DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF SECOND ROYALTY REVIEW

I have reviewed all copies of settlement sheets on file with the Executive Officer, DMEA Field Team, Region V, applicable to the sales of mica for the period January 19, 1954 to March 17, 1955, by:

Al J. Goodman
d/b/a Goodmica Mining Company
P. O. Box 263
Asheville, North Carolina

produced from property referred to as Murray Mountain Mine located in Jackson County, North Carolina, under the terms of Contract Ida-E656, Docket No. DMEA-3177.

My review did not disclose any sales of mica on which Government royalties would accrue other than the sale amounting to $821.91 referred to in Royalty Audit Memorandum dated July 27, 1954, prepared by B. J. Brakhus. The review also included a conference with Mr. William A. Beck, Mining Engineer, U. S. Bureau of Mines, Knoxville, Tennessee, who is thoroughly familiar with the project.

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

(1) The amount of $41.10 royalty due and unpaid at the time of the previous review of the Operator's accounts has been paid and was deposited by Certificate of Deposit No. 14-23-070-23, dated September 24, 1954.

(2) A review of the records of General Services Administration Mica Purchase Depot, Spruce Pine, North Carolina, did not disclose any other sales of mica from Murray Mountain Mine since the effective date of the exploration contract.

The review established the total sales of mica under the contract for the period to be $821.91. Royalty due the United States Government at the contract rate of 5 percent is $41.10. The royalty paid and balance due are as follows:

Total Royalties Due	$41.10
Total Royalties Paid	41.10
Balance Royalties Due	$ -0-

March 21, 1955

C. E. Fisher

C. E. Fisher, Auditor

E-656

For Certificate of Deposit No. 23, dated September 24, 1954, giving royalty repayment of $41.10, see E-516.

File

The Goodnice Mining Company
P. O. Box 263
Asheville, North Carolina

SEP 1 1954

Attention: Mr. H. P. Goodman, General Manager

Re: Docket No. DGA-2926
The Goodnice Mining Company
Eagle Cope Mica Mine
Contract No. Ida-1516
and
Docket No. DGA-3177
The Goodnice Mining Company
Murray Mountain Mine
Contract No. Ida-1656

Gentlemen:

Reference is made to your letter of August 17, 1954, in regard to payment of royalty due the United States Government from the sale of mica produced under the terms of Exploration Project Contract No. Ida-1516, Docket No. DGA-2926.

Royalty is payable under exploration project contracts at the time collection is made for any ores sold whether the company has realized a profit or a loss. Therefore, the amount of $1,969.26 in royalties collected by you on sales totaling $38,945.11, as of June 30, 1954, should have been transmitted by you to my office as sales were consummated.

Your attention is also called to the fact that as of April 13, 1954, you had sold $821.91 worth of mica under Exploration Project Contract No. Ida-1656, Docket No. DGA-3177, royalties on which amounted to $41.10. This amount also is due the Government.

Your request for time to pay these obligations was referred to the Washington office and I have been authorized to set forth the Government's position and to accept payment of these obligations as follows:

(1) The above amounts are past due and no arrangement for their liquidation will in any way waive the Government's right to demand and seek through proper channels immediate payment of any balances due at any time in the future.

(2) The Government demands that you pay the $41.10 royalty due as of April 13, 1954, plus any royalty accruing to the date of payment under Exploration Project Contract No. Idn-2656, Docket No. DMA-3177, not later than September 30, 1954.

(3) You agree to make arrangements with the General Services Administration Mica Depot, Spruce Pine, North Carolina, to deduct the current 5% royalty on all future sales under both contracts named in this communication, plus 5% for past due royalties on any sales made under Exploration Project Contract No. Idn-2516, Docket No. DMA-2926, and to request that checks for such deductions be drawn to the Defense Minerals Exploration Administration and sent to my office in Knoxville, Tennessee. A copy of your letter to the General Services Administration should be furnished my office. On March 1, 1955, or earlier if the Government deems it desirable, a new appraisal of the status of your obligation for royalties to the Government will be made and new terms of payments provided if the circumstances warrant.

It is believed that under the circumstances the Government's proposal to assist you in liquidating your royalty accounts is liberal and should enable you without undue hardship to operate your mines in the future. Please reply to this letter immediately and let us know whether you plan to carry out its provisions.

Sincerely yours,

SIGNED

Robert A. Laurence
Executive Officer
DMA, Region VII

JLChambers/ama - 8/27/54
Copy to: Docket (2)
Admr. Reading File
Operating Committee
Region VII (2)
Mr. Houk
Mr. Chambers
Mr. D. M. Larrabee, Rm. G-232, GSA
Mr. Thor Killagnard, Rm. 5227

8-27-54

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

Re: Contract No. [illegible]
The Cookeville Mining Company
Oak Ridge Gas Plant
Contract No. [illegible]
and
Contract No. [illegible]-3177
The Cookeville Mining Company
Porter Mountain Mine
Contract No. [illegible]

Dear Mr. Lawrence:

Reference is made to your memorandum of August 20, 1954, signed by you and Mr. Buck in regard to delinquent royalties of the Cookeville Mining Company on ores sold from contracts cited above.

The Administrator has approved a plan set forth in a letter for your signature to be sent to the Cookeville Mining Company in regard to their obligations. If you are in accord with the proposed letter please sign and send to the operator. If you have further suggestions for improving the letter please communicate with the Operation Committee.

You will note that the proposed letter to the Cookeville Mining Company requests them to have checks made payable to the Defense Minerals Exploration Administration. The change in the inscription of checks payable to the various Government agencies is authorized by General Regulations No. 87 of the General Accounting Office and promulgated in the Department of the Interior by Bulletin on Finance Letter No. 157, copies of which bulletins have been sent to your Finance Officer.

Sincerely yours,

[illegible]

Chairman, Operation Committee

Director, Bureau of Mines

Director, Geological Survey

JChandler:ms - 8/27/54
Copy to: Addee (2) Mr. Cook
Ch. Fin. File Mr. Chambers
Oper. VII (2) Oper. Com.
Mr. [illegible] Larrabee, Rm. [illegible]-232, [illegible]
Mr. Thos Hillegard, Rm. 5227

Enclosures

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

July 27, 1954

Royalty Audit Memorandum

To: Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division

From: B. J. Brekhus, Auditor

Subject: Royalty Audit - Al J. Goodman, d/b/a Goodmica Mining Company, Murray Mountain Mine, Contract Idm-E656, Docket No. DMEA-3177

On July 14, 1954, accompanied by Mr. Wm. A. Beck, Mining Engineer, Bureau of Mines, Knoxville, Tennessee, I called upon Mr. Al J. Goodman at his office, in his machinery warehouse in Asheville, North Carolina. The primary purpose was to establish the amount owing in royalties for sales of mica made during exploration under the subject contract. There had been one sale to the GSA Mica Depot in Spruce Pine, North Carolina, in the amount of $821.91. Royalty due is $41.10.

As the sale was made on April 13, 1954, it was considered proper to ask Mr. Goodman for a check for this royalty. He said he was unable to pay at this time, but would call a meeting with his son, B. Paul Goodman and his brother, Lew Goodman, and they would try to work out a plan for liquidating this amount along with an amount of $1,949.26, royalty due on a previous contract No. Idm-E516, Docket No. DMEA-2926. While this statement was not satisfactory, it was all that could be obtained at that time. Mr. Goodman was advised to take immediate and effective action, or it would be necessary for us to turn the collection of the royalty due over to the Comptroller General.

Mr. Goodman was also requested to advise the Field Team of DMEA of the arrangements to pay the delinquent royalties as soon as he has had the above mentioned meeting.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Goodmica Mining Company
Box 263
Asheville, North Carolina

pertaining to Exploration Project Contract No. Idm-E656, Docket No. DMEA-3177, for the months of February, 1954 to ~~April~~ May, 1954, inclusive, covering a project for the exploration of mica on property, known as Murray Mountain Mine, located in Jackson County, North Carolina.

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

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

all of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$5,327.50
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$5,327.50

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Four thousand seven hundred ninety-four and 75/100 Dollars,

$4,794.75

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

B. J. Brekhus, Auditor

June 9, 1954

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1954 Docket No. DMEA 3177 Contract No. Idm-E 656
Operator's Name Goodmica Mining Co. Minerals Mica
Address Box 263, Asheville, N. C.
Contract Amount, $ 7,475.00 Government Participation: 90 % Amount, $ 6,727.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	~~1400.00~~ 126.00	1,365.00	~~2,765.00~~ 2,891.00	1,260.00	1,365.00	2,625.00
reconditioning of adit		1,900.00	1,900.00		1,900.00	1,900.00
installing track						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Powder Magazine		50.00	50.00		50.00	50.00
Exploder Magazine		25.00	25.00		25.00	25.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		150.00	150.00		150.00	150.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	~~1400.00~~ 126.00	3,490.00	~~4,890.00~~ 4,916.00	1,260.00	3,490.00	4,750.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-65

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 7 May 54 *Payee Goodmica Mining Co.
Per [signature] Title General Manager

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

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

$ 1,134.00

Signature [signature] (Authorized Certifying Officer)
Date MAY 14 1954 Vou. No. 293
(See other side)

3

126.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E656 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date May 10, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lamm Title EXECUTIVE OFFICER DMEA REGION VII Date MAY 12 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1954 Docket No. DMEA 3177 Contract No. Idm-E 656
Operator's Name Goodmica Mining Co. Minerals Mica
Address Box 263, Asheville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	1400.00	~~40~~ 36	2,765.00	~~79~~ 75	35.00	150	35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
~~Stripping~~ Tool House				150.00	1	150.00	1	150.00
~~Trenching~~ Powder Mag.				50.00	1	50.00	1	50.00
~~Pits~~ Exploder Mag.				25.00	1	25.00	1	25.00
Roads and Trails								
reconditioning of adit installing track	Ft.			1,900.00	95	1900.00	100	20.00
TOTAL DISTRIBUTED COSTS		1400.00	40	4,890.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1400.00	40	4,890.00				

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

Date 7 May 1954 Operator Goodmica Mining Co.

Per [signature] Title General Manager

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

Make the following changes;
Under drifting $1,260.00 instead of $1,400.00
36 ft. " " 40 ft.
$2625.00 " " $2,765.00
75 ft. " " 79 ft.
change Totals to $1,260.00 " " $1400.00
$4,750.00 " " $4,890.00

W A Beck

INSTRUCTIONS

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

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

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

GPO 83-38475

Monthly Progress Report
for the
MONTH of April 1954

Work accomplished:
Drilled, blasted and mucked out in the old heading for a distance of 36 feet , was hitting too much mud and shale in that direction so changed direction and obtained another 4 feet for total of 40 feet of drifting. Extended track and timbered the entire 40 feet.

April 1. Worked on track, set up drill, drilled and blasted.

" 2. Mucked out,, Set up Drill, drilled and blasted.

" 5. Mucked out, Set up drill, drilled and blasted.

" 6. Moved Compressor, Changed Air and Water lines.

" 7. Drilled and Blasted, and mucked out.

" 8. Drilled and Blasted, and Mucked out.

" 9. Extended track, worked on compressor.
"
" 10. Set up drill , Drilled and Blasted.

" 13. Mucked out, drilled and blasted.

" 14. Drilled and Blasted, Mucked out.

" 15. Drilled and Blasted.

" 16. Drilled and Blasted, Mucked out.

" 19. Drilled and Blasted, Mud beginning to show.

" 20. Mucked out, drilled and blasted, more mud showing.

" 21. Drilled and Blasted, Mud and Shale.

" 22. Mucked out, drilled and blasted, Mud and Shale.

" 23. Drilled and Blasted, Mud and shale.

" 26. Drilled and Blasted, Mucked out, Mud and shale.

" 27. Placed in Timbers, extended track, changed Air and Water lines.

" 28. Drilled and Blasted, Nothing but mud.

" 29. Dropped back changed direction because of the Mud.

" 30. Drilled and Blasted, This is solid flint.

May 12, 1954

Mr. Al. J Goodman
The Goodmica Mining Co.
Box 263
Asheville, North Carolina

Re: DMA-3177, Idm-E 656 (mica)
Murray Mountain Mine

Dear Mr. Goodman:

Your Operator's monthly report and voucher has been received in this office and is being sent to the Finance Office today for processing.

A deletion of $140.00 was made on this voucher for the following reason. Our examiner visited the project on May 6 and made his measurement. He reported that 75 feet of advance had been made in the drift. Your report shows a total of 79 feet. We are, therefore deducting 4 feet of drifting at $35 per foot. Your amounts under drifting will be $1260.00; $1,365.00, and $2,625.00, and the totals at the bottom of the page - $1,260; $3,480.00 and $4,750.

Please correct your copies of the reports to conform with the above."

Very truly yours,

Wm. A. Beck, for R. A. Lawrence
Executive Officer, DMMA.

WAB/zm
cc:
Beck
Lynch
Finance Office
Files

Form MF-404 (Rev.)
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 10 1954

Month of May, 1954 Docket No. DMEA 3177 Contract No. Idm-E 65854
Operator's Name Goodmica Mining Co. Minerals Mica
Address Box 263, Asheville, N. C.
Contract Amount, $ 7,475.00 Government Participation: 90 % Amount, $ 6,727.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	577.50	2,625.00	3,202.50			
reconditioning of adit		1,900.00	1,900.00			
installing track						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Powder Magazine		50.00	50.00			
Exploder Magazine		25.00	25.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		150.00	150.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	577.50	4,750.00	5,327.50	577.50	4,750.00	5,327.50

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 69

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 21 May 1954 *Payee Goodmica Mining Co.
Per [signature] Title General Manager

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

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

$ 519.75

Signature [signature]
(Authorized Certifying Officer)

Date JUN 3 1954 Vou. No. 299
(See other side)

57.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tdm-E656 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Eng. Date May 24, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title DMEA EXECUTIVE OFFICER REGION VII Date JUN 2 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

Defense Minerals Administration
JUN 10 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1954 Docket No. DMEA 3177 Contract No. Idm-E 656
Operator's Name Goodmica Mining Co., Minerals Mica
Address Box 263, Asheville, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	577.50	16½	3,202.50	91½	35.00	150	35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
~~xxxx~~ Tool House				150.00	1	150.00	1	150.00
~~Stripping~~ xxxxx Powder Mag.				50.00	1	50.00	1	50.00
~~Trenching~~ xxxxx Exploder Mag.				25.00	1	25.00	1	25.00
~~Test Pits~~								
Roads and Trails								
reconditioning of adit, installing track				1,900.00	95	1900.00	100	20.00
Total Distributed Costs		577.50	16½	5,327.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		577.50	16½	5,327.50				

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

Date 21 May 1954 Operator Goodmica Mining Co.

Per [signature] Title General Manager

Remarks:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

MONTHLY PROGRESS REPORT
for the
MONTH of MAY 1954

Work accomplished:
Drilled, blasted and mucked out for a total distance of 16½ feet, nothing showing in the heading and work was stopped by Mr. Teague and Mr. Shirley.

May 4. Drilled and Blasted, Mucked out.

" 5. Set in Timbers, Drilled and Blasted.

" 6. Mucked out, Drilled and Blasted.

" 7. Drilled and Blasted, Mucked out.

" 10. Extended Track, Placed in timbers.

" 11. Drilled and Blasted, Mucked out.

" 12. Drilled and Blasted.

" 13. Drilled and Blasted.

" 17. Mucked out, Drilled and Blasted.

" 18. Started Drilling and work was stopped on this date.

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

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

PAID ON VOUCHER & SCHEDULE

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

261

Month of March, 1954 Docket No. DMEA 3177 Contract No. Idm-E 656
Operator's Name Goodmica Mining Co. Minerals Mica
Address Box 263, Asheville, N. C.
Contract Amount, $ 7,475.00 Government Participation: 90 % Amount, $ 6,727.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1155.00	210.00	1,365.00			
Reconditioning of Adit		1,900.00	1,900.00			
Installing Track						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Powder Magazine		50.00	50.00			
Exploder Magazine		25.00	25.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		150.00	150.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1155.00	2,335.00	3,490.00	1,155.00	2,335.00	3,490.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 2 Apr. 54 *Payee Goodmica Mining Co.
Per [signature] Title General Manager

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1,039.50
Signature Cora A. Pigeon (Authorized Certifying Officer)
Date APR 6 1954 Vou. No. 261
(See other side)

2

115.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E656 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date April 2, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. A. Beck ACTING EXECUTIVE OFFICER Title DMEA REGION VII Date APR 5 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1954 Docket No. DMEA 3177 Contract No. Idm-E 656

Operator's Name Goodmica Mining Co. Minerals Mica

Address Box 263, Asheville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.	1155.00	33	1,365.00	39	35.00	150	35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
~~Stripping~~ Tool House				150.00	1	150.00	1	150.00
~~Trenching~~ Powder Mag.				50.00	1	50.00	1	50.00
~~Test Pits~~ Exploder Mag.				25.00	1	25.00	1	25.00
Roads and Trails								
Reconditioning of Adit installing track	ft.			1,900.00	95	1900.00	100	20.00
TOTAL DISTRIBUTED COSTS		1155.00	33	3,490.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1155.00	33	3,490.00				

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

Date 2 Apr. 54 Operator Goodmica Mining Co.

Per [signature] Title General Manager

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

MONTHLY PROGRESS REPORT

FOR THE

MONTH of MARCH 1954

Work accomplished:
Drilled and blasted in the heading mucked out for a distance of 33 feet, extended track, timbered the drift for the same amount of footage.

March 1. Set up drill, drilled and blasted.

" 2. Mucked out set up drill, drilled and blasted.

" 3. Set in timbers, set up drill, drilled and blasted.

" 4. Drilled and blasted, moved blower.

" 5. Mucked out, set up drill, drilled and blasted.

" 8. Drilled and blasted, set up blower and mucked out.

" 9. Set in timbers,placed in more track,repaired compressor.

" 10. Set up drill, drilled and blasted.

" 11. Set up drill, drilled and blasted.

" 12. Mucked out, cut and hauled in timbers,moved exploder magazine.

" 15. Set up,drilled and blasted.

" 16. Set up drilled and blasted, mucked out.

" 17. Set in timbers,placed down track, fixed mine car.

" 18. Set up drill, drilled and blasted.

" 19. Drilled and blasted.

" 22 Mucked out set up drill and blasted.

" 23. Set up drill, drilled and blasted.

" 24. Mucked out, placed in timbers.

" 25. Set up drill, drilled and blasted.

" 26. Extended air and water lines, drilled and blasted.

" 29. Setbup drill, drilled and blasted.

" 30. Mucked out, set up drill, drilled and blasted.

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

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

RECEIVED
MAR 9 1954

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

Month of February, 1954 Docket No. DMEA 3177 Contract No. IDM-E 656
Operator's Name Goodmica Mining Co. Minerals Mica
Address Box 263, Asheville, N. C.
Contract Amount, $ 7,475.00 Government Participation: 90 % Amount, $ 6,727.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	210.00		210.00			
Reconditioning of Adit	1900.00		1,900.00			
Installing track (95 FT.)						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Powder Magazine	50.00		50.00			
Exploder Magazine	25.00		25.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	150.00		150.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2335.00		2,335.00	2,335.00		2,335.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-62

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 1-March-54 *Payee Goodmica Mining Co.
Per [signature] Title General Manager

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

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

$ 2,101.50

Signature Cora A. Pipes
(Authorized Certifying Officer)
Date MAR 4 1954 Vou. No. 226
(See other side)

/ S-1/26/54 233.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E656 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date March 1, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date MAR 3 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 9 = 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1954 Docket No. DMEA 3177 Contract No. IDMR 656

Operator's Name Goodmica Mining Co. Minerals Mica

Address Box 263, Asheville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	FT.	210.00	6	210.00	6	35.00	150	35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
~~Stripping~~ Tool House	1	150.00	1	150.00	1	150.00	1	150.00
~~Trenching~~ Powder Mag.	1	50.00	1	50.00	1	50.00	1	50.00
~~Pits~~ Exploder Mag.	1	25.00	1	25.00	1	25.00	1	25.00
Roads and Trails								
Reconditioning of Adit Installing Track	Ft.	1900.00	95	1900.00	95	1900.00	100	20.00
TOTAL DISTRIBUTED COSTS		2,335.00	104	2,335.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,335.00	104	2,335.00				

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

Date 1-March-54 Operator Goodmica Mining Co.

Per [signature] Title General Manager

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Lands Division
Received
Date 8 1954

MONTHLY PROGRESS REPORT
for the
MONTH of FEBRUARY 1954

Work accomplished:
Constructed a tool house, a powder magazine, and an exploder magazine. Reconditioned the existing adit for ninety five (95) feet, including trimming to 5 feet by 7 feet timbering and laying track. Drlilled, Blasted and Mucked out in heading for 6 feet of drifting.

Daily Notes:

January 26. Started cutting and getting timbers in.

" 27. Cut timbers and hauled lumber.

" 28. Cut and hauled timbers.

" 29. Cut and hauled timbers, moved compressor.

February 1. Worked reconditioning adit.

" 2. " " "

" 3. " " "

" 4. " " "

" 5. " " "

" 8. " " "

" 9. " " "

" 10. " " "

" 11. " " "

" 12 " " "

" 15. Worked reconditioning adit and building tool house.

" 16 " " " " " " "

" 17. " " " " " " " .

" 18. " " " " " " " , Powder magazine

" 19. Worked reconditioning adit, and building Exploder magazine.

" 22. " " ", and laying track.

" 23. " " ", " " " .

CONTINUED ON PAGE # 2

February 24. Set up drill, drilled and blasted and mucked out.

" 25. Installed Blower, Drilled and blasted, Mucked out.

" 26. Drilled and Blasted two complete rounds, Mucked out.

" 27. Drilled and blasted two complete rounds, mucked out.

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

Memorandum

To: Contract Administration & Audit Division

From: Chief, Nonmetallics Division

Subject: Closed DMEA Files

The files on the contracts listed below were considered closed by this office as of December 31, 1958. No closing letter was written in these cases nor will any be written, however, the Government no longer has the right to certify and there is to the best of our knowledge no outstanding claim for royalty.

Docket No.	Contract No.
3177	656
4646	1086

L. G. Houk

Approved:

Acting Director

WNChamberlain:gjb 1/20/59
Copy to: Mail & Files
Docket
Mr. Talbert
DRF
Chron.

Government's Copy

TERMINATION AGREEMENT

It is agreed this 21st day of June, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Al J. Goodman, operating as The Goodmica Mining Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E656, Docket No. DMEA-3177, dated January 19, 1954, hereinafter called the "Contract," that:

1. Effective May 17, 1954, the Contract and all other obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to May 17, 1954.

3. Any work or operations prosecuted or costs incurred by the Operator beginning with May 17, 1954, shall be for the sole account of the Operator without contribution by the Government.

4. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

5. All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and lien for its payment are preserved.

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

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

THE UNITED STATES OF AMERICA

By O. Mitchell
Administrator, Defense Minerals Exploration Administration

THE GOODMICA MINING COMPANY

By

Docket No. [illegible] - 3177

Commodity Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 656

Date of Contract ~~or Amendment~~ January 19, 1954

Name and Address of Operator:
Al J. Goodman d/b/a
Goodman Mining Co.
P.O. Box 263
Asheville, N. C.

Amount of Government
participation _____ $ 6,727.50

Percent of Government
participation 90 %

Region: VII State: N.C.

Note: Please release $ 1,932.75: Advice Contract Administration and Audit Division

(Name)
J. [illegible] Chandler
Chief Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington.

6/22/54

54458

Dock[illegible] No. 3177

Commodity [illegible]

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 656

Date of Contract or Amendment: January 19, 1954

Name and Address of Operator:

Al J. Goodman, operating as the Goodmico Mining Co.
P.O. Box 263
Ashville, North Carolina

Amount of Government participation $ 6727.50

Percent of Government participation 99 %

Region: VII State: N.C.

(Name)
J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 1/19/54.

13908

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 1 1954

DOCKET NO. DMEA 3177

COMMODITY Mica IDM -E - 656

Government's Copy

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 19 day of January, 195 54, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Al J. Goodman, operating as The Goodmica Mining Company
P. O. Box 263
Asheville, North Carolina

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

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Jackson, described as ~~follows~~[3] set forth in Annex I,

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, ~~and that the Operator is subject only to the following claims, liens, encumbrances, and rights of others, and that the Operator agrees to keep the land free of liens and encumbrances:~~ of a one-half interest in the mineral rights; that the mineral rights are not subject to any encumbrances; and the owner's consent to lien is attached for a one-half interest in the mineral rights.

(*b*) ~~That the Operator is in possession and entitled to possession of the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.~~
The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for[5] Mica

in or upon the described land; and shall bring the project to completion within a period of Eight (8) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $ 6,727.50, which is 90 percent of $ 7,475.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

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

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

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

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

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

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

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

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

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

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

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations. See Annex II, substituted for Article 6.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitchell Dow
Administrator, Defense Minerals Exploration Administration

THE GOODMICA MINING COMPANY
(Operator)

By _____

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

_____ [CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
THE GOODMICA MINING COMPANY
DOCKET NO. DMEA-3177

ANNEX I

The land referred to in Article 2 of the contract form is known as the Murray Mountain Mine. The mineral rights in this land are owned by Clara L. Goodman and her husband, Al J. Goodman. The property is located on the southeast slope of Murray Mountain about one-half mile southwest of Savannah Creek and U. S. Highway No. 23. It is 6.8 airline miles S. 23° W. of Dillsboro, Jackson County, North Carolina, and is described as follows:

FIRST TRACT: BEGINNING on a rock on a ridge and runs thence S. 74½ West 16 poles to a stake; thence N. 70½ West 30 poles to a rock; thence North 39 West 50 poles to a stake in boundary line; thence South 48 East with top of ridge 8 poles to a stake; thence North 25 East 24 poles to a forked chestnut, N. P. Jones corner; thence South 45 East 12 poles to a chestnut; thence in Easterly direction 3 poles to a spanish oak on top of ridge; thence South 43 East with top of ridge 43 poles to a stake; thence South 3 East 23 poles to BEGINNING, containing 23 acres more or less.

SECOND TRACT: BEGINNING on a stake on the West side of road that leads to home of Bryant Browning and runs thence with the rock wall to a hickory on the side of the branch; thence with the line of J. C. Browning in Westerly direction to a maple corner in Etta Browning line; thence with Etta Browning line to a stake on West side of road; thence down the road as it meanders to BEGINNING, containing 1 acre more or less.

EXPLORATION PROJECT CONTRACT
THE GOODMICA MINING COMPANY
DOCKET NO. DMEA-3177

ANNEX II

The following provisions are in lieu of Article 6:

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other amounts realized from the sale or other disposition of any such production (including any bonuses, premiums, allowances, or other benefits), in whatever form disposed of, including ore, concentrates, or metal, as follows:

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

(b) One and one-half ($1\frac{1}{2}$) percent of any such net amounts, plus one-half ($\frac{1}{2}$) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

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

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

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

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

EXPLORATION PROJECT CONTRACT
THE GOODMICA MINING COMPANY
DOCKET NO. DMEA-3177

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the attached map entitled "Sketch of Murray Mountain Mine, Jackson Co., N. C., DMEA-3177 (mica)," by the work described below:

1. Construct: a tool house, 10 feet by 15 feet; a powder magazine; and an exploder magazine.

2. Recondition not to exceed 100 feet of existing adit, including trimming to not less than 5 feet by 7 feet in cross section. The adit shall be timbered where necessary, and track installed therein.

3. From the face of the reconditioned adit, drift and/or crosscut 150 feet, 5 feet by 7 feet in cross section.

The location, direction, and extent of all work is subject to the approval of the Government.

Agreed Unit Costs

Reconditioning of adit and installation of track, 100 feet @ $20.00/ft.		$2,000.00	
Construction of:	Toolhouse 1/	150.00	
	Powder magazine 1/	50.00	
	Exploder magazine 1/	25.00	
Drift and/or crosscut 150 feet @ $35.00/ft.		5,250.00	
Agreed Estimated Total Cost			$7,475.00
Government Participation @ 90%			$6,727.50

1/ The completed work constitutes the unit.

MF-203
(Revised July 1, 1953)

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 ~~XX~~ follows:1/

In a Deed, Dated September 9th.,1953 and recorded in Book 203 Page 211 Official Records of said county.

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/ The Goodmica Mining Co.

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

4. Changes and added provisions

Dated this 4th., day of January, 1954.

Clare L. Goodman [Seal]
Clare L. Goodman
[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.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

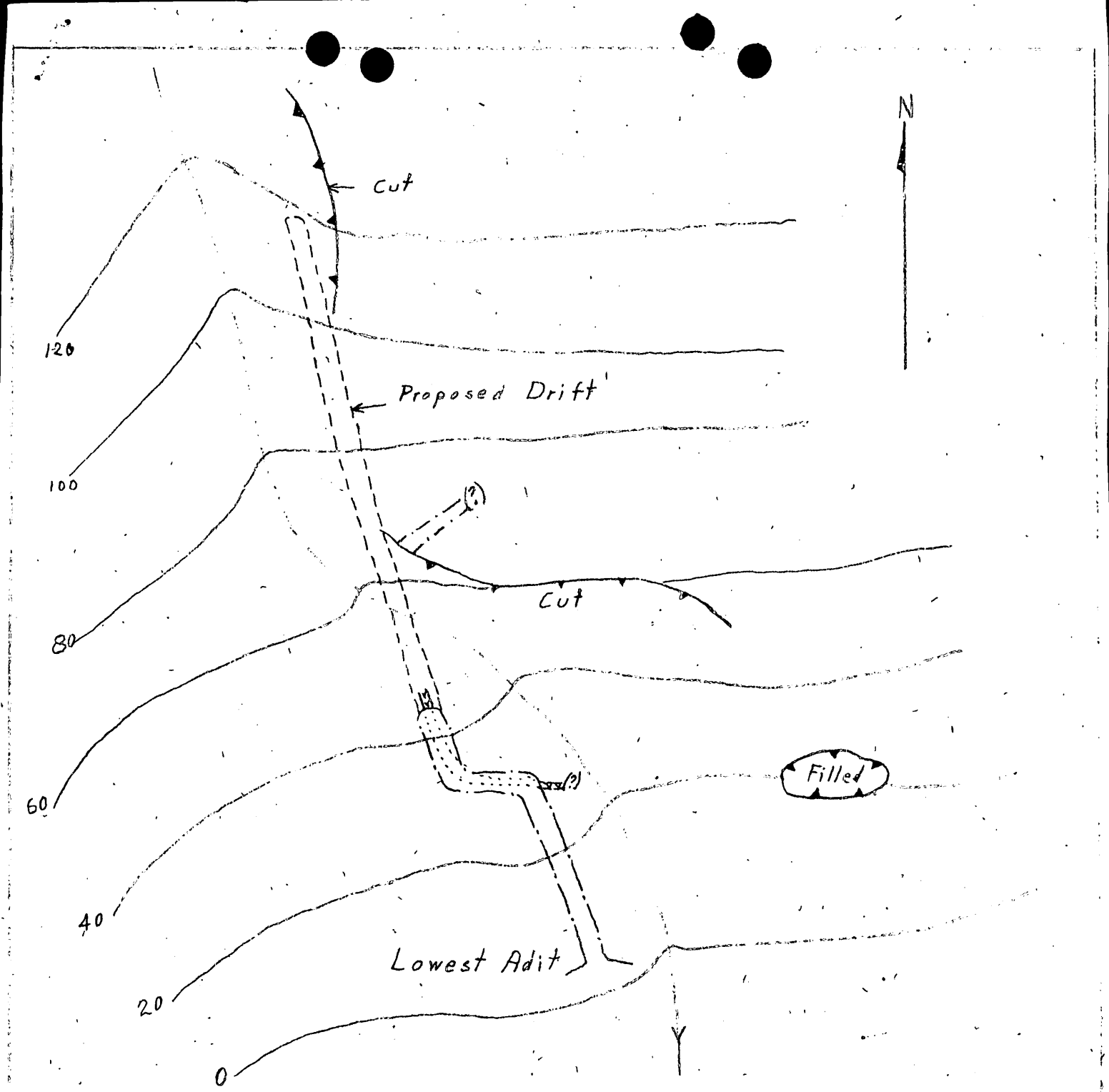
(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

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

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

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

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.



Sketch of
Murray Mountain Mine
Jackson Co., N.C.

0 40' 80'
Scale

DMEA-3177 (mica)