DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E 1101 DMEA NO. 4658

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled ✓
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery
Certificate of Audit (Final)
Interim Audit(s)
Report of Review
Termination Notice or Agreement
✓ Recision Notice
Assignment of Contract
Contract Amendments (latest on top)
✓ Contract with all exhibits and annexes
✓ Owner's Consent to Lien
Subordination Agreement
✓ Leases and assignments of leases
✓ Application and attachments
(3) ✓ Envelope for maps

Right Side

Project summary
Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report (Tab)
Operator's Final Report
(2R) Interim Reports
(2R) Operator's monthly reports and all attachments (latest on top)
✓ On-site Exam ~~Report~~(s) (Tab) MEMO
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order)
Interim Summary Reports by W. O. Engineers

Right Side

Operator's Semi-Annual Report for Certified Project, Field Team Interim Reports, Operator's Monthly Report with transmittal, narrative, maps, and Field Team review.

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

Government's copy

Long
Lange
Anderson
Dowdy
Chambers
Selfridge

RESCISSION OF EXPLORATION PROJECT CONTRACT

It is agreed this 6th day of September, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Duncan and Smith Mining Company, a partnership comprised of J. A. Duncan, Marion, North Carolina, and Paul Smith, Marion, North Carolina, parties to that certain Exploration Project Contract No. Idm-E1101 (Docket No. DMEA-4658) dated June 14, 1957, that said Contract is hereby rescinded, revoked, and cancelled as of June 14, 1957, before any work has been performed or any costs have been incurred thereunder, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

DUNCAN & SMITH MINING COMPANY

By J. A. Duncan
J. A. Duncan (Partner)

By Paul Smith
Paul Smith (Partner)

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 4 1957
DATE | CODE

Operator's copy

MF-200A
(Rev. April 1956)

RECEIVED
JUN 4 1957

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
4658	Mica	*Idm-E* 1101	Ashe	North Carolina

It is agreed 14 JUN 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and DUNCAN AND SMITH MINING COMPANY, a partnership comprised of J. A. Duncan, Marion, North Carolina, and Paul Smith, Marion, North Carolina,

whose mailing address is c/o J. A. Duncan, General Delivery
Marion, North Carolina
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before AUG 1 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 10 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $9,480.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $7,110.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Interests of Lessors.

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien and Subordination Agreement of Lessors.

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

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Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. J. Mittenzwey
Administrator, Defense Minerals
Exploration Administration

DUNCAN AND SMITH MINING COMPANY
(Operator)

By L. R. Duncan **(Partner)**

By Paul Smith **(Partner)**

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

EXPLORATION PROJECT CONTRACT
DUNCAN AND SMITH MINING COMPANY
DOCKET NO. DMEA-4658

ANNEX I

The land referred to in Article 2 of the contract is known as the Littles Mine, and is held by the Operator under a lease dated January 23, 1957, from Lewie Aldridge, Corinna Aldridge, and Helen McBee, recorded in Book T-3 of Deeds on pages 347 to 348. The property is located 2.4 miles S 82° E from the center of Jefferson, Ashe County, North Carolina. The mining area is located on two tracts known as the Fred Little property (Second Tract) and the Lonnie Little property (First Tract). The attached Map No. 1, entitled "Survey and Plat of Littles Property Leased to Duncan & Smith," shows the metes and bounds of the property lines as follows:

First Tract (Lonnie Little property)

Beginning at a Spanish oak on the line between the two tracts, thence N 58° E 275 feet, thence S 72-30 E 528 feet to a rock, thence S 12 E 338 feet, thence S 82 W 921 feet to a marker, thence along the Fred Little property N 6 E 257 feet, thence N 4-30 W 73 feet, thence N 2 E to the point of closing.

Second Tract (Fred Little property)

Beginning at a marker common to the Fred and Lonnie Little properties, thence N 6 E 257 feet, thence N 4-30 W 73 feet, thence N 2 E 264 feet, thence N 9-45 E 189 feet, thence N 4 W 136 feet to a locust, thence N 66 W 334 feet, thence N 60-30 W 231 feet, thence N 60-20 W 132 feet, thence N 62-30 W 225 feet, thence S 9 W 148 feet, thence S 4-30 W 92 feet,, thence S 66-30 W 56 feet, thence S 21 W 108 feet, thence S 66 E 98 feet, thence S 6 W 165 feet, thence S 1-30 E 198 feet, thence S 31 E 99 feet, thence S 25-30 E 132 feet, thence S 39 E 98 feet, thence S 71 E 726 feet to the point of beginning.

Extra copy

RESCISSION OF EXPLORATION PROJECT CONTRACT

It is agreed this 6th day of September, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Duncan and Smith Mining Company, a partnership comprised of J. A. Duncan, Marion, North Carolina, and Paul Smith, Marion, North Carolina, parties to that certain Exploration Project Contract No. Idm-41102 (Docket No. DMEA-4658) dated June 14, 1957, that said Contract is hereby rescinded, revoked, and cancelled as of June 14, 1957, before any work has been performed or any costs have been incurred thereunder, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Frank E. Johnson

By_____
ACTING Administrator, Defense Minerals Exploration Administration

DUNCAN & SMITH MINING COMPANY

By_____
J. A. Duncan (Partner)

By_____
Paul Smith (Partner)

Government's copy

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 26 1957

DATE	INITIALS	CODE

MF-200A
(Rev. April 1956)

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
4658	Mica	*Idm-E* 1101	Ashe	North Carolina

It is agreed 4 JUN 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and DUNCAN AND SMITH MINING COMPANY, a partnership comprised of J. A. Duncan, Marion, North Carolina, and Paul Smith, Marion, North Carolina,

whose mailing address is c/o J. A. Duncan, General Delivery
Marion, North Carolina
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before AUG 1 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 10 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $9,480.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $7,110.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Interests of Lessors.

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien and Subordination Agreement of Lessors.

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

.....

.....

.....

.....

.....

.....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C D Mitterdorf
Administrator, Defense Minerals Exploration Administration

DUNCAN AND SMITH MINING COMPANY
(Operator)

By L. C. Duncan **(Partner)**

By Paul Smith **(Partner)**

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

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RECEIVED JUN 26 1957

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
DUNCAN AND SMITH MINING COMPANY
DOCKET NO. DMEA-4658

ANNEX I

The land referred to in Article 2 of the contract is known as the Littles Mine, and is held by the Operator under a lease dated January 23, 1957, from Lewie Aldridge, Corinna Aldridge, and Helen McBee, recorded in Book T-3 of Deeds on pages 347 to 348. The property is located 2.4 miles S 82° E from the center of Jefferson, Ashe County, North Carolina. The mining area is located on two tracts known as the Fred Little property (Second Tract) and the Lonnie Little property (First Tract). The attached Map No. 1, entitled "Survey and Plat of Littles Property Leased to Duncan & Smith," shows the metes and bounds of the property lines as follows:

First Tract (Lonnie Little property)

Beginning at a Spanish oak on the line between the two tracts, thence N. 58° E. 375 feet, thence S 72-30 E. 528 feet to a rock, thence S. 12 E. 338 feet, thence S. 82 W. 921 feet to a marker, thence along the Fred Little property N. 6 E. 257 feet, thence N. 4-30 W. 73 feet, thence N. 2 E. to the point of closing.

Second Tract (Fred Little property)

Beginning at a marker common to the Fred and Lonnie Little properties, thence N 6 E 257 feet, thence N 4-30 W. 73 feet, thence N 2 E 264 feet, thence N 9-45 E 189 feet, thence N 4 W 136 feet to a locust, thence N 66 W 334 feet, thence N 60-30 W 231 feet, thence N 60-20 W 132 feet, thence N 62-30 W 225 feet, thence S 9 W 148 feet, thence S 4-30 W 92 feet,, thence S 66-30 W 56 feet, thence S 21 W 108 feet, thence S 66 E 98 feet, thence S 6 W 165 feet, thence S 1-30 E 198 feet, thence S 31 E 99 feet, thence S 25-30 E 132 feet, thence S 39 E 98 feet, thence S 71 E 726 feet to the point of beginning.

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA- 4658
Contract No. Idm-E 1101
Contract Date 14 JUN 1957

RECEIVED MAR 6 1957 D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Ashe, State of North Carolina, described as follows: 2/ in a lease dated January 28, 1957 and recorded in Book t-3 of Deeds on pages 347 to 348 From Helen McBee, Bakersville, N. C. & Lewie Aldridge & Corinna Aldridge of Spruce Pine, N. C. all of Mitchell County, North Carolina

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;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~] dated 23 January, 1957, and recorded in Book t-3, Page 347 to 348, 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.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

_____	[Seal]	Helen McBee	[Address]
_____	[Seal]	Lennie Aldridge	[Address]
_____	[Seal]	Clemma Aldridge	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (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.

_____

[Corporate Seal]

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1957

EXPLORATION PROJECT CONTRACT
DUNCAN AND SMITH MINING COMPANY
DOCKET NO. DMEA-4658

EXHIBIT A

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the attached Map No. 2 entitled "Littles Mine, Ashe County, North Carolina, DMEA-4658." The work is divided into three stages. The Operator shall complete Stage I, and shall perform as much of Stages II and III as is approved in writing by the Government.

Stage I

1. To establish the contacts, excavate a trench 140 feet long by 10 feet wide by an average of 8 feet deep, aggregating not more than 415 cubic yards of excavation.

2. Construct:

(a) A toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.

(b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.

(c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

The toolhouse may be unfloored; shall be made from unfinished lumber, with protective roof covering; and shall be equipped with lock and key.

The powder and exploder magazines shall be boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood lumber; and shall be braced at the corners. No metal shall be exposed; and the doors shall be equipped with the equivalent of a 5-tumbler jarproof lock.

3. From a point on the surface approved by the Government, sink a two-compartment vertical or inclined shaft a distance of not more than 60 feet.

Stage II

Explore the pegmatite by driving from or near the bottom of the shaft, not more than 100 feet of drifts and/or crosscuts.

Stage III

Extend the level work of Stage II by driving not more than 100 feet of drifts and/or crosscuts.

The shaft and the drifts and/or crosscuts shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All underground work shall be performed on the pegmatite or in as close proximity thereto as possible. The crosscuts shall be driven from contact to contact and as nearly normal to the indicated strike of the pegmatite as possible.

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

Fixed Unit Costs

Stage I

1.	Excavate trench, 415 cubic yards @ $0.30/cu. yd. (rounded)		$ 125.00
2.	Construct:		
	Toolhouse1/	$ 76.00	
	Powder Magazine1/	25.00	
	Exploder Magazine1/	14.00	115.00
3.	Sink shaft, 60 feet @ $44.00/ft.		2,640.00

Stage II

Drift and/or crosscut, 100 feet @ $33.00/ft.	3,300.00

Stage III

Drift and/or crosscut, 100 feet @ $33.00/ft.	$3,300.00	
Estimated Total Cost of Project		$9,480.00
Government Participation @ 75%		$7,110.00

1/ The completed work constitutes the unit.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1, POST OFFICE BLDG.
KNOXVILLE 2, TENNESSEE

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DATE	INITIALS	CODE

February 26, 1957

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville, Tennessee

Subject: Application from Duncan & Smith Mining Company
Littles Mine, Ashe County, N.C. (mica)

Enclosed are three copies of the subject application, received here today. The incompletely executed Consent to Lien has been returned to the Applicant. One copy of the lease is enclosed.

This appears to be the same Littles Mine as the one in DMEA-4168, Littles Mining Company. J. A. Duncan of Marion, North Carolina was one of the partners of Littles Mining Co. Our field examiners recommended approval of a contract if the land ownership and boundaries could be straightened out, but after futile attempts to do so, the Applicant in a letter dated September 25, 1956 requested withdrawal of the application.

From a study of the new application and lease, it is doubtful if the situation is any better now than it was in 1956.

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

V. J. Lynch
V. J. Lynch, Member
Bureau of Mines

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 5, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

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DATE	INITIALS	CODE

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED FEB 28 1957 D.M.E.A.

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. 4658
Metal or Mineral mica
Date Received 2.28.57
Estimated Cost $4,915.00
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: Duncan & Smith Mining Co. c/o J. A. Duncan, Gen. Del. Marion, N. C.

Partnership- Ja A. Duncan, Gen. Del. Marion, N. C.
Paul Smith, Gen. Del. Marion, 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.

Answers to all these questions are attached on seperate papers hereto.

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

RECEIVED FEB 26 1957 U.S. Geological Survey Division

(*b*) State any mine name by which the property is known.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

☒ 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 February 25, 195 57

Duncan & Smith Mining Co.
(Applicant)

By J Arnold Duncan
Paul Smith

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

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

WASHINGTON 25, D.C.

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DATE	INITIALS	CODE

February 26, 1957

Duncan & Smith Mining Co.
c/o J. A. Duncan
General Delivery
Marion, North Carolina

Dear Mr. Duncan:

Your application for aid in exploring for strategic mica t the Littles Mine in Ashe County, North Carolina has been forwarded to our Washington office, in accordance with established procedure. You will be notified if additional information is needed, or if a field examination is to be made.

I am returning the Consent to Lien (six copies) as they are only partially executed. Lewie Aldridge and his wife Corinna A. Aldridge, who along with Helen McBee, executed the lease, should also sign all copies of the Consent to Lien. Please indicate the mailing addresses of the land owners on the appropriate places on the Consent to Lien. When these forms are fully executed, please return all six copies to me.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/xm

cc

Lynch
Opr. Com-3
Files

Application for Aid in and Exploration Project,

Answers to cover questions in Form MF-103.

1- ~~Book~~. Duncan & Smith Mining Company, Partnership

J. A. Duncan, Gen. Del. Marion, N. C. & Paul Smith, Gen. Del. Marion, N.C.

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DATE	INITIALS	CODE

2- General.

3- Lease -

(b) Littles Mine

(c) Leesee

(d) Lease which is attached.

(e)& F Not Applicable

4- (a) This property has been mined some but not by expierenced miners with machinery. There has been a few shallow cuts and / or tunnells and some good grade Green Mica was recovered. There is a good gravel road through and around the property.

(b) No exact production records have been kept on this mine as it was just worked as a prospect.

(c) There is around 15 feet of earth covering most of the vein. The vein is around 60 feet wide and is composed of flint, feldspar and beryl with a great deal of mica showing. The depth of the vein has never been tested.

(d) The road are very good and the hard surface road ia only about 200 yards from the mine. The Mine is 2 miles north of West Jefferson and is around 75 miles from Spruce Pine, N.C., the market for supplies and shipping.

(3) There is plenty of material, manpower, supplies, equipment, water and power available.

5- (a) Mica

(b) We propose to bulldoze off the surface down to the vein then run a shaft, then drift with the vein. We are attaching a sketch of the proposed exploration.

(c) The work will start within 10 days and finished within 6 months, or less.

(d) J. A. Duncan has been mica mining for 40 years and has operated mines for other miners and for him self.

Paul Smith has mined and worked in and with mica mining for 35 years.

Both partners will personally supervise the mining operations.

6- (a) The proposed works or contract will consist of the following:

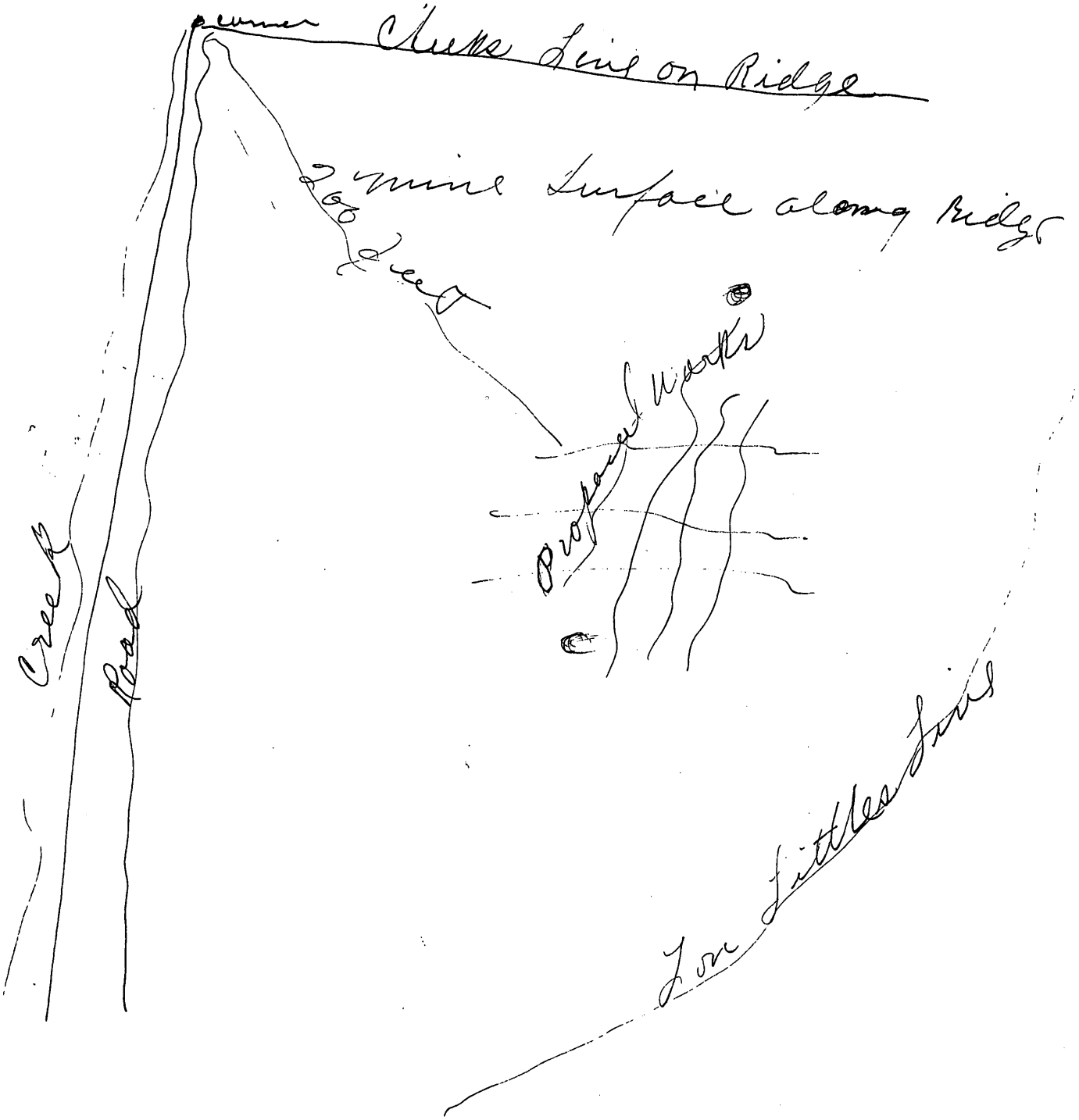
Tool House	$ 75.00	
Exploder Magazine	15.00	
Powder House	25.00	
Bulldazing Surface	800.00	
Shaft-40 feet @ 40.00 per foot	1600.00	
Drift-60 feet @ 40.00 per foot	2400.00	
Total cost of proposed exploration		$4915.00

( ) Not applicable.

7- (a) Yes

(b) Money.

The certification of the forgoing answers to form MF-103 is signed and agreed to on the attached form MF-103.


Chestnut Corner
corner
Clerke Line on Ridge
2" mine surface along Ridge
200 feet
proposed work
Creek
Road
Lon Littlefield

Mine scarred area

Power line

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FEB 28 1957
D.M.E.A.

Copy of lease

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DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE

STATE OF NORTH CAROLINA,

COUNTY OF ASHE.

THIS AGREEMENT OF LEASE, Made and entered into this 23 day of January, 1957, by and between Lewis Aldridge and wife, Corinna A. Aldridge, of the County of Avery and State of North Carolina, and Helen McBee, single, of the County of Mitchell and State of North Carolina, sometimes hereinafter referred to as Lessors, and J. A. Duncan and Paul Smith, both of the County of McDowell and State of North Carolina, sometimes hereinafter referred to as Lessees;

WITNESSETH:

That for and in consideration of the sum of ONE DOLLAR paid by Lessees to Lessors, the receipt whereof is hereby acknowledged, and in further consideration of the agreements and stipulations hereinafter contained, Lessors hereby lease unto Lessees for mining purposes only all of the sheet or pattern mica, feldspar, beryl and other mineral substances located on, in and under the hereinafter described premises and hereby grant to said Lessees for the period of this lease all of the working and mining rights which they own in said property, together with the rights of ingress, egress and regress to and from said property which they own for a period of five (5) years from this date on condition that if Lessees shall have fully complied with the terms of this lease, paid all royalties due at the termination of this lease then they may, at their option, have an extension of five (5) years more of said lease upon the same terms and conditions as herein contained.

It is agreed that Lessees will mine said premises in a workmanlike manner and leave all shafts, cuts or tunnels open and reasonably clean at the termination of this lease or any renewal thereof.

Lessees further agree to pay the Lessors a royalty of one-eighth (1/8) of the selling price of mica where sold and also one-eighth (1/8) of the selling price of beryl from the herein leased premises where sold and forty cents (.40¢) per long ton of 2240 pounds of second grade feldspar and fifty cents (.50¢) per long ton of 2240 pounds for first grade feldspar.

Lessors reserve the jig mica contained in the herein leased premises and agree that in mining and processing the jig mica they will in no way interfere with the mining operations of Lessees and further reserve the use of the rights-of-ways to and from the herein leased premises on condition that their use of said rights-of-way for roads shall not interfere with the free rights of ingress, egress and regress to and from said property.

Lessees agree to begin mining operations on the herein leased premises within 60 days from this date and agree to continue their mining operations regularly and continuously thereafter it being understood and agreed that if Lessees shall, after beginning mining operations on the herein leased premises, they shall cease and fail to mine said premises in good faith and in a bona fide manner for a period of thirty consective days, unless hindered from so doing by causes beyond their control, then Lessors may, at their option declare this lease to be null and void and may re-enter and re-take possession of the same without giving legal notice and Lessees may terminate this lease at will by first giving the Lessors 30 days written notice of their intention so to do and by paying all oryalties then due.

Lessors hereby convey to Lessees every mining right which Lessors have in the herein leased premises with the further right to erect and install and remove at will all kinds of mining machinery and appliances etc.

Lessees agree to pay to John C. McBee, as Trustee for Lessors, all royalties herein provided for by the 15th day of each succeeding month for all minerals sold by them from said premises during the preceding month.

The herein leased premises lying and being in Ashe County, North Carolina, adjoining the lands of Sheets, Little and others and more particularly described as follows:

FIRST TRACT: BEGINNING on a Chestnut, an old corner on a ridge and on east side of old mica diggings and running south 72½ east 32 poles to a stake and rock; south 12 east 20½ poles to a stake in the line of a large rock; north 82 east 56 poles to a stake in Fred Little's line; then north 9 east with said Little's line 26 poles to a Spanish Oak in Fred Little's line and George Sheet's corner; thence up the ridge and with George Sheet's line to the beginning.

SECOND TRACT: BEGINNING on a Maple on the upper bank of Public Road near where a Mulberry stood, and running south 71 east 44 poles to a Cherry tree; north 9 east 7½ podes to a stake; thence north 6 east 5 poles to a stake; thence north 10 west 4 2/5 poles to a stake; then north 2 east 16 poles to a stake; thence north 9-3/4 east 11½ poles to a stake; then north 4 west 8¼ poles to a Locust, W. I. Little's corner and with W. I. Little's line on the fence north 66 west 20¼ poles to a double Chestnut; thence north 60½ west 14 poles to a stake and Black Gum; thence north 60-3/4 west 8 poles to a stake and Spanish Oak; thence north 63½ west 13-4/5 poles to a stake in the road; then with the meanders of the road south 19 west 9 poles to a stake; then south 11½ west 5-3/4 poles to a stake; thence south 66½ west 3-2/5 poles to a stake in the branch; then south 22 west 6-3/5 poles to an Ash in the forks of the branch; thence south 66-½ east 4-1/3 poles to two Maples; thence south 66½ east 1-3/4 poles to a stake in the road; then in and with the road as it meanders south 5 west 10 poles to a stake; thence north 13 west 9 poles to a stake; then south 31-3/4 east 6 poles to a stake; thence south 25½ east 8 poles to a stake; thence S. 39 east 6 poles to the beginning, containing 28 acres, more or less.

TO HAVE AND TO HOLD THE HERIN leased premises for the time and times herein specified to them the said Lessees to their only use and behoof and Lessors covenant to and with Lessees that they are seized of said minerals in fee and have a right to lease the same and that they will warrant the title to said minerals against the legal claims of all others.

IN WITNESS WHEREOF all parties hereto have hereunto set their hands and affixed their seals, in duplicate originals, on the day and year first hereinabove written.

/s/ Lewie Aldridge (SEAL)
Lewie Aldridge

/s/ Cornna Aldridge (SEAL)
Corinna Aldridge

/s/ Helen McBee (SEAL)
Helen McBee

Lessors

/s/ J. A. Duncan (SEAL)
J. A. Duncan

/s/ Paul Smith (SEAL)
Paul Smith

Lessees

NORTH CAROLINA,

AVERY COUNTY.

I, /s/ Buenna Vauce, Notary Public in and for the County and state aforesaid, do hereby certify that Lewie Aldridge and wife, Corinna A. Aldridge, personally appeared before me and acknowledged the due execution by them of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial Seal, this 28 day of January, 1957.

(Notarial Seal here)

/s/ Buena Vauce
NOTARY PUBLIC

My commission expires:
/s/ 1-25-58

NORTH CAROLINA,

MITCHELL COUNTY.

I, Nell Bradshaw, Notary Public in and for the County and State aforesaid, do hereby certify that Helen McBee, a single woman, personally appeared before me and acknowledged the due execution by her of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial Seal, this 23 day of January, 1957

/s/ Nell Bradshaw
NOTARY PUBLIC

My comm. expires
10-29-57

NORTH CAROLINA,

MITCHELL COUNTY.

I, /s/ Nell Bradshaw, Notary Public in and for the County and State aforesaid, do hereby certify that J. A. Duncan and Paul Smith personally appeared before me and acknowledged the due execution by them of the foregoing instrument for the purposes therein expressed.

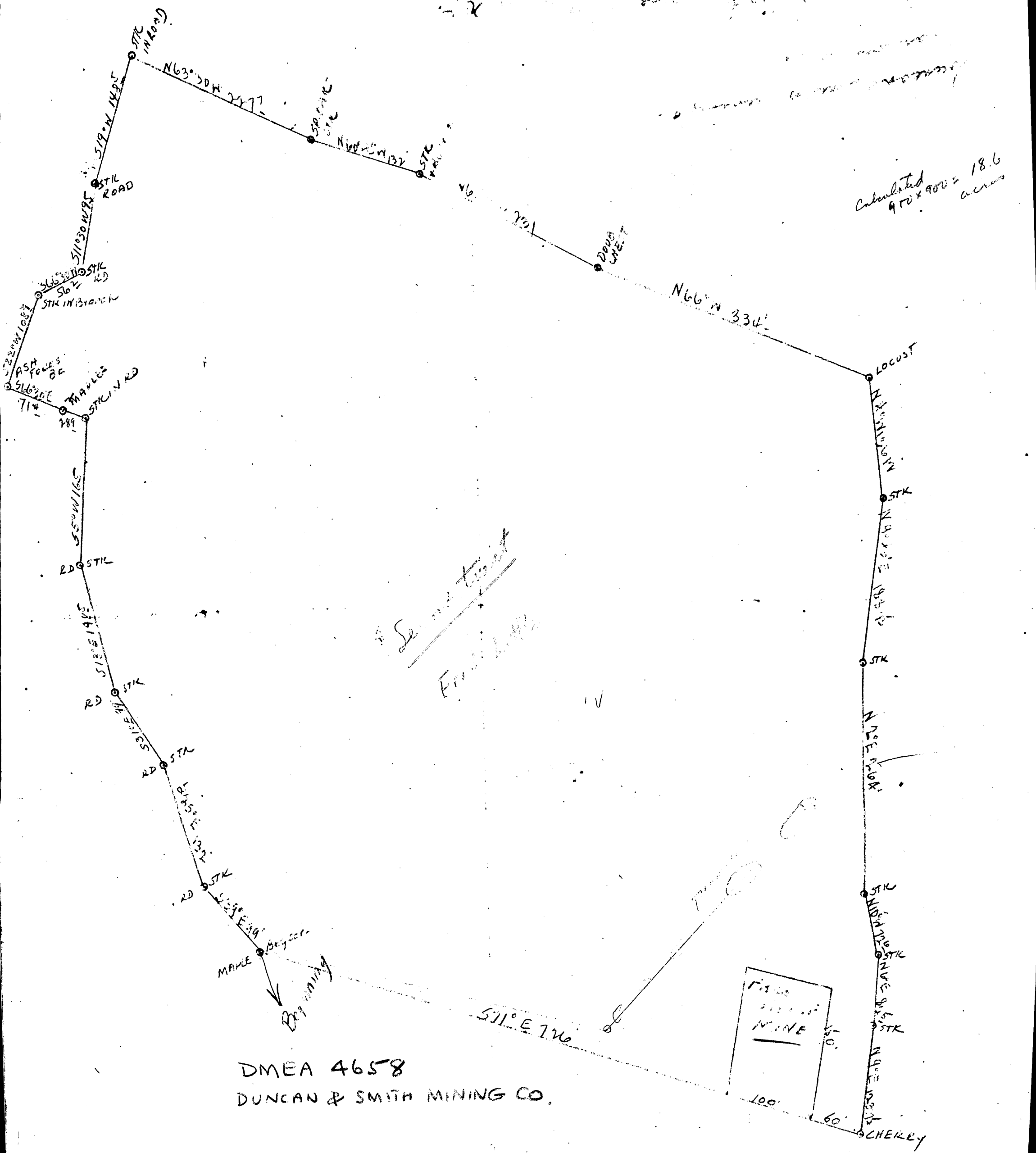
Witness my hand and Notarial Seal, this 28 day of January, 1957

/s/ Nell Bradshaw
NOTARY PUBLIC

(Notarial Seal to be impressed here)

My Commission expires:

/s/ 10-29-57



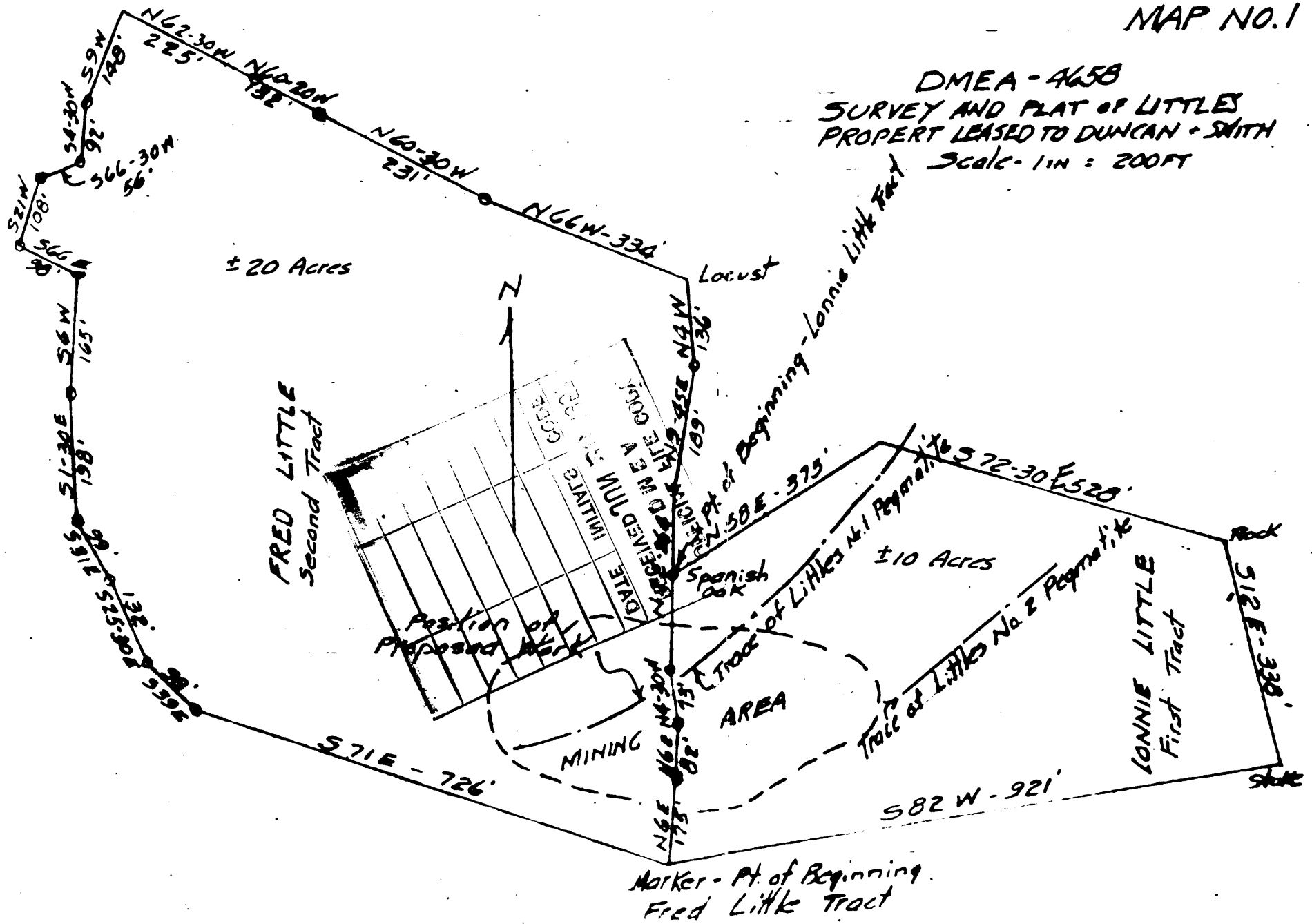
DMEA 4658

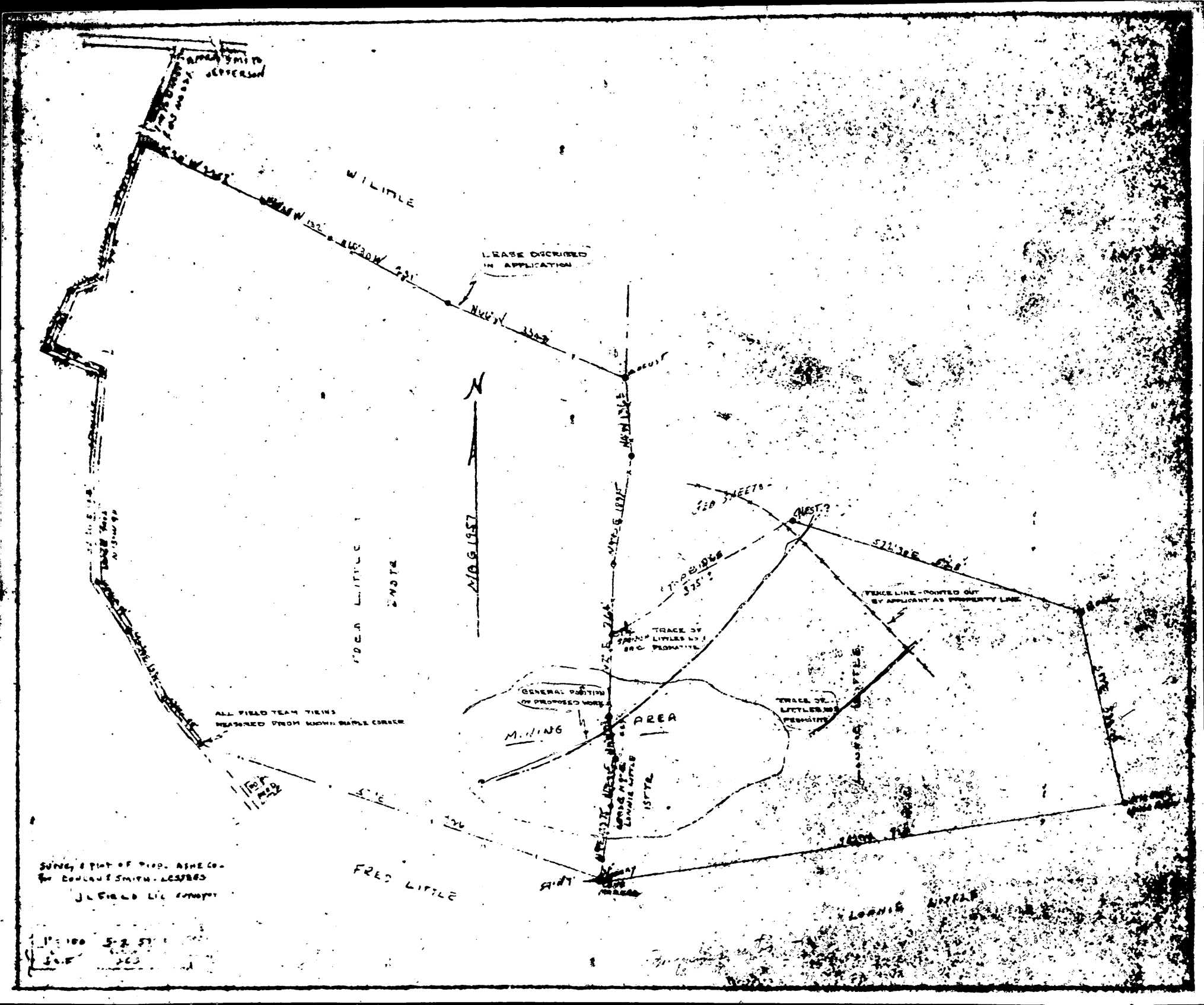
DUNCAN & SMITH MINING CO.

OFFICIAL-COPY
~~[illegible]~~
D M E A
RECEIVED AUG 22 1957
MINERALS
DATE
CODE

MAP NO. 1

DMEA - 4658
SURVEY AND PLAT OF LITTLES
PROPERT LEASED TO DUNCAN + SMITH
Scale - 1 IN = 200 FT




W. LITTLE
LEASE DESCRIBED IN APPLICATION
N
MAG 1957
FRED LITTLE
ALL FIELD TEAM TIES MEASURED FROM KNOWN MAPLE CORNER
GENERAL POSITION OF PROPOSED WORK
MINING
AREA
TRACE OF LITTLES NO. 1 BRC PROPERTIES
FENCE LINE - POINTED OUT BY APPLICANT AS PROPERTY LINE
TRACE OF LITTLES NO. 1 PROPERTIES
SEE SHEET 2
WEST 2
FRED LITTLE
LONNIE LITTLE
SURVEY & PLAT OF PROP. ASHE CO. FOR DOUGLAS SMITH - LESSEES
J. L. FIELD LIC. SURVEYOR

☐ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of _____

Incl. Voucher for _____

☐ Actual Cost

☑ Agreed Unit Costs

Name Duncan & Smith Mining Co.

Docket No. 4658

State No. Car.

Commodity Mica

Idm-E No. 1101

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	200 Ft	6,600.00			
Raising					
Shafts	60 Ft.	2,640.00			
Winzes					
Drilling (Specify)					
Surface Excavation		125.00			
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		115.00			
Other (Specify)					
Totals		9,480.00			

Prepared by Walter C. Anderson

71626

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025 FED. BLDG.
WASHINGTON 25, D.C.
KNOXVILLE 2, TENN.

OFFICE FILE COPY
DMEA
RECEIVED OCT 4 1957

DATE	INITIALS	CODE
10/4	C	220
10/7	B	~~265~~
10/7	Hawk	600

October 2, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4658-mica. Duncan & Smith Mining Co. c/o J. A. Duncan, Marion, N.C. Littles Mine, Ashe County, N.C.

Enclosed are the original and 2 copies of the executed recission agreement and the Operator's copy of the contract. Please note that the Operator kept the contract maps and Exhibit "A" of his copy.

Robert A. Laurence

Robert A. Laurence
Executive Officer, DMEA-Reg.V

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

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

OFFICIAL FILE COPY
D M E A
RECEIVED OCT 3 1957

DATE		CODE
10/3	B	220
10/3		800
10/4		600

October 1, 1957

Duncan & Smith Mining Company
c/o Mr. J. A. Duncan
Marion, North Carolina

Re: Docket No. DMEA-1653 (Mica)
Little's Mine
Ashe County, North Carolina
Contract No. Idm-E1101

Dear Mr. Duncan:

On September 9 I sent you the original and four copies of a proposed Rescission Agreement, for signature by you and Mr. Smith. They have not been returned.

Please sign and return these forms as soon as possible. Be sure that all copies are signed by both you and Mr. Smith. Also, please return your copy of the contract.

Very truly yours,

Robert A. Laurence
Executive Officer

RAL/mg
cc - Operating Committee (2)
Mr. V. J. Lynch
Mr. L. F. Shirley
File

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/29	Anderson	600
8/29	Houk	600
	Long	140
	Kluegger	140
9-6	Chambers	800
9/6	GCS	130
"	Johnson	110
		~~130~~ 340
9/9	O	220

600

600

SEP 6 1957

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

Re: Docket No. DMEA-4658-Mica
Duncan & Smith Mining Co.
Littles Mine
Ashe County, North Carolina
Contract No. Idm-E1101

Dear Mr. Laurence:

Reference is made to your memorandum of July 22, 1957, recommending cancellation of the subject contract in accordance with the request of the subject Operator.

Enclosed are the original and four copies of a proposed rescission agreement signed by the Administrator for the Government. Two extra copies are enclosed for the use of the Field Team. If you approve please present it to the Operator for signature. If the Operator has not already returned its copy of the contract, please request that it do so.

After execution of the rescission agreement, the copies are to be distributed in the usual manner.

SOLICITOR

AUG 29 1957

INTERIOR DEPT.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (b6)

Approved:
O. M. Bishop
Member, Bureau of Mines (b6)

Thor H. Kiilsgaard
Member, Geological Survey (b6)

WCAnderson:gad 8/29/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 7

RECEIVED
AUG 30 1957
ASSOC. SOLICITOR
MINERAL RESOURCES

8623

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 12 1957

DATE		CODE
8/12	G	
8/12	WWW	220
		600

August 9, 1957

Mr. Fred Chappelle

Robbins, North Carolina

Re: DMEA-1658 (Mica)
Duncan & Smith Mining Co.
Littles Mine, Ashe County, N.C.
Contract Ldm-F1101

Dear Mr. Chappelle:

This replies to your recent telephone call in which you inquired about the possibility of having the cited exploration contract assigned to you.

On July 15, Messrs. Duncan and Smith requested that we cancel the contract. Under these circumstances, it will be simpler for you to file a new application and, if it is approved, a new contract would be made in your name. Accordingly, I enclose five copies of the application form, MF-103. Four copies should be sent to this office.

It will be necessary to submit, with your application, a copy of your lease from Leslie Aldridge, Corinna Aldridge and Helen McBee, owners of mineral rights on the Fred Littles and Lonnie Littles tracts, and five copies of form MF-205 (Consent to Lien and Subordination Agreement) signed by these same owners. There are enclosed six copies of this form.

Also enclosed, for your information, are DMEA Order-1 Amended and a booklet, "The Defense Minerals Exploration Program."

Very truly yours,

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

RAL/mg
Enclosures 4
cc
Lynch
Shirley
Operating Committee (2)
File

August 9, 1957

Memorandum to the file

By: Lawrence G. Houk, Director, Division of Nonmetallic Minerals

Subject: Resume of telephone conversation with Mr. R. A. Laurence, Region V, Knoxville, Tenn.

Docket No. DMEA-4658-Mica
Duncan & Smith Mining Co.
Littles Mine
Ashe County, North Carolina

Discussed the Duncan & Smith Mining Co. docket, DMEA-4658. The applicant has requested cancellation of the contract because they were only interested in mining by bulldozing and when they read the contract decided to request cancellation. Mr. Laurence said a third party wished to have the contract assigned to him and asked the procedure. I advised Mr. Laurence to go through with the cancellation, have the new applicant fill out an application form, obtain a lease from the owners and get new consent to liens, and we would re-write the contract here without field referral or examination, possibly using the original application and contract number that had been assigned.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 2 1957
DATE | | NOTE
8/2 | P.K. | 220
8/2 | Hall | 600

July 30, 1957

Duncan & Smith Mining Co.
c/o J. A. Duncan
Marion, North Carolina

Re: DMEA-4658-mica
Littles Mine, Ashe County, N.C.
Contract Idm-E1101

Dear Mr. Duncan:

Before your request to cancel the above referenced contract can be acted upon, it is necessary that your copy be returned. Please send me your copy of the contract at your earliest convenience.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/zm
cc
Lynch
Opr. Com-2
Files

July 31, 1957

Memorandum

To the Files

From: L. G. Houk, Director, Division of Nonmetallic Minerals

Subject: Substance of telephone conversation of July 30, 1957, with Mr. R. A. Laurence

Docket No. DMEA-4658-Mica
Duncan & Smith Mining Co.
Littles Mine
Ashe County, N. C.
Contract No. Idm-E1101

Mr. Laurence was asked if Duncan & Smith, 4658, had returned all copies of the contract to him when Mr. Duncan requested a cancellation of the contract. Mr. Laurence advised that Mr. Duncan returned all copies of the contract except the operator's copy. The reason Mr. Duncan gave for cancelling the contract was he wanted to strip dozer a trench 150 feet long and after the field men talked with him he said he wanted to get out of the contract. The field does not think the operator would do a good job.

Mr. Houk requested Mr. Laurence to write Mr. Duncan for the operator's copy of the contract.

DEFENSE MINERALS ADMINISTRATION

97022

PRODUCTION EXPANSION DIVISION

EXPLORATION LOANS

Name of Company and Address: _____

Name of Mine and Location _____

Docket No. D.M.A. _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Amount of Total Project: _____

Government participation, percent and amount _____

Number of subprojects in total application _____

Type of Exploration	Feet	Cost per foot	Total cost
Preparatory & Rehabilitation			
Equipment			
Shaft sinking & winzes			
Drifts and crosscuts			
Raises			
Diamond or churn drilling			
Other			

Comments on Contract _____

_____

_____

_____

Date sent to Applicant for signature _____

Date returned to P.E.D. _____

Date sent to Legal _____

Date signed by Administrator _____

Additional remarks: _____

_____

_____

Interior—Duplicating Section, Washington, D. C.

Signed _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 5 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 24 1957

DATE	INITIALS	CODE
7/24	P.K.	220
7/26	B	215
7/29	WDA	600

July 22, 1957

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville, Tennessee

Subject: DMEA-4658, Idm-E1101-mica. Duncan & Smith Mining Co.
Littles Mine, Ashe County, N.C.
Request for cancellation.

Enclosed are the original and two copies of a letter from the Operators, requesting cancellation of the subject contract.

Evidently Mr. Duncan and Mr. Smith signed the contract without reading or understanding it. They thought they were signing a "lease" whereby the Government would advance the costs of open-cut mining. When our Field Examiners explained the terms of the contract to them, they were unwilling to proceed on that basis.

We recommend cancellation of the contract, with no work approved and therefore no expenditure of Government funds. Naturally, certification cannot be recommended. The property is still considered favorable for exploration.

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

V. J. Lynch
V. J. Lynch, Member
Bureau of Mines

OFFICIAL FILE COPY
D M E A
RECEIVED JUL 24 1957

DATE	INITIALS	CODE

July 22, 1957

Duncan & Smith Mining Co.
c/o J. A. Duncan
Marion, North Carolina

Re: DMEA-4658, Idm-51101-mica
Littles Mine, Ashe County, N.C.

Dear Sirs:

We have forwarded your letter of July 15, requesting cancellation of the subject contract, to our Washington office for their consideration. This office does not have the authority to cancel the contract. You will be advised accordingly, when a decision has been reached.

Very truly yours,

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

RAL/zm
cc:
Lynch
Spr. Com.-2
Shirley
Files

Paul Smith

Marion, North Carolina
July 15,1957

Mr.Robert A. Laurence, Executive Officer
D.M.E.A. ,Region V
Room 13 , P.O.Building
Knoxville, Tennessee

Re; DMEA 4658(mica)
Duncan & Smith Mining Co.
Littles Mine
Ashe County, N.C.

Dear Sir;

After the last contact with your representative at the mine we find it impossible for us to operate the mine according the provisions in the leese contract that you now have on file so we are ~~ok~~ asking that you cancel the leese and return same to us by return mail.

Thanking you for all consideration that you gave us. we are

Sincerely yours,
Duncan & Smith Mining Company

L. A. Duncan

Paul Smith

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 24 1957

DATE	INITIALS	CODE

RECEIVED
JUL 16 1957
Knoxville, Tenn.

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 26 1957

DATE	INITIALS	CODE
6/26	C	220
6/26	B	215
6/26	H	600

June 24, 1957

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville, Tennessee

Subject: Signed Contract - Idm-E1101, DMEA-4658-mica
Duncan & Smith Mining Company, Marion, N.C.

Transmitted are three signed copies of the subject contract.

The usual distribution of the other copies has been made by this office.

Robert A. Lawrence
EXECUTIVE OFFICER
DMEA FIELD TEAM
REGION V

V. J. Lynch
V. J. LYNCH
MEMBER, BUREAU OF MINES

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/13	Anderson	600
6/13	Houk	600
6/13	Talbert	800
6/14	GCS.	130
"	Johnson	110
"	Rutherford	100
6/14	CO	220
		600

600

JUN 14 1957

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

Re: Docket No. DMEA-4653-Mica
Duncan & Smith Mining Co.
Littles Mine
Ashe County, North Carolina

Dear Mr. Laurence:

Enclosed are the original and five copies of a proposed short-form contract signed by the Administrator for the Government. It consists of the form, Annex I (1 page), Consent to Lien and Subordination Agreement, Exhibit A (3 pages), and two maps. Also enclosed are two extra copies of Annex I, Exhibit A, and two copies of Map No. 1 and one copy of Map No. 2 for Field Team use.

If the proposed contract meets with your approval, present it to the Applicant for execution. Please explain to the Applicant that the contract is a firm commitment to complete the work outlined at the agreed cost. Copies of the executed contract are to be distributed in the usual manner.

If any part of this proposed contract does not have either your approval or that of the Applicant and cannot be amended within your delegated authority, then the original and all copies of the contract and the two extra copies of Annex I, Exhibit A and the maps are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated June 5, 1957, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, relating to the project are enclosed.

Approved:

Frank D. Lamb (HB)
Member, Bureau of Mines

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

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (HB)

Enclosures 12

WCAnderson:gad 6/13/57

Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 12 1957

DATE	INITIALS	CODE
6/12	JWD	220
6/14	Ura	600

Marion, North Carolina
June 10,1957

United States Department of the Interior
Defense Minerals Exploration Administration
Washington, D.C.

Re; DMEA- 4658- Mica
Littles Mine,Ashe County,N.C.

Mr. Allen S. Dakan,Director
Operations Control & Statistics Division

Dear Sir;

We were informed in a letter dated June 4th from Mr. Robert A. Laurence of the Knoxvil[illegible] Office that the property survey made by Mr.J.L.Field on May 7th, after the visit by your Field Examiners, had been forwarded to your office for review. To date we have had no communication in regard to the loan application. We shall greatly appreciate hearing from you at your earliest convenience as we would like to get into operation as soon as possible in order to get under ground before the winter weather sets in.

Thanking you for the favor of an early consideration, we are

Yours very truly,

J. A. Duncan

J.A.Duncan
Duncan & Smith Mining Co.
Marion, N.C.

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

June 5, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4658 (mica)

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 5 1957

DATE	INITIALS	CODE
6/5	C	220
6/5	mca	600

Applicant: Duncan and Smith Mining Company

Name and Location of Property: Littles Mine
Asche County, N. C.

Date of Field Team Report: 6/19/56 (DMEA 4168)

Field Team Recommendation: Under DMEA 4168 (applicant S. L. Phillips) Recommended a 2-stage unit-cost exploration program at Little Mine #1 and no work at Littles #2 at the present time.

Comments:

1. DMEA assistance was shown to be warranted on this property and a contract would have been negotiated if a proper lease could have been obtained.
2. Application was withdrawn by S. L. Phillips.
3. An acceptable lease has been obtained by the Ducan and Smith Mining Company.

Recommendation:

Recommend DMEA exploration assistance be granted under new application (DMEA 4658).

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 5 1957

DATE	INITIALS	CODE
6/5	[illegible]	220
6/6	Houk	600

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

June 5, 1957
Re: DMEA 4658
Duncan and Smith Manufacturing Co.
Littles Mine
Ashe County, North Carolina

Memorandum

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

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

Subject: Review of Field Team Memorandum of May 23, 1957

An application, DMEA 4168 requested assistance in doing exploratory work on two pegmatites at a cost of $13,600. The examiners recommended a work program, estimated to cost $11,325.00, the work to be confined to one pegmatite.

The property requirements could not be met and a contract was not granted.

The referenced applicants having resolved the question of property rights, requested assistance in doing somewhat less work ($4,915.00) than the examiners under 4168 had recommended, that is $11,325.00.

It is now proposed that a contract for a 3-stage work program, essentially that outlined by the examiners under 4168 be awarded in place of a contract based on the program proposed by the present applicants, Duncan, et al.

If the present applicants are in agreement, I concur with the proposal of the Division office.

N. E. Nelson

N. E. Nelson

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 7 1957

DATE	INITIALS	CODE
6/10	C	220
		600

June 4, 1957

Mr. J. A. Duncan
Duncan & Smith Mining Co.
Marion, North Carolina

Re: DMEA-4658-Mica
Littles Mine, Ashe County, N.C.

Dear Mr. Duncan:

This is in reply to your letter of June 3, inquiring about the status of your application.

The property survey which was made by J. L. Field on May 7, after the visit by our Field Examiners, has been forwarded to the Washington office for review there. This office does not have the authority to either approve or deny an application, therefore, any further information concerning the processing of your application will be sent you by our Washington office.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/zm
cc
Opr. Com--2
Lynch
Shirley
Files

OFFICIAL FILE COPY
D M E A
RECEIVED 1957

DATE		CODE

Marion, North Carolina
June 3,1957

U.S.Dept. of the Interior
Room 13 Post Office Bldg.
Knoxville, Tenn.

RE: DMEA-4658 (Mica)
Littles Mine
Ashe County, North Carolina

Att; Mr.S.C.Bergman

Dear Mr. Bergman;

In regard to your letter of April 24,1957 we wish to state that we complied with your req uest to meet the fied examiners in Jefferson and went with them over the property in question. To date we have not had any communication relative to the loan application.

We will appreciate hearing from you at your earliest convenience as we have our machinery engaged and if we are not able tO get into operation soon we are liable to loose the machinery contract.

Thanking you for any consideration you may give us.

Yours very truly,

J. A. Duncan

J.A.Duncan

Duncan, Smith
Mining Co.

RECEIVED
JUN 4 - 1957
Geologic Division
Knoxville, Tenn.

No answer from
washington office required
as preparation of contract is
almost complete.

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 27 1957

DATE	INITIALS	CODE
5/27	C	220
		600

May 23, 1957

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville, Tennessee

Subject: Application from Duncan and Smith Mining Company Littles Mine, Ashe County, N.C. DMEA-4658-mica.

The property was revisited by the Field Team Wednesday May 1, 1957 at which time the Applicants could not find or indicate a valid beginning corner for the lease discription accompanying the application. A corner pointed out as being the beginning corner, when tied in, placed the mine area more than a quarter mile outside of the lease as described.

The applicant was requested to submit a survey of the lease area showing the mine area in its proper position. The results of this survey accompany this memo with the field engineers tie ins superimposed on the map. It appears that the greater part of the pegmatite area is off the lease as described in the application. Although the proposed work starts on the Applicant's lease, any work would undoubtedly go over the east side of the lease onto the Lonnie Little tract. It is recommended that the Applicants be required to obtain a lease and Consent to Lien on the property as outlined on the accompanying map.

F.T. Memo

Robert A. Laurence
R. A. Laurence,
EXECUTIVE OFFICER,
DMEA FIELD TEAM

V. J. Lynch
V. J. Lynch
MEMBER, BUREAU OF MINES

May 22, 1957

Telephone conversation

Robert A. Laurence, Knoxville, Tennessee

Washington Office: Mr. L. G. Houk
Mr. W. C. Anderson

Docket No. DMEA-4658-Mica
Duncan & Smith Mining Co.
Littles Mine
Ashe County, N. C.

The applicant has had a new survey made and an identifiable corner has been located. It appears that the leased area is not entirely within the land owned by the lessor. We will need an additional new lease and new Consents to Lien from the lessor. Mr. Laurence suggests that Washington requests this additional land. Mr. Laurence will forward a map. When map is received we should write the applicant.

May 28

Discussed property question with Lawrence. Decided mutually that applicant property rights are probably OK Lessors apparently own mineral rights and mining + egress + ingress rights.

L G Houk.

Rubin states Lessor's property rights are presumeably sufficient

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1024, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
DMEA
RECEIVED APR 5 1957

DATE	INITIALS	CODE
4/5	C	220
		600

April 3, 1957

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville, Tennessee

Subject: DMEA-4658 (Mica), Duncan and Smith Mining Co., Marion, N. C.
Littles Mine, Ashe County, N. C.

Enclosed is a copy of the property map which the Applicant supplied in response to our letter of March 26. There is still no tie-in between tracts 1 and 2 of the lease, but apparently they want only tract 2 in the exploration project contract, as the Applicant's letter of March 28 states that this plat shows "the exact location of the Fred Littles Mine, which we are asking for the loan on exclusively."

Comparison of this map with the one in the DMEA-4168 examination report still leaves us confused. The fence which is marked "property line" on the DMEA-4168 map was pointed out by J. A. Duncan as the northern boundary of the lease. Also, the property corner which is N75°W 405 feet from a point in the southwest corner of the DMEA-4168 map is, according to Mr. Bergman, the same as the beginning corner (maple) on the new DMEA-4658 map.

The picture is further confused by the fact that, in the DMEA-4168 application, the lease and Consent to Lien were signed by A. J. Williams and Hattie Gilkey, but in the DMEA-4658 application, they are signed by Lewie and Corinna Aldridge and Helen McBee.

We are prepared to reaffirm the recommendation for approval which was made in the DMEA-4168, if the property boundaries can ever be straightened out. Therefore we will reexamine this at an early date.

Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA

W. A. Beck
W. A. Beck, for V. J. Lynch
Member, Bureau of Mines

RAL/as
cc
Opr. Com. 2
Lynch
Shirley
Files

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 28 1957

DATE	INITIALS	CODE
3/28	C	220
		600

March 26, 1957

Mr. J. A. Duncan
Duncan & Smith Mining Co.
Marion, North Carolina

Re: DMEA 4658 (Mica)
Duncan & Smith Mining Co.
Littles Mine
Ashe County, N. C.

Dear Mr. Duncan:

Your letter of March 11, 1957, furnished only part of the information requested in Mr. Mittendorf's letter of March 8. He requested a tie-in of the proposed DMEA work to a corner of the bounding tract. This was not given.

As you were one of the partners of the Littles Mining Co., who applied for aid on this same mine in 1956 (DMEA-4168), you will recall that the Applicant was unable to provide a satisfactory survey and description of the leasehold property.

Until these discrepancies can be straightened out, there is no advantage in making another examination of the mine. If you will provide us with a survey showing the boundaries of the leased property and the location of the proposed DMEA work tied to a corner of this property, we will be glad to continue processing the application and to reexamine the property if it seems desirable.

Our field examiners will call on you at Marion at the earliest opportunity in an effort to clarify the situation. Mr. Bergman is familiar with the mine, having examined it on March 13, 1956.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/as
cc
Opr. Com. 2
Laurence
Mach

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 14 1957

DATE	INITIALS	CODE
3/14	C	220
3/15	[illegible]	600

Marion, North Carolina
March 11,1957

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

Re: Docket No. DMEA-4658-Mica
Duncan & Smith Mining Co.
Littles Mine
Ashe County, North Carolina

Dear Sir;

In Answer to letter dated March 8,1957, we widh to submit the following;

Total acreage contained in first tract- 15 acres more or less.
Registered in Ashe county in Book T-3 of Deeds pages 347-348.
FIRST TRACT: Beginning on a chestnut, an old corner on a ridge and on east side of old mica diggins and running souyh 72½ east 32 poles to a sta ke and rock; south 12 east 20½ poles to a stake in ~~Fred Little's~~ the line of a large rock; North 82 east 56 poles to a stake in Fred Little's line; then north 9 east with said Little's line 26 poles to a Spanish Oak in Fred Little's line and George Sheet's corner; thence up the ridge and with George Sheet's line to the beginning.
These leases were drawn from a purchased mineral right sold to George A. Leer by Little.

Trusting this information will be sufficient for the Field Team and any assistance we ean give them we shall be happy to if notified when to expect them .

Youre very truly,

~~6666~~ L. A. Duncan

Duncan & Smith
Mining Co.

RECEIVED
MAR 12 1957
College Station
Lexington, Ky.

DMEA Form 7
(12-56)

600

OFFICIAL FILE COPY

Date	Surname	Code
3/7	Houk	600
3/8	Selledge	130
"	Johnson	110
"	Hutchesky	100
3/12	C	220
/		600

MAR - 8 1957

Duncan & Smith Mining Co.
c/o Mr. J. A. Duncan
General Delivery
Marion, North Carolina

Re: Docket No. DMEA-4658-Mica
Duncan & Smith Mining Co.
Littles Mine
Ashe County, North Carolina

Kiilsgaard
Bishop

Gentlemen:

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.

Please submit to this office the total acreage of the property within which the first tract of land is located, also state the book and page number of the recording in the county records. A tie from the proposed DMEA work to one of the corners of the bounding tract should also be given.

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,

C. O. Mittendorf (fw)

Administrator

LGHouk:gad 3/7/57
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/7	Houk	600
3/8	Selfridge	130
"	Johnson	110
"	Whittenberg	100
		220

600

MAR - 8 1957

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

Re: Docket No. DMEA-4658-Mica
Duncan & Smith Mining Co.
Littles Mine
Ashe 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 March 1 and 6, 1957, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed. There is also enclosed a copy of the application for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SHB)

Approved:

O. M. Bishop (SHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (SHB)
Member, Geological Survey

Enclosures 5

LGHouk:gad 3/7/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

March 6, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4658 (mica)

Applicant: Duncan and Smith Mining Co.

Name and Location of Property: Littles Mine, Ashe County, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 2/28/57

Comments:

1. Applicant states that there is much mica showing in shallow cuts exposing a 60-foot wide vein from which some good green mica has been produced in the past.

2. The field team believes this is the same prospect approved for an exploration contract under DMEA-4168, but was withdrawn because of lease boundary difficulties.

Recommendation:

Ascertain if this is the same prospect as DMEA-4168, and, if lease and boundary situation can be resolved an exploration contract is recommended. If this is a different prospect 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.

OFFICIAL MAIL
DMEA
RECEIVED MAR 8 1957

DATE		ACTIONS	CODE
3	6	C	220
			600

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

March 1, 1957
Re: DMEA 4658
Duncan & Smith Mining Co.
Littles Mine
Ashe County, North Carolina
$4,915.00 - Mica

Memorandum

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

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

Subject: Review of application

The Field Team believes the referenced property is the same as that of DMEA 4168. That application was withdrawn when it seemed questions of ownership and boundaries could not be resolved. A tentative work program had been recommended by the examiners.

Referral of the application to the Field Team for an up-to-the minute review of the boundary and ownership matters is recommended.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 4 1957

DATE	INITIALS	CODE
3/4	C	220
3/5	Houk	600

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

February 28, 1957

Duncan & Smith Mining Co.
General Delivery,
Marion, N. C.

Subject: DMEA-4658

Dear Mr. Duncan:

Your application for exploration assistance, dated February 25, 1957 submitted to our office at Knoxville, Tennessee has been assigned Docket Number DMEA-4658 and referred to the Non Metallics Minerals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: Region V
Code 600

5816

W. I. LITTLE
LEASE DISCRIBED IN APPLICATION
N
MAG 1957
FRED LITTLE 2ND TR.
GEO. SHEETS
TOP RIDGE 575'±
TRACE OF LITTLES NO. 1 PEGMATITE
FENCE LINE - POINTED OUT BY APPLICANT AS PROPERTY LINE
GENERAL POSITION OF PROPOSED WORK
MINING AREA
TRACE OF LITTLES NO 2 PEGMATITE
ALL FIELD TEAM TIE INS MEASURED FROM KNOWN MAPLE CORNER
FRED LITTLE
LONNIE LITTLE
SURVEY & PLAT OF PROP. ASHE CO. for DONCAN & SMITH. LESSEES
J. L. FIELD Lic SURVEYOR
1" = 100
5-2-57