DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE | Idm-E NO._____ | DMEA NO. 4879

21 APR 1958

Application
- [ ] Denied
- [ ] Withdrawn

Contract 1185
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified

- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [x] Closing Letter
- [x] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [X] Application and attachments

Right Side

7570

- [x] Project summary (final)
- [x] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [x] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 1 : Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

Folders No._____ : Maps (Use pocket folder or envelope)

Folders No._____ : Settlement Sheets

Folders No._____ : Drill Logs

Folders No._____ : Royalty material

17963

MEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/4	Anderson	600
3/5	Hook	600
3-5	Chambers	800
3/5	Selfridge	120
		110
3/6	C	220
		680

600

MAR 5 1959

Carolina Mining Company
c/o Mr. Roy H. Fouts
P. O. Box 314
Franklin, North Carolina

Re: Docket No. DMEA-4879-Mica
Carolina Mining Company
Ray-Liner Mine
Macon County, North Carolina
Contract No. Idm-E1185

Gentlemen:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

We appreciate your interest and participation in the DMEA exploration program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON (pk)

Acting Director

WCAnderson:gad 3/4/59
Copy to: Dir. R. File
Mr. Chambers
Region V
Mr. Kiilsgaard, USGS
Mr. Dietrich, USBM
Mr. & Mrs. L. B. Liner, Route #4, Franklin, N. C.
Mr. & Mrs. R. G. Ray, Route #4, Franklin, N. C.

8623

EA Form 7
12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/4	Anderson	600
3/5	Hirsch	600
3-5	Chambers	~~800~~
		110
		~~220~~
3/5	Jeffrey	120
		200

600

MAR 5 1959

Mr. & Mrs. R. G. Ray
Route #4
Franklin, North Carolina

Re: Docket No. DMEA-4879-Mica
Carolina Mining Company
Ray-Liner Mine
Macon County, North Carolina
Contract No. Idm-E1185

Dear Mr. and Mrs. Ray:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on April 21, 1958, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON (pt)

Acting Director

Enclosure

WCAnderson:gad 3/4/59
Copy to: Dir. R. File
Mr. Chambers
Region V
Mr. Kiilsgaard, USGS
Mr. Dietrich, USBM

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/4	Anderson	600
3/5	Hook	600
3-5	Chamb	~~220~~ 110
		110
		~~220~~
3/5	Selfridge	120
		220

600

MAR 5 1959

Mr. and Mrs. L. B. Liner
Route #4
Franklin, North Carolina

Re: Docket No. DMEA-4879-Mica
Carolina Mining Company
Ray-Liner Mine
Macon County, North Carolina
Contract No. Idm-E1185

Dear Mr. and Mrs. Liner:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on April 21, 1958, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

WCAnderson:gad 3/4/59
Copy to: Dir. R. File
Mr. Chambers
Region V
Mr. Kiilsgaard, USGS
Mr. Dietrich, USBM

8623

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of

Roy M. Foute and William Dismes
d/b/a Carolina Mining Company
P. O. Box 314, Franklin, North Carolina

pertaining to Exploration Project Contract No. Idm-E1185, DMEA No. 4879, for June 1958 and July 1958, inclusive, covering a mica project at the Ray-Liner Mine, Macon County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

all of the costs were under a contract provision for payment by the Government at fixed unit costs for work performed.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$2,816.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Accepted cost claimed by Operator		$2,816.00

The contract calls for a 75 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$2,112.00
Paid to date	1,122.00
Balance due Operator	$ 990.00

August 7, 1958

E. D. Talbert, Auditor

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

August 25, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 27 1958

DATE	INITIALS	CODE
8/27	C	220
8/27	Hrd	600

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V - Knoxville

Subject: Termination agreement - DMEA-4879, Idm-E1185(mica).
Carolina Mining Co., Franklin, N.C.
Ray-Liner Mine, Macon County, N. C.

Attached are the Government and Audit copies of the subject signed agreement.

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

V. J. Lynch

Government's copy

App'd. Col. Off
Anderson
Hook
Chandler
Selfridge
Johnson

TERMINATION AGREEMENT

It is agreed this 15th day of August, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and the Carolina Mining Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1185 (Docket No. DMEA-4879), dated April 21, 1958, hereinafter called the "Contract," that:

1. Effective July 25, 1958, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

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

4. All rights of the Government respecting Certification of Discovery or Development, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are preserved.

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

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

THE UNITED STATES OF AMERICA

By C. O. Mitterdorf
Administrator, Defense Minerals Exploration Administration

CAROLINA MINING COMPANY

By Roy H. Fouts (Partner)
Roy H. Fouts

By William Dinnes (Partner)
William Dinnes

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

OFFICIAL FILE COPY
MEA 3
RECEIVED 24 1958

5/23	V.G.	225
		245
5/28	Hawk	600

May 21, 1958

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville,

Subject: Signed Contract - DMEA-4879, Idm-E1185(mica) Roy H. Fouts & William Dinnes, d/b/a Carolina Mining Company, Franklin, N. C.

Transmitted are the Government and Audit copies of the subject signed contract.

The usual distribution of the other copies has been made.

D. Lynch for
Robert A. Laurence

Government's copy

MF-200A
(Rev. April 1956)

OFFICIAL FILE COPY
DMEA
RECEIVED 24 1958
MAY 21 1958
U. S. Contracted Survey
Contracts Div.

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

DMEA No.	Commodity	Contract No. Idm-E	County	State
4879	Mica	1185	Macon	North Carolina

It is agreed 21 APR 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Roy H. Fouts and William Dinnes, partners d/b/a/ Carolina Mining Company

whose mailing address is P. O. Box 314, Franklin, 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 MAY 30 1958, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 8 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 $6,016.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $4,512.00, 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: Royalty of 12½% of all sheet mica and 5% of all scrap mica recovered from the property, payable to 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:

(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.*—

.....

.....

.....

.....

.....

.....

Long
Sawyer
App'd. Sol. Off.
Anderson
Hoch
Chambers
Selfridge
Gibson

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C P Mitchell
Administrator, Defense Minerals
Exploration Administration

CAROLINA MINING COMPANY
(Operator)

By Ray N. Foote (Partner)

By William Simmes (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
CAROLINA MINING COMPANY
DOCKET NO. DMEA-4879

ANNEX I

The land referred to in Article 2 of the contract, outlined in red on the attached "Map No. 2," is a 8.7 acre tract known as the "Ray-Liner Mica Mine," situated in Macon County, North Carolina, and is more particularly described as follows:

> Beginning on a dogwood on the north bank of Moore Branch, and runs N. 16° W. 462 feet to a small hickory; thence N. 31°-30' W. 264 feet to a clump of small sourwood; thence N. 85° W. 231 feet to a hickory; thence S. 7° W. 200 feet; thence N. 75° W. 190 feet; thence S. 15° W. 210 feet to a stake on the top of knob Collins' corner; thence S. 49° E. 330 feet to a stake; thence S. 26° E. 99 feet to a white oak; thence S. 30° E. 379.5 feet to a stake at the branch; thence down the branch with its meanders 528 feet to a dogwood, the beginning corner.

The above-described 8.7 acre tract is a portion of a larger 10 acre tract in the possession of the operator by virtue of a lease dated November 8, 1957, from the owners, L. B. Liner and wife, Tressie Liner, and R. G. Ray and wife, Lillie Ray.

A Consent to Lien and Subordination Agreement, executed by T. B. and Tressie Liner and R. G. and Lillie Ray is attached and made a part hereof.

EXPLORATION PROJECT CONTRACT
CAROLINA MINING COMPANY
DOCKET NO. DMEA-4879

EXHIBIT A

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on map No. 1, entitled "Ray-Liner Mine, Macon County, North Carolina, DMEA-4879 - mica," attached hereto and made a part hereof.

The work is divided into two stages. The Operator shall complete Stage I, and shall perform as much of the Stage II work as is approved in writing in advance by the Government.

Stage I

Expose contacts and sections across the south pegmatite by excavating hand trenches approximately 2 feet wide by 1½ feet deep. After trenching on the south pegmatite has been completed, excavate by hand to delineate the north pegmatite. A total of 400 cubic feet of excavation is allowed for this stage, of which, not in excess of 100 cubic feet may be used to delineate the north pegmatite.

Stage II

1. 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 securely locked with the equivalent of a 5-tumbler jarproof lock.

2. From the most favorable site as determined by the hand trenching in Stage I, and with the prior approval of the Government, sink a two-compartment vertical or inclined shaft, a distance of not more than 60 feet.

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

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 work shall be performed on the pegmatite or in as close proximity thereto as possible.

The locations, inclinations, directions, and extent of all work are subject to the approval of the Government.

ESTIMATED COSTS OF THE PROJECT

Fixed Unit Costs

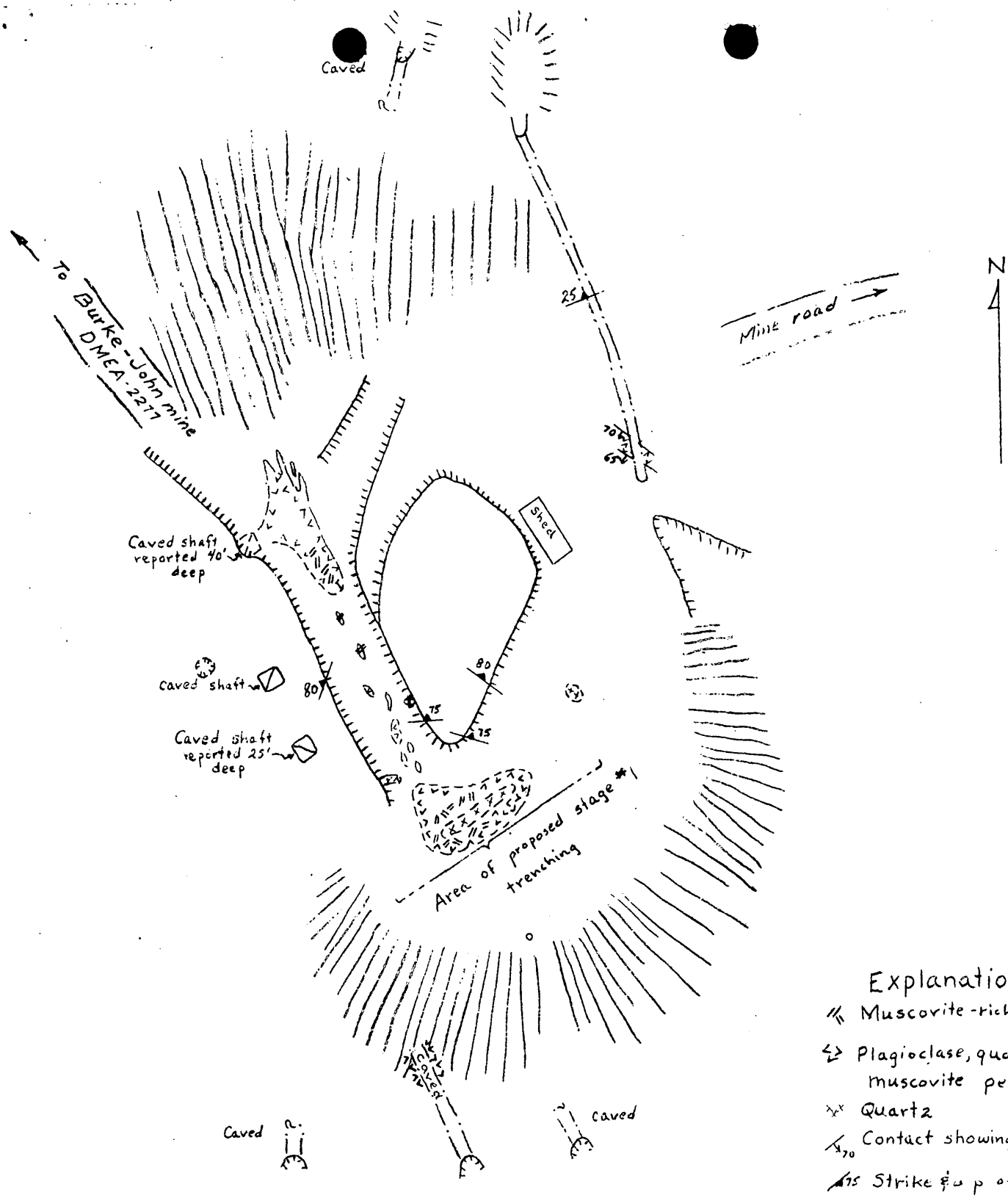
Stage I

Excavate 400 cubic feet of hand trench @ $0.15/cubic foot.		$60.00	

Stage II

1.	Construct - Toolhouse 1/	$76.00		
	Powder magazine 1/	25.00		
	Exploder magazine 1/	15.00	$116.00	
2.	Sink shaft - 60 feet @ $44.00/ft.		$2,640.00	
3.	Drift and/or crosscut - 100 feet @ $32.00/ft.		$3,200.00	
	Estimated Total Cost of Project			$6,016.00
	Government participation @ 75%			4,512.00

1/ The completed work constitutes the unit.



Explanation

- Muscovite-rich pegmatite
- Plagioclase, quartz, muscovite pegmatite
- Quartz
- 70 Contact showing dip
- 75 Strike & dip of foliati
- Underground working
- Edge of open cut
- Dump

MAP NO. 1

Ray-Liner Mine

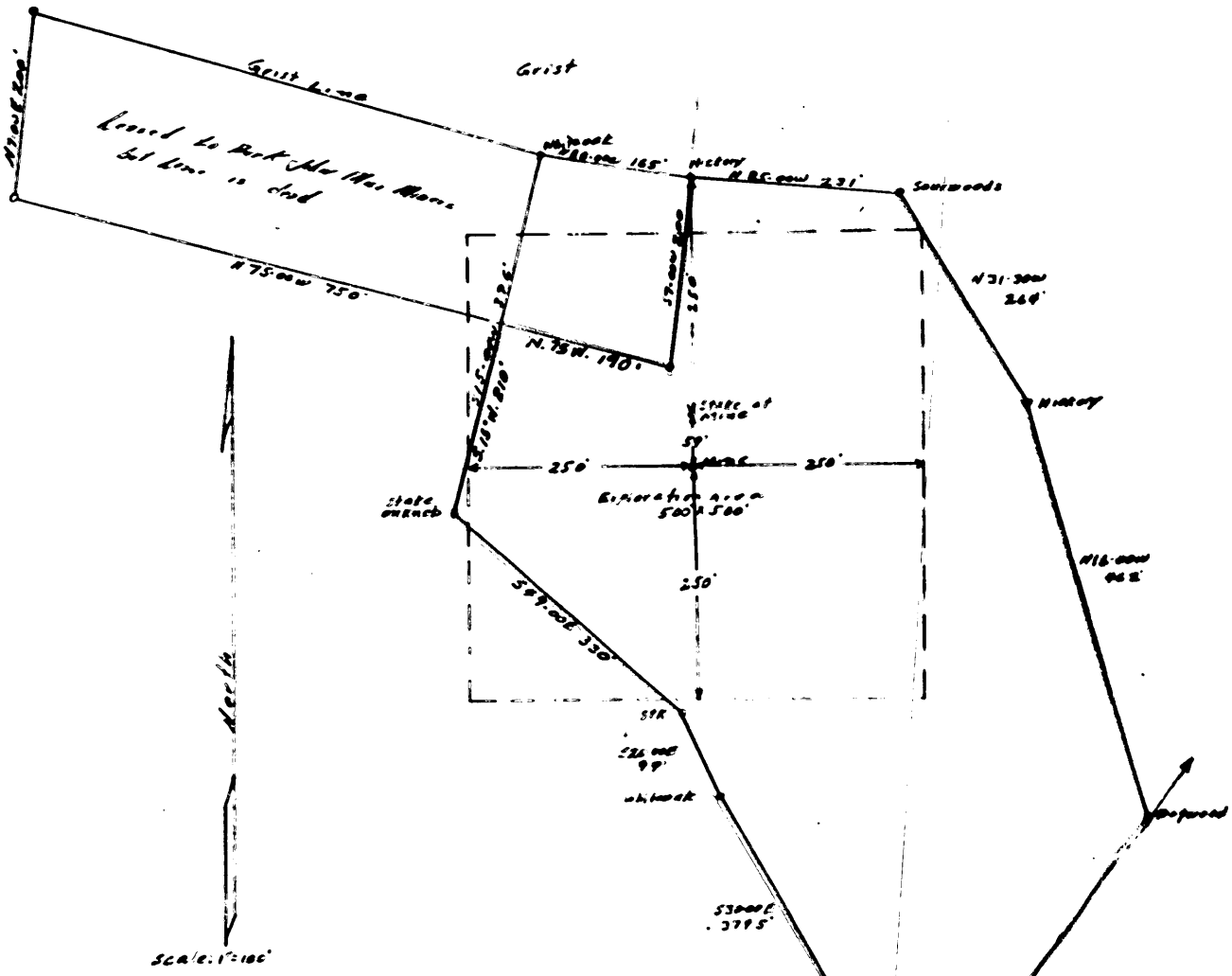
Macon County, North Carolina

DMEA-4879-mica

Scale

0 20 40 feet

FGL 2/58



MAP NO. 2
RAY-LINER MICA MINE
CAROLINA MINING COMPANY
MACON & JACKSON, N.C.
DMEA # 4079

MF-205
(Combines and supercedes MF-2[illegible] and MF-203)
June 1956

For Government's Use Only
EXPLO[illegible]ION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1185
Contract Date 21 APR 1958

RECEIVED MAY 23 1958 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 Macon, State of North Carolina, described as follows: 2/ Beginning on a dogwood on the north bank of Moore Branch, and runs N. 16° W. 462 feet to a small hickory; thence N. 31-30' W. 264 feet to a clump of small sourwood; thence N. 85° W. 231 feet to a hickory; thence S. 7° W. 200 feet; thence N. 75° W. 190 feet; thence S. 15° W. 210 feet to a stake on the top of knob Collins' corner; thence S. 49° E. 330 feet to a stake. Thence S. 26° E. 99 feet to a white oak; thence S. 30° E. 379.5 feet to a stake at the branch; thence down the branch with its meanders 528 feet to a dogwood, the beginning corner

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.)

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 [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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: _____ (State "None" or "See Annex No.____")

Dated this _____ day of 21 APR 1958, 195__.

R. G. Ray	[Seal]	Franklin, N.C. R#4	[Address]
Lillie Ray	[Seal]	" "	[Address]
L. B. Liner	[Seal]	Franklin N.C. R#4	[Address]
Tressie Liner	[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]

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 13 1958
DATE | INITIALS | CODE

NORTH CAROLINA
MACON COUNTY

THIS CONTRACT, Made and entered into this the 8th day of November, 1957, by and between L. B. LINER and wife TRESSIE LINER, and R. G. RAY and wife LILLIE RAY, of Macon County, North Carolina, parties of the first part, and ROY FOUTS and WILLIAM DINNES, Trading and Doing Business as Carolina Mining Company, parties of the second part,

WITNESSETH:

THAT WHEREAS, the parties of the first part are the owners of the mineral rights and mining privileges in the following described land, towit:

> BEGINNING on a dogwood on the North bank of Moore Branch, and runs North 16 West 28 poles to a small hickory; then North 31½ West 16 poles to a clump of small sourwood; then North 85 West 14 poles to a hickory; then North 80 West 10 poles to a white oak in M. D. Billings' line; then South 15 West 24 poles with Billings' and U. S. Government line to a stake on top of knob, Collins' corner; then South 49 East with Collins' line 20 poles to a stake; then South 26 East 6 poles to a white oak; then South 30 East 23 poles to a stake at the branch; then down the branch with its meanders 32 poles to a dogwood, the BEGINNING corner, containing 10 acres, together with all the rights and privileges described in the deed from Fred Willis and wife and J. M. Willis, to H. G. Duvall and wife Donnie Duvall, dated February 9, 1943, and recorded in Deed Book H-5, page 523.

That subject to the terms and conditions hereinafter set forth the parties of the first part do hereby let and lease unto the parties of the second part the exclusive right and privilege to mine, dig, mill, process and remove all the mica now in, under, or upon said above described tract of land.

The terms and conditions of this lease are as follows:

1. The duration of this lease shall be three years from the date hereof.

2. As rental the parties of the second part agree to pay to parties of the first part a royalty of 12½% of all sheet mica and 5% of all scrap mica removed from said property, said royalties to be paid monthly between the first and fifteenth of each month for all mica removed during the preceeding month.

3. The parties of the second part agree to keep a correct and itemized record of all operations and transactions under this lease and of all mica removed and sold, and said records may at any time be inspected by parties of the first part or their agents.

4. It is agreed that the parties of the second part will commence operating said mine within ninety days from this date.

5. It is further agreed that should parties of the second part fail to operate said mine for as long as three consecutive months, and for as much as one hundred twenty days a year, or should they fail to begin operations within ninety days from this date, then this lease shall be null and void.

6. It is further agreed that should the parties of the second part fail to pay any royalties as above agreed upon, or fail to fulfill any other terms of this agreement, the samd shall be null and void and shall be terminated.

7. It is understood and agreed that so long as this lease remains in force and effect the parties of the second part shall have all rights and privileges conveyed to the grantees by deed from H. G. Duvall and wife Donnie Duvall recorded in Book Y-5, page 196, and by deed from Donnie Duvall recorded in Book F-6, page 483.

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

R. G. Ray (SEAL)

Billie Ray (SEAL)

L B Liner (SEAL)

Tressie Liner (SEAL)

Roy N. Faulk (SEAL)

William Quinnes (SEAL)

Trading and Doing Business as
Carolina Mining Company

NORTH CAROLINA
MACON COUNTY

I, Cecile Gibson, a Notary Public of Macon County, North Carolina, hereby certify that personally appeared before me this day L. B. LINER and wife TRESSIE LINER, and R. G. RAY and wife LILLIE RAY; and ROY FOUTS and WILLIAM DINNES, Trading and doing business as Carolina Mining Company, who acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial seal, this 8th day of ~~November~~ January, ~~1958~~ 1958.

Cecile Gibson
Notary Public, Macon County, N. C.
My Commission Expires: Dec. 22, 1959

NORTH CAROLINA, Macon County.

The foregoing certificate of Cecile Gibson Notary Public of Macon County, State of N. C., attested by his/her notarial seal, is adjudged to be correct.

Let the instrument, with the certificates, be registered.

Witness my hand and official seal, this 8 day of January 19.58

Kate M. Wrenn
CLERK SUPERIOR COURT.

Mail to:

Carolina Mining Co
P. O. Box 314
Franklin

Filed for registration on the 8 day of January 19 58 at 11:45 o'clock A.M., and registered and verified in the office of the Register of Deeds for Macon County in Book No. T-6, Page 608.

This 8 day of January 19 58

Lake T. Shope
Register of Deeds for Macon County

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

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 18 1957

DATE	INITIALS	CODE

November 15, 1957

Memorandum

To: Operating Committee, DMEA, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region V

Subject: Application from Carolina Mining Company, Franklin, N. C.
Ray-Liner mine, Macon County, North Carolina (Mica)

Enclosed are the original and two copies of the subject application, received here today. We are keeping the fourth copy for our use.

In the transmittal letter, the Applicant stated that the lease and Consent to Lien will follow in a few days. We will forward them as soon as they are received.

Robert A. Laurence

Robert A. Laurence

Enclosures 3

Operating Committee

DMEA
RECEIVED NOV 18 1957
DATE | INITIALS | CODE

November 15, 1957

Carolina Mining Company
c/o Roy H. Fouts
Franklin, North Carolina

Dear Mr. Fouts:

Your application for aid in exploring for strategic mica at the Ray-Liner Mine in Macon County, North Carolina has been forwarded to our Washington office in accordance with established procedure.

I note that the lease and Consent to Lien will be forwarded in a few days, after recording the lease at the Court House.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region V.

Form MF–103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42–R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

CAROLINA MINING COMPANY
P.O. Box 314
Franklin, North Carolina

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA- 4879
Date Received: 11/18/57
Government Participation %:
Region: V
Division Code: 600

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [ ]
- Partnership [X]
- Other (Specify) [ ]

State in which firm is organized:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Roy H. Fouts,	Franklin, N.C.	Partner
William Dinnes,	Franklin, N.C.	Partner

Mineral(s) for which you wish to explore: Mica

Estimated Cost of Project: $ 8,500.00

LOCATION OF PROPERTY

Name	County	State
Ray-Liner	Macon	N.C.

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order–I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

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.

November 15, 1957
Date

CAROLINA MINING COMPANY
BY (Signature)

Partner
Title

RECEIVED
NOV 15 1957

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:* See Exhibit "A"

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and any land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:* See Exhibit "A"

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:* See Exhibit "A"

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:* See Exhibit "A"

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:* See Exhibit "B"

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:* See Exhibit "B"

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

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)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

Exhibit "A"

1. The legal description is a square carved out of a Deed, more particular described in the owners conscent to Lein enclosed. In a deed from Fred Willis and Wife and J.M. Willis, to H.G. Duvall and wife Donnie Duvall, dated February 9, 1943, and recorded in Deed Book H-5, page 523, Macon County, North Carolina. This later being transferred to L.B. Liner and Wife Tressie Liner, and R.G. Ray and wife Lillie Ray, of Macon County, North Carolina, who has leased to Carolina Mining Company, also enclosed.

   b. This prospect has been called the Duvall Mine and the Ray-Liner Mine, therefore; we are referring to it as the Ray-Liner hereafter.

   c. As far as we know there is no production available from this prospect, however; we have about 300 lbs of Mine run book recovered from dozing and prospecting which will be available for the DMEA to inspect, and location where same was obtained.

   d. There is no known ore reserves as we are contemplating exploration with the hope of developing same.

   e. The Pegmatite trends in a North east and southwesternly direction. The foliation of the country rock is about parallel. The country rock where we exposed is decomposed gneiss. The pegmatite consist of decomposed feldspar, highly weathered, quartz, clay, biotite, and muscovite. The muscovite was near the wallzone in the pegmatite exposed at a width of 12 feet. The mica very large 4x6 and 6x8 inches, but clay stained, however; very flat and not A or ruled, split very easly.

   No leins or mortgages against the property.

2. a. We have bulldozed a cut 15 feet wise and 20 feet deep about 100 feet across a medium slope parallel with the pegmatite and exposing it over an area of 50 feet long and 10 to 15 feet wide.

   b. This dozing was done by the applicant when hunting for a large scrap deposit. We pushed off an area about an acre exposing numerous deposit of scrap, but the above described pegmatite looked most promising with the quartz core and quality of mica.

3. a. This project is located within 1/4th mile from a good gravel road four miles from Franklin, N.C. and a dirt road leading upt to the mine. We will transport the DMEA representatives with a jeep for inspection of the prospect.

   b. Shipping point is 4 miles away in Franklin, North Carolina

4. We propose a 100' shaft of two compartment, manaway 2'x7' and

ha ulage way 5' x 5', timbered in a workman like manner with a staggered ladder every 12 feet, and platform.

On or about the 95 foot point we plant to drive a crosscut and/or drift 100 feet exploring the pegmatite.

In putting down the shaft we plan to stay on the pegmatite.

Exhisting pits, small shafts, bulldozing pitch and strike of the pegmatite that in the bulldozed cut indicated the proper place to put the shaft. This of coarse will be negotated with the DMEA Field Team.

b. No necessary roads will have to be built. Ample engress and ingress is provided.

Work can begin within 30 days from date contract is signed. This contract can be completed in six months or 150 shifts.

The reason we believe this operation will be a success is because it is located in a good Mica Belt, near the Iotla-Bowers and the Moody Mine. It has all the geological requirement of a productive mine. and the Pegmatite is sufficiently exposed to caculate a exploration program, which could be good or bad., but if carried out in a workman like manner and sta y on the pegmatite it is in our belief a good risk. Thickness in the pegmatite fran from lenses of a fraction of an inch to thick great masses up to 40 or 50 feet and appear to have formed a fra cture nearly uniform in thickness at this particular point up to 50 feet along the strike.

7. We are prepared to furnish our share of the cost of the preposed project in accordance with the regulation of Government participation stated in Sec. 7 of DMEA Order - L, Amended.

b. Some of the equipment we have, but have an equipment rental agreement with a reliable firm that will furnish us with anything that can be used in Mining. In this case we will furnish our share of the money.

This equipment can be had in a radius of 100 miles or less.

Exhibit "B"

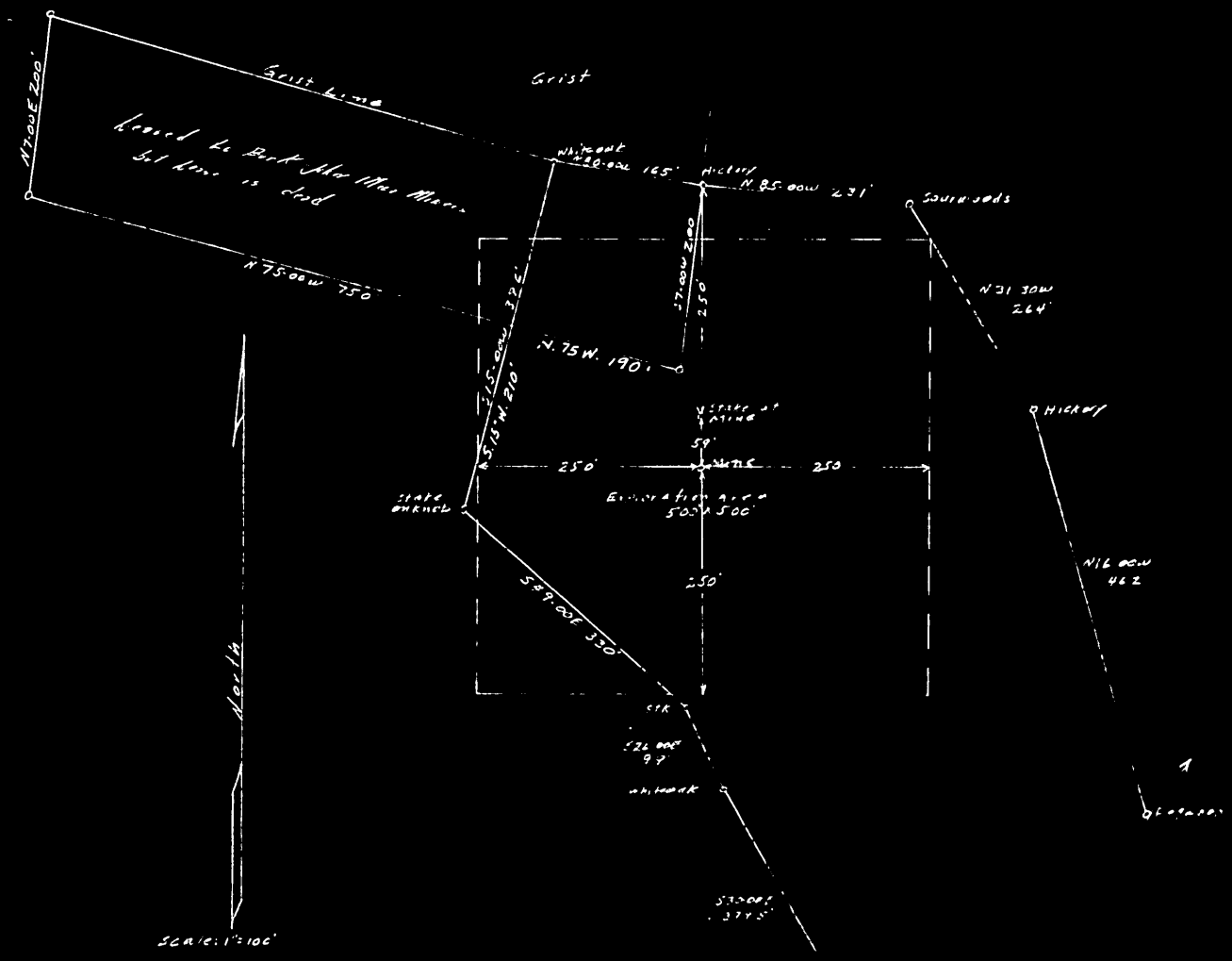
6. Estimate of Cost:

1. One hundred feet of shat @ $ 50.00 per foot-----$ 5,000.00
2. One hundred feet of Adit and/or crosscut or drift 3,500.00
$ 8,500.00

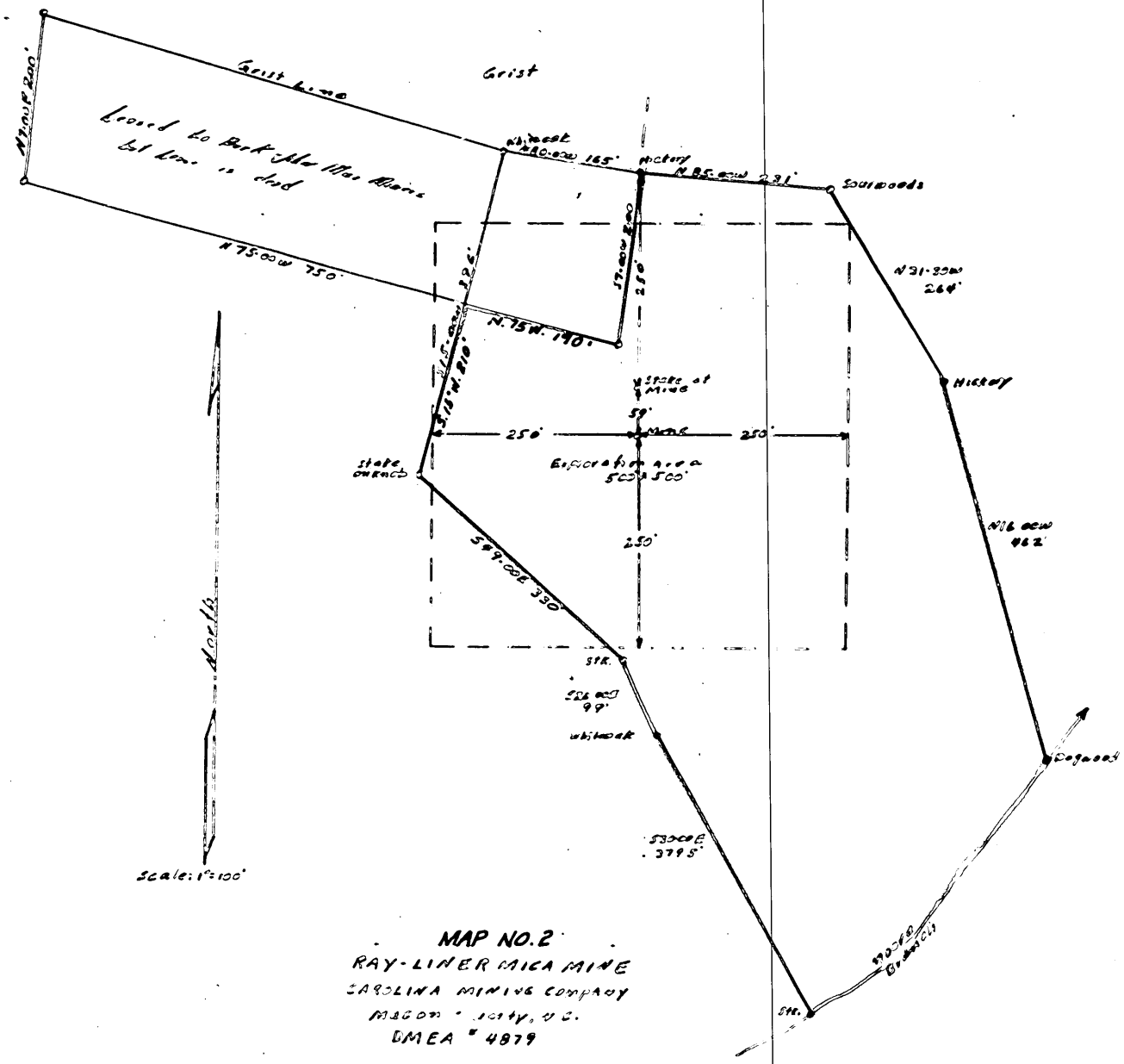
Mine Tool Shed----------	80.00	
Magazine for Dynamite ----------	35.00	
Magazine for Exploders----------	25.00	
Power Line (electric)----------	150.00	
Labor: Per shift Foreman----$ 12.00 Driller----- 10.00 Mucker------ 10.00 Hoist Opr.-- 8.00 $ 40.00		
$ 40.00 per shift and 150 shift to complete the Project----------	6,000.00	
Dya nmite & Exploders----------	675.00	
Drill Steel----------	290.70	
Mine Timber (sawed)----------	425.00	
Rental on Equipment----------	519.30	
	$ 8,500.00	$ 8,500.00

5. Experience:

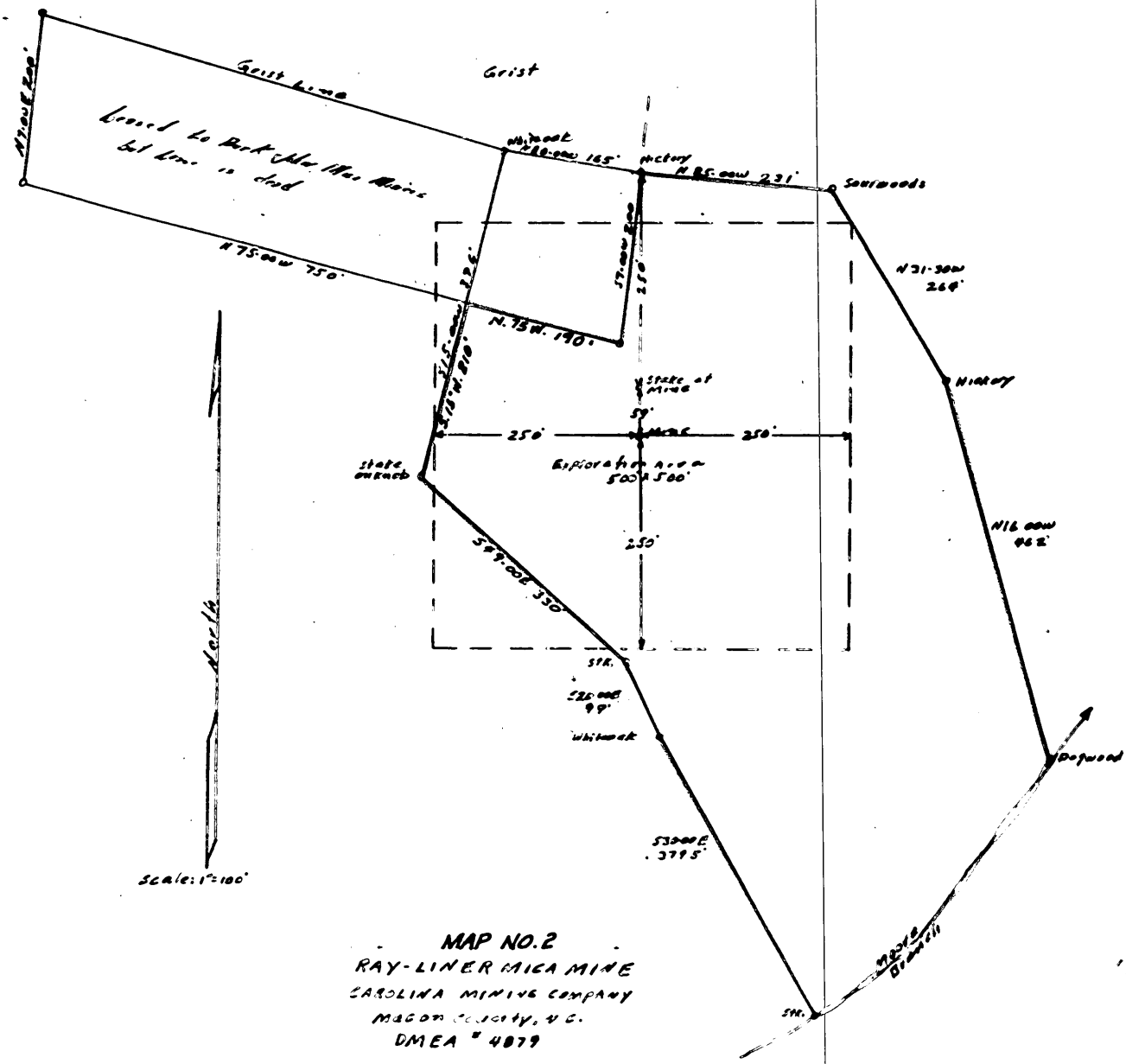
The applicant has participated in the Mica Program since its inception by the General Service Administration in supe rvising the mining, extraction, and prepairing Mica for market. We are familiar with the DMEA Program and participated in same. J.D. Franks of Jackson County, North Carolina will supervise the operation.



MAP NO. 2
KAY-LINER MICA MINE
LMEA # 4879



MAP NO. 2
RAY-LINER MICA MINE
CAROLINA MINING COMPANY
MACON COUNTY, N.C.
DMEA # 4879



MAP NO. 2

RAY-LINER MICA MINE

CAROLINA MINING COMPANY

MACON COUNTY, N.C.

DMEA # 4879

DMEA [redacted]m 1

DEFENSE MINERALS EXPLORATION ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMEA Docket No. 4879

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in the Docket, Mails and Files Branch. Any movement of this document between divisions or offices in DMEA or movement outside DMEA must be recorded in the Docket, Mails and Files Branch, and therefore, the document must be routed through that Branch.

7570

Copies sent to:

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Routing Slip

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To:	130	Date	1-14-58
To:	110	Date	1-15-58
To:	100	Date	1-15-58
To:	225	Date	1-15-58
To:	Anderson	Date	2/25
To:	130	Date	2-27-58
To:	110	Date	2-28-58
To:	100	Date	2-28-58
To:	225	Date	2-28-58
To:	130	Date	4-18-58
To:	110	Date	4-21-58
To:	100	Date	4-21-58
To:	225	Date	4-21-58
To:	130	Date	8-14-58
	110		8-15-58
	100		8-15-58
	225		8-15-58

DO NOT DETACH

CONTROLLED DOCUMENT

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/4	Anderson	600
3/5	Hoch	

600

Project Summary Report

By: Walter C. Anderson March 4, 1959

1. Docket No. DMEA-4879-Mica
Contract No. Idm-E1185
Ray-Liner Mica Mine
Macon County, North Carolina

Application: Form MF-103 (February 1957) received November 18, 1957.

Work proposed by Applicant:

100 ft. of shaft @ $50/ft.	$5,000.00
100 ft. of drifts and/or crosscuts @ $35/ft.	3,500.00
Total amount requested	$8,500.00

Operator: Carolina Mining Company
Partners: Roy H. Fouts and William Dinnes
P. O. Box 314, Franklin, North Carolina

Operator's property rights:
Three year mining lease on the Liner and Ray property consisting of 10 acres, dated November 8, 1957.
Consent to Lien and Subordination Agreement, dated April 21, 1958.

2. Contract: Form MF-200A (April 1956) dated April 21, 1958

Work authorized:

Excavation - 400 cu.ft. of hand trench @ $0.15/cu.ft.	$ 60.00
Construction - toolhouse, powder and exploder magazines	116.00
60 ft. of shaft @ $44/ft.	2,640.00
100 ft. of drifts and/or crosscuts @ $32/ft.	3,200.00
Estimated total cost of project	$6,016.00
Government participation @ 75%	$4,512.00

Amendments: None

8623

Work completed:

Hand trench - 400 cu.ft. @ $0.15/cu.ft.	$ 60.00
Construction - toolhouse, powder and exploder magazines	116.00
60 ft. of shaft @ $44/ft.	2,640.00
Total accepted cost	$2,816.00
Government participation	$2,112.00

Work began May 15, 1958, and was terminated before completion on July 25, 1958.
Field Team's final report received October 20, 1958.
Operator's final report received August 4, 1958.
No equipment purchased under the contract.
100 pounds of mine-run mica produced during the contract period which was sold in the form of trim, punch, and scrap for $75.69, and for which a royalty of $3.78 was paid.

3. Audit: Report of Review issued August 7, 1958

Total accepted cost	$2,816.00
Government participation	$2,112.00

4. Certification of discovery - none issued.

5. Comments:

How conducted: All of the work in which the Government participated was acceptable.
Operation: Contract work done quickly and well.
Engineering: Reporting by Operator above average.
Geological premise: Although the target seemed small the favorable geology justified the exploration project. The pegmatite pinched out at shallow depth in the shaft, and no target for drifting was indicated.
Geological criteria upon which work was based:

1. Pegmatite - Two large and numerous small deeply weathered lenses. Strike length for 2 lenses - 45 and 35 feet. Zoned, consists of plagioclase, quartz, and muscovite. The country rock is a layered biotite-muscovite gneiss and schist.
2. Mica - Light brownish gray, clear and of good quality. Defects - clay and vegetable staining, waviness and edge cracking are minor.
3. Past production.

Criteria developed during project:

1. Pegmatite - Two bodies outlined, partly discordant.
   (a) Northern one 65 feet long containing books 8 inches across. This pegmatite was 45 feet long, 11 feet wide and only a few feet deep. Pegmatites consist of kaolinized feldspar, blocks of quartz up to 2 feet, and muscovite up to 8 inches across. At bottom of shaft only thin stringers of feldspar and quartz remain in weathered mica gneiss.

2. Mica - Books up to 8 inches in diameter, cracked, bent, and clay stained.
Future possibilities - None, pegmatite has probably been largely worked out.

Recommendations: The Field Team recommends no certification and because of the great depth of previous mining than was at first expected, no further exploration seems warranted. The Division of Nonmetallic Minerals concurs.

Walter C. Anderson
Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:gad 3/4/59
Copy to: Dir. R. File

☑ Audited 8/7/58

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 7-14-58
Incl. Voucher for 2-17-58

☐ Actual Cost

☑ Agreed Unit Costs

Name Carolina Mining Co.

State No. Car.

Commodity Mica

Docket No. 4879

Idm-E No. 1185

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	100 Ft.	$3,200.00			—
Raising					
Shafts	60 Ft.	2,640.00	60	2640.00	2640.00
Winzes					
Drilling (Specify)					
urface Excavation hand trench 400 c. ft. @ $0.15/c. ft.		$60.00		60.00	60.00
derground Excavation					
ads and Trails					
rating Equipment Purchased					
ace Rehabilitation & Repairs					
rground Rehabilitation					
Building, Improvements, etc.		116.00		116.00	116.00
(Specify)					
Totals		$6,016.00		2816.00	2816.00

Prepared by Walter C. Carlesson

71626

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

February 19, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED FEB 24 1959		
DATE	INITIALS	CODE
2/24	C	220
		600

Memorandum

To: Finance Officer, Region V - OME - Morris, Tennessee

From: Acting Executive Officer, OME - Region V

Subject: Royalty Payment - DMEA-4879, Idm-E1185-mica. Carolina Mining Co., Ray-Liner Mine, Macon County, North Carolina

Transmitted is a check no.71, dated February 17,1959 in the amount of $3.78 for royalty on the subject contract. Also attached is a letter from the Operator setting out the sales of the mica.

V. J. Lynch

sm.
cc
F. Johnson
Lynch
Files

Southern Vermiculite Company

VERMICULITE PRODUCTS
MINERS - MANUFACTURERS - PROCESSORS

General Office and Plant
Franklin, North Carolina
Telephone 720

OFFICIAL FILE COPY
O. M. Z.
RECEIVED FEB 24 1959
DATE | INITIALS | CODE

February 17, 1959

Mr. Robert A. Laurence
Executive Officer, OMZ
Region V
Room 2-B Post Office Building
Knoxville, Tennessee

Dear Mr. Laurence: Re: DMBA-1575, Item 1155-Mica
Carolina Mining Company
Ray-Liner Mine
Macon County, North Carolina

The following is a statement of the disposition of mica sold from the Ray-Liner Mine during the exploration contract.

Mine Run Mica------ ------- ----------100 lbs

50 lbs of Punch @ 6¢ per lb.----- 3.00

3 lbs of 5½ & 6 averaged 10.00---30.00

1 lb No. 4---------- ----- - - 40.00
75.00

Scrap46 Lbs @ 1.5¢ per--------- .69
Total--- 75.69

5% of 75.69 is ---- ---------- $ 3.78

I am very sorry this was an oversight, and I was out of town when your letter came or I would have replies sooner.

Best personal regards, I am

Yours very truly,

Roy V. Fouts

ROY V. FOUTS

RECEIVED
FEB 19 1959
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

February 6, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED FEB 9 1959		
DATE	INITIALS	CODE
2-9	C	220
2/10	[illegible]	600

Mr. Roy H. Fouts
P.O. Box 314
Franklin, North Carolina

Re: DMEA-4879, Idm-K1185-mica
Carolina Mining Co.
Ray-Liner Mine
Macon County, North Carolina

Dear Roy:

A total of 100 pounds of mine-run mica was reported by our Field Examiners to have been produced from the Ray-Liner mine during exploration under the subject contract.

We will appreciate having a statement from you regarding the disposition of this mica. If it was sold either as sheet or scrap mica, a royalty is due the Government.

Please advise us regarding this matter at your earliest convenience.

Sincerely,

Robert A. Laurence
Executive Officer, OME
Region V

RAL/xm
Opr. Com-2
Lynch
Files

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/29	Anderson	600
2/2	Houk	600
2/3	[illegible]	130
"	Johnson	110
2/4	C	220
		600

600

FEB 4 1959

Mr. Robert A. Laurence
Executive Officer, OME
Field Team, Region V
Room 2-B, Post Office Bldg.
Knoxville 2, Tennessee

Re: Docket No. DMEA-4879-Mica
Carolina Mining Company
Ray-Liner Mine
Macon County, North Carolina
Contract No. Idm-E1185

Dear Mr. Laurence:

According to the Field Team's final report of October 17, 1958, there was recovered about 100 pounds of mine-run mica of uncertain value during the period of the subject contract.

Before we write the closing letter, which is due on February 1, 1959, we will appreciate receiving a report on the value and disposition of this recovered mica.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/6)

Approved:

H. G. Iverson (2/6)
Member, Bureau of Mines

N. E. Nelson (2/6)
Member, Geological Survey

WCAnderson:gad 1/28/59

Copy to: Dir. R. File
Operating Committee
Mr. Kiilsgaard
Mr. Dietrich
Mr. Houk

8623

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 29 1958

DATE	INITIALS	CO
10/29	C	220
10/31	Hoch	600

October 28, 1958

Memorandum

To: Nonmetallic Minerals Division
Office of Minerals Exploration

From: Acting Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4879 (mica)

Applicant: Carolina Mining Co., (Roy H. Fouts et al.)

Name and Location of Property: Ray-Liner Mine, Macon County, N. C.

Contract Number: Idm-E 1185

Date of Field Team Final Report: 10/17/58

Date Rec'd. by Branch of Ceramic and Fertilizer Materials: 10/22/58

Field Team Recommendation: Recommend that no certification be made.

Comments:

1. DMEA contract work consisted of bulldozing under Stage I and a 60-foot vertical shaft under Stage II.
2. Some 8-inch books of good mica were recovered.
3. Shaft ran into old workings below 45-foot level and the pegmatite pinched out between the 50-foot and 56-foot levels.
4. No target remained and the contract was terminated.
5. Expenditures -

Total approved	$6,016.00
Total cost	2,816.00
Government's share	2,112.00
Value of production	?

Recommendation:

I concur with the recommendation of the field team that no certification be issued.

Donald R. Irving

Donald R. Irving

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION
Office of Minerals Exploration
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 20 1958

DATE	INITIALS	
10/20	C	220
10/20	ea	130
"		110
10/24		130
10/24	C	220
		600

October 17, 1958

Memorandum

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

From: Field Team, OME, Region V, Knoxville, Tennessee

Subject: Final Report - DMEA-4879, Idm-E1185 - Mica
Carolina Mining Company, Franklin, North Carolina
Ray-Liner Mine, Macon County, North Carolina

Transmitted herewith are the original and two copies of the subject report.

Certification is not recommended.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 3

Reviewed by
OME OPERATING COMMITTEE
10-24-58
(date)

RECEIVED
OCT 20 1958
O.M.E.

DMEA EXPLORATION PROJECT

FINAL REPORT

DMEA-4879, Idm-E1185 - Mica

Operator: Carolina Mining Co. P.O. Box 314, Franklin, N.C.

Summary

Hand trenching as Stage I of a two-stage contract outlined two pegmatite bodies at the Ray-Liner mine. The southern one was a thin flat-lying body that contained a quartz core and mica in books 8 inches across. The northern one was 65 feet long and dipped steeply to the west. It also contained books 8 inches across. A vertical shaft was sunk 60 feet near the footwall of the northern pegmatite. Percussion drilling from the west wall of the shaft indicated the presence of muck-filled old workings to below the 45-foot level. The pegmatite pinched out between the 50-foot and 56-foot level. Because no target remained the contract was terminated. We recommend that no certification be made. No further exploration is warranted.

Introduction

Location: The Ray-Liner mine is on the nose of a low ridge just west of Poindexter Branch and 3.05 miles N61°W of the Courthouse in Franklin, Macon County, North Carolina (Franklin, N.C. Quad. TVA 1:24,000). The mine is about 350 feet southeast of the Burke-John mine (DMEA-2277) and can be reached by four-wheel drive vehicles up a rough mine road from the graded road along Poindexter Branch.

History: The low nose-like ridge on which the Ray-Liner is located has numerous short adits, prospect pits and caved shafts. At least 3 shafts, 5 adits and a bulldozer open cut were dug before the contract work. The earliest work was a shallow shaft sunk by Bill Fouts between 1928 and 1938. Fred Willis, Chalmers Mashburn and John Tallent at various times sank several shafts and drove several adits. Except for one long unproductive adit

Field Team Final Rpt.

Reviewed by
10-24-58

north of the target area all of these old workings are inaccessible.

Contract Work

Work under a two-stage contract, DMEA-4879, Idm-E1185, began May 15, 1958 and was terminated July 25, 1958. In the bulldozer cut made by the Operator before the contract work, 11 shallow trenches were dug by hand across the partly exposed pegmatite bodies. In all 540 cu. ft. of material was excavated; 140 cu. ft. at the Operator's expense. The southern pegmatite body seemed to be small and shallow, but the northern one was larger and contained good mica. Stage II was authorized and a toolhouse, powder magazine and exploder magazine were built. The steep bank west of the shaft site was cut back by the Operator at his expense, and the southern pegmatite was removed by bulldozing. In the northern area a vertical shaft was collared on the pegmatite footwall and sunk 60 feet. At about the 16-foot level the pegmatite dipped southwest out of the shaft, but because of the presence of unexpected old, back-filled workings, the shaft was kept vertical. Back-filled workings were encountered by drilling at the 27-foot level and these continued downward to below the 45-foot level. Between the 45-foot level and the 50-foot level the old works bottomed, but the pegmatite thinned and also bottomed. A 10-foot drill hole at the 56-foot level encountered only gneiss. Termination was recommended because of the lack of a target for drifting.

The presence of old workings to such a depth was not suspected before shaft sinking, because old miners in the area who were questioned by the Operator reported that the deepest shaft was 40 feet or about 20 feet below the floor of the bulldozer cut. The small dumps around the adits also did not indicate extensive workings.

The contract work was done quickly and well.

Geology

The hand trenching at the Ray-Liner mine indicated two partly discordant pegmatite bodies 45 and 65 feet long and several small lenses 20 feet or less in length. The southern large pegmatite was about 45 feet long, 11 feet wide, and only a few feet deep. It had a small quartz core near the north end and contained books of mica up to 8 inches in diameter. The mica was cracked, bent, and clay stained. Bulldozing by the Operator after the hand trenching has removed nearly all of this pegmatite.

The northern pegmatite has a strike length of about 65 feet. It strikes N20°W and dips steeply southwest. It contains kaolinized feldspar, blocks of quartz up to 2 feet, and muscovite up to 8 inches across. The mica at the surface is clay-stained. A drill hole from the shaft near the 50-foot level showed that the pegmatite thinned to a width of 3 feet.

At the bottom of the shaft only thin stringers of feldspar and quartz remain in weathered mica gneiss. Foliation in the gneiss

strikes N60°E and is vertical.

Production and Reserves

The Operator reports a recovery of about 100 pounds of mine-run mica. Much of this probably came from the bulldozing during shaft preparation. Because of the presence of old works down to nearly the bottom of the pegmatite it can be assumed that no significant reserves remain.

Recommendations and Conclusions

We recommend that no certification be made. No reserves of mica were proved from the work done and the pegmatite has probably been largely worked out. Because of the greater depth of mining than was at first expected and the large number of openings in the area no further exploration seems warranted.

Expenditures.

Total approved	$6,016.00
Total cost	2,816.00
Government's share	2,112.00
Government's share unexpended	2,400.00
Value of production	?

October 17, 1958

F. G. Lesure, Geologist
Geological Survey (OME)

S. A. Feitler, Mining Engineer
Bureau of Mines (OME)

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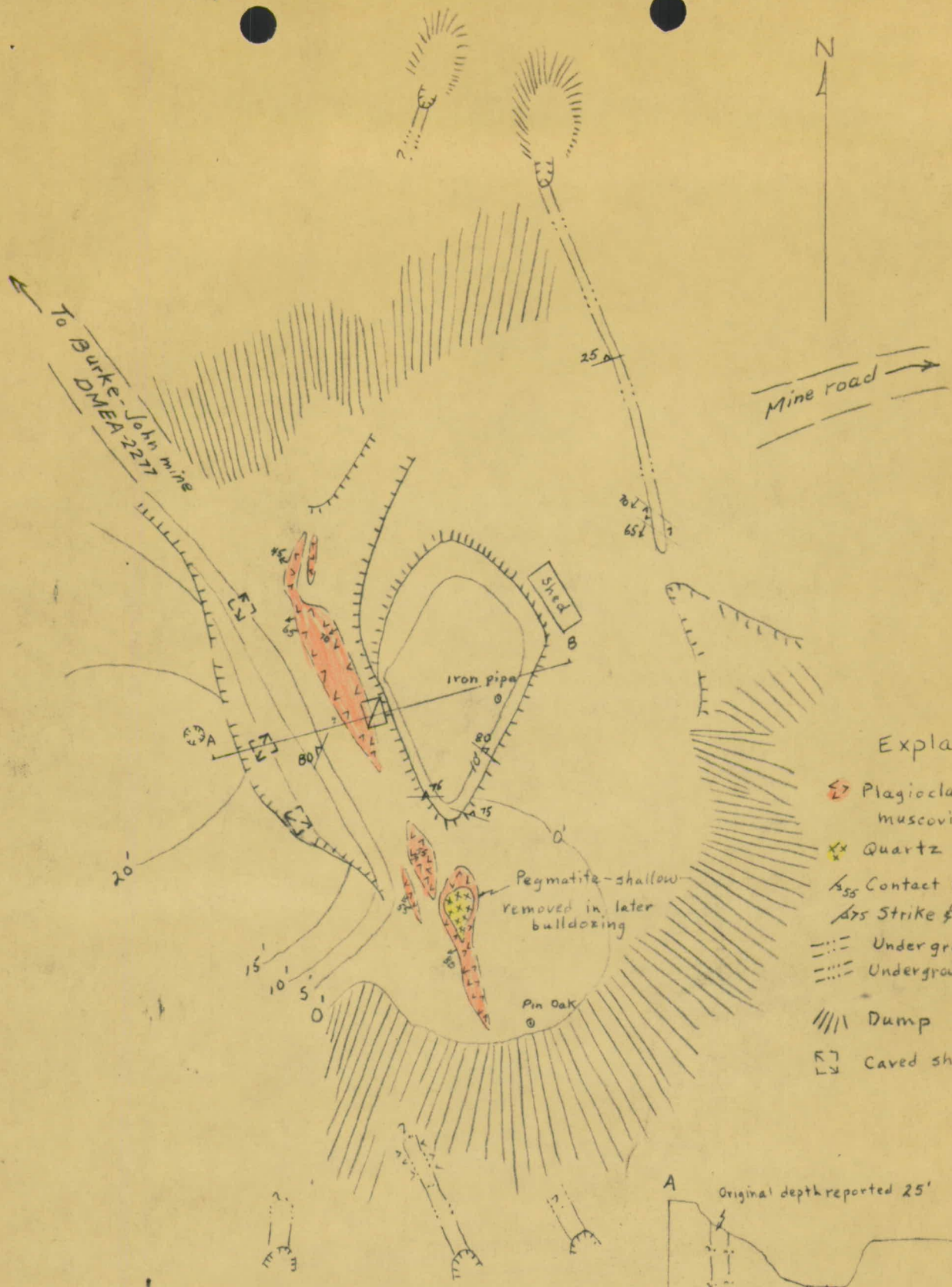
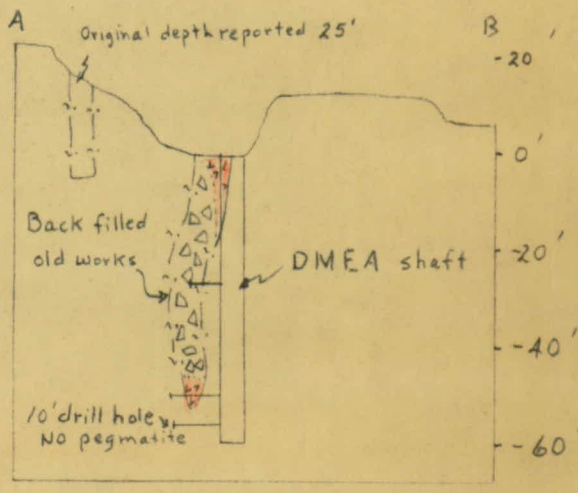
OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 20 1958

DATE	INITIALS





Section AB

Ray-Liner Mine

Macon County, North Carolina

DMEA-4879 mica

Scale

0 20 40 Feet

FGL 1/58

Form 7
-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Anderson	600
8/12	Houk	600
8-13	Chambers	800
8/15	[illegible]	130
"	Johnson	110
"	Pontenter	100
8/18	H.g.	220
		600

600

AUG 15 1958

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

Re: Docket No. DMEA-4879-Mica
Carolina Mining Company
Ray-Liner Mine
Macon County, North Carolina
Contract No. Idm-E1185

Dear Mr. Laurence:

Pursuant to the Field Team recommendation in memorandum of July 30, 1958, we have prepared the enclosed original and four copies of a proposed termination agreement signed by the Administrator for the Government. Two extra copies are enclosed for the use of the Field Team.

If the proposed termination agreement meets with your approval, present it to the Operator for execution. If any part of this agreement does not have either your approval or that of the Operator, and cannot be amended within your delegated authority, then the original and all copies are to be returned to this office, together with the proposed changes for consideration.

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

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JLB)

Approved:

P. F. Yopes (JLB)
Member, Bureau of Mines

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

Enclosures 7

WCAnderson:rsi 8/12/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Form MF-10? (Rev.)
(Apr. 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1958 Docket No. DMEA 4879 Contract No. E-1185
Operator's Name CAROLINA MINING COMPANY Minerals MICA
Address P.O. Box 314
Contract Amount, $ 4,512.00 Government Participation: 75 % Amount, $ 6,016.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
~~Bulldozing~~ shaft sinking	1320.00	1320.00	2640.00			
Crosscutting						
Drifting						
Excavate	none	60.00	60.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	none	116.00	116.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1320.00	1496.00	2816.00	1320.00	1496.00	2816.00

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

Date 8/31/58 *Payee CAROLINA MINING COMPANY

Per Roy N. Fouts Title Partner

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

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

(Instructions on reverse)

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

$ 990.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date AUG 12 1958 Vou. No. 25
(See other side)

2+ f T 7/25 330.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E1185 in accordance with the terms of the contract.

Signature S. Heitler Title MINING ENGINEER ~~U. S. BUREAU OF MINES~~ Date AUG 12 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER ~~DMEA REGION V~~ Date AUG 12 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April [illegible])

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 8 Docket No. DMEA 4879 Contract No. E-1185
Operator's Name CAROLINA MINING COMPANY Minerals Mica
Address P.O. Box 314, Franklin, North Carolina

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts sinking	Ft	1320.00	30	2640.00	60	44.00	60	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Excavate	Cu Ft	none	none	60.00	400	15¢	400	15¢
TOTAL DISTRIBUTED COSTS		1320.00		2700.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		none		116.00				
TOTAL COSTS		1320.00		2816.00				

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

Date 7/31/58 Operator CAROLINA MINING COMPANY

Per [signature] Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

[signature]
MINING ENGINEER
U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

NARRATIVE REPORT
July 1958

CAROLINA MINING COMPANY
P.O. Box 514
Franklin, North Carolina

Contract No. Idm-E-1185
DMA 1979 - Mica
Ray-Linor Mine
Macon County, N.C.

Daily Report

Description of Work

Completed said contract on shaft sinking, timbering same according to specification, but finding no pegmatite which in our opinion will justify exploring by driving from or near the bottom of shaft, drift or crosscut for a distance of a 100 feet which we had anticipated, and been provided for in said contract.

July 1, 1958 - Bulldozed muck from top of shaft where it had been dumped.
Had trouble with hoist.
Mucked, and put in two rounds of timber.

July 2, 1958 - Mucked and timbered, putting in four rounds of timber.

July 3, 1958 - Extended the ladder in manway, and worked on the portion between the manway and the ore shaft.

July 4, 1958 - Mucked.

July 7, 1958 - Drilled one hole in center of shaft and blasted using two sticks of dynamite. Mucked.

July 8, 1958 - Done extension drilling locating pegmatite four feet west of shaft, but spent the rest of the day drilling for a pegmatite on North side of shaft south side of shaft and east side of shaft. These holes reached twelve feet going in each direction.

July 9, 1958 - Mucked and put in timber.

July 10, 1958 - Mucked and put in timber. Would write for extens for drilling which begin carries on every five feet of sinking.

July 11, 1958 - Worked on manway, mucked and timbered.

July 12, 1958 - Mucked.

July 14, 1958 - Timbered and mucked. Drilled two rounds and blasted.

July 15, 1958 - Mucked. Dozed muck away from shaft with bulldozer

July 16, 1958 - Did extention drilling on or about the fifty-five foot point. The pegmatite had narrowed down from around four or five feet to three feet. Up five feet about this point around the 50 feet point this same condition occurred.

July 17, 18 July 19. Mucked, timbered and sunk to 60 feet.

July 21. Completed 60 feet and don extention drilling but found no pegmatite.

July 24, 1958 Pumped the water out, inspected same with field Team

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

August 1, 1958

DMEA
RECEIVED AUG 4 1958

DATE		CODE
8/4	C	220
8/6		800
		600

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Operator's Final Report. DMEA-4879, Idm-E1185(mica). Carolina Mining Company, Franklin, North Carolina Ray-Liner Mine, Macon County, N.C.

Attached are the original and two copies of the subject report.

Robert A. Laurence

Robert A. Laurence

z

Operator's Final Rpt.

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. 325	W.G.	8/28
2. 110	[illegible]	4
3. 600		
4.		
5.		
FROM:		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate

____ Comment ____ Recommendations ____ Surname

____ Conference ____ Rewrite ____ Signature

____ Instructions ____ Your information ____ File

REMARKS:

INT.-DUP. SEC., WASH., D.C.

M25803

ENGINEERING AND GEOLOGICAL REPORT

CAROLINA MINING COMPANY
P.O. Box 314
Franklin, North Carolina

Contract No. Idm E-1185
DMEA 4879 - Mica
Ray-Liner Mine
Macon County, N.C.

On or about May 30, 1958 subject was signed and work began for exploration for concentrations of strategic mica.

Since the work was divided in two stages we set out to completed stage one first, which results depended on stage two.

The contacts and sections were exposed across the south pegmatite by excavating by hand trenches approximately two feet wide and 1½ feet deep. By this method we moved 302 feet in this area, but a number of crosssection were cut in the peg. We moved over to the North Pegmatite and excavated around 98 to 100 cu feet in the same manner trying to expose the pegmatite in as many crosssection as possible.

After this was completed the Field Team came in and together we evaluated as best we could from what geology showing, and decieded to put the shaft more in the North pegmatite, and all indications indicated the South Peg was pinching out. A Large mass of quartz was very prominent, but the country rock indicated a wedge shape mass. The mica was in large quantities in the mica zone or chute, but was heavly stained. The best mica had been recovered from dozing near the surface.

After deciding to continue with stage II work began, after receiving authorization on June 9, 1958 from Mr. Robert A. Laurence.

Construction was completed by building a toolhouse, 10 feet by twenty feet, unfloored, with unfinished lumber with protective roof covering; and was equipped with jar proof lock and key. The powder and exploder magazines were boxed on all sides of 2-inch hardwood lumber, braced at the corners, no metal exposed, and doors securely locked with a 5-tumbler jarproof lock.

From what was believed to be the most favorable site determined by hand trenching which was in the Northernly section of the peg a two-compartment vertical shaft was sank to a depth of 60 feet.

The shaft was started vertical but was expected to incline had it been necessary to stay in contact with the pegmatite. Old work was near the surface; however, the shaft was sand vertical as we stayed in close proximity of the pegmatite as possible, which was about four feet away. Had we moved the shaft over four feet a 20 feet bank would have had to have been moved.

From about the forty-five foot point to the fifty foot point the pegmatite narrowed tothree foot or less and folded out. About 100 lbs of mine run mica was recovered, and it did not seem advisiable to continue any crosscut near the bottom.

EXTRA

NATIONAL FILE COPY

DMEA

RECEIVED 1958

DATE CODE

600

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

August 1, 1958

Memorandum

To: Jay L. Chambers, Director Contract Administration and Audit Division, DMEA

From: Executive Officer, DMEA - Region V - Knoxville, Tennessee

Subject: DMEA-4879, Idm-E1185 (mica) Carolina Mining Co., Franklin, N.C. Ray-Liner Mine, Macon County, N.C.

Work on the subject contract has been stopped pending approval of request to terminate by mutual consent.

The following units of work have been acceptably performed, as verified by our Field Examiners:

1)	Hand trenching, 400 cu. ft. @ 15¢	$60.00
2)	Construction of toolhouse	76.00
3)	Construction of powder magazine	25.00
4)	Construction of exploder magazine	15.00
5)	Shaft sinking, 60 ft @ $44/ft.	$2,640.00
		$2,816.00

An acceptable final geological and engineering report has been received.

A copy of the Operator's final (July '58) voucher is enclosed. A report of review is requested.

Robert A. Laurence

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/7	Talbert	800
8/8	C	220
		600

AUG 8 1958

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

Re: Docket No. DMEA-4879 (Mica)
Carolina Mining Company
Contract No. Idm-E1185

Dear Mr. Laurence:

Enclosed are the original and three copies of a Report of Review, as requested by your August 1 memorandum. Also enclosed is the Operator's final (July 1958) MF-104, which was submitted with your request.

If you concur with the facts as stated in this report, please make the usual distribution. If for any reason you do not concur, please return the original and all copies with your comments to this Division.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

EDTalbert/GMcC
August 7, 1958

cc: Docket
Admr. Reading File
Helen R. Miller
Mr. Chambers
Mr. Talbert

8623

DMEA
RECEIVED AUG 4 1958
8/5 C 220
600

August 1, 1958

Memorandum

To: Jay L. Chambers, Director Contract Administration and Audit Division, DMEA

From: Executive Officer, DMEA - Region V - Knoxville, Tennessee

Subject: DMEA-4879, Idm-E1185 (mica) Carolina Mining Co., Franklin, N.C. Ray-Liner Mine, Macon County, N.C.

Work on the subject contract has been stopped pending approval of request to terminate by mutual consent.

The following units of work have been acceptably performed, as verified by our Field Examiners:

1)	Hand trenching, 400 cu. ft. @ 15¢	$60.00
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		$2,816.00

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A copy of the Operator's final (July '58) voucher is enclosed. A report of review is requested.

Robert A. Laurence

RAL/mm
cc
Opr. Com.-2
Lynch
Files

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

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 1 1958

DATE	INITIAL	CODE
8-1	C	220
1	Com	100
"	FEG	110
8/4	[illegible]	800
8/5	[illegible]	600

FT Memo
7/30

July 30, 1958

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4879, Idm-E1185 (mica) Carolina Mining Co., Franklin, N.C. Ray-Liner Mine, Macon County, N.C. Request for termination.

Enclosed are the original and two copies of the latest interim report on the Ray-Liner project.

As the pegmatite has bottomed, there is no reason for further work. We recommend termination, effective July 25, 1958. Certification will not be recommended.

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

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

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 1 1958
DATE | INITIAL | CODE

DMEA EXPLORATION PROJECT

INTERIM REPORT

DMEA-4879, Idm-E1185 (mica) RAY-LINER MINE

Operator: Carolina Mining Co., Box 314, Franklin, N. C.

Location: On a low ridge west of Poindexter Branch, 3.05 miles N61°W of Franklin court house, Macon County, N.C.

The shaft has been sunk to a depth of 60 feet.

Near bottom the gneiss is impregnated with pegmatite stringers up to 2-inches thick. These dip back into the shaft below the old workings which bottomed at about 50 feet.

A 10-foot drill hole into the west wall of the shaft encountered only gneiss so the stringers apparently are all that is left of the pegmatite below the old workings.

As there is no target for drifting, termination by mutual consent is recommended.

Work was done under the contract as follows:

1) Hand trenching 400 cu. ft.
2) Toolhouse, cap magazine and powder magazine were constructed.
3) Shaft was sunk 60 feet.

The work was done rapidly and well.

Inspected: July 24, 1958

S. A. Feitler, Mining Engineer
Bureau of Mines (DMEA)

F. G. Lesure, Geologist
Geological Survey IDMEA)

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DMEA EXPLORATION PROJECT

INTERIM REPORT

DMEA-4879, Idm-E1185 (mica) RAY-LINER MINE
Macon County, North Carolina

Operator: Carolina Mining Co., P.O. Box 314, Franklin, N. C.

Location: On a low ridge west of Poindexter Branch, 3.05 miles N 61°W of Franklin court house, Macon County, N.C.

The bank on the west side of the north-south cut has been cut back by bulldozer to make the shaft site safe. Approximately 600 cubic yards were removed at the Operator's expense.

A toolhouse, powder and cap magazines have been built.

The shaft has been sunk 33 feet vertically and is timbered to within 10 feet of the bottom. The Operator reported the pegmatite dipped out of the shaft at about the 16-foot level. He continued the shaft straight because part of the vein is back-filled old workings through which sinking would be difficult. A hole drilled west at the 27-foot level encountered backfill at 4 1/2 feet.

As more than half the shaft has been completed and the near surface mica is of good size and quality, it was decided to allow the Operator to continue. It is understood that the shaft will be deepened beyond the contract depth at the Operator's expense, if necessary to attain reasonable backs below the bottom of the old workings.

Inspected: July 2, 1958

S. A. Feitler, Mining Engineer
Bureau of Mines (DMEA)

D. H. Amos, Geologist
Geological Survey (DMEA)

OFFICIAL FILE COPY
DMEA

7/14	C	220
7/14	Com	100
"	FE	110
7/15	[illegible]	800
7/17	[illegible]	600

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

RECEIVED
JUL 14 1958
DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-2

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1958 Docket No. DMEA 4879 Contract No. E-1185
Operator's Name CAROLINA MINING COMPANY Minerals MICA
Address P.O. Box 314
Contract Amount, $ 4,512.00 Government Participation: 75 % Amount, $ 6,016.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Shaft Sinking	1320.00	none	1320.00	1320.00		1320.00
Bulldozing						
Crosscutting						
Drifting						
Excavate	60.00	none	60.00	60.00		60.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	116.00	none	116.00	116.00		116.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1496.00	none	1496.00	1496.00		1496.00

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

Date 9/5/58 *Payee CAROLINA MINING COMPANY

Per [signature] Title Partner

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

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

(Instructions on reverse)

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

$ 1122.00

Signature [signature]
(Authorized Certifying Officer)

Date JUL 11 1958 Vou. No.
(See other side)

1st 5/15

374.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1185 in accordance with the terms of the contract.

Signature [illegible] Title MINING ENGINEER ~~U. S. BUREAU OF MINES~~ Date JUL 8 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date JUL 8 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1958 Docket No. DMEA 4879 Contract No. E.1185
Operator's Name CAROLINA MINING COMPANY Minerals MICA
Address P.O. Box 314, Franklin, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts Sinking	Ft	1320.00	30	1320.00	30	44.00	60	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Excavate	Cu Ft	60.00	400	60.00	400	15¢	400	15¢
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc		116.00		116.00				
TOTAL COSTS		1496.00		1496.00				

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

Date 4/5/58 Operator CAROLINA MINING COMPANY

Per Roy N. Gates Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

H Feitler
MINING ENGINEER
U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

NARRATIVE REPORT
June 58

CAROLINA MINING COMPANY
P.O. BOX 314
Franklin, North Carolina

Contract No. Idm-E-1185
DMEA 4879 - Mica
Ray-Liner Mine
Macon County, N.C.

The project was started as designated and work began on or before May 30, 1958.

Since the contract was set up in two stages we completed Stage 1 for inspection of the Field Team before continuening. In doing this we exposed contacts as sections across the south pegmatite by excavating hand trenches approximately 2 feet wide by 1½ feet deep, removing 302 cu feet in the south pegmatite. In the North pegmatite 100 cu feet was removed in the same manner. After this was inspected by the Field Team we were authorized on June 9, 1958 to proceed with Stage II of the subject contract.

June 9, 1958 -	Bulldozed for location of shaft indicated by Field Team, cut trees, and removed overhanding embankment.
June 10, 1958	Dozed, worked on Power Line.
" 11, "	Dozed, worked on power line, started consruction of tool house.
" 12, "	Worked on tool house, powder storage magazine.
" 13, "	Completed Tool House, worked on Exploder Magazine.
" 14, "	Completed magazines, power line, started setting up Boom pole and placing machinery.
" 16, "	Started sinking on shaft, putting in air line.
" 17 "	Worked on shaft adjusted boom pole, set up blower.
" 18 "	Timbered on shaft.
" 19 "	Built shed over shaft.
" 20 "	Wired in for electric hoist, and electric lights.
" 21 "	Finished wiring up blower, hoist, lights.
" 23 "	Put timber in shaft,
" 24 "	Mucked, used hoist, drilled and blasted.
" 25 "	Hooked up water line drill, mucked., timbered.
" 26 "	Mucked, drilled and blasted, timbered.
" 27 "	Mucked.
" 28 "	Timbered and Drilled and blasted.
" 30 "	Mucked and timbered completed 30 feet.

The shaft was started in Pegmatite but dipped away to the west, but keeping in touch with it with extension drill, however it is only four feet away, around the 28 foot level. The peg along side the shaft seems to be verticle with the shaft for the time being. About fifty pound of mica has been recovered so far from the sinking. This is book mica and we have not sheeted any. About 20 feet in depth we cut through a quartz zone six feet long and 18" thick. The country rock is decomposed but has to be drilled and blasted for easly shoveling. Small charges of dyanmite to each hole.

OFFICIAL FILE COPY
RECEIVED JUL 27
DATE | KIND
6/27 | KVB | 220
27 | Com | 100
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6/30 | [illegible] | 800
[illegible] | [illegible] | 600

DMEA EXPLORATION PROJECT

INTERIM REPORT

DMEA-4879, Idm-E1185(mica) RAY-LINER MINE
Macon County, North Carolina

Operator: Carolina Mining Co., P.O. Box 314, Franklin, N.C.

Location: On a low ridge west of Poindexter Branch, 3.05 miles N 61°W of Franklin court house, Macon County, N.C.

The Operator reports that he has cut back the high bank with a bulldozer to prepare the shaft site.

Sinking is scheduled to start the week of June 23.

Inspected: June 17, 1958

S. A. Feitler, Mining Engineer
Bureau of Mines (DMEA)

F. G. Lesure, Geologist
Geological Survey (DMEA)

z

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 13 1958

6/13 C 220
6/16 Com 100
" FD 110
6/17 800
600

DMEA EXPLORATION PROJECT

INTERIM REPORT

DMEA-4879, Idm-E1185(mica) RAY-LINER MINE
Macon County, N.C.

Operator: Carolina Mining Co., P.O. Box 314, Franklin, N.C.

Location: On a low ridge just west of Poindexter Branch, 3.05 miles N61°W of Franklin courthouse, Macon County, N.C.

Work was started May 15, 1958. Stage I has been completed by the excavation of trenches containing 540 cu. ft. The southern area has had 302 cu. ft. of excavation in 6 trenches or shallow pits and the northern area has had 238 cu. ft. in 5 trenches. Of the latter 140 cu. ft. is at the Operator's expense.

The pegmatite in the south area is found to trend northwest and to line up with that in the north area, but 40 feet separates the two areas with no trenches and no pegmatite exposed.

The quartz is less extensive than it was a few feet higher in the south area, giving the impression that the bottom is near. Only 1 or 2 of the large books of mica have been found since the pre-contract work.

In the north area, the trenches expose pegmatite from 2 to 8 feet thick averaging about 5 feet thick for a distance of 45 feet between extreme trenches. This pegmatite strikes N20°W and contains kaolinized feldspar, blocks of quartz up to 2 feet across, and mica up to 8-inches across. All the mica is clay stained.

Stage II was approved and the shaft located on the pegmatite exposed in the southernmost trench of the north area. The work will follow the pegmatite down dip.

Inspected: May 4, 1958

F. G. Lesure, Geologist
USGS

S. A. Feitler, Mining Engineer
USBM

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

June 9, 1958

Carolina Mining Company
c/o Roy H. Fouts
P.O. Box 314
Franklin, North Carolina

Re: DMEA-4879, Idm-E1185-mica
Carolina Mining Company
Ray-Liner Mine, Macon County
North Carolina

Dear Mr. Fouts:

You are hereby authorized to start work on Stage II of the subject contract.

Robert A. Laurence
Executive Officer, DMEA
Region V

VJL/am
cc
Opr. Com.-2
Lynch
Finance Officer
Files

DMEA Form 7
(12-56)

OFFICIAL FI

Date	Surname	
4/18	Anderson	600
4/18	Houk	600
4-21	Chamber	800
"	Johnson	130
		110
4		100
4-2		220
		600

600

APR 21 1958

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

Re: Docket No. DMEA-4879-Mica
Carolina Mining Company
Ray-Liner Mine
Macon County, North Carolina

Dear Mr. Laurence:

Enclosed are the original and four copies of a proposed short-form contract signed by the Administrator for the Government. It consists of the form, Annex I (1 page), four Consent to Lien and Subordination Agreements, Exhibit A (2 pages), and two maps. Also enclosed are two extra copies of Annex I, Exhibit A, and the maps for Field Team use.

The execution of the contract is subject to the signing by the owners of the attached six copies of a new Consent to Lien and Subordination Agreement. Please note that we have excluded that portion of the Ray-Liner Property that was a part of acreage included in the lease to the Burke John Mica Mines, a project that was certified.

If the proposed contract meets with your approval, present it to the applicant for execution. 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 February 25 and 27, 1958, by Mr. W. P. Williams, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

P. F. Yopes (JB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JB)
Member, Geological Survey

Enclosures 17

WCAnderson:rsi 4/17/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

P.S. We are returning the unused copies of the Consent to Lien and Subordination Agreement.

8623

DMEA 4879

① No contours

Memorandum to the File:

The results of the hand trenching and early shaft work should be watched closely by the Field Team. The southeast zoned pegmatite size is rather small to support the program of the Field Team (60' shaft and 100' of drift). Although the target is small, the zoning, mineralogy and presence of mica is favorable. The certification on Burke John Project on adjoining property was based upon the feldspar found. The shape and area of the zones, if accurately portrayed on the map suggest limited vertical extent but until the hand trenching establishes the width and length of the pegmatite and gives an indication of the dip of the external contacts, no definite prediction can be made.

The permission for Stage II should be given only if the results of Stage I are most favorable.

L. Houk

If the pegmatite does not lengthen & thicken with depth there won't be sufficient volume in the pegmatite to accomodate the 100' of drifting

L.H

Long Charged approval by grant to advance mining by grant to start Stage II

...randum

Files

...rom: Walter C. Anderson

Subject: Justification for recommendation of a contract
Docket no. DMEA-4879-mica
Carolina Mining Company
Ray-Liner Mine
Macon County, North Carolina

Pegmatite:

Two large and numerous small deeply weathered lenses.

Dip or dip length cannot be determined.

Strike length for 2 lenses - 45 and 35 feet.

Weathered, zoned, consists of plagioclase, quartz, and muscovite

Country rock - layered biotite-muscovite gneiss and schist.

Mica: There has been past production, but no data available.

Light brownish gray, clear and of good quality.

Defects - Clay and vegetable staining, waviness and edge cracking are minor

Work program - 2 stages, consisting of bulldozing (Stage I) and 60 feet of shaft and 100 feet of drifts (Stage II)

This is adequate and located in approximate center of leased area.

Criteria - Geologically favorable.

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

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DMEA
RECEIVED APR 3 1958

Date	Initials	Code
4/3	C	220
4/3	Hoch	600

April 1, 1958

Memorandum

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

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

Subject: Docket No. DMEA-4879 (Mica)
Carolina Mining Company, Franklin, North Carolina
Ray-Liner mine, Macon County, North Carolina

Reference is made to your letter of February 28, 1958.

Enclosed are three copies of a map submitted by the Applicant in response to that request.

500 lbs.

Mr. Fouts points out that the 250-foot-square leased area overlaps the 10-acre tract. He says that, if it is necessary, he can provide a lease and Consent to Lien, as his company also has the adjoining properties under lease. Please advise if this is considered necessary.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 3

Please note we have excluded area certified, but have included all of the acreage 10 acres.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/26	Anderson	600
2/28	Houk	600
2/28	[illegible]	130
4	Coleman	110
4	Kittenbury	100
3/3	C	220
		600

600

FEB 28 1958

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

Re: Docket No. DMEA-4879-Mica
Carolina Mining Company
Ray-Liner Mine
Macon County, North Carolina

Dear Mr. Laurence:

Concerning the subject application, it appears that the Ray-Liner Mine and the Burke-John Mine (DMEA-2277), which was certified, are located on the same property, namely, the 10-acre Ray-Liner Tract, which is described in the lease which was forwarded to this office by the subject applicant on January 10, 1958.

From the description given of the two leased areas, we are unable to determine whether there is an overlap, since there are no tie-ins of either tract to a property corner of the land from which they were carved. Therefore, we will appreciate it if you will request the applicant to furnish an accurate map, drawn to scale, showing the following:

1. Location of the two leased areas (Ray-Liner and Burke-John Mines) in the ten acre tract.

2. Tie-in of the proposed Ray-Liner work to an identifiable corner of the 10-acre tract.

3. The adjoining properties.

4. Outcrop traces of the pegmatite explored on the Ray-Liner Mine.

Processing of this application will be held in abeyance pending receipt of the requested data.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:
Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

WCAnderson:rsi 2/26/58

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

8623

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

February 27, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 28 1958

DATE	INITIALS	CODE
2/28	C	220
4/28	[illegible]	600

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4879 (mica)

Applicant: Carolina Mining Co.

Name and Location of Property: Ray-Liner Mine, Macon County, N. C.

Date of Field Team Report: 2/18/58

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 2/24/58

Field Team Recommendation: Recommend a two-stage exploration program.

Comments:

1. Field examiners state that two pegmatite lenses each over 30 feet long are exposed in a deep bulldozed trench.

2. Large books of strategic mica are visible.

3. Proposed exploration outlined by the field team is consistent with good engineering practices and estimated costs are in line with other DMEA projects.

Recommendation:

I concur with the field teams recommendation of a two-stage exploration contract.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

2/26	C	220
2/27	Houk	600

Memorandum

February 25, 1958

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of field examination report, DMEA 4879 (mica), Carolina Mining Company, Ray-Liner mine, Macon County, North Carolina.

The examining team report that two favorable, potentially mica-bearing, pegmatites exist on the applicant's property. The pegmatites have been partly exposed by past work and they are therefore known to be mica-bearing. Some of the mica books are 3 to 6 inches across.

In order to explore the pegmatites further, the examining team propose a two-stage project consisting of hand trenching, 60 feet of shaft sinking, and 100 feet of drifting.

The proposed project appears to have a good chance for success. I agree with the recommendation of the Field Team for approval of the application.

W. P. Williams

W. P. Williams

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1310 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

February 18, 1958

DMEA
RECEIVED FEB 20 1958

DATE	INITIALS	CODE
2/20	C	220
2/24	2/b	130
2/24	C	220

Memorandum

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

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

Subject: Examination Report - Docket No. DMEA-4879 (Mica)
Carolina Mining Company, P. O. Box 314, Franklin, N.C.
Ray-Liner Mine, Macon County, North Carolina

Enclosed are the original and two copies of the subject examination report. There are also enclosed eight extra copies of the map.

The Field Team is in agreement with the recommendation of the field examiners.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Reviewed by
DMEA OPERATING COMMITTEE
2-24-58
(date)

Enclosures 11

Ch - Site Exam Rpt

DMEA
RECEIVED FEB 20 1958

DATE	INITIALS	CODE
2/24	JB	130
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT

ON

DMEA-4879(mica) RAY-LINER MINE
Macon County, N. C.

F. G. Lesure, Geologist
Geological Survey

S. A. Feitler, Mining Engineer
Bureau of Mines

February 14, 1958

Reviewed by
DMEA OPERATING COMMITTEE
2-24-58
(date)

DEFENSE MINERALS EXPLORATION ADMIN.

FIELD EXAMINATION REPORT

ON

DMEA-4879 (mica) RAY-LINER MINE
Macon County, North Carolina

Applicant: Carolina Mining Company, P.O. Box 314, Franklin, N.C.

SUMMARY

Two pegmatite lenses, each more than 30 feet long, plus numerous small pegmatite lenses and pods are exposed in a deep bulldozed trench. The southernmost large lens contains abundant large books of good quality muscovite. A two stage program of exploration is recommended.

INTRODUCTION

Location: The Ray-Liner mine is on the nose of a low ridge just west of Poindexter Branch and 3.05 miles N61°W of the Courthouse in Franklin, Macon County, North Carolina (Franklin,N.C. Quad.TVA. 1:24,000). The mine is about 350 feet southeast of the Burke-John mine (DMEA-2277) and can be reached by four-wheel drive vehicles up a rough mine road from the graded road along Poindexter Branch.

Examination: The examination of the Ray-Liner mine was made on January 23, 1958 and lasted about two hours. The Examiners were accompanied by Messrs. R. H. Fouts and William Dinnes of Franklin, North Carolina and W. A. Beck of the Bureau of Mines. The mine was revisited for an hour February 6, 1958 in order to map the adits north and south of the open cut. Mr. R. H. Fouts accompanied the Examiners on the return visit.

Previous Operations: The low nose-like ridge, on which the Ray-Liner is located, has numerous short adits, prospect pits and caved adits.

At least 3 shafts, 5 adits and a bulldozer open cut are in the immediate mine area. According to R. H. Fouts, the first work was a shallow shaft west of the cut dug by Bill Fouts sometime between 1928 and 1938. Fred Willis and Chalmers Mashburn dug a shaft southwest of the cut in 1938. Fred Willis also drove several adits southwest of the cut sometime in the 1930's and John Tallent drove an adit from the Northeast. J. B. Liner mined scrap mica east of the target pegmatite body in 1946-48. No data concerning any production from these workings are available.

As stated in their application the Applicants recovered about 300 lbs of mine-run block mica during the recent bulldozing of the open cut. This cut is about 150 feet long, 20 feet wide and 20 feet deep on the western side. At the south end of the open cut an area about 50 feet square has also been stripped by bulldozer.

A toolhouse and compressor were on the property at the time of the examination. Water and electric power are available along Poindexter Branch about 800 feet away.

GEOLOGY

Two large and numerous small deeply weathered pegmatite lenses are exposed in the bulldozer cut at the Ray-Liner mine (see attached map). The large northwestern pegmatite lens has been exposed for 45 feet along the cut. At the northwestern end it fingers out into the country rock but the other contacts are covered. This body is composed of plagioclase, quartz and muscovite. No zoning was seen but the southern end is muscovite-rich. The large southeastern lens has been exposed in an area 35 feet long and 20 feet wide. It has a quartz core about 25 feet long and at least 2 feet

wide. The wall zone is composed of plagioclase, some fine-grained quartz, and muscovite. The western end of this pegmatite is muscovite-rich and contains large books varying from 5" x 6" to 6" x 12".

The contacts of these two lenses are obscured by the churning of the bulldozer. The northern lens apparently strikes northwest, but the quartz core in the southern lens strikes northeast. No dip or plunge could be determined for either body.

The area between these two large lenses contains numerous small lenses and pods of pegmatite 1 to 3 feet long and 1 foot thick. Some of these contain books of mica 3" to 6" across, but most of them contain scrap mica only. The small lenses are partly concordant and partly discordant with the foliation of the country rock.

Other pegmatite bodies have also been exposed in the only two adits that are accessible. Pegmatite in the northeastern adit is medium-grained and deeply weathered. It contains muscovite of scrap size only. In the southern adit pegmatite was visible about 25 to 35 feet in from the portal but caving preventing closer inspection.

Country rock in the area of the Ray-Liner mine is layered biotite-muscovite gneiss and schist, deeply weathered. Concordant quartz layers and lenses and feldspathic layers and pods are common. The foliation is contorted. Although the strike is variable the dip of the foliation is generally steep to the north.

Muscovite in the southern pegmatite is light brownish gray, clear and of good quality. The principal defects are clay and vegetable staining. Waviness, ruling, and edge cracking are minor. Muscovite in the northern lens is smaller and not quite so good in quality.

RECOMMENDATIONS

At the Ray-Liner mine the southern large pegmatite lens present a good geologic target that is rich in muscovite and is the more favorable of the two larger bodies. The Examiners recommend that exploration assistance be granted in a two-stage program. Stage I would consist of hand trenching to determine the attitude of the body and to locate the best shaft site. Stage II would consist of sinking a 60-foot shaft and drifting and crosscutting 100 feet in pegmatite.

ESTIMATED COSTS

STAGE I - Expose contacts and sections across the south pegmatite by hand trenching approximately 2 feet wide by 1 1/2 feet deep- totaling not more than 400 cubic feet. Of this total, not more than 100 cubic feet may be excavated to delineate the north pegmatite after trenching on the south pegmatite has been completed.

Hand trench 400 c.f. @ 15¢/c.f.	$60.00	
Total surface excavation.....		$60.00

STAGE II - Construct:

Hoist House	$75.00	
Powder magazine	25.00	
Detonator Magazine	15.00	
		$115.00

Sink 60 ft of two-compartment shaft
5 x 7 ft in cross section (40 shifts).

Labor:

1 - Foreman-Miner	$14/shift	
1 -Hoistman	12/shift	
1- Laborer	8/shift	
Per 8 hour shift.....	$34 "	
Total labor --40 shifts.....		$1,360.00

@ 1.7 feet per shift
= 36 shifts @ $34 — 1,224.00

Equipment (rental)

1 - Compressor @ $150/Mo.	$300.00	
1 - Hoist @ $50/Mo.	100.00	
1 - Sump pump @ $40/Mo.	80.00	
1 - Rock drill w/hose @ $40/Mo.	80.00	
Total equipment (rental) $250/mo =		$ 560.00
		450.00

Supplies, Tax & Insurance

Gasoline and oil	135.00	
Explosives	180.00	
Drill steel	108.00	
Timber, 3 MBM	195.00	
Small tools and Misc.	120.00	
Sales Tax	22.00	
Social Sec. & Ins.	163.00	
Total supplies, etc.....		923.00
Total estimated cost of shaft....		$2,843. 00
		2597.00

Est. cost per ft. shaft $47.38 use $44/ft.

Drift and/or crosscut 100 feet
5 x 7 ft in cross section (50 shifts)

Labor:

1 - Foreman-Miner	$14/shift	
1 - Hoistman	12/ "	
1 - Laborer	8/ "	
Per 8 hr shift.....	$34/ "	
Total labor - 50 shifts----------		$1,700.00
		$1,496.00

Equipment (rental) @ 2.3/shift = 44 shifts =

1 - Compressor @ $150/Mo.	$375.00	
1 - Hoist @ $50/Mo.	125.00	
1 - Sump pump @ $40/Mo.	100.00	
1 - Rock drill w/hose @ $40 per month	100.00	
1 - Jackleg @ $25/Mo.	63.00	
@ 25d/mo =		763.00
		550.00

Supplies, etc.

Gasoline and oil	$200.00	
Explosives	325.00	
Drill steel	140.00	
Timber, 1 MBM	65.00	
Small tools & Misc.	150.00	
Sales tax	26.00	
Social Sec. & Ins.	204.00	
Total supplies, etc.....		$1,110.00
Total estimated cost of drift.....		$3,573.00

Est. cost/ft of drift $35.73. use $32/ft. 3,166.00

SUMMARY OF ESTIMATES

STAGE I

Hand Trenching	$ 60.00

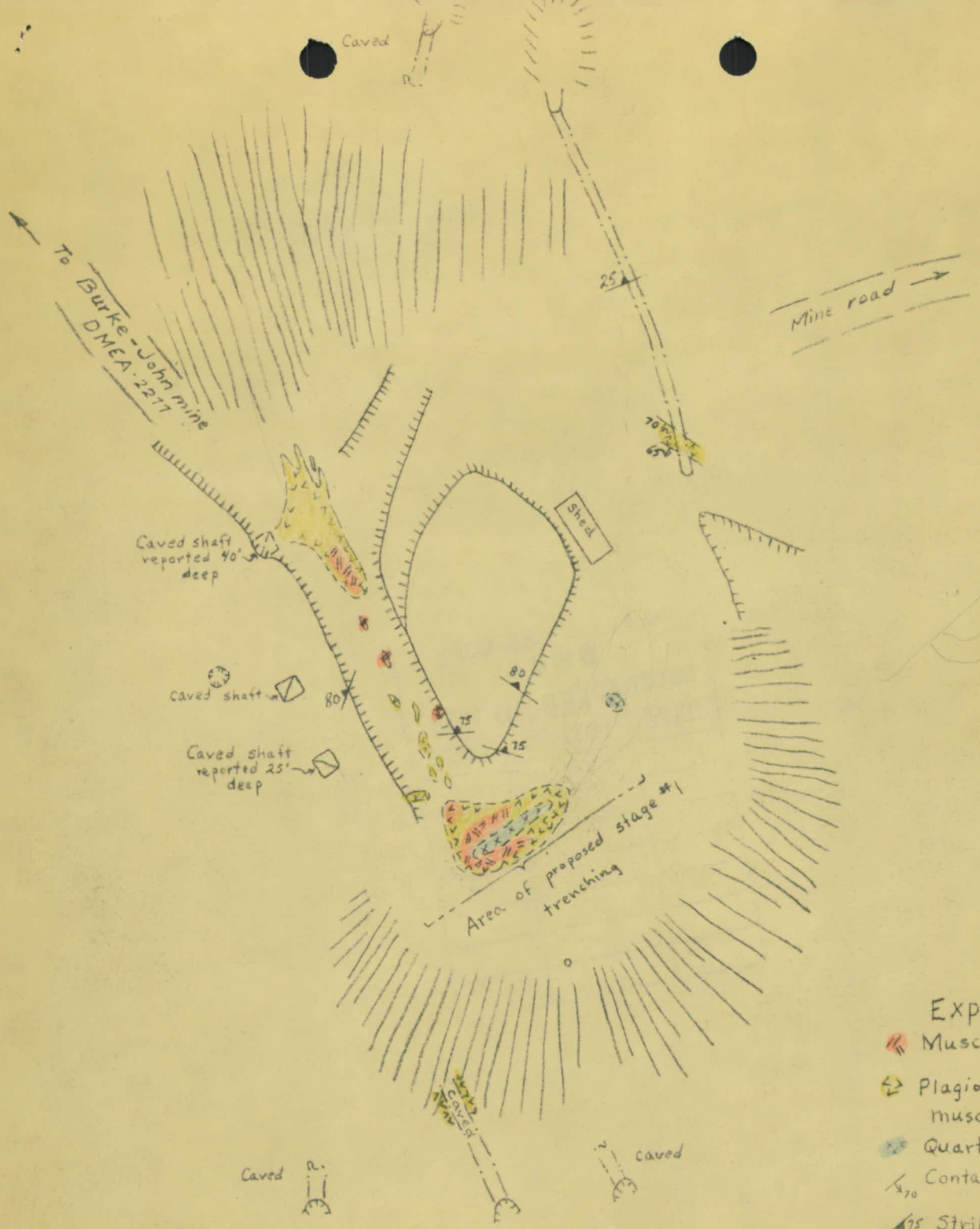
STAGE II

Construction	115.00
Shaft - 60 ft	$2,843.00
Drift - 100 ft	3,573.00
Total estimated cost of project...	$6,591.00

F. G. Lesure, Geologist
Geological Survey-USGS

S. A. Feitler, Mining Engineer
Bureau of Mines, USBM

z



Explanation

- Muscovite-rich pegmatite
- Plagioclase, quartz, muscovite pegmatite
- Quartz
- Contact showing dip
- 75 Strike & dip of foliation
- Underground workings
- Edge of open cut
- Dump

MAP NO. 1

Ray-Liner Mine

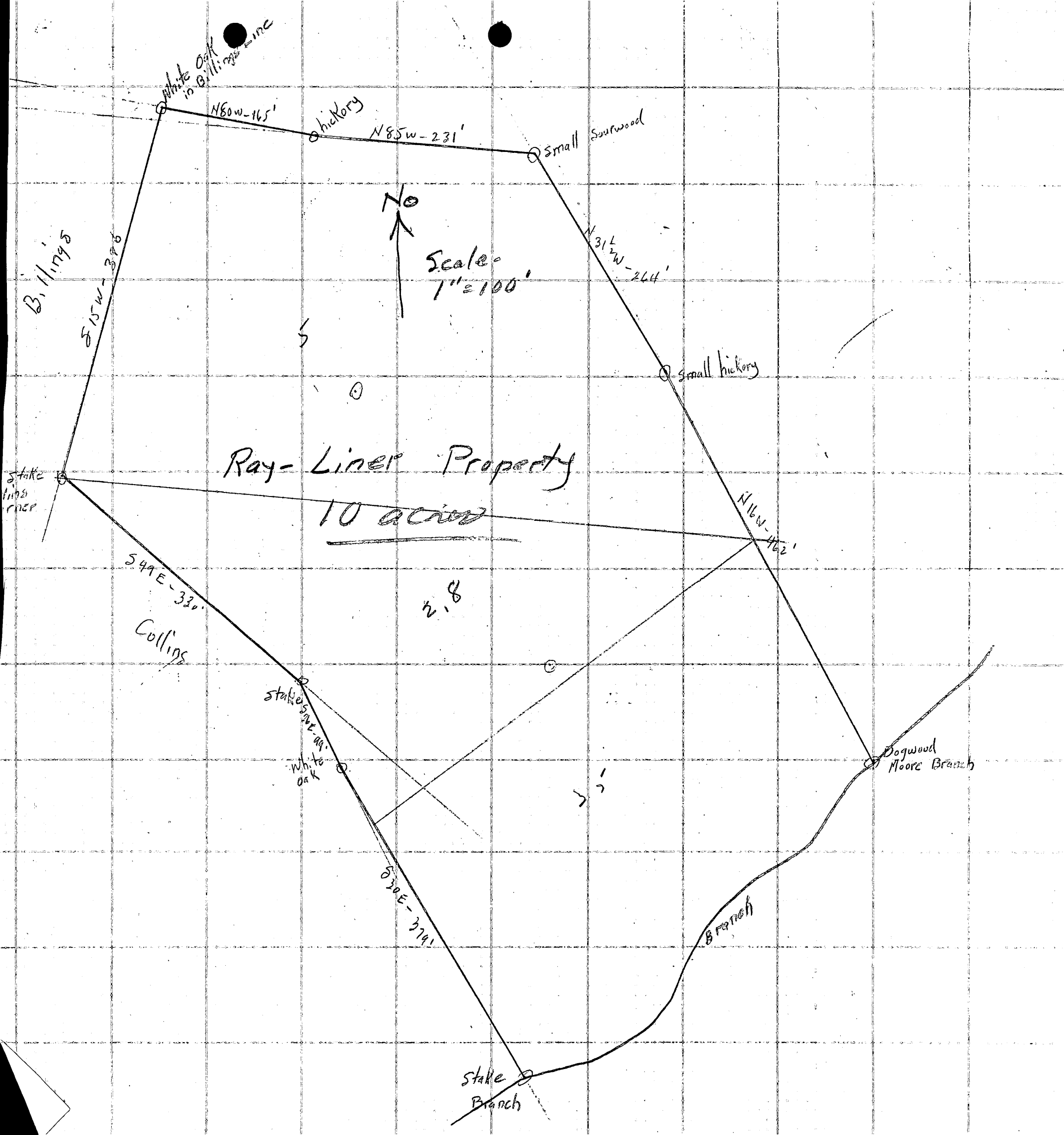
Macon County, North Carolina

DMEA-4879-mica

Scale

0 20 40 feet

FGL 2/58


white oak in Billings line
N80W-165'
hickory
N85W-231'
small Sourwood
No
Scale: 1" = 100'
N31½W-264'
B. Billings
S15W-396
S
small hickory
Ray-Liner Property
10 acres
stake line corner
N16W-462'
S49E-330'
Collins
N. 8
stake S72E-99'
white oak
Dogwood
Moore Branch
S30E-379'
Branch
stake
Branch

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/14	Houk	600
1/15	Selfridge	130
1/15	Lamb	130
1/15	Kiilsgaard	130
"	Johnson	110
"	Mittendorf	100
		220

600

JAN 16 1958

Carolina Mining Company
c/o Mr. Roy H. Fouts
P. O. Box 314
Franklin, North Carolina

Re: Docket No. DMEA-4879-Mica
Carolina Mining Company
Ray-Liner Mine
Macon County, North Carolina

Gentlemen:

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

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

LGHouk:gad 11/25/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V
Mr. Houk

8623

DMEA Form 7
(12-56)

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Date	Surname	Code
1/14	Houk	600
1/15	[illegible]	130
"	Johnson	110
"	Chatterton	100
1/16	[illegible]	220
		600

600

JAN 16 1958

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

Re: Docket No. DMEA-4379-Mica
Carolina Mining Company
Ray-Liner Mine
Macon 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 November 20 and 22, 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 (GCS)

Approved:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

Enclosures 5
LGHouk:gad 11/25/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 13 1958

DATE		CODE
1/13	gb	220
		600

CAROLINA MINING COMPANY
P.O. BOX 314
Franklin, North Carolina
January 10, 1958

U.S. Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D.C.

Gentlemen: Re: Ray-Liner Mine,
DMEA-4879 - Mica,
Jackson County, North Carolina

For your attention and consideration the following enclosed.

1. One copy of registered Lease

2. Seven copies of MF-205

Yours very truly,

CAROLINA MINING COMPANY

Roy H. Fouts

ROY H. FOUTS

cc: Robert A. Laurence
Knoxville, Tennessee

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

ORIGINAL FILE COPY
DMEA
RECEIVED NOV 25 1957

DATE	INITIALS	CODE
11/25	gb	220
		600

November 22, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4879 (mica)

Applicant: Roy H. Fouts and William Dinnes

Name and Location of Property: Ray-Liner Mine, Macon County, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 11/19/57

Comments:

1. Applicants have uncovered a newly discovered 12-foot wide pegmatite in a 100-foot trench, 15-feet wide and 20-feet deep.

2. About 300 pounds of mica was recovered during bulldozing.

3. Exploration proposed by applicants is consistent with local practices and in line with unit-cost estimates for other DMEA projects.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 21 1957

DATE	INITIALS	CODE
11/21	C	220
11/21	Houk	600

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

November 20, 1957

Re: DMEA 4879
Carolina Mining Co.
Ray-Liner Mine
Macon County, N. C.
$8,500 - Mica

Memorandum

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

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

Subject: Review of application

The applicant, a partnership, requests assistance in exploring a large newly discovered 12-foot pegmatite, from which about 300 pounds of mica has been recovered by bulldozing.

The work proposed consists of 100 feet of shaft sinking and 100 feet of crosscutting and/or drifting.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

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

November 19, 1957

Carolina Mining Company
P. O. Box 314
Franklin, North Carolina

Gentlemen:

Subject: DMEA-4879

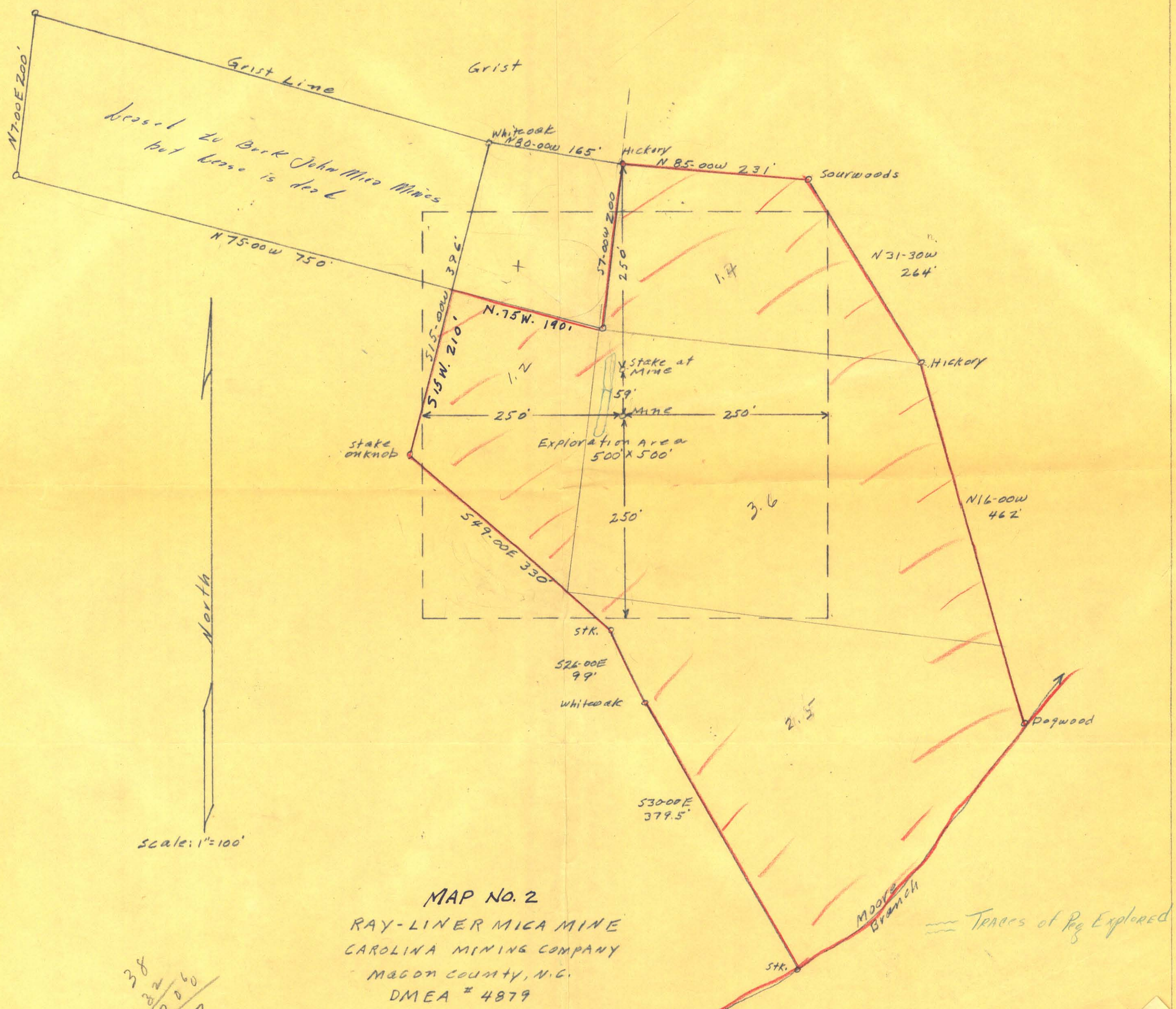
Your application for exploration assistance, dated November 15, 1957 submitted to our office at Knoxville, Tennessee has been assigned Docket Number DMEA-4879 and referred to the Nonmetallic Minerals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

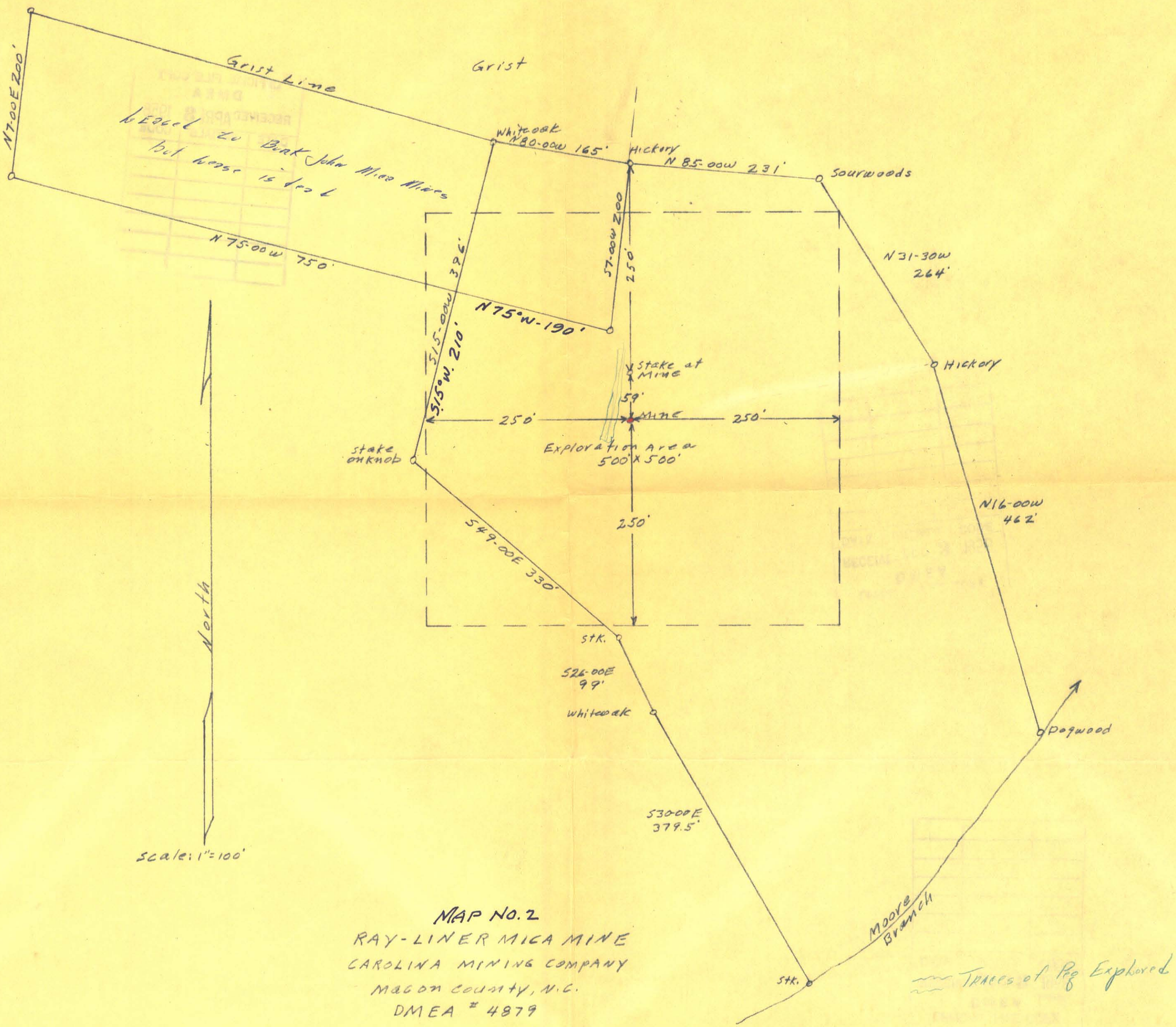
Copy to:

Region V



MAP No. 2
RAY-LINER MICA MINE
CAROLINA MINING COMPANY
Macon County, N.C.
DMEA # 4879

38
82/2060
8.7



MAP No. 2
RAY-LINER MICA MINE
CAROLINA MINING COMPANY
Macon County, N.C.
DMEA # 4879