)	Hand Tools:- picks, shovels, saws, hammers, wheelbarrow, axes, etc.	70.00	
	4 Lamps & Carbide	35.00	
	4 Miners' Hard Hats	25.00	
	20 pcs. Steel @ $6.00 average	120.00	
	1000 Timkin Bits @ 42¢	420.00	
	22 cases Explosives @ $13.50	297.00	
	Exploders	65.00	
	Blasting Machine	75.00	
	Timber, props, legging, etc.	275.00	1,382.00
(d)	Rental, 105 cfm Air Compressor, 3 months	525.00	
	45# Jackhammer 3 "	120.00	
	Purchase, 400' track, tram car, spikes & cross ties (est.)	350.00	
			995.00
(e)	None.		
(f)	Tool & Equipment House	275.00	
	Explosives storage house	80.00	355.00
(g)	Accounting	65.00	
	Compensation & Liability Insurance	450.00	
	Payroll Taxes	55.00	570.00
(h)	Contingencies - approx. 5%	300.00	
			300.00
	ESTIMATED COSTS		$ 6,242.00

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MF-103 M. S. ZIGLER GAY, N. C. - MICA -

CANDLER-KEENER MINE

1. Applicant is an individual. C. D. Zigler is Manager, with full right to execute all instruments.

3. Copy of lease, assignments & Owner's Consent to Lien are attached.

4. This mine has been worked for more than 20 years, producing blocks of mica, 10" x 16", which have sheeted to as much as 6" x 6" of flat, clear, hard ruby. Many thousand dollars worth has been sold to the Asheville Mica Company at past low prices. Locan miners claim this to be one of the largest and best mines in the area.

   Principal past workings have been by a 30' shaft and 75' tunnel. The exposed vein is 12' wide and appears to cover an area of more than 400 feet. The pegmatite is composed of quartz, flint, spar etc. It is located about one mile south of State Highway 23, on East Fork Road, a county road, and about one mile north of Painter Knob Mine; on the same mica lead. From the latter mine sales have been made under the present GSA purchasing program.

   The property is about 8 miles southwest of Dillsboro - shipping, supply and residence points.

   Sufficient manpower, etc., is available for the project.

5. As noted on attached sketch, it is proposed to clean out and rehabilitate the present 75' tunnel and extend same 75 feet further into the pegmatite, to reach the main part of the mica vein.

   Work will start upon receipt of contract and be completed within 60 working days; with one (1) shift.

   Charles D. Zigler, applicant's son and manager, has not had a great deal of experience in mica mining. However, his Superintendent is Dexter Hall, a native of the district - fully versed in all phases connected with the mining, processing, etc., of mica. He has more than 20 years experience in the pegmatites of the area.

   At applicant's own expense, a tunnel is now being constructed in the nearby Painter Knob Mine for a distance of 215' (165' has been completed). Applicant holds leases on several mines in this district which have been examined, tested and proven to contain commercial reserves; therefore desires exploratory aid to place all in operation and reach production, in maximum quantities, as quickly as possible.

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MF-103 M. S. ZIGLER GAY, N. C. COPY - CANDER- KEENER LEASE.

THIS LEASE AGREEMENT, made and entered into this 30th day of May, 1952, by and betweenMrs. E. Z. Candler and Ernest Keener of Jackson County, N. C., parties of the first part, hereinafter referred to as Lessors, and Dexter Hall of Jackson County and Frank Siersma of Macon County, N. C., parties of the second part, hereinafter referred to as Lessees,

WITNESSETH, that subject to the terms and conditions hereinafter set forth, said Lessors who covenant and agree they are the owners in fee simple of the mineral rights and mining privileges hereinafter described, have let and leased unto said Lessees, their heirs and assigns, the exclusive right and privilege to mine, dig and remove all minerals, metals, stones, etc., now in, under and upon a certain tract or parcel of land lying and being in Jackson County, N. C., consisting of 29.75 acres more or less, described as follows:

BEING the lands described in a deed dated March 15, 1947, executed by A. A. Deitz et al, to Hanley Deitz and recorded in the office of the Register of Deeds for Jackson Co., N.C., in Book 173 at page 547.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

1. Unless sooner terminated asherein provided, this lease shall exist and continue for a term of five (5) years fromdate hereof.

2. As rental or royalty, Lessees, their heirs and assigns shall pay to Lessors a sum equal to twelve and one-half (12½%) percent of all mica, and the usual royalties on all other minerals, mined and sold from said property; said royalties shall be paid on the 20th day of each calendar month following the production, sale and receipt of the sale price thereof. Lessees shall keep an accurate record of all sales of minerals from this property and same shall be open for inspection by Lessors at reasonable times, and if requested by Lessors, Lessees shall furnish duplicates of sales tickets with royalty payments.

3. Should said Lessees, their heirs and assigns fail to make royalty payments to Lessors within sixty (60) days after same are due, this lease shall then terminate.

4. Lessees, their heirs and assigns agree to start minigg operations within six months from date hereof, and during the life of this lease is said operations shall cease for a period of three (3) consecutivemonths then, and in such event, this lease shall terminate.

5. Should Lessees apply for Government aid, or a loan to explore or operate this property, Lessors hereby authorize Dexter Hall, as their Attorney in Fact, in their name and stead, to sign any subordination or required agreement in connection with same.

So long as this lease remains in force the Lessors, their heirs and assigns, in connection with same, shall have and enjoy the following rights and privileges:

The right to reasonable use of said lands as may be necessary and/or convenient in mining and removing minerals from same and to use such portions of the surface as may be required for the purpose of dumping mine refuse and tailings; the right to construct and place buildings and machinery upon said lands and remove same; the right to cut and use and standing timber on said lands for mining purposes; the right to construct and maintain roads, trails and railways to such portions where mining operations are in progress or to be conducted; the complete right of ingress, egress and regress to, into and from said lands, and to do all things necessary in the conduct of said mining operations.

THIS LEASE AGREEMENT, made and entered into this 20th day of May, 1952, by and between M. A. Damper and Ernest Keener of Jackson County, M. O., parties of the first part, hereinafter referred to as lessors, and Dexter Hall of Jackson County and Frank Stevens of Lucas County, M. O., parties of the second part, hereinafter referred to as lessees,

WITNESSETH, that subject to the terms and conditions hereinafter set forth, said lessors who covenant and agree they are the owners in fee simple of the mineral rights and mining privileges hereinafter described, have let and leased unto said lessees, their heirs and assigns, the exclusive right and privilege to mine, dig and remove all minerals, metals, stones, etc., now in, under and upon a certain tract or parcel of land lying and being in Jackson County, M. O., consisting of 29.75 acres more or less, described as follows:

BEING the lands described in a deed dated March 15, 1947, executed by A. A. Deits et al, to Hanley Deits and recorded in the office of the Register of Deeds for Jackson Co., M.O., in Book 173 at page 541.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

1. Unless sooner terminated as herein provided, this lease shall exist and continue for a term of five (5) years from date hereof.

2. As rental or royalty, lessees, their heirs and assigns shall pay to lessors, a sum equal to twelve and one-half (12½%) percent of all mica, and the usual royalties on all other minerals, mined and sold from said property; said royalties shall be paid on the 20th day of each calendar month following the production, sale and receipt of the sale price thereof. Lessees shall keep an accurate record of all sales of minerals from this property and same shall be open for inspection by lessors at reasonable times, and if requested by lessors, lessees shall furnish duplicates of sales tickets with royalty payments.

3. Should said lessees, their heirs and assigns fail to make royalty payments to lessors within sixty (60) days after same are due, this lease shall then terminate.

4. Lessees, their heirs and assigns agree to start mining operations within six months from date hereof, and during the life of this lease is said operations shall cease for a period of three (3) consecutive months then, and in such event, this lease shall terminate.

5. Should lessees apply for Government aid, or a loan to explore or operate this property, lessors hereby authorize Dexter Hall, as their Attorney in fact, in their name and stead, to sign any subordination or required agreement in connection with same.

So long as this lease remains in force the lessors, their heirs and assigns, in connection with same, shall have and enjoy the following rights and privileges:

The right to reasonable use of said lands as may be necessary and/or convenient in mining and removing minerals from same and to use such portions of the surface as may be required for the purpose of dumping mine refuse and tailings; the right to construct and place buildings and machinery upon said lands and remove same; the right to cut and use and standing timber on said lands for mining purposes; the right to construct and maintain roads, trails and railways to such portions where mining operations are in progress or to be conducted; the complete right of ingress, egress and regress to, into and from said lands, and to do all things necessary in the conduct of said mining operations.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

s/ MRS. C. Z. CANDLER
s/ ERNEST KEENER
DEXTER HALL & FRANK SIERSMA
By Dexter Hall.

RECORDED IN JACKSON COUNTY, N.C. JUNE 4, 1952; BOOK 189, PAGE 463.

- - - -

ASSIGNMENT BY HALL TO SIERSMA:

I, Dexter Hall, of Jackson County, N. C., for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations, do hereby sell, assign and transfer to Frank Siersma, all my right, title and interest in and to the following lease:

BEING the lease executed to Dexter Hall and Frank Siersma, dated May 30, 1952, and recorded in the office of the Register of Deeds for Jackson County, N. C., in Book 189 at page 463.

IN WITNNESS WHEREOF, I have hereunto set my hand and seal this 25th day of November, 1952.

s/ Dexter Hall

ASSIGNMENT BY ~~XXXXXXXX~~ SIERSMA TO ZIGLER:

I, Frank Siersma, of Macon County, N. C., for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations, do hereby sell, assign and transfer to M. S. Zigler all my right, title and interest in and to the following lease:

BEING the lease executed May 30, 1953, from C. Z. Candler et al, to Dexter Hall and Frank Siersma, and recorded in the office of the Register of Deeds for Jackson County, N. C., in Book 189 at page 463, the interest of Dexter Hall having been assigned to me on November 25, 1952, which assignment is attached hereto and made a part hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this the 7th day of January, 1953.

s/ Frank Siersma

BOTH ASSIGNMENTS RECORDED IN JACKSON COUNTY, N. C., March 12, 1953, in Book 198, page 97.

- - -

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

s/ MRS. C. Z. CANDLER
s/ ERNEST KENNER
DEXTER HALL & FRANK SIERSMA
By Dexter Hall.

RECORDED IN JACKSON COUNTY, N.C. JUNE 4, 1952; BOOK 189, PAGE 463.

- - - -

ASSIGNMENT BY HALL TO SIERSMA:

I, Dexter Hall, of Jackson County, N. C., for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations, do hereby sell, assign and transfer to Frank Sierema, all my right, title and interest in and to the following lease:

BEING the lease executed to Dexter Hall and Frank Sierema, dated May 30, 1952, and recorded in the office of the Register of Deeds for Jackson County, N. C., in Book 189 at page 463.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 25th day of November, 1952.

s/ Dexter Hall

ASSIGNMENT BY ~~XXXXXXXX~~ SIERSMA TO ZIGLER:

I, Frank Sierema, of Macon County, N. C., for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations, do hereby sell, assign and transfer to M. S. Zigler all my right, title and interest in and to the following lease:

BEING the lease executed May 30, 1953, from C. Z. Candler et al, to Dexter Hall and Frank Sierema, and recorded in the office of the Register of Deeds for Jackson County, N. C., in Book 189 at page 463, the interest of Dexter Hall having been assigned to me on November 25, 1952, which assignment is attached hereto and made a part hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this the 7th day of January, 1953.

s/ Frank Sierema

BOTH ASSIGNMENTS RECORDED IN JACKSON COUNTY, N. C., March 12, 1953, in Book 198, page 97.

- - -

CANDLER-KEENER MINE

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of NORTH CAROLINA, County of JACKSON, described as follows:1/

BEING the lands described in a deed dated March 15, 1947, from A. Dietz et al, to Hanley Dietz and recorded in the office of the Register of Deeds for Jackson County, N. C. in Book 173, page 547.

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/ M. S. ZIGLER
GAY, N. C.

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 7,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 20th day of April, 1953.

_____ [Seal]

Delta Hall [Seal]
Attorney in Fact
(in accordance with lease) [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

CANDLER-KEENER MINE

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of NORTH CAROLINA, County of JACKSON, described as follows:1/

BEING the lands described in a deed dated March 15, 1947, from A. Dietz et al, to Hanley Dietz and recorded in the office of the Register of Deeds for Jackson County, N. C. in Book 173, page 547.

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/ M. S. ZIGLER
GAY, N. C.

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 7,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 20th day of April, 1953.

_____ [Seal]

Dillon H. Hall [Seal]
Attorney in Fact
(in accordance with lease) [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

CANDLER KEENER MINE

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of NORTH CAROLINA, County of JACKSON, described as follows:1/

BEING the lands described in a deed dated March 15, 1947, from A. Dietz et al, to Hanley Dietz and recorded in the office of the Register of Deeds for Jackson County, N. C. in Book 173, page 547.

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/ M. G. STOLER
CAZ, N. C.

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 7,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 20th day of April, 1953.

_____ [Seal]

Dalton Hall [Seal]
Attorney in Fact
(in accordance with lease) [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

CANDLER KEENER NINE

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of [illegible], County of [illegible], described as follows:1/

[illegible] the lands described in a deed dated March 15, 1937, from A. Dietz et al, to Hanley Dietz and recorded in the office of the Register of Deeds for Jackson County, S. C. in Book 173, page 587.

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/ [illegible]

[illegible], L. C.

hereinafter called the "Operator"; and

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

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

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

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

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

Dated this [illegible] day of April, 1953.

_____ [Seal]

[illegible] [Seal]
Attorney in Fact
(in accordance with lease)

_____ [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

CANDLER KEENER MINE

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of [illegible], County of [illegible], described as follows:1/

[illegible]

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/ [illegible]

hereinafter called the "Operator"; and

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

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

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

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

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

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

[illegible] [Seal]

[illegible] [Seal]

(Secretary [illegible])
(In accordance with [illegible]) [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

CANDLER-KEENER MINE

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of _____, County of _____, described as follows:1/

_____

_____

_____

_____

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/_____

_____

_____

hereinafter called the "Operator"; and

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

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

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

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

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

Dated this _____ day of _____, 195_.

_____ [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

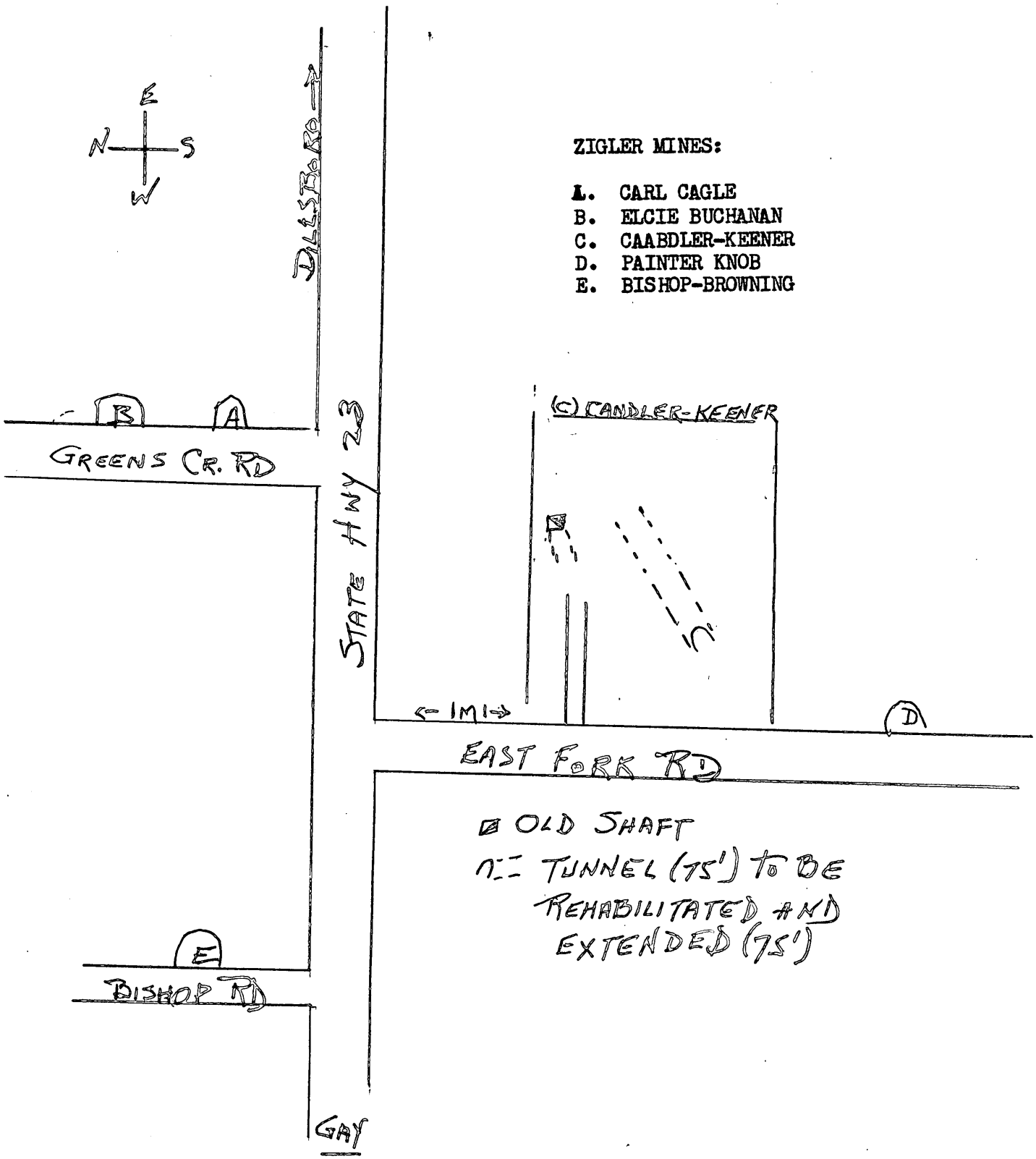
(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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

AMEA-2993

MF-103 M. S. ZIGLER GAY, N. C.

- MICA -
CANDLER-KEENER MINE
JACKSON COUNTY



~~G. D. ZIGLER~~
GAY
~~NORTH CAROLINA~~

DEFENSE ~~MINERALS~~ EXPL. ADM.
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