Docket Copy
Surname:

Houk
Kilsgaard
Larkin
Selfridge

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

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4406-Mica
John Phillips
Hector-McNaill Prospect
Yancey County, North Carolina

Dear Mr. Phillips:

Your application for aid for an exploration project and other reports available to us in Washington relating to the subject property have been reviewed.

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

Careful study of all our information indicates to us that the probability of disclosing significant reserves of mica is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

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

Sincerely yours,

Frank E. Johnson
Administrator

JHopkins:gad 10/29/56
Rewritten
JHopkins:gad 11/2/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Operating Committee
Mr. Kilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.S.

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

November 5, 1956

Memorandum

To: Administrator

From: L. G. Houk, Chief, Nonmetallic Minerals Division

Subject: A denial of exploration assistance and Summary Report

By: James Hopkins

1. Docket No. DMEA-4406-Mica
Property: Hector-McNeill Prospect
Yancey County, North Carolina
Applicant: John Phillips
Spruce Pine, North Carolina
Application: Dated July 31, 1956
Proposes:

25 Hours Bulldozing @ $10.00/hr.	$250.00
60 Fee of Shaft @ $50.00/ft.	3,000.00
100 Feet of Drifts @ $35.00/ft.	3,500.00
	$6,750.00

No contract. Application denied.

2. Comments:

The applicants have requested Government assistance to explore a pegmatite that the field examiners found to be the extension of the pegmatite explored with Government assistance on the Hector Mine under Docket No. DMEA-3216, (Contract No. Idm-E665) which was certified. The Hector shaft is less than 300 feet distant from the proposed shaft site.

A thick pegmatite - 10' to 12' - conformable to the enclosing mica schist is exposed in a cut 200 feet long by 15 to 30 feet wide and 10 to 40 feet deep. Abundant quartz in the dumps suggest a quartz core, which is reported to be 5 feet thick.

The mica in the same pegmatite in the Hector Mine is green and generally of good quality; some is mineral-stained.

Contacts of the wall rock with pegmatite in the Hector Mine are altered and have slickensides indicating that the pegmatite is emplaced in a fault.

The following work was performed at the Hector Mine at a cost of $5,325.00. Government participation was $3,993.75.

50 Feet of vertical shaft
80 Feet of drifts
12 Feet of shaft by the Operator

During this operation approximately 415 tons of pegmatite (rock) was mined that yielded $2,011.20. Thus the value per ton of rock is roughly $5.00.

Total royalties to date have been $257.39, indicating a total production value of $5,147.80 from an estimated tonnage of 1000 tons of pegmatite.

The original operators of the property abandoned it, and allowed their lease to lapse. The property was then leased by the K and K Corporation. This latter lease is now void by reason of a breach of conditions in the lease. The mine is now not operating.

It is quite apparent from production figures that this mining of this pegmatite has not been profitable.

The examiners recommended an exploration project for the Hector-McNeill property involving shaft sinking for 60 feet and 100 feet of drifting at a total cost of $6,961.00. However, the Field Team recommended denial of the application on the basis of close proximity to the Hector Mine and an apparent conflict of property boundaries.

The Nonmetallic Minerals Division does not concur in the above reasons for denial but believes and so recommends that the application be denied on the basis that the geologic probability of making a significant discovery is very remote.

The commodity division of the Bureau of Mines concurred in the recommendation of an exploration project by the examiners.

The commodity division of the Geological Survey concurs in the recommendation for denial by the Field Team.

James Hopkins
Nonmetallic Minerals Division

Although the nearby project was certified, it was a weak certification written to protect the Government's interest. It appears that the proposed project would not be any more successful, therefore, we are not justified in participating.

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

RECEIVED
OCT 23 1956

October 23, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Donald R. Irving, Acting Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4406 (mica)

Applicant: John Phillips

Name and Location of Property: Hector-McNeill Prospect, Yancy County, N. C.

Date of Field Team Report: 10/10/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/18/56

Field Team Recommendation: Recommend denial on grounds of proximity to a certified project.

Comments:

1. Field Examiners report this prospect to be in a pegmatite in which muscovite occurs in abundance, and recommends that exploratory assistance be granted.

2. Field Team agrees with Field Examiners that the Hector-McNeill pegmatite affords a good exploration target and that sinking an inclined shaft and drifting from the shaft would be the best method of exploration.

3. The reason for denial by the Field Team does not appear to be consistent with DMEA's normal exploration assistance policy. ?

4. The proposed program of exploration will determine value of ground in pegmatite that previously has been reported as a producer of mica.

Recommendation:

I concur with the recommendation of the Field Examiners that exploratory assistance be granted.

Donald R. Irving

Donald R. Irving

DRI

IN REPLY REFER TO:

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

RECEIVED
OCT 19 1956

October 18, 1956

Re: DMEA 4406
John Phillips
Hector-McNeill Prospect
Yancey County, North Carolina
$6,750.00 - Mica

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team report.

The applicant requested assistance in exploring a pegmatite by bulldozing, shaft sinking and drifting. The applicant modestly said in the application, "From appearance of pegmatite showing, exploration work would uncover good quality mica", but neglected to say or show on the sketch map that the work would be done on the same pegmatite and within 300 feet of a certified project, DMEA 3216, completed at a cost to the Government of $3,993.75.

Evidently the pegmatite has promise, but it remains to be shown that a shaft, etc., every 300 feet is warranted.

The reason for the recommendation of denial of the Field Team is well taken. I concur with that recommendation.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-10/18/56

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061

IN REPLY REFER TO:

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

RECEIVED
OCT 19 1956

October 18, 1956

Re: DMEA 4406
John Phillips
Hector-McNeill Prospect
Yancey County, North Carolina
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From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team report.

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N. E. Nelson

N. E. Nelson

NENelson:iml
G-10/18/56

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061

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

RECEIVED
OCT 23 1956

October 23, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Donald R. Irving, Acting Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4406 (mica)

Applicant: John Phillips

Name and Location of Property: Hector-McNeill Prospect, Yancy County, N. C.

Date of Field Team Report: 10/10/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/18/56

Field Team Recommendation: Recommend denial on grounds of proximity to a certified project.

Comments:

1. Field Examiners report this prospect to be in a pegmatite in which muscovite occurs in abundance, and recommends that exploratory assistance be granted.

2. Field Team agrees with Field Examiners that the Hector-McNeill pegmatite affords a good exploration target and that sinking an inclined shaft and drifting from the shaft would be the best method of exploration.

3. The reason for denial by the Field Team does not appear to be consistent with DMEA's normal exploration assistance policy.

4. The proposed program of exploration will determine value of ground in pegmatite that previously has been reported as a producer of mica.

Recommendation:

I concur with the recommendation of the Field Examiners that exploratory assistance be granted.

Signed
Donald R. Irving

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

RECEIVED
OCT 23 1956

October 23, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Donald R. Irving, Acting Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4406 (mica)

Applicant: John Phillips

Name and Location of Property: Hector-McNeill Prospect, Yancy County, N. C.

Date of Field Team Report: 10/10/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/18/56

Field Team Recommendation: Recommend denial on grounds of proximity to a certified project.

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3. The reason for denial by the Field Team does not appear to be consistent with DMEA's normal exploration assistance policy.

4. The proposed program of exploration will determine value of ground in pegmatite that previously has been reported as a producer of mica.

Recommendation:

I concur with the recommendation of the Field Examiners that exploratory assistance be granted.

Signed
Donald R. Irving

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 3100 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON 25, D.C.

RECEIVED
OCT 15 1956

October 10, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville, Tenn.

Subject: Field Examination Report, DMEA-4406 (mica)
John Phillips, Spruce Pine, N.C.
Hector-McNeill Prospect, Yancey County, N.C.

Enclosed are four copies of the subject examination report, and nine extra copies of the sketch map of the prospect area.

This prospect was examined over a month ago, but because of uncertainty about the lease boundaries and their relation to a certified DMEA project (DMEA-3216) the report was delayed until the Applicant complied with our request to submit a map of the property. Three copies of that map are enclosed herewith; we have added the approximate location of the DMEA-3216 lease.

We are told that the reason no one is working the adjacent Hector mine (DMEA-3216) is that the lease contains a claude requiring the lessee to hire the land owner in the trimming shop. Because of poor eyesight and various other reasons, this is objectionable to the lessee.

It appears to us that there is little doubt that the present proposal is for work on the same pegmatite, not more than 300 feet from the other shaft, and less than 200 feet from the lease boundary of the certified project. Because of the indefinite location of both tracts, the distance may be less; it is apparent that there is some overlap of boundaries.

We agree with the Field Examiners conclusion that the Hector-McNeill pegmatite affords a good exploration target, and that sinking an inclined shaft on the pegmatite and drifting from the shaft would be the best method of exploration.

Reviewed by
DMEA OPERATING COMMITTEE
10-19-56
(date)

However, we do not see that additional Government aid is needed to explore the same pegmatite so close to the certified project. Therefore, we recommend denial of the application.

Robert A. Laurence

Robert A. Laurence,
Executive Officer, DMEA
Region V

V. J. Lynch

V. J. Lynch, Member
DMEA Field Team, Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
10-19-56
(Date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT, DMEA FIELD TEAM, REGION V

On

DMEA-4406, HECTOR-MCNEILL PROSPECT
(mica)
Yancey County, North Carolina

BY

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

and

A. R. Taylor, and D. H. Amos, Geologists
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
10-19-56
(Date)

September 13, 1956

FIELD EXAMINATION REPORT

DMEA-4406 (mica) Hector-McNeill Prospect

Operator: John Phillips, Spruce Pine, North Carolina

Summary

A thick pegmatite containing mica of strategic quality is exposed in a large open cut. This body probably is the same one in which mica was discovered at the nearby Hector Mine under DMEA 3216. It is recommended that exploratory assistance be granted.

Location

The Hector-McNeill Prospect is on the south side of the North Toe River 0.8 airline miles N 66° W of Boonford, Yancey County, North Carolina. It is about 250 feet northeast of the Hector Mine (DMEA-3216).

General

The prospect was examined September 5, 1956. Messrs. Howard Boone and Sam Phillips accompanied the Examiners on the inspection which required about 1 1/2 hours.

The property is held under lease by the Applicant and is adequate for the proposed exploratory work. No contemplated work will be closer than 100 feet to a property line.

Access is available to the prospect by one-half mile of jeep road. Electric power can be obtained about 300 yards from the proposed work and adequate water is present on the property. Manpower, supplies and equipment are available locally.

Previous Work

Past mining operations at this mine have been conducted from a large open cut and shallow inclined shafts. The cut is about 200 feet long by 15 to 30 feet wide by 10 to 40-feet deep and trends in a N 55°E direction. Material slumped from the sides of the cut cover the floor of this opening and the inclined shafts.

The last operation was by a Mr. D. O. Blevins in early 1953. The work was stopped as non-ruby mica was not being purchased by the GSA Depot at that time.

Geology

A conformable pegmatite 10 to 12 feet thick is poorly exposed in the open cut. It strikes N 55° E and dips 50 to 55° to the southeast. Abundant massive quartz in the dumps suggests a quartz core. Reports of past workers at the prospect indicate this zone to be about 5 feet thick. Exposed pegmatite along the contacts consists of medium-grained plagioclase, quartz, perthite and muscovite, in order of abundance. The enclosing country rock is mica schist. Both pegmatite and schist are semi-weathered.

This pegmatite is probably the same body on which exploration was conducted at the adjoining Hector mine under DMEA-3216. A description of the pegmatite at the Hector mine is given in the Final Report of the contract work conducted on that property. Mining operations were not conducted after completion

Operating Equipment:

1-105 cfm Air Compressor with air-hose @ $200/Mo.,.....	$40.00
1 - Hoist, gasoline powered) @ $50/M.	100.00
1 - Air Rock Hammer @ $40/Mo.	80.00
1 - Sump Pump, #25 or equiv. @ $85/Mo.	170.00
Estimated total cost of shaft sinking	$3,086.00

Drive 100 feet of drift 5' x 7' in cross-section and timbered where necessary :

Labor: (50 shifts)

1 - Foreman-miner @ $1.75/hr.	700.00
1 - Hoistman @ $1.50/hr	600.00
1 - Laborer @ $1.00/hr	400.00

Operating Equipment:

1- Air Compressor with hose @ $200 per Mo.	500.00
1 - Hoist, gasline powered @ $50.Mo.	125.00
1 - Pump @ $85/Mo.	212.50
1 - Jackleg @ $25/Mo.	62.50

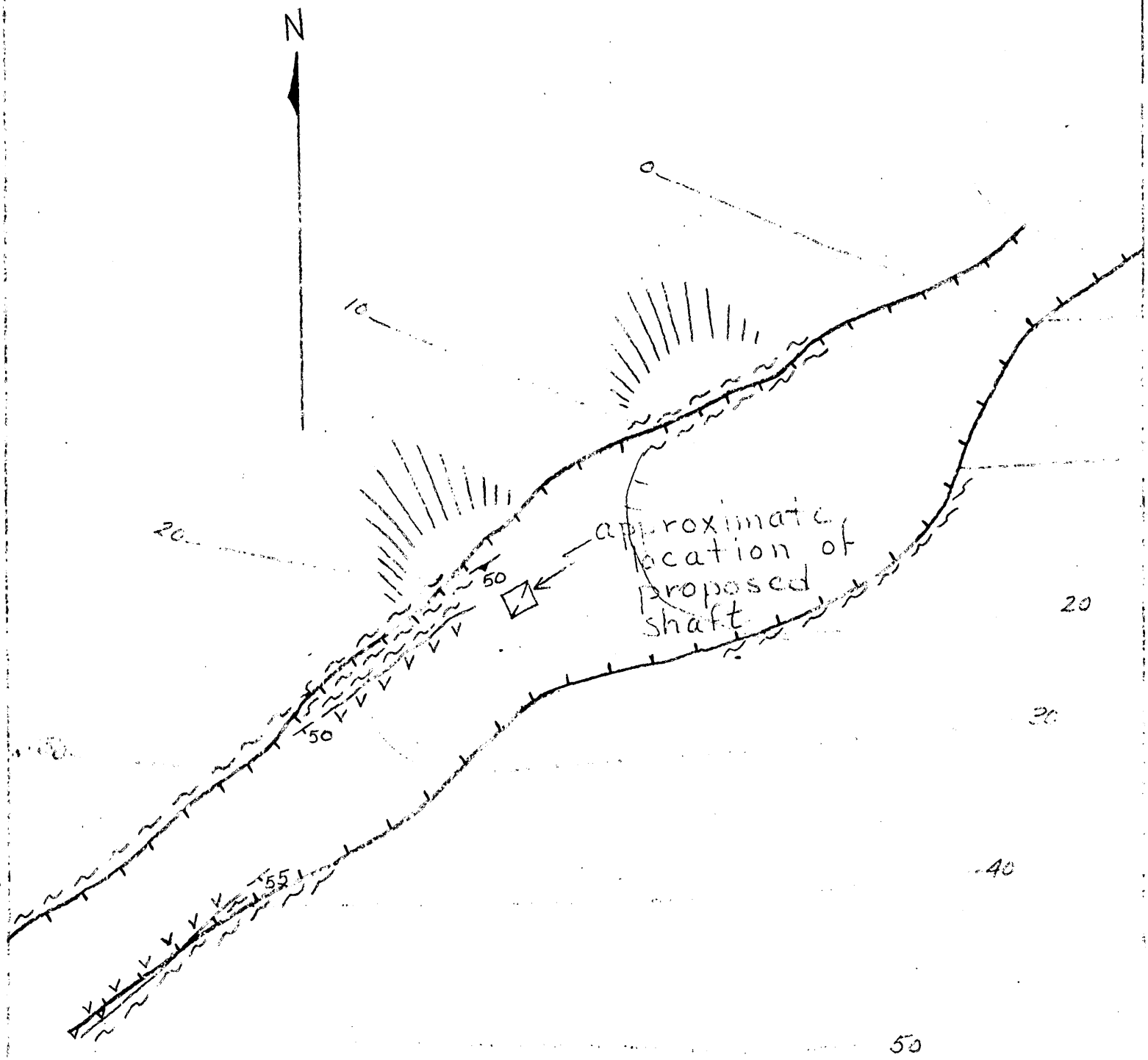
Supplies:

Gasoline and oil	190.00
Explosives	310.00
Drill steel	150.00
Timber, 2000 b.f. @ $65/M	130.00
Miscellaneous	75.00
Liability Ins. & Soc. Sec.	190.00
Sales Tax	25.00
Total estimated cost of drifting	$3,670.00
Total estimated cost of project.....	$6,961.00

D. H. Amos, and A. R. Taylor, Geologists
U. S. Geological Survey

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

Inspected:
September 5, 1956



LEGEND

- pegmatite
- mica schist
- cut
- attitude of contact
- attitude of foliation
- dump

scale 1"=20'

HECTOR-McNEILL PROSPECT
YANCEY Co., N.C.
DMEA-4406

9-10-56

IN REPLY REFER TO:

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

RECEIVED
OCT 19 1956

October 18, 1956

Re: DMEA 4406
John Phillips
Hector-McNeill Prospect
Yancey County, North Carolina
$6,750.00 - Mica

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team report.

The applicant requested assistance in exploring a pegmatite by bulldozing, shaft sinking and drifting. The applicant modestly said in the application, "From appearance of pegmatite showing, exploration work would uncover good quality mica", but neglected to say or show on the sketch map that the work would be done on the same pegmatite and within 300 feet of a certified project, DMEA 3216, completed at a cost to the Government of $3,993.75.

Evidently the pegmatite has promise, but it remains to be shown that a shaft, etc., every 300 feet is warranted.

The reason for the recommendation of denial of the Field Team is well taken. I concur with that recommendation.

N. E. Nelson

N. E. Nelson

RECEIVED
SEP 14 1956

September 12, 1956

Mr. John Phillips

Spruce Pine, North Carolina

Re: DMEA-4406 (mica)
Hector-McNeill Prospect
Mitchell County, N.C.

Dear Mr. Phillips:

The land description in the Hector-McNeill lease is not satisfactory, as it is not tied to any permanent landmark. Please provide a tie-in (distance and magnetic bearing) from one corner of the lease to a permanent landmark, also a measured distance and magnetic bearing from one of the corners to the shaft of the nearby Hector Mine.

Very truly yours,

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

RAL/zm
cc;
Lynch
Shirley
Files
Opr.Com.-3

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

DOCKET COPY
Surname:
Houk
Nelson
Lamb
Selfridge
Hopkins

AUG 17 1956

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4406-mica
John Phillips
Hector-McNeill Prospect
Yancey County, North Carolina

Dear Mr. Phillips:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville, 2, Tennessee, for further consideration and possibly a field examination.

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

Sincerely yours,

G. O. Mittendorf

Administrator

JHopkins:ms 8/16/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

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

DOCKET COPY
Surname:
Houk
Selfridge
Johnson

AUG 17 1956

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

Re: Docket No. DMEA-4406-mica
John Phillips
Hector-McNeill Prospect
Yancey County, North Carolina

Dear Mr. Laurence:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda dated August 7 and 9, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

FRANK D. LAMB (JHB)
Member, Bureau of Mines

N. E. Nelson (JHB)
Member, Geological Survey

Enclosures: 4

JHopkins:ms 8/16/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

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

RECEIVED
AUG 13 1956

August 9, 1956

RECEIVED
AUG 13 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: W. F. Dietrich, Chief
Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4406 (mica)

Applicant: J. Phillips

Name and Location of Property: Hector-McNeill Prospect, Yancey County, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/6/56

Comments:

1. Applicant states that ruby mica was produced during the first world war but no data available in this office on this property.

2. This deposit appears to have possibilities for the development of strategic mica.

Recommendation:

It is recommended that the field team visit this mine when in that vicinity to ascertain if an exploration project is justified. If so, the field team and applicant should agree on a definite plan of exploration on a unit-cost basis.

W. F. Dietrich

W. F. Dietrich

Attachment

IN REPLY REFER TO:

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

RECEIVED
AUG - 8 1956

August 7, 1956

Re: DMEA 4406
John Phillips
Hector McNeill prospect
Yancey Co., N. C.
$6,750.00 - Mica

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application.

The applicant requests assistance in exploring, by bulldozing, shaft sinking and drifting, a pegmatite that does not show mica, but should in the opinion of the applicant if work, as proposed, is done.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

August 6, 1956

Mr. John Phillips
Spruce Pine,
North Carolina

Subject: DMEA-4406
Re: Exploration Assistance
Hector-McNeill Prospect

Dear Mr. Phillips

The receipt of your application dated July 31, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4406 and referred to the Nonmetallic Minerals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
AUG - 3 1956

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

Not to be filled in by applicant

Docket No. 4406
Metal or Mineral Mica
Date Received 8-3-56
Estimated Cost $6750
Participation (Government %)

INSTRUCTIONS

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

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Legal description given on attached lease.

(*b*) State any mine name by which the property is known. Hector-McNeill Prospect

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

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

(*e*) If you own the land, describe any liens or encumbrances on it Do not own land.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. None

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

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

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

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

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

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Mica

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

(*c*) The work will start within 30 days and be completed within ..... months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

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

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 7-31-56, 195...

John Phillips (Applicant)

By .....

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

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

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MF-103 (Continuation Sheet)

4. (a) Some hand work was done at this mine about 1918. No records on production.

(b) No official records, but ruby mica was produced here.

(c) From appearance of pegmatite showing, exploration work would uncover good quality mica. Prospect is in good mica area.

(d) Project is accessible to roads and shipping.

(e) Manpower, supplies and equipment readily available. Power is about 250 yards away.

5. (b) We propose to bulldoze away overburden around area where previous work was done in order to expose vein and best locate shaft, lower a 5'x7' shaft 60 feet deep; then drift 100 feet with vein.

6. Estimate of costs:

25 Hours Bulldozing @ $10.00 per hour	$ 250.00
60' Shaft @ $50.00 per foot	3000.00
100' Drift @ $35.00 per foot	3500.00
Total estimated cost	$ 6750.00

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

RECEIVED
AUG - 3 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Yancey, State of North Carolina, described as follows:1/ Beginning on a small Sarvice tree standing on the south bank of North Toe River near the mouth of the open cut and nearly opposite the mouth of Rebel's Creek where it empties into North Toe River, and runs north 68 degrees west down and with the river 12 poles to a Maple and Spruce Pine on the bank of said river near the mouth of a small branch; thence south 35 degrees west 14 poles to a Chestnut; thence south 21 degrees east 30 poles to a Black Gum on a ridge; thence north 45 degrees east 20 poles to a Sourwood; thence south 85 degrees east 10 poles to the branch; thence north 45 degrees east 60 poles to the river; thence down and with the meanders of the river 50 poles to the beginning, containing 10 acres more or less.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: This consent to lien shall not remain in force for more than a maximum of ten years.

Dated this 5th day of July, 1956.

WESTERN CAROLINA MICA COMPANY

by: J. Fuller Brown Pres. [Seal]

Margaret G. Penland [Seal]

Agent and attorney in fact for E. C. Guy heirs

[Seal]

I, J. L. Wheeler certify that I am the Asst. Secy. (Secretary, etc.) of the corporation named herein; that J. Fuller Brown who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

J. L. Wheeler

[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN

RECEIVED
AUG - 3 1956

To the United States of America:

Referring to that certain land in the County of Yancey, State of North Carolina, described as follows:1/ Beginning on a small Sarvice tree standing on the south bank of North Toe River near the mouth of the open cut and nearly opposite the mouth of Rebel's Creek where it empties into North Toe River, and runs north 68 degrees west down and with the river 12 poles to a Maple and Spruce Pine on the bank of said river near the mouth of a small branch; thence south 35 degrees west 14 poles to a Chestnut; thence south 21 degrees east 30 poles to a Black Gum on a ridge; thence north 45 degrees east 20 poles to a Sourwood; thence south 85 degrees east 10 poles to the branch; thence north 45 degrees east 60 poles to the river; thence down and with the meanders of the river 50 poles to the beginning, containing 10 acres more or less.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: This consent to lien shall not remain in force for more than a maximum of ten years.

Dated this 5th day of July, 1956.

WESTERN CAROLINA MICA COMPANY
BY J. Fuller Brown Pres. [Seal]

Margaret G. Perland [Seal]
Agent and attorney in fact for E. C. Guy heirs
[Seal]

I, _____ certify that I am the _____ J. L. Wheeler (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ Asst. Secy. (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers. J. Fuller Brown President

J. L. Wheeler
[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN

RECEIVED
AUG - 3 1956

To the United States of America:

Referring to that certain land in the County of Yancey, State of North Carolina, described as follows:1/ Beginning on a small Sarvice tree standing on the south bank of North Toe River near the mouth of the open cut and nearly opposite the mouth of Rebel's Creek where it empties into North Toe River, and runs north 63 degrees west down and with the river 12 poles to a Maple and Spruce Pine on the bank of said river near the mouth of a small branch; thence south 35 degrees west 14 poles to a Chestnut; thence south 21 degrees east 30 poles to a Black Gum on a ridge; thence north 45 degrees east 20 poles to a Sourwood; thence south 85 degrees east 10 poles to the branch; thence north 45 degrees east 60 poles to the river; thence down and with the meanders of the river 50 poles to the beginning, containing 10 acres more or less.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: This consent to lien shall not remain in force for more than a maximum of ten years.

Dated this _____ day of _____, 195__.

5th July 6

WESTERN CONSOLIDATED MINING COMPANY [Seal]

BY: J. Fuller Brown Pres. [Seal]

Margaret G. Penland [Seal]

Agent and attorney in fact for E. C. Guy heirs

I, J. L. Wheeler certify that I am the Asst. Secy. (Secretary, etc.) of the corporation named herein; that J. Fuller Brown who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

J. L. Wheeler

[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

RECEIVED
AUG - 3 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Yancey, State of North Carolina, described as follows:1/ Beginning on a small hickory tree standing on the south bank of North Toe River near the mouth of the open cut and nearly opposite the mouth of Bobbie Creek thence 10 chains into North Toe River, and runs north 60 degrees west down and with the river 12 poles to a white oak sycamore tree on the bank of said river near the mouth of a small branch; thence south 55 degrees west 34 poles to a chestnut; thence south 21 degrees east 30 poles to a black gum on a ridge; thence north 45 degrees east 30 poles to a sourwood; thence south 35 degrees east 10 poles to the branch; thence north 45 degrees east 60 poles to the stump; thence then and with the meanders of the river 50 poles to the beginning, containing 10 acres more or less.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: This consent to lien shall not remain in force for more than a maximum of ten years.

Dated this _____ day of _____, 195__.

5th July [Seal]

WESTERN CAROLINA MICA COMPANY

BY: J Fuller Brown Pres. [Seal]

Margaret G. Penland [Seal]

Agent and attorney in fact for E. C. Guy heirs

I, J. L. Wooldor certify that I am the J. Fuller Brown Asst. Secy. (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

J L Wooldor

[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN

RECEIVED
AUG - 3 1956

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows:1/

None

North Carolina Beginning on a small Service tree standing on the south bank of Lake Mc Lean near the mouth of the open cut and nearly opposite the mouth of Bobbin Creek thence 20 chains into North Mc Lean, and runs north 60 degrees west down and with the river 11 poles to a maple and spoon bend on the bank of said river near the mouth of a small branch; thence south 35 degrees west 14 poles to a Chestnut; thence south 21 degrees east 30 poles to a white oak on a ridge; thence north 45 degrees east 20 poles to a Dogwood; thence south 65 degrees east 10 poles to the branch; thence north 49 degrees east 60 poles to the river; thence down said with the meanders of the river 50 poles to the beginning, containing 15 acres, more or less.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

_____

None

_____

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

---

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: This consent to lien shall not remain in force for more than a maximum of ten years.

Dated this 5th day of July, 1956.

WESTERN CAROLINA MICA COMPANY
BY J. Fullen Brown Pres. [Seal]

Margaret G. Parland [Seal]
Agent and attorney in fact for E. C. Guy heirs
[Seal]

I, _____ certify that I am the _____ J. S. Wagner (Secretary, etc.) of the corporation named herein; that _____ Asst. Secy. who signed this agreement was then _____ J. Fuller Brown (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers. President

J. S. Wagner
[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN

RECEIVED
AUG - 3 1956

To the United States of America:

Referring to that certain land in the County of Yancey, State of North Carolina, described as follows:1/ Beginning on a small Service tree standing on the south bank of North Toe River near the mouth of the open cut and nearly opposite the mouth of Rebol's Creek where it empties into North Toe River, and runs north 63 degrees west down and with the river 12 poles to a Maple and Spruce Pine on the bank of said river near the mouth of a small branch; thence south 35 degrees west 14 poles to a Chestnut; thence south 21 degrees east 30 poles to a Black Gum on a ridge; thence north 45 degrees east 20 poles to a Sourwood; thence south 65 degrees east 10 poles to the branch; thence north 45 degrees east 60 poles to the river; thence down and with the meanders of the river 50 poles to the beginning, containing 10 acres more or less.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: This consent to lien shall not remain in force for more than a maximum of ten years.

Dated this 5th day of July, 195 6.

~~WESTERN CAROLINA HIGH COMPANY~~ [Seal]

BY: J Fuller Brown Pres. [Seal]

Margaret S. Perland [Seal]
Agent and attorney in fact for E. C. Guy heirs

I, J. L. Wheeler certify that I am the Asst. Secy. (Secretary, etc.) of the corporation named herein; that J. Fuller Brown who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

J L Wheeler
[Corporate Seal]

of the contract at the Hector mine because of impossible demands by landowner.

Exploration on this application appears warranted. The examiners recommend that a shaft site be prepared by bulldozer on the southwest side of the existing open cut 40' x 20' x 10', which should also expose the footwall of the pegmatite. In this vicinity an inclined shaft should be sunk to a total depth of 60 feet in pegmatite and 100 feet of drift driven from the shaft bottom.

Estimated Cost:

Shaft site preparation by bulldozer-trench to be 40' x 20' x 10' 296 cu.yds. @ .30¢/cu.yd.....	$90.00

Construct:

Toolhouse (7' x 8' x 10')	$75.00
Powder Magazine	25.00
Exploder "	15.00

Sink 60-foot 5' x 7' shaft, timbered where necessary and to have a separate manway (40 shifts)

Labor:

1 - Foreman-miner @ 1.75/hr	560.00
1 - Hoistman @ 1.50/hr	480.00
1 - Laborer @ $1.00/hr	320.00

Supplies:

Gasoline and oil	150.00
Explosives	225.00
Small tools, pipe, nails	120.00
Drill Steel	110.00
Timber, 3000 b.f. @ $65/M	195.00
Liability Ins and Social Sec.	152.00
Sales tax	24.00

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4406-Mica
John Phillips
Hester-McNeill Prospect
Yancey County, North Carolina

Dear Mr. Phillips:

Your application for aid for an exploration project and other reports available to us in Washington relating to the subject property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, not be on lands where boundaries may be in dispute or on mineral structures in close proximity to a Government certified project.

Careful study of all our information indicates to us that the subject property apparently overlaps the adjoining Hester-McNeill property and the proposed work would be on the same pegmatite at a distance of less than 300 feet away. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

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

Sincerely yours,

Administrator

Received 11-2-56

JHopkins:gmd 10/29/56
Copy to: Admr. R. Fila
Docket
Operating Committee
Field Team, Region V
Mr. Killagnard, 5222
Mr. Dietrich, 3061
Mr. Hook

NORTH CAROLINA
~~XXXXXXXX~~ COUNTY
YANCEY

THIS AGREEMENT made the 5th. day of July, 19 56, between the WESTERN CAROLINA MICA ~~XXXXXXXXXXXXXXXXXXXXXXXX~~, a corporation organized pursuant to the laws of the State of ~~Delaware~~ N.C., hereinafter sometimes designated as "Lessor," party of the first part; and,

John Phillips

of Spruce Pine, N.C.

hereinafter sometimes designated as "Lessee,"
(This designation shall include the respective parties, whether one or more, individual or corporate, and their respective successors in interest or assigns), party of the second part:

W I T N E S S E T H

That the said Lessor, for and in consideration of the premises and of the sum of One Dollar paid said Lessor by Lessee, the receipt of which is hereby acknowledged, and of the undertakings and agreements hereinafter set forth and stated to be kept and performed by the Lessee, has leased and granted, and by these presents does lease and grant unto the Lessee the sole and exclusive right and privilege of digging, boring and otherwise prospecting for, and mining mica, including scrap, sheet and punch mica, and feldspar, and _____, and to remove the same from the following described tract or tracts of land situate in the State of North Carolina, County of Yancey, and bounded and more particularly described as follows:

Beginning on a small Sarvice tree standingeon the south bank of North Toe River near the mouth of the open cut and nearly opposite the mouth of Rebel's Creek where it empties into North Toe River, and runs north 68 degrees west down and with the river 12 poles to a Maple and Spruce Pine on the bank of said river near the Mouth of a small branch; thence south 35 degrees west 14 poles to a Chestnut; thence south 21 degrees east 30 poles to a Black Gum on a ridge; thence north 45 degrees east 20 poles to a Sourwood; thence south 85 degrees east 10 poles to the branch; thence north 45 degrees east 60 poles to the river; thence down and with the meanders of the river 50 poles to the beginning, containing 10 acres more or less.

TO HAVE AND TO HOLD the said premises for the purposes aforesaid only, unto the said Lessee for and during the term of one (1) year next ensuing from the 5th. day of July, 19 56.

1. The Lessee covenants and agrees to pay to the Lessor on the 10th day of each month, the following royalties:
   (a) Scrap mica—a sum equal to 1/8 of the then prevailing market price.
   (b) Sheet and punch mica—a sum equal to 1/8 of the then prevailing market price.
   (c) Feldspar—a sum equal to 50¢ per ton of 2240 pounds.
   (d) All other minerals—a sum equal to _____ of the then prevailing market price,
   (e) No mica to be sold in block form.

mined and removed from said premises pursuant to the provisions of this lease during the month immediately preceding said dates of payments, which payments shall be made to the Lessor at its office in Biltmore, North Carolina, or to its duly designated agent, for that purpose,

Arthur Buchanan, Jr., in complete settlement of any and all royalties due the Lessor for minerals mined and removed during the preceding month and each remittance of royalty payments herein specified shall be accompanied by an accurate statement or invoice and/or weight ticket, showing the amount, grade, qualification and weight of the mica and other minerals upon which said payments are based, together with such other information as may be incident to the mining, sale and shipment of said mica.

2. The Lessee agrees to pay to the Lessor a minimum royalty of $_____ per year during the term hereof, without regard to the mica, feldspar or other minerals produced from said land; for any period less than a year the minimum royalty payable hereunder shall be ratably ascertained, providing that nothing in this paragraph contained shall release the Lessee from the obligation to prosecute mining operations with a reasonable degree of efficiency and to pay the royalties provided upon the mica and other minerals actually produced. The annual royalties received pursuant to paragraph 1, hereof, shall apply against said minimum royalties but said sums received under paragraph 1, hereof, shall not be considered as advance and cumulative royalties against said minimum royalties.

3. The Lessee covenants and agrees to keep adequate, accurate and complete records, books and accounts of all mica and other minerals mined within the boundaries of the premises above described, and the same shall be open to inspection of the Lessor at all reasonable times.

4. The said Lessee will classify, segregate and keep separate and separately marked, all mica and other minerals mined upon and taken from the premises hereinabove described and in no event will store, ship, mix or confuse the same with mica and other minerals mined or taken from any other land or premises.

5. The Lessor hereby grants to the Lessee the right to mine, prospect, search, dig, bore and excavate for mica and other minerals in as many places on the premises above described as the said Lessee may deem proper, and to extract and remove the same from said premises.

6. The Lessor hereby grants to the Lessee the same right that it has to construct ditches, drains, aerial tramways, tramways, railroads, truck roads, to and across said premises and any adjoining tracts of land belonging to the Lessor, but subject to any obligation of the Lessor in connection therewith which Lessee assumes.

7. The Lessor hereby grants to the Lessee such rights as it has in the premises above, to cut and use such timber located upon the said premises as may be necessary for the construction of buildings and/or for other usual purposes of such mining operations, upon paying for the merchantable timber the reasonable market stumpage value thereof at and upon the aforesaid land and premises, but subject to any obligation of the Lessor in connection therewith, which the Lessee assumes.

8. The Lessor hereby grants to the Lessee such rights as it has to use any stone or gravel located on the aforesaid premises for the purpose of constructing roads necessary and suitable for the full enjoyment of the mining rights hereby leased by the Lessee, as well as such right as it has to use or secure water on said premises and to dump waste material and water arising through the mining operations upon said premises, but subject to any obligation of the Lessor in connection therewith, which Lessee assumes.

9. The Lessor hereby grants to the Lessee the right to remove his mining machinery and equipment at any time within ninety (90) days after the termination or expiration of this lease, provided the time for the removal of said machinery and equipment may be enlarged only by written permission of the Lessor. No mining machinery and equipment belonging to the Lessee shall be removed from said premises until all of the indebtedness and obligations which may be owing to the Lessor by the Lessee shall have been paid in full.

10. The Lessor reserves unto the Lessor the right to use so much of the premises as shall not be required by the Lessee for the mining operations of the Lessee.

11. The Lessee agrees to pay all taxes which may be levied solely upon the mining operations conducted upon the said premises by the Lessee.

12. The Lessee shall have the right to terminate this lease at any time during the term aforesaid upon giving written notice to Lessor of such intention, at least sixty (60) days prior to the date of termination, and upon payment of all sums due Lessor by Lessee to said date of termination. Said notice shall be sent by Registered Mail to last known address of Lessor.

13. The Lessee agrees to conduct his mining operations in a businesslike and workmanlike manner with due regard to Lessor's rights in the mines, minerals and mineral deposits, and to that end the Lessee agrees to keep and maintain the mines and all parts thereof in good and sufficient repair and to work and operate said mines in a good and skillful manner not removing the rich parts of the mines at the expense of the other part thereof, and as the work progresses to keep the mines as clean as reasonably practicable, and all parts thereof securely and properly timbered and supported; and in case of open work to properly slope the walls and banks so as to prevent the same from slipping or falling in; that no waste, rubbish or refuse will be dumped, thrown or placed in any mine, mine tunnel, cut shaft or other improper place, and no waste will be permitted upon said premises nor avoidable damage done to mine thereunder. Lessee further agrees not to interfere with, dislocate, remove, damage or misplace any surface monuments, marker stake or other evidence as presently set defining the boundaries of said premises.

14. The Lessor reserves the right to terminate and cancel this lease in the event of a default on the part of the Lessee in complying with any of the terms and conditions of this lease, provided said default shall continue for a period of sixty days after the Lessor has forwarded written notice thereof to the Lessee. Said notice shall be sent by registered mail to the last known address of the Lessee.

15. The Lessee shall have the right to renew this lease for an additional period of two years _____, upon the terms and conditions hereinbefore set forth, provided that 30 days prior to the expiration of this lease the Lessee shall forward to the Lessor written notice thereof in the manner hereinbefore provided for sending notices to Lessee.

16. The Lessee will within a period of 60 days from the signing of this lease begin active work in prosecuting the mining operations for scrap mica, sheet and punch mica, feldspar and other minerals and will continue the prosecution of said mining operations in good faith and with due diligence and activity in order to produce the maximum output from the mines located on the above described premises. In the event Lessee fails to operate actively and continuously any mine or mines within said boundary for the production of scrap mica, sheet and punch mica, feldspar and other minerals for a period of 30 days, except for causes absolutely beyond Lessee's control, then the Lessor, at its option, may declare this lease void and of no further force and effect.

17. It is agreed that during the continuation this lease, or any extension thereof, the Lessor or its assigns shall have the refusal of and the right and option to purchase all mica mined and produced by the Lessee from the land and premises hereinabove described. Such purchase to be at the prevailing market price.

18. It is agreed that the acceptance of royalty by the Lessor under the provisions of this lease is to to be a credit in behalf of the Lessee but is not to be taken or considered as a waiver for any damages Lessor may be entitled to recover from Lessee for any breach or breaches that Lessee may make in any duty or covenant expressed or reasonably implied in this lease or as an estoppel against Lessor in this respect. Nothing contained in this lease is intended to, nor shall it abridge or in any way modify the Lessor's right or rights in or to any action for the non-performance of the covenants of this lease.

19. It is agreed that this lease shall not be transferred, assigned or sub-let either in whole or in part by the Lessee without the prior written consent of the Lessor and no right or privilege of the Lessee hereunder can be transferred, assigned or sub-let by Lessee without such written consent of Lessor first had and obtained.

20. Lessee agrees that the Lessor shall in no sense or in any way be held liable for any operations under this lease, and in no event and under no circumstances shall Lessor be held liable for any debt, tort or other liability of the Lessee, his agents, workmen or employees and Lessee further agrees to at all times indemnify and save harmless said Lessor of any claim and demand of whatsoever kind and nature predicated in any manner on such operations under this lease and Lessee further agrees to carry adequate insurance of all kinds to so indemnify said Lessor.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly and properly executed as of the day and year first above written.

WESTERN CAROLINA MICA
~~LAND AND MINERAL COMPANY~~
By: Arthur Buchanan Jr.
~~PRESIDENT~~
AGENT

ATTEST:

_____
Secretary

Margaret G. Penland (SEAL)
Attorney in fact for Devisees of E. C. Guy
_____ (SEAL)

NORTH CAROLINA
~~BUNCOMBE~~ COUNTY
MITCHELL

I, a Notary Public of said State and County, certify that _____ personally came before me this day and acknowledged that he is _____ Secretary of WESTERN CAROLINA MICA ~~LAND AND MINERAL COMPANY~~, a corporation, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal, and attested by _____ self as its _____ Secretary.

WITNESS my hand and Notarial Seal, this the _____ day of _____, 19____.

_____ NOTARY PUBLIC

My commission expires:

_____

NORTH CAROLINA
~~BUNCOMBE~~ COUNTY
~~MITCHELL~~ AVERY

I, Ellen G. Hise, a Notary Public of said State and County, do hereby certify that Margaret G. Penland personally appeared before me this day and acknowledged the due execution of the foregoing instrument as attorney in fact for the devisees of E. C. Guy.

WITNESS my hand and Notarial Seal, this 26th day of July, 1956.

Ellen G. Hise NOTARY PUBLIC

My commission expires:

June 13, 1958

RECEIVED
AUG - 3 1956

STATE OF NORTH CAROLINA
COUNTY OF ~~BUNCOMBE~~
YANCEY

~~LAND AND MINERAL COMPANY~~
WESTERN CAROLINA MICA
To

LEASE

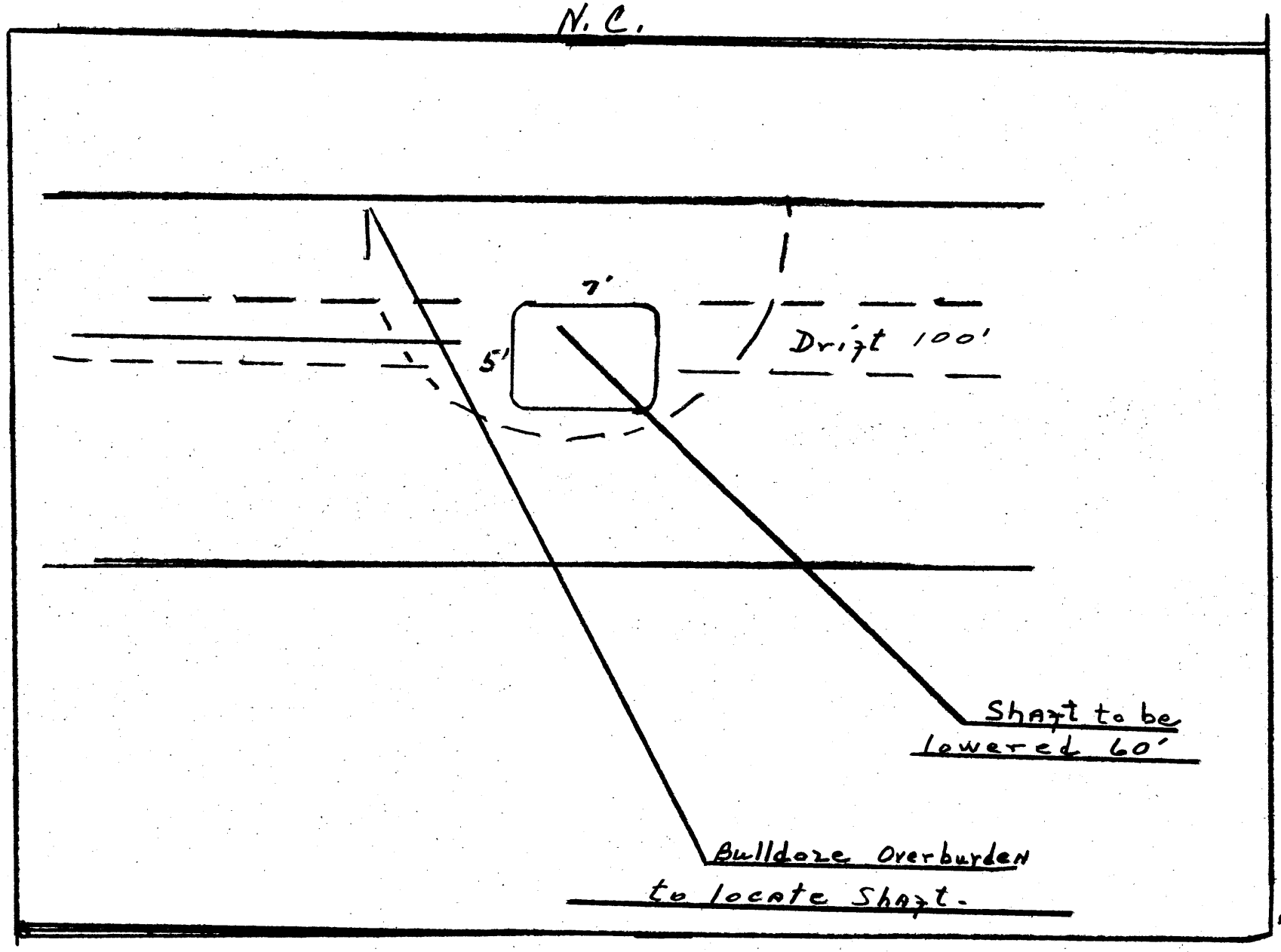
Filed for registration on the_____
day of_____,
19____, at_____o'clock _____M., and
registered in the Office of The Register of
Deeds for_____
County, North Carolina in Book_____
Page_____.

_____
Register of Deeds for

Hector-McNeill Prospect

Yancey County

N. C.



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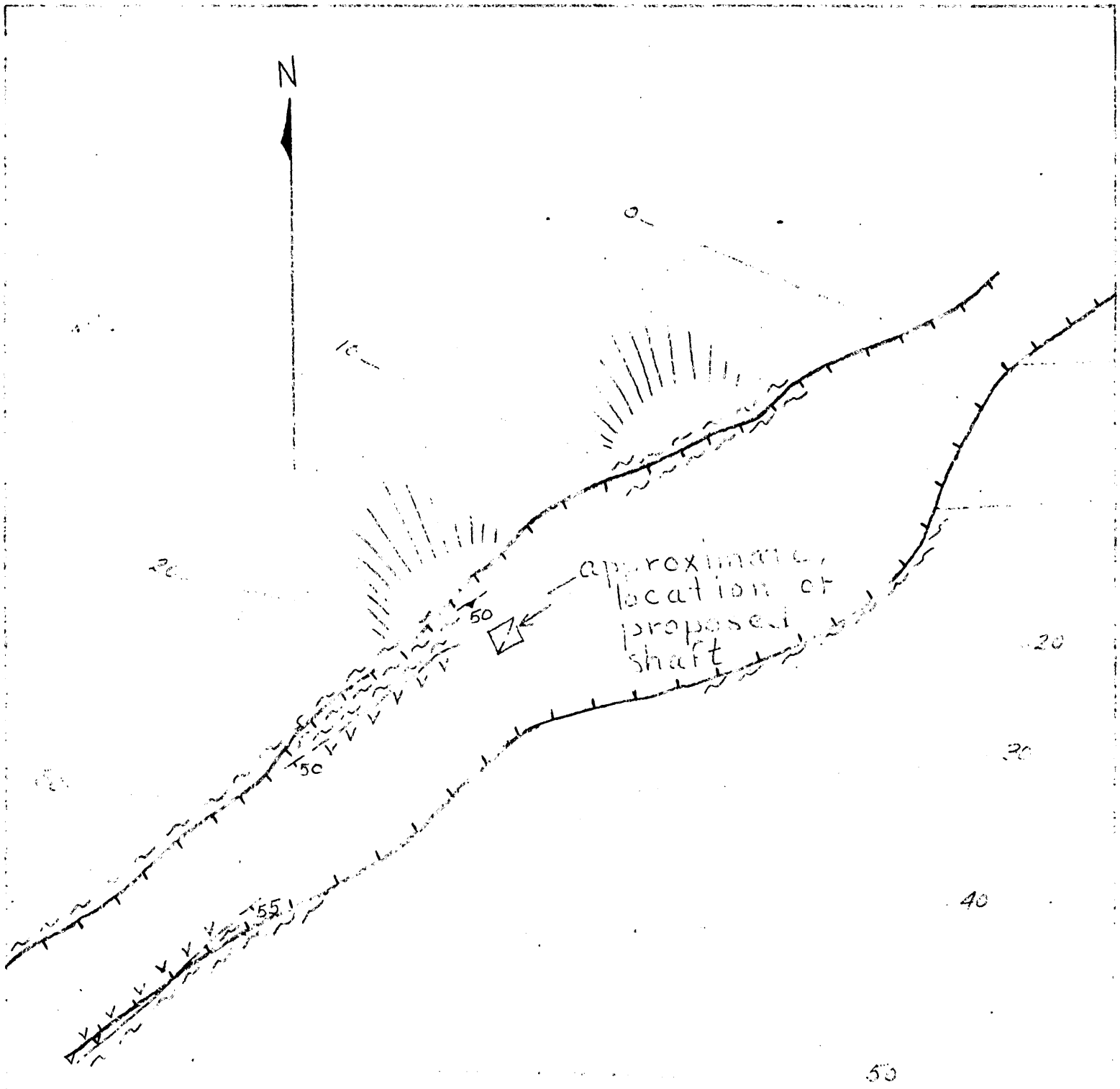


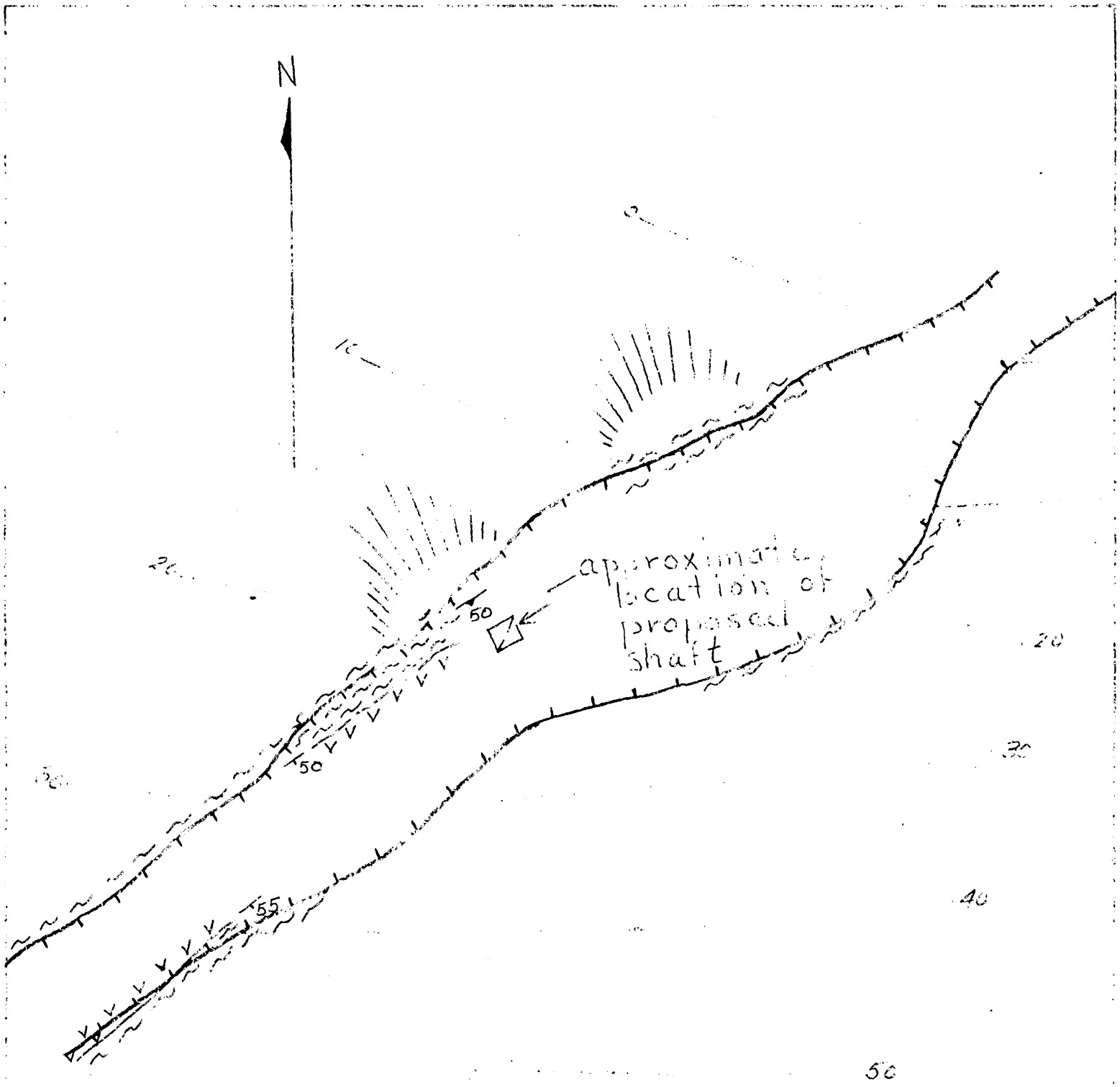
LEGEND

- vv pegmatite
- ~~ mica schist
- cut
- attitude of contact
- attitude of foliation
- dump

scale 1" = 20'

HECTOR-McNEILL PROSPECT
YANCEY Co., N.C.
DMEA-4406

9-10-56



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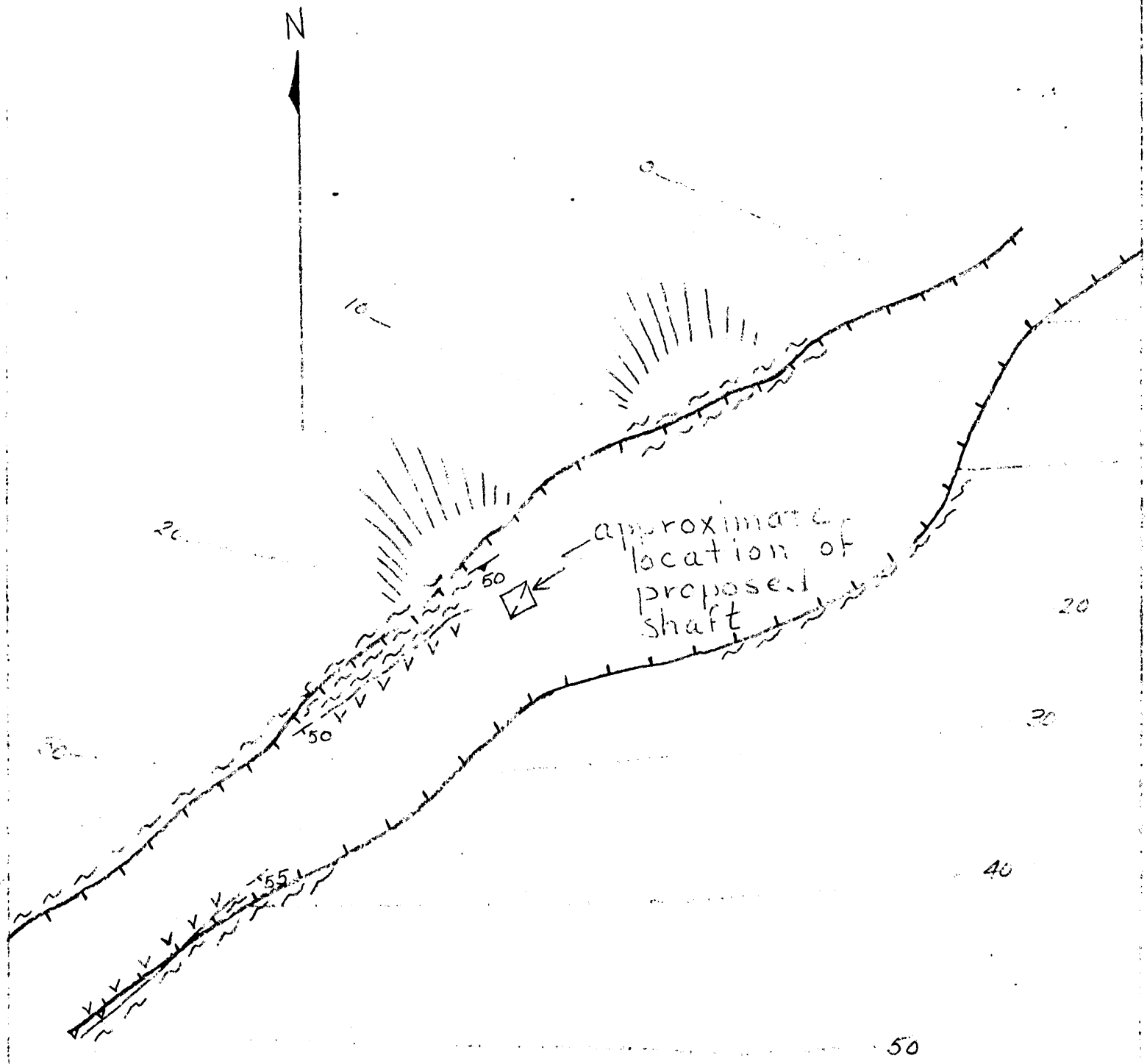

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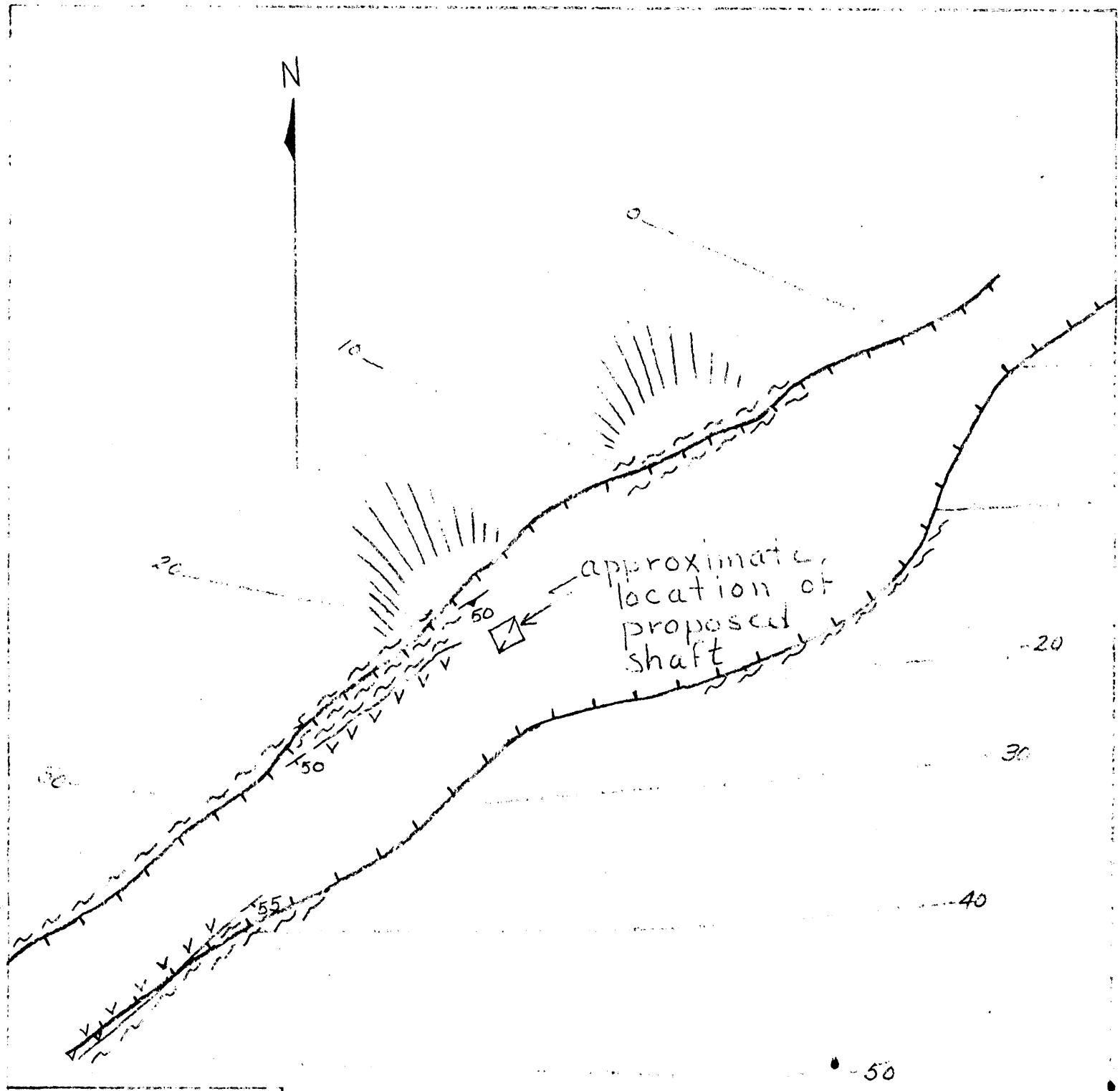

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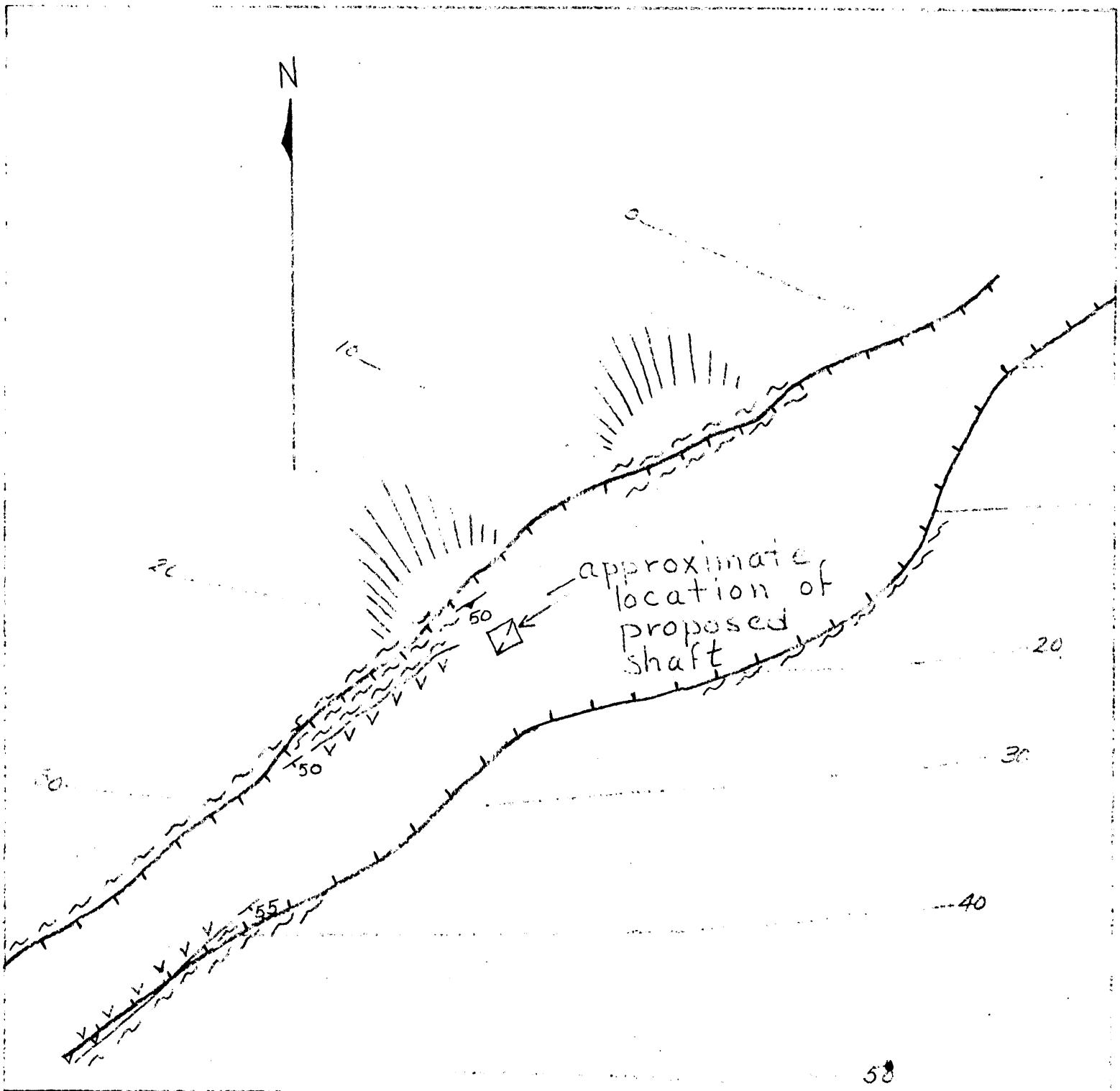

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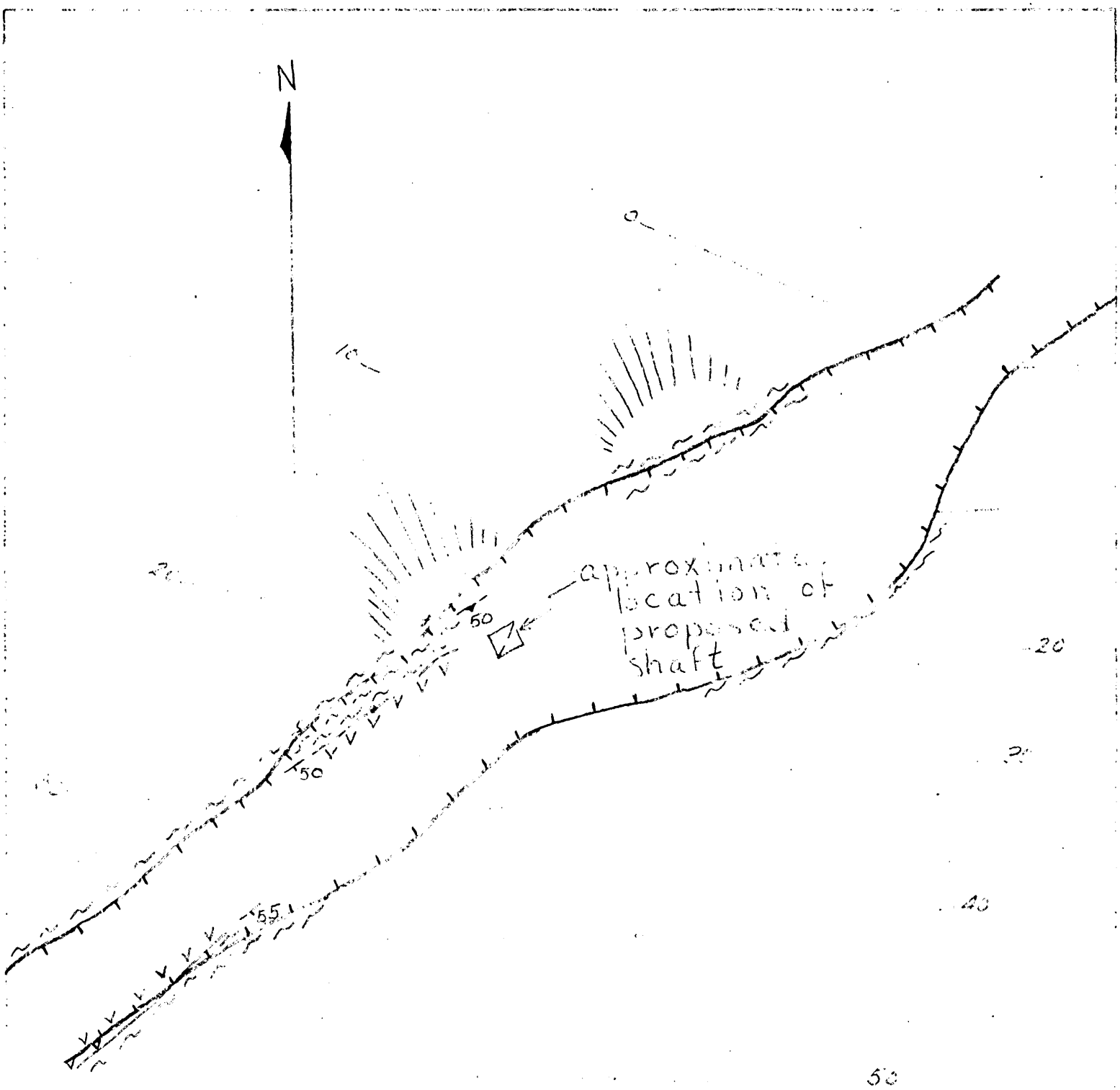

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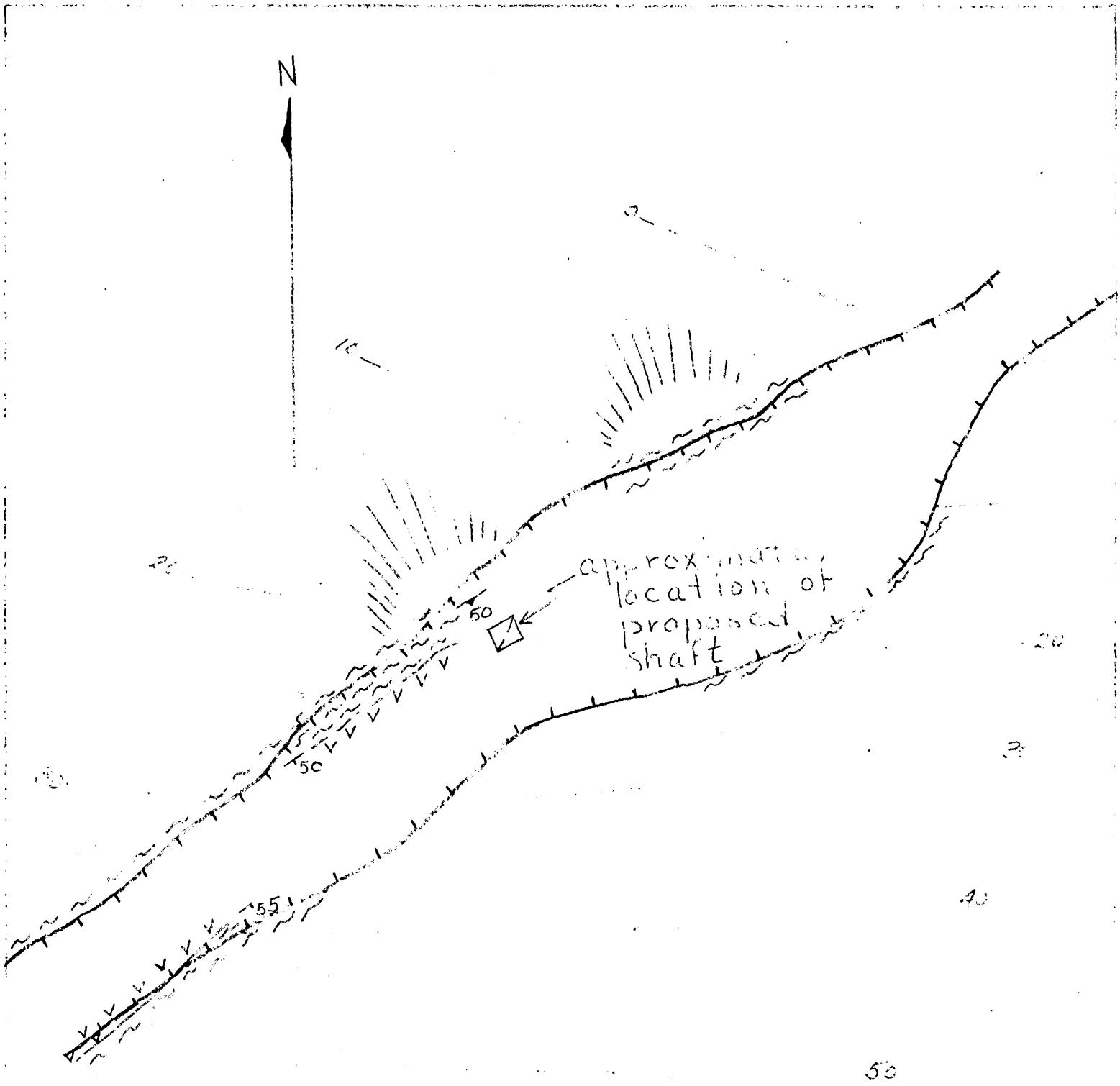

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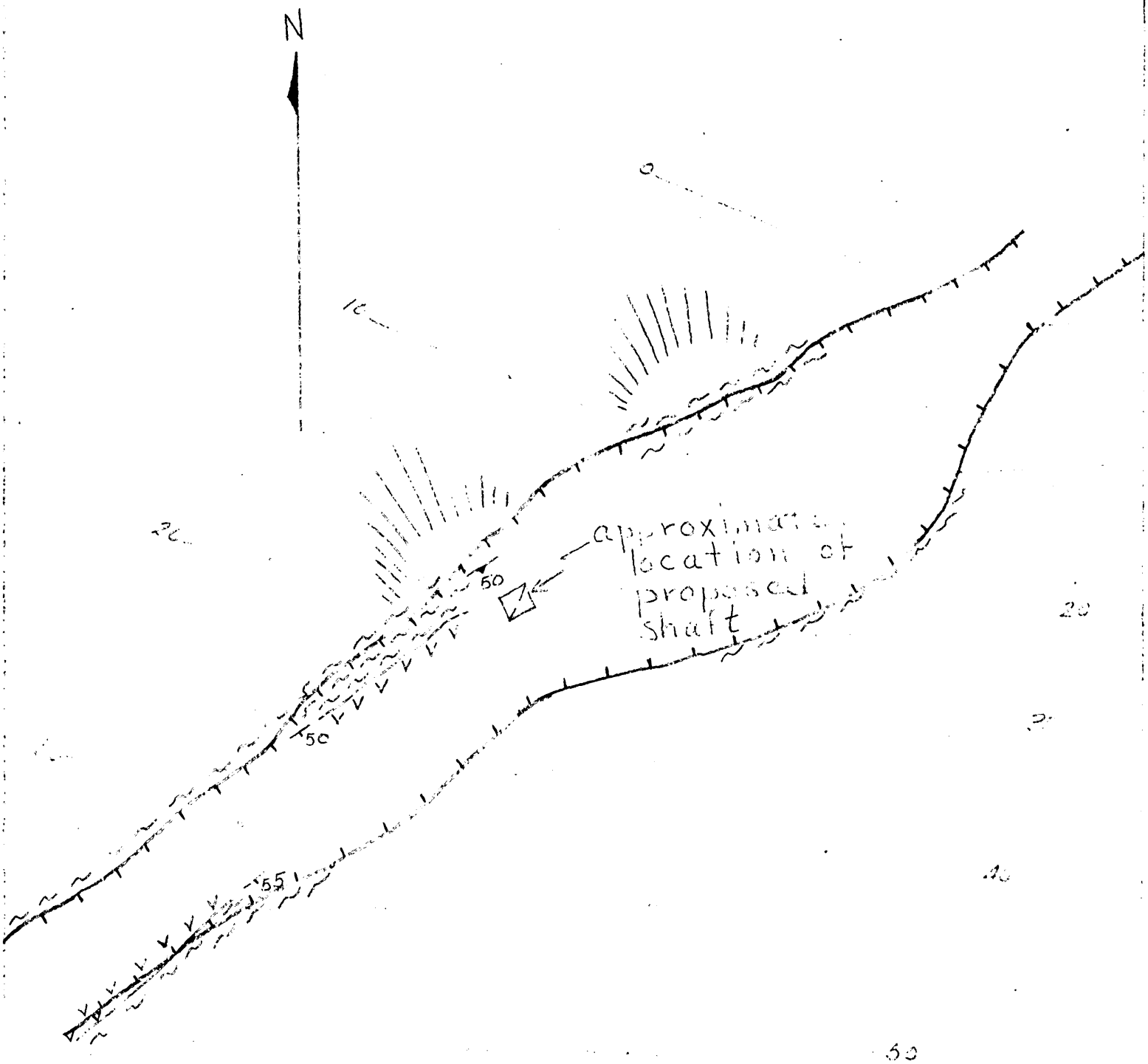

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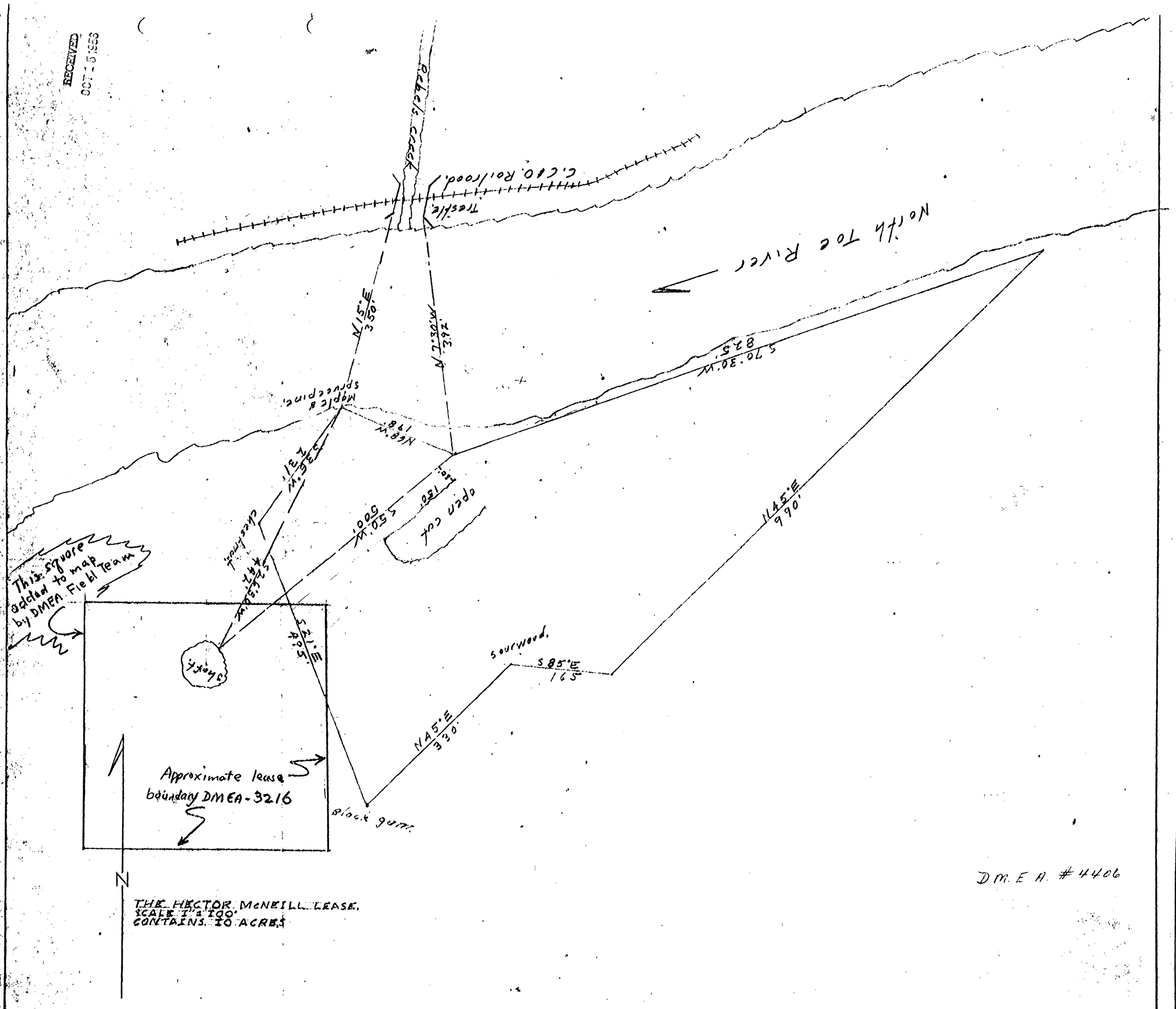
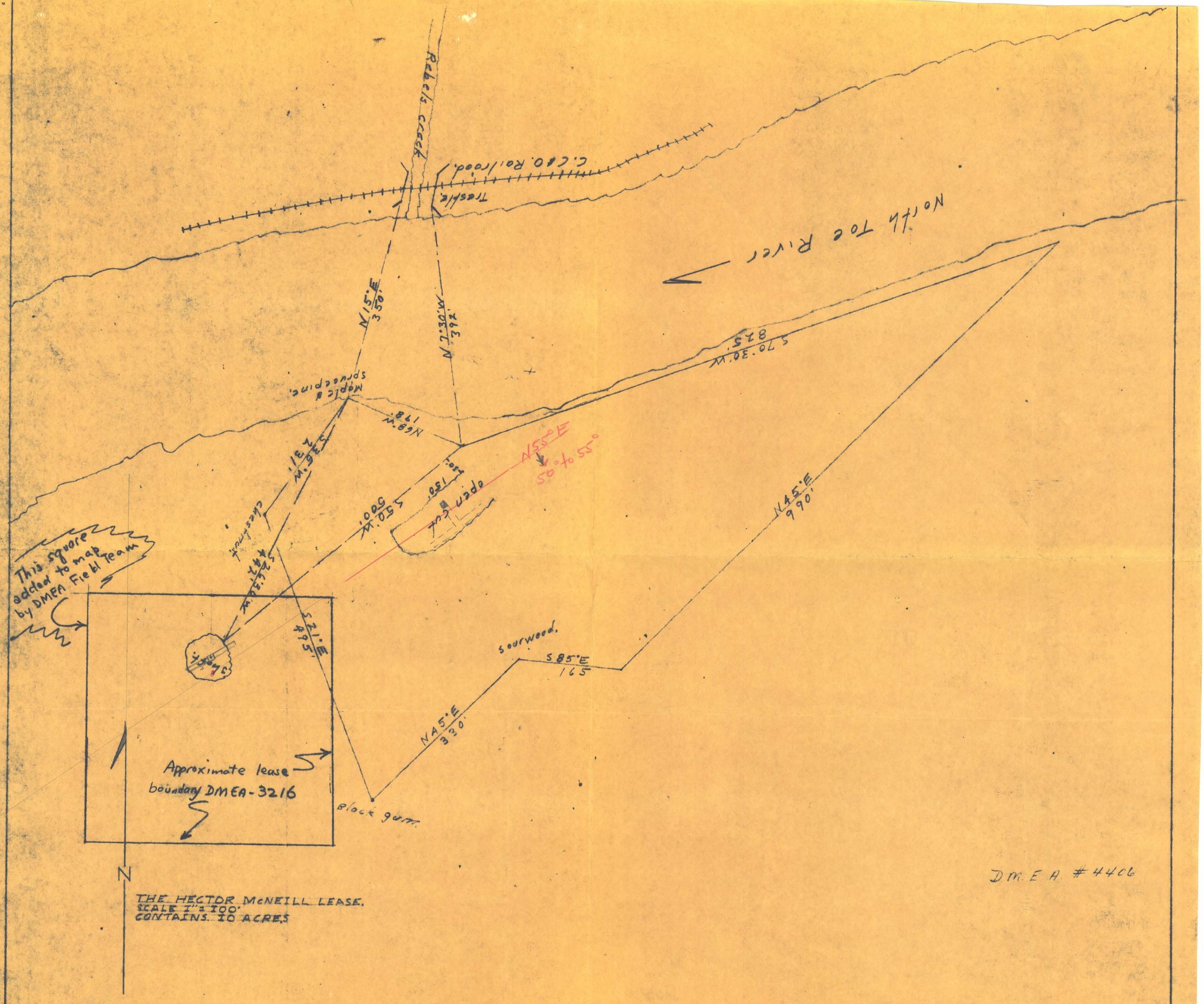


THE HECTOR McNEILL LEASE.
SCALE 1" = 100'.
CONTAINS 10 ACRES

DMEA #4406



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D.M.E.A. #4406