DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 4890

Application
- [ ] Denied
- [ ] Withdrawn

Contract 1 4 FEB 1958 1170
- [ ] 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
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes
- [XX] Owner's Consent to Lien and Subordination Agreement
- [XX] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Comoleted 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)
- [ ] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: 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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/11	Anderson	600
12/11	Houk	600
12/11	Taffurt	800
12/12	Selfridge	120
"	Johnson	110
12/15	C	220
		600

600

DEC 12 1958

Mr. Nick Stigailo
President, Grassy Woods Mining
Corporation
5125 W. North Avenue
Chicago, Illinois

Re: Docket No. DMEA-4890-Mica
Grassy Woods Mining Corporation
Grassywood's Mine
Yancey County, North Carolina
Contract No. Idm-R1170

Dear Mr. Stigailo:

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

Acting Director

WCAnderson:gad 12/11/58

Copy to: Dir. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard
Mr. Dietrich
Mr. Houk

Copy to: Robbins and Gassel, Attorneys at Law
39 South La Salle Street, Suite 403
Chicago 3, Illinois

Mr. and Mrs. Percy Threadgill
Pensacola, North Carolina

8623

Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/11	Anderson	600
12/11	Houk	600
12/12	Tagfirst	800
12/12	Selledge	120V
"	Johnson	110
		220

600

DEC 12 1958

Mr. and Mrs. Percy Threadgill

Pensacola, North Carolina

Re: Docket No. DMEA-4890-Mica
Grassy Woods Mining Corporation
Grassywood's Mine
Yancey County, North Carolina
Contract No. Idm-E1170

Dear Mr. and Mrs. Threadgill:

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 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 12/10/58
Copy to: Dir. R. File
Field Team, Region V
Mr. Chambers
Mr. Kiilsgaard
Mr. Dietrich
Mr. Houk

8623

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Report of:

Grassy Woods Mining Corporation
c/o Mr. J. Robbins
39 S. LaSalle Street
Chicago, Illinois

pertaining to Exploration Project Contract No. Idm-E1170, DMEA No. 4898, for May 1958, covering a mica project at the Grassy Woods Mine, Yancey County, North Carolina.

My review included an examination of the Monthly Report (Form 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 on the basis of fixed unit costs for work performed.

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

Total cost billed by Operator		$209.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total acceptable cost		$209.00

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	$156.75
Paid to date	-0-
Balance due Operator	$156.75

E. D. Talbert

E. D. Talbert, Auditor

September 30, 1958

Government's copy

OFFICIAL FILE COPY
DMEA
RECEIVED APR 30 1958
DATE | INITIAL | CODE

MF-200A
(Rev. April 1956)

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

DMEA No.	Commodity	Contract No. Idm-E	County	State
4890	Mica	1170	Yancey	North Carolina

It is agreed 14 FEB 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Grassy Woods Mining Corporation, an Illinois corporation

whose mailing address is Nick Stigailo, President, 5125 W. North Avenue, Chicago, Illinois
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 15 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 $6,584.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $4,938.00, in accordance with the provisions of Articles 4 and 5.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. P. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

GRASSY WOODS MINING CORPORATION
(Operator)

By Nick Stigoilo

Title

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.

George F. Kirby

[CORPORATE SEAL]

"Appd. Sol. Off."
Anderson
Hunt
Chambers
Martin
Johnson

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

EXPLORATION PROJECT CONTRACT
GRASSY WOODS MINING CORPORATION
DOCKET NO. DMEA-4890

ANNEX I

The land referred to in Article 2 of the Contract, known as the Grassywood's Mine, is situated on the western slope of Gibbs Mountain, Yancey County, North Carolina, 2.55 airline miles S. 72° E. of Pensacola, North Carolina, and about 6.5 miles by the Cattail Creek road from North Carolina State Highway 197. The Operator is in possession by virtue of an assignment of a lease dated September 25, 1957, from Percy Threadgill and Ethel H. Threadgill to Nick Stigailo. The land consists of 8 acres and is described as follows:

> Beginning on a stake which is located 50' South of what is known as the Grassywood's Mine, and running 250' South, thence 300' East, thence 600' North, thence 600' West, thence 600' South, thence 300' West to the point of closing. The northeast corner of this legal description is North 4° East 2800' to the big Cattail Mine, as recorded in register of deeds office in Yancey County, in book 75, at page 244.

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

[redacted]Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1170
Contract Date 14 FEB 1958

RECEIVED DEC 4 1957 D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Yancey, State of North Carolina, described as follows: 2/

Beginning on a stake which is located 50' South of what is known as the Grassywood's Mine, and running 250' South, thence 300' East, thence 600' North, thence 600' West, thence 600' South, thence 300' West to the point of closing. The North East corner of this legal description is North 4° East 2800' to the big CATTAIL Mine,,as recorded in register of deeds office in Yancey Co, in book 75 at page 244.,

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

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

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

None

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

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [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 14 FEB 1958, 1957.

Pearl Thurlgill	[Seal]	Pensacola N. C.	[Address]
Ethel H. Thurlgill	[Seal]	Pensacola N. C.	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[Address]

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

_____

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
GRASSY WOODS MINING CORPORATION
DOCKET NO. DMEA-4890

EXHIBIT A

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the map entitled "Grassywood's Mine, Yancey County, N.C., DMEA-4890(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 work in Stage II as is approved in writing in advance by the Government.

Stage I

1. Excavate approximately 500 cubic yards, by bulldozer, to cut back a steep bank and to expose the target pegmatite.

2. At 10-foot intervals, clean the pegmatite from wall to wall by hand trenches approximately 2 feet wide by 1 foot deep, totalling not more than 60 cubic feet.

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 equipped with the equivalent of a 5-tumbler jarproof lock.

2. From a site determined by the results of the Stage I work, 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, not more than 100 feet of drifts and/or crosscuts.

The shaft and the drifts and/or crosscuts shall be timbered as necessary and shall be not less than 5 feet by 7 feet in the clear in cross-section.

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

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

Fixed Unit Costs

Stage I

1. Excavating 500 cubic yards of trench @ $0.40/cu.yd.	$200.00	
2. Hand trench - 60 cubic feet @ $0.15/cu.ft.	9.00	
Estimated total cost of Stage I		$209.00

Stage II

1. Construct:

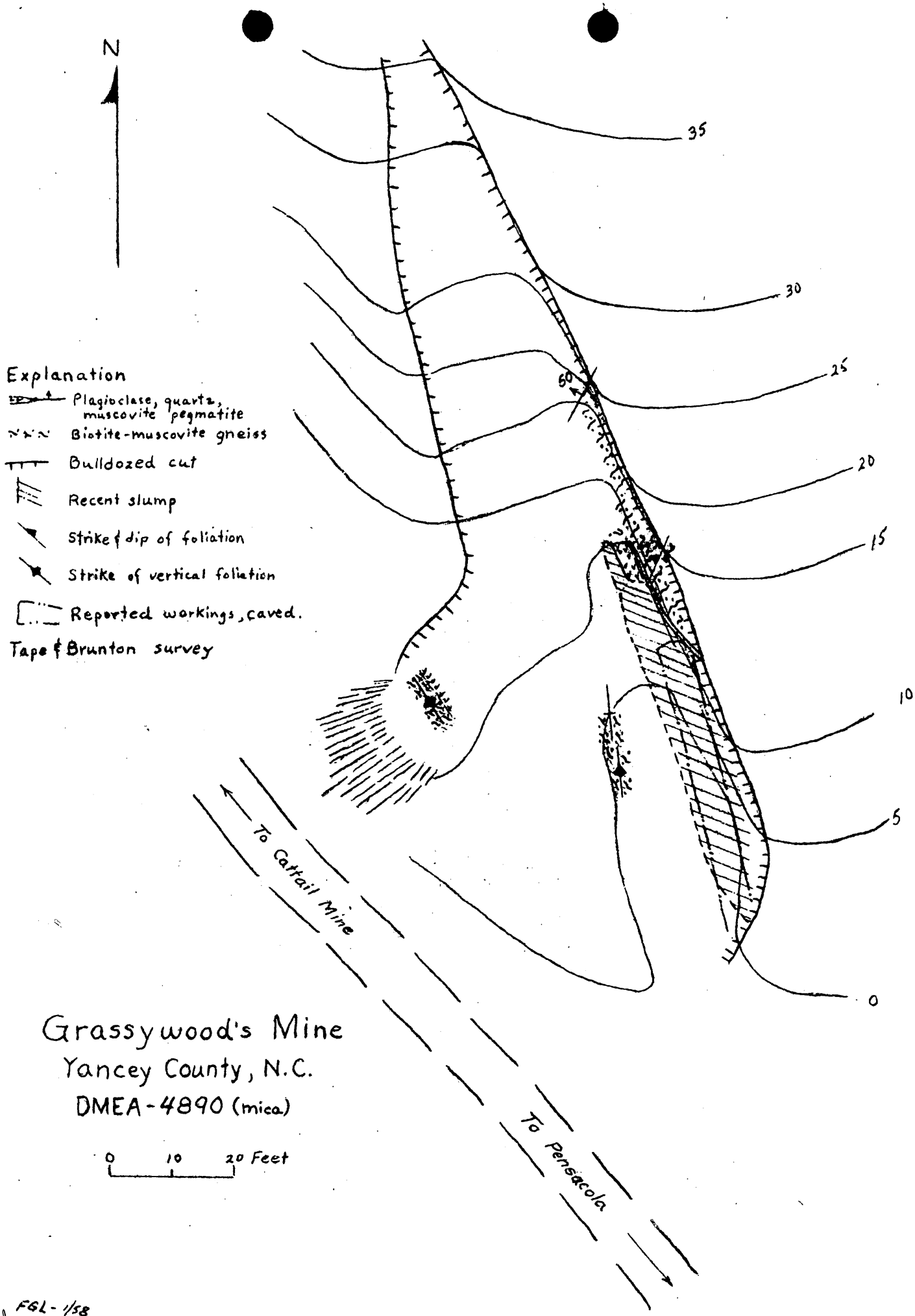
Toolhouse 1/	$75.00	
Powder magazine 1/	25.00	
Exploder magazine 1/	15.00	$115.00

2. Sink shaft 60 feet @ $46.00/ft. $2,760.00

3. Drift and/or crosscut - 100 feet @ $34.00/ft. 3,400.00

Estimated total cost of Stage II	$6,375.00
Estimated total cost of project	$6,584.00
Government participation @ 75%	$4,938.00

1/ The completed work constitutes the unit.



Grassywood's Mine
Yancey County, N.C.
DMEA-4890 (mica)

FGL-1/58

ASSIGNMENT TO MINING LEASE

FOR VALUE RECEIVED, the undersigned, NICK STIGAILO, being the Lessee under a Mining Lease dated September 25, 1957, with PERCY THREADGILL and ETHEL H. THREADGILL, ~~as Lessors, does~~ hereby assign all right, title and interest in and to the said lease to GRASSYWOODS MINING CORPORATION, an Illinois corporation, its heirs, executors, administrators and assigns, and in consideration of the consent of this assignment, the Lessor does hereby guarantee the performance by said assignee, of all covenants, agreements and conditions contained in said lease, on the part of Lessee or assignee to be performed. In the event, however, of the failure of the assignee to perform any of the promises, covenants and agreements contained in said lease, this assignment shall not be taken to modify or limit in any manner the obligation of this assignor created by said lease but Lessor or their heirs, executors, administrators or assigns may have such remedies against this assignor, in the manner as if this assignment had not been made.

The Lessee, assignor herein, for consideration aforesaid, hereby waives all right to any and all notice from the Lessor and their heirs, executors, administrators or assigns or covenants broken by GRASSYWOODS MINING CORPORATION or of money due from Assignee, his heirs, executors, administrators or assigns, or of any assignment made by him or it.

Witness the hand and seal of the undersigned assignor this 4th day of October, A. D. 1957.

Nick Stigailo (SEAL)
NICK STIGAILO

ACCEPTANCE BY LESSEE'S ASSIGNEE

In consideration of the above assignment and the written consent of the Lessor thereto, the undersigned hereby assume and agree to make all payments and to perform and keep all promises, covenants, conditions and agreements of the lease aforesaid described, to be made, kept and performed; and it is further agreed by and between Lessor and Assignee, the undersigned hereto, that the aforesaid described lease is hereby incorporated by reference thereto in this acceptance, and all of the terms thereof shall be read and understood herein in the same manner as they are expressed in said lease.

In Witness Whereof, the Secretary has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its President, and attested by its Secretary, this 14th day of March, A. D. 1958.

GRASSYWOODS MINING CORPORATION,
an Illinois corporation,

By: Nick Stigailo
President

Attest: George T. Hickey
Secretary

CONSENT TO ASSIGNMENT

The undersigned Lessor hereby consents to the assignment of the lease described aforesaid by Lessee therein described, described in the lease aforesaid, to GRASSYWOODS MINING CORPORATION, an Illinois corporation, in consideration of the guarantee above herein contained of Lessee, and the promises, covenants and agreements therein expressed and in consideration of the covenants, promises and agreements of assignee above set out.

Witness the hands and seals of the Lessors this _____ day of March, A. D. 1958.

O. Ray Threadgill (SEAL)

E. Ethel B. Threadgill (SEAL)

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

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

RECEIVED
DEC 4 1957
D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Yancey, State of North Carolina, described as follows: 2/

Beginning on a stake which is located 50' South of what is known as the Grassywood's Mine, and running 250' South, thence 300' East, thence 600' North, thence 600' West, thence 600' South, thence 300' West to the point of closing. The North East corner of this legal description is North 4° East 2800' to the big CATTAIL Mine,,as recorded in register of deeds office in Yancey Co, in book 75 at page 244.,

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

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

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

None

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

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [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 _____, 195__.

Pearl Heard Gill	[Seal]	Pensacola Fla.	[Address]
Ethel A. Heard Gill	[Seal]	Pensacola Fla.	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[Address]

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

_____

[Corporate Seal]

10-28-57

The legal description below is to be substituted for the legal description of a mining lease dated the 25th. day of September 1957, by and between Percy Threadgill and Ethel H. Threadgill, parties of the first part, and Nick Stegaile, party of the second part.

Beginning on a stake which is located 50' South of what is known as the Grassywood's Mine, and running 250' South, thence 300' East, thence 600' North, thence 600' West, thence 600' South, thence 300' West to the point of closing. The North East corner of this legal description is North 4° East 2800' to the big Cattail Mine, as recorded in register of deeds office in Yancey County, in book 75, at page 244.

Percy Threadgill Seal

Ethel H. Threadgill Seal

Parties of the 1st. part Owners

RECEIVED		
DATE	NAMES	CODE

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

RECEIVED 12 4 1957 DMEA

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

Nick Stigailo
5125 W. North Avenue
Chicago, Illinois

c/o Sam L. Phillips, Spruce Pine, N.C.

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA-4890
Date Received: 12/4/57
Government Participation %:
Region: V
Division Code: 600

BUSINESS ORGANIZATION (Check one)

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

State in which firm is organized: N.C.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Nick Stigailo	5125 W. North Avenue, Chicago, Ill.	Owner

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

Estimated Cost of Project: $ 7,000.00

LOCATION OF PROPERTY

Name	County	State
Grassywood's Mine	Yancey	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.

12-2-57
Dated

Nick Stigailo
BY (*Signature*)

Title

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:*

(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 all 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:*

(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:*

(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:*

(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:*

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:*

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.

* * * * *

INT.-DUP. SEC. WASH. D.C. 16539

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 4 1957
DATE | INITIALS

MF-103 (Continuation Sheet)

1.)a) Description on lease.

(b) Psospect will be known as "The Grassywood's Prospect".

(c) Lessee

(d) No lien.

2. (a) There has been some previous work done.

(b) Applicant has no interest in previous operations.

(c) No records of past production.

(d) There is a significant amount of strategic grade mica in vein material showing.

(e) Pegmatite vein.

(f) There is some vein showing, and we believe that with exploration work, we will recover some good ruby mica.

3. (a) Prospect is accessible to roads and shipping, and Nick Stigailo will meet the D.M.E.A. representatives at Pensacola, N.C., and go with them to the prospect which is located Northeast of the Big Cattail Mine in Yancey County .

(b) Prospect is accessible to roads and shipping, supplies, manpower and equipment are available.

4. (a) We propose to sink a shaft to a depth of 60', then drift for a distance of 100' with vein.

(b) No road to be built.

(c) Work can begin within 15 days after contract is received, and project can be completed within six months.

5. Personal sheet attached.

6. Estimate of costs:

60' Shaft @ $50.00 per foot	$ 3000.00
100' Drift @ $40.00 per foot	4000.00
Total estimated cost of project:	$ 7000.00

7. (a) Will share cost of proposed project.

(b) Money and equipment.

Nick Stigailo
5125 W. North Avenue
Chicago, Illinois

The above named person is 37 years of age, borned in Rumania, now a citizen of the United States. Mr. Stigailo is married, and has three children, he works for Building Maintainence in Chicago. Before he came to this country he was a teacher in the Military Academy in Rumania. He has a reputation in the community for honesty and trustworthiness, and lists the following as reference:

Northwestern Realty Service
Arthur J. Stonequist
3311 No. Harlem Avenue
Chicago 34, Illinois

Kenney's Towing Service
Kenney Hetzer
5113 W. North Avenue
Chicago 39, Illinois

Citizens National Bank of Chicago
5200 West Chicago Avenue
Chicago, Illinois

10-28-57

The legal description below is to be substituted for the legal description of a mining lease dated the 25th. day of September 1957, by and between Percy Threadgill and Ethel H. Threadgill, parties of the first part, and Nick Stegaile, party of the second part.

Beginning on a stake which is located 50' South of what is known as the Grassywood's Mine, and running 250' South, thence 300' East, thence 600' North, thence 600' West, thence 600' South, thence 300' West to the point of closing. The North East corner of this legal description is North 4° East 2800' to the big Cattail Mine, as recorded in register of deeds office in Yancey County, in book 75, at page 244.

GRANTEE FILE COPY
DMEA
RECEIVED DEC 4 1957

DATE	INITIALS	CODE

Percy Threadgill Seal

Ethel H. Threadgill Seal

Parties of the 1st. part Owners

435) 360000 (8.2
3480
1200

Mining Lease

The Great State of North Carolina.
County of Yancey.

This Mining lease made and entered into on this 25th day of September 1957, by and between Percy Threadgill and Ethel N. Threadgill, parties of the first part, herein referred to as the owners, and Nick Stegaile, parties of the second part, herein referred to as the Lessees.

WITNESSETH: Whereas the above named owners, for and in consideration of the performance of the conditions and agreements and payments of royalties as hereinafter stated, have bargained and leased and by these presents do bargain, lease and grant unto the said Lessees, their heirs or assigns for mining purpose, for the time and period fixed in paragraph (1) below, that certain tract of land on what is known as the Threadgill Boundary on the Waters of Cat Tail Creek in Pensacola Township of Yancey County, and more completely described as follows Starting on the main opening of the Grassy Woods Mica Mine and running west to the edge of the old Railroad Grade, now a road, thence down and with the edge of the said road in a southerly direction a distance of three hundred feet; thence east six hundred feet; thence North six hundred feet; thence west to the edge of the road (formerly Railroad Grade) thence down and with the road to the point of begining.

To have to and to hold the said premises for mining purposes unto the said Lessees, their heirs and assigns for the period of time fixed herein below, upon the full compliance with each and all of the following stipulations and agreements;

1. Period of Time. This lease shall begin Sept 25 1957 and shall be in full force and effect for a period of one year ending Sept 25 1958, unless sooner terminated as herinafter provided.

B. The owners hereby agree to extend this lease for as many as Five additional years on the same terms and conditions set forth herein, provided all the terms and conditions set forth herein shall have been complied with by the said Lessees.

C. If the Lessees fail to mine upon the said premises in a workmanlike manner for any period of time of as much as sixty days duration, then in that event it shall be deemed that the said lessees mining operations on the said premises has ceased and thereupon the owners at their option, may declare this lease null and void and of no effect and of no further force and may re-enter and take possession of said premises.

D. If the Lessees fail to pay any royalty payments as herein required, the owners, at their option may have the right to re-enter and may declare this lease null and void and of no effect and of no further force and then they have the right to take possession of the above premises.

2-A. Mining Rights. The Lessees shall have the right to dig search for, quarry, mine and obtain Mica, Feldspar and other minerals from the said premises using such machinery as is reasonably convenient and customary in a fully equipped mine.

B. The Lessees shall have the right of egress and ingress over the roads leading to and from the above mines, the Lessees agreeing to pay for the upkeep of the said roads leading to the said mines.

C. The Lessees shall have the right to use the surface of the said lands to the full extent that such use is reasonably necessary for the operation of the mining, digging, processing and removal of the said minerals.

D. The Lessees shall have the right to construct and place upon said lands such buildings and machinery as is reasonably necessary for the operation of the mines, it being expressly understood and agreed that upon the termination or expiration of this lease, all buildings and machinery placed thereon by the said Lessees may be removed within a period of 30 days from the said expiration or termination. After the said expiration of the above mentioned 30 day period it is mutually understood and agreed that all buildings and machinery remaining shall become the property of the said parties of the first part. It is further understood and agreed that the said Lessees shall not remove any buildings, piping or other equipment belonging to the said owners and now located on the above lands, and the said Lessees agree that they will keep all buildings used by them for camps and belonging to the said owners in as good repair as they are now in.

E. The Lessees shall have the right to cut and use such timber from the above described premises as may be necessary for the safe operation of the said mine or mines, provided they cut such timber as is approved by the owners.

3. Manner of Work. The Lessees agree to use sufficient machinery, tools and equipment and labor so as to operate the mines on the said premises in a workmanlike manner, and at all times to keep the mine in a clean and workable condition.

4. The Lessees shall, and hereby expressly agree, that all Mica and other minerals taken from the said mines shall be sheeted and worked on the above premises or in some location approved in writing by the owners and after the Mica has been sheeted and worked it shall be sold to the buyer offering the highest price.

5. Royalty. The Lessees shall and do hereby agree to pay the owners a royalty as follows:

A. The Lessees agree to pay to the owners a sum equal to one eighth of the sale price or all Mica, Feldspar and other minerals sold and the above payments shall be made either at the time of the sale, or not later than the first of each month for all minerals sold during the previous month.

B. Starting on the first day of August 1958, and on the first day of each and every month thereafter during the term of this lease or any extension thereof, should the royalty payments from the minerals mined and sold be less than one hundred dollars, the Lessees agree that they will, in addition to the payments provided in paragraph 5A, above, pay to the owners a sum equal to the difference between the royalty payments on the minerals sold during the preceding month and one hundred dollars, it being understood and agreed that one hundred dollars shall be the minimum royalty to be paid on each and every month.

C. The Lessees may surrender this lease at any time and thereby canceling all of the stipulations herein to be performed by them after the date of said surrender or cancelation agreement.

6. Inspection of premises. The owners or their agents shall have the right to inspect the mines the minerals taken therefrom regardless of where they are stored, all records and books of the said Lessees as to any and all the minerals mined and removed from the above described premises.

7. Transfer. It is expressly understood and agreed by all the parties hereto that this lease shall not be transferred or assigned by the said Lessees, their heirs or assigns, to any person firm or corporation without the consent in writing of the said owners.

8. Fire, fish and game. A. The Lessees and all persons in their employ shall use particular care to prevent any forest fires which might damage timber on this or adjoining lands.

B. It is expressly understood and agreed that neither the Lessees or any persons in their employ shall be permitted to take or destroy any fish or game on this or the adjoining lands of the said owners.

9. Covenants. The owners covenant to and with the said Lessees, their heirs or assigns that they are the owners of the above described lands and that they have a lawful right to execute this lease upon the terms herein stated, and that they will warrant and defend the title to same against the lawful claims of all persons whom so ever.

The party of the second part agrees to keep the roads in as good condition as they are now in and help in maintaining the roads which he uses.

In witness whereof the said owners and the Lessees have hereto set their hands and seals on this 25th day of September 1957.

Ethel H. Threadgill Seal

Percy Threadgill Seal

Parties of the 1st part Owners

Seal

Seal

Lessees and parties of the second part.

State of North Carolina - County of Yancey.

I, Marie Ray A Notary Public, do hereby certify that Percy Threadgill and Ethel H. Threadgill, his wife personally appeared before me this day and acknowledge the due execution of the foregoing mining lease for all the purposes therein expressed

Marie Ray

Notary Public

My commission expires March 21 1960.

I hereby assign, transfer and convey all my right, title and interest in the aforesaid lease to the Grassy Woods Mining Corporation for the consideration of the issuance of Five Hundred and Ten (510) of Grassy Woods Mining Corporation stock.

Nick Stigailo

Mining Lease

The Great State of North Carolina,
County of Yancey.

This Mining lease made and entered into on this 25th day of September 1957, by and between Percy Threadgill and Ethel M. Threadgill, parties of the first part, herein referred to as the owners, and Nick Stogaile, parties of the second part, herein referred to as the Lessees.

WITNESSETH: Whereas the above named owners, for and in consideration of the performance of the conditions and agreements and payments of royalties as hereinafter stated, have bargained and leased and by these presents do bargain, lease and grant unto the said Lessees, their heirs or assigns for mining purpose, for the time and period fixed in paragraph (1) below, that certain tract of land on what is known as the Threadgill Boundary on the Waters of Cat Tail Creek in Pensacola Township of Yancey County, and more completely described as follows Starting on the main opening of the Grassy Knob Mica Mine and running west to the edge of the old Railroad Grade, now a road, thence down and with the edge of the said road in a southerly direction a distance of three hundred feet; thence east six hundred feet; thence North six hundred feet; thence west to the edge of the road (former Railroad Grade) thence down and with the road to the point of begining.

To have to and to hold the said premises for mining purposes unto the said Lessees, their heirs and assigns for the period of time fixed herein below, upon the full compliance with each and all of the following stipulations and agreements;

1. Period of Time. This lease shall begin Sept 25 1957 and shall be in full force and effect for a period of one year ending Sept 25 1958, unless sooner terminated as herinafter provided.

B. The owners hereby agree to extend this lease for as many as Five additional years on the same terms and conditions set forth herein, provided all the terms and conditions set forth herein shall have been complied with by the said Lessees.

C. If the Lessees fail to mine upon the said premises in a workmanlike manner for any period of time of as much as sixty days duration, then in that event it shall be deemed that the said lessees mining operations on the said premises has ceased and thereupon the owners at their option, may declare this lease null and void and of no effect and of no further force and may re-enter and take possession of said premises.

D. If the Lessees fail to pay any royalty payments as herein required, the owners, at their option may have the right to re-enter and may declare this lease null and void and of no effect and of no further force and then they have the right to take possession of the above premises.

2-A. Mining Rights. The Lessees shall have the right to dig search for, quarry, mine and obtain Mica, Feldsper and other minerals from the said premises using such machinery as is reasonably convenient and customary in a fully equipped mine.

B. The Lessees shall have the right of egress and ingress over the roads leading to and from the above mines, the Lessees agreeing to pay for the upkeep of the said roads leading to the said mines.

C. The Lessees shall have the right to use the surface of the said lands to the full extent that such use is reasonably necessary for the operation of the mining, digging, processing and removal of the said minerals.

D. The Lessees shall have the right to construct and place upon said lands such buildings and machinery as is reasonably necessary for the operation of the mines, it being expressly understood and agreed that upon the termination or expiration of this lease, all buildings and machinery placed thereon by the said Lessees may be removed within a period of 30 days from the said expiration or termination. After the said expiration of the above mentioned 30 day period it is mutually understood and agreed that all buildings and machinery remaining shall become the property of the said parties of the first part. It is further understood and agreed that the said Lessees shall not remove any buildings, piping or other equipment belonging to the said owners and now located on the above lands, and the said Lessees agree that they will keep all buildings used by them for camps and belonging to the said owners in as good repair as they are now in.

E, The Lessees shall have the right to cut and use such timber from the above described premises as may be necessary for the safe operation of the said mine or mines, provided they cut such timber as is approved by the owners.

3, Manner of Work. The Lessees agree to use sufficient machinery, tools and equipment and labor so as to operate the mines on the said premises in a workmanlike manner, and at all times to keep the mine in a clean and workable condition.

4. The Lessees shall, and hereby expressly agree, that all Mica and other minerals taken from the said mines shall be sheeted and worked on the above premises or in some location approved in writing by the owners and after the Mica has been sheeted and worked it shall be sold to the buyer offering the highest price.

5. Royalty. The Lessees shall and do hereby agree to pay the owners a royalty as follows:

A. The Lessees agree to pay to the owners a sum equal to one eighth of the sale price or all Mica, Feldspar and other minerals sold and the above payments shall be made either at the time of the sale, or not later than the first of each month for all minerals sold during the previous month.

B. Starting on the first day of August 1958, and on the first day of each and every month thereafter during the term of this lease or any extension thereof, should the royalty payments from the minerals mined and sold be less than one hundred dollars, the Lessees agree that they will, in addition to the payments provided in paragraph 5A, above, pay to the owners a sum equal to the difference between the royalty payments on the minerals sold during the preceding month and one hundred dollars, it being understood and agreed that one hundred dollars shall be the minimum royalty to be paid on each and every month.

C. The Lessees may surrender this lease at any time and thereby canceling all of the stipulations herein to be performed by them after the date of said surrender or cancelation agreement.

6. Inspection of premises. The owners or their agents shall have the right to inspect the mines the minerals taken therefrom regardless of where they are stored, all records and books of the said Lessees as to any and all the minerals mined and removed from the above described premises.

7. Transfer. It is expressly understood and agreed by all the parties hereto that this lease shall not be transferred or assigned by the said Lessees, their heirs or assigns, to any person firm or corporation without the consent in writing of the said owners.

8. Fire, fish and game. A. The Lessees and all persons in their employ shall use particular care to prevent any forest fires which might damage timber on this or adjoining lands.

B. It is expressly understood and agreed that neither the Lessees or any persons in their employ shall be permitted to take or destroy any fish or game on this or the adjoining lands of the said owners.

9. Covenants. The owners covenant to and with the said Lessees, their heirs or assigns that they are the owners of the above described lands and that they have a lawful right to execute this lease upon the terms herein stated, and they they will warrant and defend the title to same against the lawful claims of all persons whom so ever.

The party of the second part agrees to keep the roads in as good condition as they are now in and help in maintaining the roads which he uses.

In witness whereof the said owners and the Lessees have hereto set their hands and seals on this 25th day of September 1957.

Ethel H. Threadgill Seal

Percy Threadgill Seal

Parties of the 1st part Owners

Seal

Seal

Lessees and parties of the second part.

State of North Carolina - County of Yancey.

I, Marie Ray A Notary Public, do hereby certify that Percy Threadgill and Ethel H. Threadgill, his wife personally appeared before me this day and acknowledge the due execution of the foregoing mining lease for all the purposes therein expressed

Marie Ray

Notary Public

My commission expires March 21 1958.

I hereby assign, transfer and convey all my right, title and interest in the aforesaid lease to the Grassy Woods Mining Corporation for the consideration of the issuance of Five Hundred and Ten (510) of Grassy Woods Mining Corporation stock. Nick Stigailo

NAME		ROOM	
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~~Miss Ericson~~ ~~Asst. Atty~~ ~~Gen. 5N6~~	RUN		RUN
[redacted]	STOP		STOP
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Mr. Chamberlain	RUN		RUN
m-4454 DMEA	STOP		STOP
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Use other side first

U. S. GOVERNMENT PRINTING OFFICE : 1951 16—38949a-2

U. S. Government Messenger Envelope

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Fish and Wildlife Service	RUN / STOP	National Park Service Room 3021	RUN / STOP
National Park Service	RUN / STOP	Mr. Mitchell Room 7321	RUN / STOP
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Mr. Jordan NCP Room 1208	RUN / STOP	Mr. Schnettler Room 3308	RUN / STOP
	RUN / STOP	Mr. Wilkinson Room 6014	RUN / STOP
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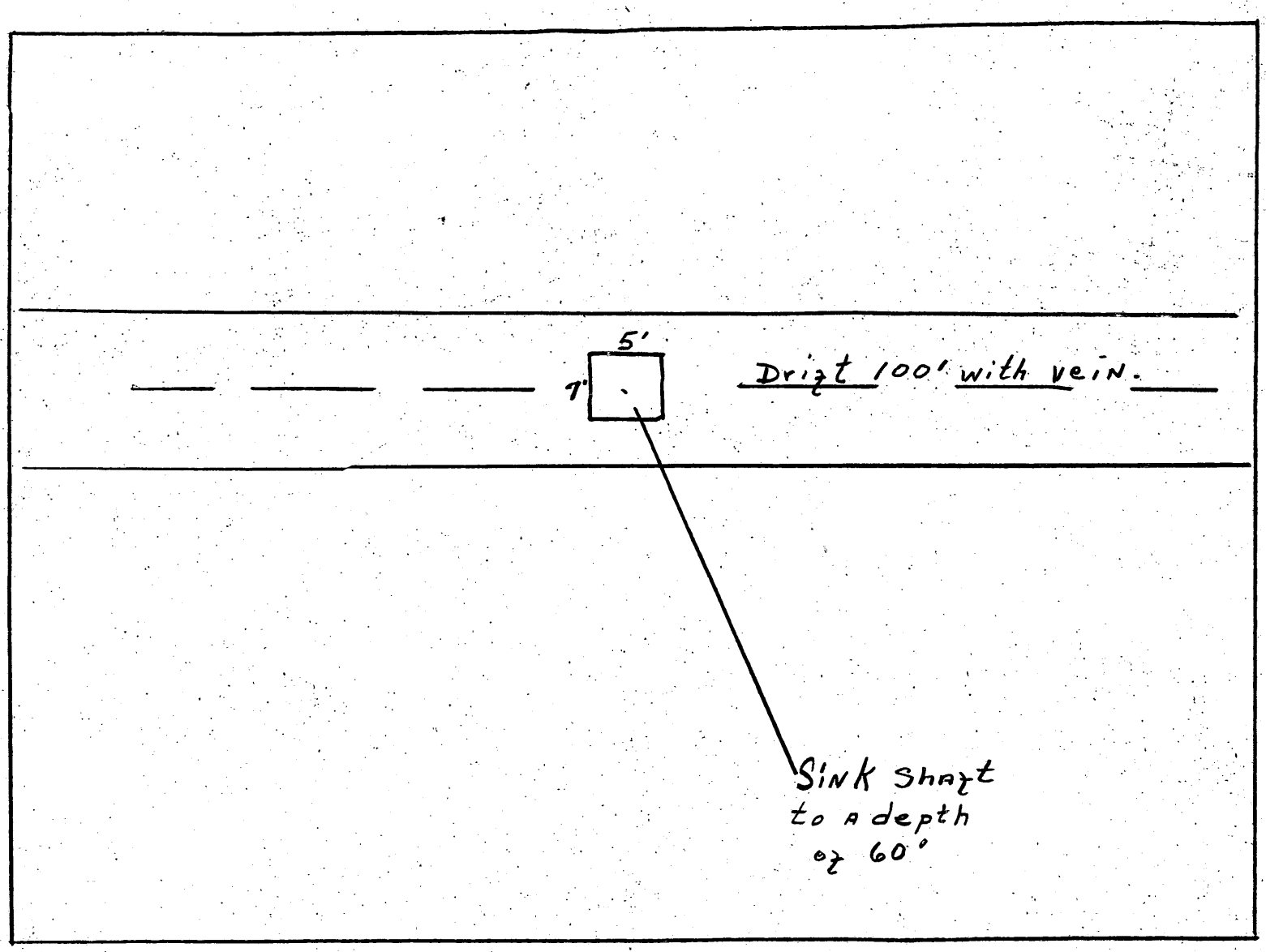
Use RUN and STOP only when messenger service between Government buildings in Washington is required. Your mail room has RUN and STOP information.

The Grassywoods Prospect

Yancey County, N.C.



Form 7
(56)

OFFICIAL FILE COPY

Date	Surname	Code
12/11	Anderson	600

December 10, 1958

Project Summary Report

By: Walter C. Anderson

1. Docket No. DMEA-4890-Mica
Contract No. Idm-E1170
Grassywood's Mine
Yancey County, North Carolina

Application: Form MF-103 (February 1957) received December 4, 1957.
Work proposed by Applicant:

60 feet of shaft @ $50/ft.	$3,000.00
100 feet of drift @ $40/ft.	4,000.00
Amount requested	$7,000.00

Operator: Grassy Woods Mining Corporation
c/o Mr. Nick Stigailo, President
5125 W. North Avenue
Chicago, Illinois

Operator's property rights: One year mining lease, having option to extend for five years on the Percy Threadgill property consisting of 8.2 plus acres, dated September 25, 1957. (Note: On October 4, 1957, this lease was assigned by Nick Stigailo to Grassy Woods Mining Corporation.) Consent to Lien and Subordination Agreement dated February 4, 1958.

2. Contract: Form MF-200A (April 1956) dated February 14, 1958.
Work authorized in two stages:

Stage I	
500 Cubic Yards excavation @ $0.40/cu.yd.	$200.00
60 Cubic Feet of hand trench @ $0.15/cu.ft.	9.00
Total Stage I	$209.00
Stage II	
Construction: Toolhouse, Powder and Exploder Magazines	$115.00
60 Feet of Shaft @ $46/ft.	2,760.00
100 Feet of Drift and/or Crosscut @ $34/ft.	3,400.00
Total Stage II	$6,375.00
Estimated total cost of project	$6,584.00
Government participation @ 75%	$4,938.00

Amendments: None

Work completed: Only Stage I.

500 Cubic Yards Excavation @ $0.40/cu.yd.	$200.00
60 Cubic Feet of hand trenching @ $0.15/cu.ft.	9.00
Total accepted cost	$209.00
Government participation @ 75%	$156.75

The above-cited "work completed" was done sometime during the last half of May, 1958. Neither the Field Team nor the Operator have submitted a formal final report, however, this office accepts as final the Field Team's interim report and the Operator's one monthly report and voucher, since only Stage I of the contract was done, amounting to only $156.75 of Government disbursement.
No equipment was purchased under the contract.
No mica recovered during project.

3. Audit: Report of Review issued September 30, 1958.

Total accepted cost	$209.00
Government participation	$156.75

4. Certification of discovery - none issued.

5. Comments:

How conducted: All of the work in which the Government participated was acceptable.
Operation: Not enough work was done to establish efficiency.
Engineering: One and only report by Operator was acceptable.
Geological premise: The target pegmatite, the subject for this exploration work, was covered by slumping of a steep wall. However, the recommendation for an exploration project was based on a field examination report of November 26, 1952, by Teague and Shirley. Their predictions for a probable discovery were proven wrong by only $209.00 worth of work.
Geological criteria upon which work was based:

1. Pegmatite: Several concordant pegmatites 2 to 4 inches thick exposed by recent bulldozing. However, the target pegmatite, as noted above, is one to four feet thick, is unzoned, and composed of quartz, plagioclase microcline, and muscovite. The country rock is partly to deep weathered biotite-muscovite-feldspathic gneiss.
2. Mica: Ruby, clear, hard, generally flat, and free splitting, and up to six inches across.

Criteria developed during project:

1. Pegmatite: Six to twelve inches wide, exposed for 40 feet along strike. Concordant, and composed of plagioclase, quartz, and five percent muscovite.
2. Mica: Up to 4x6 inches across in size, hard, free splitting, ruled, wavy, and clay stained.

Future possibilities: None, since results indicated that further work was not justified.

Recommendations:

The Field Team notified the Operator that since the work of Stage I indicated the non-existence of a worthwhile pegmatite, Stage II work would not be approved. The contract was, therefore, automatically terminated. The Division of Nonmetallic Minerals agrees and concurs in the Field Team's recommendation not to certify.

Walter C. Anderson

Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:gad 12/10/58
Copy to: Dir. R. File
Mr. Houk

☑ Audited 9/30/58

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 10/3/58

Incl. Voucher for

☐ Actual Cost

☑ Agreed Unit Costs

Name Grassy Woods Mining Co.

Docket No. 4890

State No. Car.

Commodity Mica

Idm-E No. 1170

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	100 Ft.	$3400.00			
Raising					
Shafts	60 Ft.	$2,760.00			
Winzes					
Drilling (Specify)					
Surface Excavation Bulldozer tr. 500 cyds @ 40¢ Hand trench 60 c. ft. @ 15¢		209.00		209.00	209.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		115.00			
Other (Specify)					
Totals		$6,375.00		209.00	209.00

Prepared by Walter C. Anderson

71626

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

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O. M. E.
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DATE	INITIALS	CODE
12/31	C	220
		600
December	23, 1958	

Memorandum

To: Nonmetallic Minerals Division
Office of Minerals Exploration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4890 (mica)

Applicant: Nick Stigalio

Name and Location of Property: Grassywood's Mine, Yancey County, N. C.

Contract Number: Idm-E 1170

Date of Field Team Final Report: 12/8/58

Date Rec'd. by Branch of Ceramic and Fertilizer Materials: 12/15/58

Field Team Recommendation: Recommend that no certification be issued.

Comments:

1. Stage I of an approved two-stage contract was completed, consisting of an open cut.
2. A 6 to 12 inch-thick pegmatite was exposed and this was shown to pinch out at five feet below depth of floor of cut.
3. No geologic target was outlined.
4. Expenditures

Total approved	$6,584.00
Total cost	209.00
Gov't. share of the cost	156.75
Value of production during operation	None

Recommendation:

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

W F Dietrich

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

December 8, 1958

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DATE	INITIALS	COST
12/10	C	220
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"	FEJ	110
12/16	[illegible]	130
12/16	C	220
12/17	[illegible]	600

Memorandum

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

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

Subject: Final Report - Docket No. DMEA-4890, Idm-E1170
Grassy Woods Mining Corp., 5125 W. North Ave., Chicago, Ill.
Grassywood's Mine (mica), Yancey County, North Carolina

Enclosed are the original and two copies of the subject final report.

We agree with the recommendation of the Examiners that no certification be made.

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
12-16-58
(date)

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DATE	INITIALS	CODE
12/16	[illegible]	130
		220

UNITED STATES

DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION

Field Team Final Rpt.

FINAL REPORT

DMEA-4890, Idm-E1170 (mica) GRASSYWOOD'S MINE
Yancey County, North Carolina

Frank G. Lesure, Geologist
U. S. Geological Survey

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

Reviewed by
OME OPERATIONS COMMITTEE
12-16-58
(date)

December 8, 1958

EXPLORATION PROJECT CONTRACT

FINAL REPORT

DMEA-4890, Idm-E1170 (mica) GRASSYWOOD'S MINE
Yancey County, North Carolina

Operator: Grassy Woods Mining Corporation, 5125 W. North Avenue, Chicago, Illinois

SUMMARY

Stage I bulldozing exposed a tabular pegmatite ranging in thickness from 6 to 12 inches for 40 feet along the floor of the cut. Shaft work by the Operator at his own expense indicates that the pegmatite pinches out about five feet below the surface. No geologic target was outlined. We recommend that no certification be made. No further exploration is warranted.

INTRODUCTION

Location

The Grassywood's mine is on the western slope of Gibbs Mountain, Yancey County, North Carolina, at an elevation of 4420 feet. The mine is 2.55 miles S. 72° E. of Pensacola, North Carolina, and about 6.5 miles by the Cattail Creek road from North Carolina State Highway 197 (Black Brothers quadrangle, TVA 1:24,000). The mine road is rough but passable at all seasons by 4-wheel-drive vehicles.

History

A few old small prospect pits were enlarged into a bulldozer cut about 140 feet long and a maximum of 12 feet deep by the Operator in 1957. Bulldozing removed much of the previous workings including 25 feet of incline and 30 to 40 feet of level work. About 1000 pounds of mine-run mica was recovered during the 1957 work.

CONTRACT WORK

Work under DMEA-4890, Idm-E1170 was begun May 15, 1958. Stage I bulldozing was done and 508 cubic yards of material removed. A steep bank was cut back and slump material removed. Sixty cubic feet of hand trenching was done to clean the pegmatite. Results of Stage I were not promising but the Operator requested a delay in termination so that he could do some additional work at his own expense. On June 16, 1958, the Field Examiners visited the property again and inspected a 16-foot vertical shaft sunk by the Operator. This additional work proved that the target pegmatite pinched out about five feet below the bottom of the trench. No geologic target was outlined. The Operator at that time stated to the Examiners that he planned to deepen the shaft and crosscut to the east. No additional work was done by early September and a letter to the Operator giving notice of non-approval of Stage II, terminated the contract as of June 16, 1958.

GEOLOGY

A concordant tabular pegmatite ranging from 6 to 12 inches in thickness was exposed for 40 feet by the Stage I bulldozing. The pegmatite is intruded into a biotite-muscovite gneiss which is deeply weathered on the east side of the cut and partly weathered to fresh on the west side. The pegmatite strikes N. 5° W. and is vertical at the surface. In the 16-foot shaft the pegmatite dips 50° to the east and pinches out about five feet below the surface. Beneath the target pegmatite are a few discontinuous pods and thin stringers of weathered pegmatite in the gneiss.

The pegmatite is a coarse-grained mixture of plagioclase, quartz, and muscovite. Mica occurs in books up to 4 x 6 inches. The mica is hard and free-splitting but is ruled, wavy and clay-stained.

PRODUCTION AND RESERVES

There was no production of any value during the contract work. No reserves were outlined.

RECOMMENDATIONS AND CONCLUSIONS

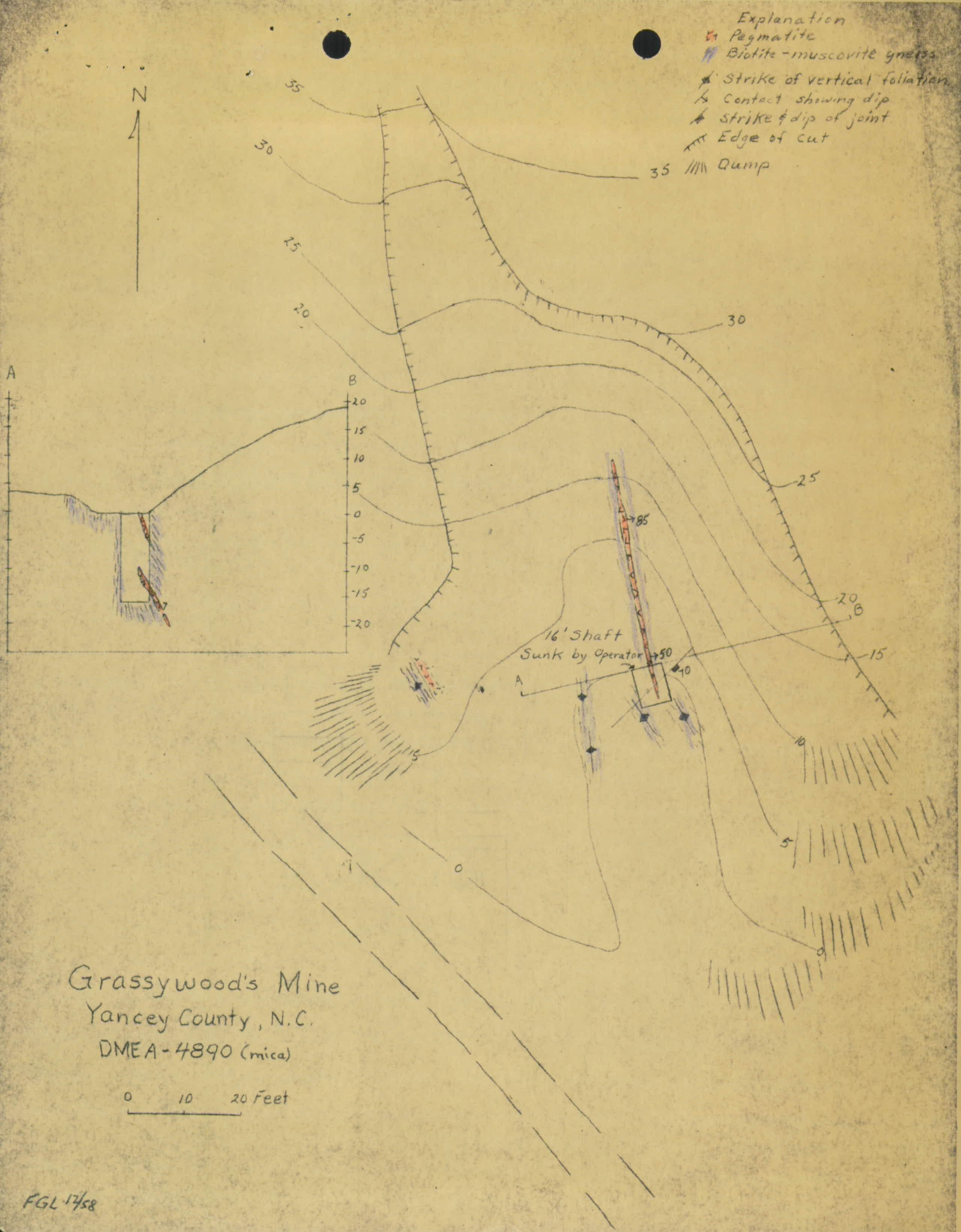
We recommend that no certification be made. The pegmatite exposed at the surface is thin and only 40 feet long. The shaft shows that the pegmatite pinches out at a shallow depth. No geologic target was outlined. No further exploration is warranted.

EXPENDITURES

(a)	Total approved	$6,584.00
(b)	Total cost of project	209.00
(c)	Government's share of cost	156.75
(d)	Government's share unexpended	4,781.25
(e)	Production	None

Frank G. Lesure, Geologist
U. S. Geological Survey

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



Grassywood's Mine
Yancey County, N.C.
DMEA-4890 (mica)

0 10 20 Feet

FGL 12/58

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION V

ELECTROTECHNICAL
EXPERIMENT STATION

P. O. BOX 217
NORRIS, TENNESSEE

3-1048 104 as

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O. M. E.
RECEIVED OCT 6 1958

DATE	INITIALS	CODE
10-6	C	220
11		110
		600

October 3, 1958

Memorandum

To: Jay L. Chambers, Office of Mineral Exploration, Interior Building, Washington 25, D. C.

From: Personal Assistant, Norris, Tennessee

Subject: Monthly reports and vouchers

We are enclosing two copies each of the following monthly reports and vouchers:

Idm-E1170 — Grassy Woods Mining Corporation
Docket No. DMEA-4890
1st and final payment - May-June Voucher
Starting Date: 5/10/58
Terminated: 6/16/58
Amount $156.75

Idm-E1199 — Reynolds Metals Company
Docket No. DMEA-4962
Starting Date: 7/1/58
Amount $22.75
1st payment - month of August

Idm-E1200 — Reynolds Metals Company
Docket No. DMEA-4963
No Holes completed

Helen Miller
Helen R. Miller

Attachments
/hbm
Copies to V. J. Lynch
Ha.A. Laurence
Norris files
Day files

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 20

RECEIVED OCT 6 1958 D.M.E.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1958 Docket No. DMEA 4890(Mica) Contract No. Idm-E1170
Operator's Name Grassy Woods Mining Corporation Minerals mica
Address c/o M.J.Robbins, 39 S.LaSalle St., Chicago,Ill
Contract Amount, $ 6,584.00 Government Participation: 75 % Amount, $ 4,938.00

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	200.00	none	200.00			
Crosscutting						
Drifting						
hand trench	9.00	none	9.00			
(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.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	209.00	none	209.00	209.00	-	209.00

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

Date Sept.22/58 Payee Grassy Woods Mining Corp.

Per Nick Suzala Title President

*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:

$ 156.75

Signature Helen R. Miller
(Authorized Certifying Officer)

Date OCT 3 1958 Vou. No. 44

(See other side)

1+7 5/10 6/16 52.25

(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-1170 in accordance with the terms of the contract.

Signature W. D. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date SEP 25 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DME REGION V Date SEP 25 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 1962)

Budget Bureau No. 42-R1151.2

RECEIVED OCT 6 1958 D.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 195 8 Docket No. DMEA 4890 (Mica) Contract No. Idm-E1170
Operator's Name Grassy Woods Mining Corporation Minerals mica
Address c/o M.J. Robbins, 39 S. LaSalle St., Chicago, Illinois

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching hand		9.00		9.00				9.00
Test Pits								
Roads and Trails								
Bull dozing		200.00		200.00				200.00
TOTAL DISTRIBUTED COSTS		209.00		209.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		209.00		209.00				

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 9/22/58 Operator Grassy Woods Mining Corp.

Per Nick Stugues Title President

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)

V. J. Lyons
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

Month of May, 1958

DMEA # 4890

Idm-E 1170

Date Work began ..5/10/58

Work Accomplished:

Cleaned and prepared road for Bulldozer ingress; prepared for and set up compressor; hired four workmen; contracted for, supervised and paid for bulldozing; started shaft sinking; blasted and drilled shaft .

Daily notes:

May 10--- Made arrangement and prepared site for compressor.

May 11 worked on prearing road to site

May 12 worked on preparing road to site

May 13 to 16th... Bulldozing

May 19th to 21st.... Bulldozing

May 22 and 23rd... Hand trenching

May 26th thru 29th... shaft sinking, drilling and blasting and removing muck

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/3	Anderson	600
10/3	Houk	600
10/7	[illegible]	130
10/7	[illegible]	110
"	[illegible]	100
10/8	[illegible]	220
		600

600

OCT 7 1958

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

Re: Docket No. DMEA-4890-Mica
Grassy Woods Mining Corporation
Grassywood's Mine
Yancey County, North Carolina
Contract No. Idm-E1170

Dear Mr. Laurence:

Receipt is acknowledged of the Field Team's memorandum of September 25, 1958, enclosing two copies of a letter from the Operator and two copies of your reply.

Please be informed that when you advised the Operator in writing that Stage II of the contract will not be approved the contract is automatically terminated and, therefore, a formal termination agreement is not necessary.

Sincerely yours,

George C. Selfridge
ACTING Chairman, Operating Committee (HB)

Approved:

Richard H. Mote (HB)
Member, Bureau of Mines

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

WCAnderson:gad 10/3/58
Copy to: Dir. R. File
Operating Committee
Mr. Kiilsgaard
Mr. Dietrich
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/30	Talbert	800
9/30	C	220
10/1	Hout	600

SEP 30 1958

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

Re: Docket No. DMEA-4890 (Mica)
Grassy Woods Mining Corporation
Contract No. Idm-E1170

Dear Mr. Laurence:

The original and three copies of a Report of Review in lieu of a final audit of the referenced project, as requested by your September 25 memorandum, are enclosed. If you concur with the facts stated therein, please make the usual distribution. If for any reason you do not concur, please return all copies to this Division.

The May 1958 (first and final) MF-104, which was forwarded with your memorandum, is also enclosed.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

Enclosures

EDTalbert/GMcC
Sept. 30, 1958

cc: Docket
Act. Director's Reading File
Mr. Chambers

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Room -2-B, Post Office Bldg.
Knoxville, Tennessee

September 25, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 29 1958

DATE	INITIALS	CODE
9-29	C	220
		130
9/30	Hook	600

Memorandum

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

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

Subject: DMEA-4890, Idm-E1170(mica). Grassy Woods Mining Co., Chicago, Illinois. Grassy Woods Mine, Yancey County, N.C.

Enclosed are two copies of a letter from the Operator, requesting an extension of the contract and two copies of our reply.

Nothing has been done at this project since early June. At that time, we did not give approval for Stage II work, but agreed to wait and see what the Operator's work during the summer disclosed. Mr. Beck saw the prospect last week and reports that nothing has been done.

In our opinion, the best course is to terminate by non-approval of Stage II, which we have done, rather than to extend the completion date and wait all winter for the results of core drilling which may or may not get done. Therefore, we have advised the Operator that Stage II will not be approved which, in effect, terminates the contract. If you consider that a termination agreement or notice is required, please prepare one, with June 16, 1958 as the effective date. Certification will not be recommended.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Room 2-B, Post Office Bldg.
Knoxville, Tennessee

OFFICE FILE COPY
OMEA
RECEIVED SEP 29 1958

September 25, 1958

Memorandum

To: Jay L. Chambers, Director OME Contract Administration and Audit Division- Washington

From: Executive Officer, OME- Region V, Knoxville, Tenn.

Subject: Termination - DMEA-4890, Idm-K1170, Grassy Woods Mine, Yancey County, N.C.

Work on the subject contract was terminated by non-approval of Stage II of the contract, effective June 16,1958.

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

1) In excess of 500 cubic yards of dozer trenching completed.

2) 60 cubic feet of hand trenching completed.

Stage II of the contract will not be authorized. A termination agreement has been requested if needed.

Final MF-104 is attached. A report of review is requested.

Robert A. Laurence

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

P.S. Since only one Monthly Report and Voucher was received, and only one months work done, we are accepting the Operator's May narrative as the Operator's final report.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Room 2-B, Post Office Bldg.
Knoxville, Tennessee

DMEA
RECEIVED SEP 29 1958

cc: Opr. Com-2
Finance
Lynch
Files

Mr. George Brode
201 North Wells St.
Chicago 6, Illinois

Re: DMEA-4890 (mica)
Grassy Woods Mining Corp.
Grassy Woods Mine
Yancey County, N. C.
Contract Idm-E1170

Dear Mr. Brode:

As you know, the authorization for the DMEA program expired on June 30, 1958, and DMEA's successor, Office of Minerals Exploration was recently authorized by an act of Congress.

Because the subject contract was to have been completed by October 14, 1958 and because examination of results of the Stage I work did not indicate favorable conditions to justify Stage II, it seems best now to consider the project terminated, as we cannot give approval to begin Stage II as provided in the first paragraph of Exhibit "A" of the contract.

If the proposed core drilling mentioned in your letter of September 23 discloses conditions which appear to be favorable for further exploration, we will be glad to accept your application for aid, under the new program, at that time. A copy of the proposed regulations is enclosed, and application forms will be sent to you when we receive them, some time after October 17.

This letter, therefore, constitutes notice of non-approval of Stage II and, consequently, termination of the contract.

Sincerely yours,

Robert A. Laurence
Executive Officer, OME

GEORGE BRODE
ATTORNEY AT LAW
201 NORTH WELLS STREET
CHICAGO

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 26 1958
FILE

September 23, 1958

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

Re: DMEA-4890 (Mica)
Grassy Woods Mining Corp.
Grassy Woods Mine
Yancey County, North Carolina
Contract No. IDm-E1170

Dear Mr. Laurence:-

Please excuse my delay in not answering your letter of September 8 sooner, but I was out of the city.

I am enclosing herewith Form MF 104 and Form MF 104A plus the narrative accompanying therewith.

We wish to advise that we have just purchased a new Core Drilling outfit manufactured by a firm in Wisconsin which we are shipping to North Carolina to core drill the Grassy Woods Mining location. Our present plans calls for Stigailo and crew to be at the mine site before October 1. We cannot say how long the job of core drilling will take and therefore we ask your indulgence in the possible extention of the October 14 date mentioned in your letter of September 8.

Respectfully submitted,

George Brode

GB/ew
encl.

RECEIVED
SEP 2 5 1958
U. S. Geological Survey
Denver, Colorado

Operating Comm.

DMEA
RECEIVED SEP 10 1958

9-10 C 220
9/10 800
9/10 600

September 8, 1958

Mr. George Brode
201 North Wells Street
Chicago 6, Illinois

Re: DMEA-4890 (Mica)
Grassy Woods Mining Corp.
Grassy Woods Mine
Yancey County, North Carolina
Contract No. Idm-21170

Dear Mr. Brode:

According to the contract, the exploratory work at the Grassy Woods mine is to be completed on or before October 14, 1958.

When our field man inspected the project on June 2 and 16, work on Stage I had been completed, but results indicated that further work was not justified. They were told that you planned to do some additional work, at your own expense, to determine whether the pegmatite widens to the south, and they agreed to wait until this work was done before making a final decision concerning Stage II. Since then, we have heard nothing about the progress of this work. Please let me know what has been done, and whether you plan to do any additional work.

We have never received your voucher for the bulldozing which was done in May. Our field man report that this work, totalling 508 cubic yards, was satisfactorily completed. It will be appreciated if you will submit this voucher and a descriptive account of the work completed and results accomplished.

Very truly yours,

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

RAL/mg
cc - Operating Committee (2)
Mr. Lynch
File

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 27 1958

DATE		
6/27	KrB	220
17	Com	100
"		110
6/30		800
		600

EXPLORATION PROJECT CONTRACT

INTERIM REPORT

DMEA-4890, Idm-E1170 (mica) GRASSY WOODS MINE

Operator: Grassy Woods Corp., c/o Robbins & Gassel, Attys.
39 S La Salle St. Suite 403, Chicago 3, Illinois.

Location: About 6.5 miles up Cattail Creek road from State Highway 197. 2.5 miles S72°E of Pensacola, Yancey County, N. C.

This project was visited to find out whether the Operator is doing additional work at his own expense to supplement Stage I.

A vertical shaft has been sunk 12 feet exposing 4 or more steeply dipping lenticular pegmatite lenses upt to 12-inches wide. The lenses contain 5 to 10% of muscovite up to 3 x 3 inches marred by ruling and bending, but nearly free of black staining.

The Operator plans to deepen the shaft and crosscut east to try to intersect a wider pegmatite at this own expense.

Inspected: June 16, 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

EXPLORATION PROJECT CONTRACT

INTERIM REPORT

DMEA-4890, Idm-E1170 (mica) GRASSY WOODS MINE
Yancey County, North Carolina

Operator: Grassy Woods Mining Corp., c/o Robbins & Gassel, Attorneys, 39 S. La Salle St., Suite 403, Chicago 3, Illinois

Location: About 6.5 miles up Cattail Creek road from State Highway 197. 2.5 miles S72°E of Pensacola, Yancey County, North Carolina.

Stage I bulldozing has been completed. The bank has been cut back and the slump material cleared from the trench. Total bulldozer excavation is 508 cu. yds.

Pegmatite 6 to 12-inches wide, striking N5°W, dip vertical is exposed for 40 feet. The body is coarse-grained, concordant, and composed of plagioclase, quartz, and 5% muscovite up to 4 x 6 inches. The muscovite is hard and free splitting, but is somewhat ruled, wavy, and clay stained.

The Operator's foreman reported that the Operator believes the pegmatite is wider to the south and excavation to the south will expose it.

The foreman was asked to inform the Operator that action on termination will be postponed to give him time to do more work, if he thinks it worthwhile.

Inspected: June 2, 1958

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

F. G. Lesure, Geologist
Geological Survey

z

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 29 1959

DATE		CODE
5/29	Com	220
6/3		700
"		110
6/4		800
		600

DMEA EXPLORATION PROJECT

INTERIM REPORT

DMEA ~~4809~~ 4890, Idm-E1170(mica) GRASSY WOODS MINE
Yancey County, North Carolina

Operator: Grassy Woods Mining Corporation, c/o Robbins & Gassel Attorneys, 39 S. La Salle St. Suite 403, Chicago 3, Illinois.

Location: About 6.5 miles up Cattail Creek road from State Highway 197. 2.5 miles S72°E of Pensacola, N.C.

The Field Examiners went to the mine with the Applicant and his foreman to point out where the bulldozing and hand trenching are to be done.

A compressor and hoist have been moved to the site. The Operator reports that the equipment was moved onto the site May 15, 1958, the starting date of the contract.

Inspected: May 5, 1958

F. G. Lesure and S. C. Bergman, Geologists
Geological Survey (DMEA)

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

z

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

April 28, 1958

4/30 220
4/30 215
5/1 600

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract: DMEA-4890, Idm-E1170-mica.
Grassy Woods Mining Corp. Grassy Woods, Mine
Nick Stigailo, Illinois - President

Attached are two copies of the subject contract signed by Nick Stigailo president of the corporation.

Also attached is a copy of a letter from Robbins and Gassel attorneys for the corporation.

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

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

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

ROBBINS AND GASSEL
ATTORNEYS AT LAW
39 SOUTH LA SALLE STREET-SUITE 403
CHICAGO 3, ILLINOIS

MANUEL J ROBBINS
MILTON R GASSEL

TELEPHONE FRANKLIN 2-9848

OFFICIAL FILE COPY
DMEA
RECEIVED APR 30 1958
DEPT.

RECEIVED
APR 28 1958
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

April 25, 1958

United States Department of the Interior
Defense Minerals Exploration Administration
Room 13 Post Office Building
Knoxville 2, Tennessee

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

Gentlemen:

Re: Proposed Contract
DMEA-4890 -mica
Grassy Woods Mining Co.
Yancey County, North Carolina

I am enclosing herewith four copies of the proposed DMEA Contract for Grassy Woods Mining Co. Work will commence approximately May 15, 1958.

Our President, Mr. Stigailo would like to know your schedule so that he can meet with you at the site of the mine. Will you please advise when you could meet with Mr. Stigailo in North Carolina.

Would you please address all further communications concerning the mine to this office as the undersigned is General Counsel for the mine and will be in charge of all correspondence and contracts.

Thank you very much for your cooperation in this regard.

Very truly yours,

ROBBINS AND GASSEL

By: Manuel J. Robbins
MANUEL J. ROBBINS

MJR:rg
Enc.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/15	Anderson	600
4/15	Houk	600
4/16	[illegible]	130
"	Johnson	110
"	Matthews	100
4/17	[illegible]	220

APR 17 1958 600

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

Re: Docket No. DMEA-4390-Mica
Grassy Woods Mining Corporation
Grassywood's Mine
Yancey County, North Carolina

Dear Mr. Laurence:

Concerning a copy of Assignment of Lease, Acceptance of Assignee and Consent of Assignment, enclosed with your memorandum of April 8, 1958, please be advised that it is satisfactory.

If you have not already done so, please forward the contract to the Operator for execution.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SLB)

Approved:

Frank D. Lamb (SLB)

Member, Bureau of Mines

Thor H. Kiilsgaard (SLB)

Member, Geological Survey

WCAnderson:gad 4/15/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

April 8, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED APR 10 1958
4/14

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4890, Idm-E1170-mica. Grassywoods Mining Company, Grassy Woods Mine, Yancey County, N. C.

Enclosed is a copy of Assignment of Lease, Acceptance of Assignee and Consent of Assignment, all pertaining to the subject contract.

It has been noted that the date of the Consent of Assignment was not completed by the Threadgills.

Robert A. Laurence

Robert A. Laurence

JOHN S. WEGERZYN
ATTORNEY AT LAW

MANUFACTURERS BANK BUILDING • 1200 NORTH ASHLAND AVENUE
CHICAGO 22, ILLINOIS • TELEPHONE HUMBOLDT 6-3383

ASSOCIATE
EDWARD L. STEPNOWSKI

OFFICIAL FILE COPY
DMEA
RECEIVED APR 10 1958
DATE | INITIALS | CODE

March 31, 1958

U. S. Department of the Interior
Defense Minerals Exploration Administration
Post Office Building
Knoxville, Tennessee

Re: Docket No. DMEA-4890 (Mica)
Grassywoods Mine
Yancey County, North Carolina

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

Dear Sir:

I herewith enclose an assignment of the lease in the above matter from Nick Stigailo to the Grassywoods Mining Corporation together with an acceptance by the corporation and consent to assignment executed by Percy Threadgill and Ethel H. Threadgill.

Would you please proceed with processing the contract in the above matter at your earliest convenience.

Very truly yours,

JSW:EK
Enc.

RECEIVED
APR 7 - 1958
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

OFFICIAL FILE COPY

Date	Surname	Code
3/12	Anderson	600
3/12	Houk	600
"	Whitesides	100
3/13	C	220
		600

600

MAR 12 1958

Mr. John S. Wegerzyn
Attorney At Law
Manufacturers Bank Building
1200 North Ashland Avenue
Chicago 22, Illinois

Re: Docket No. DMEA-4890-Mica
Grassy Woods Mining Corporation
Grassywood's Mine
Yancey County, North Carolina

Dear Mr. Wegerzyn:

Pursuant to your request of March 10, 1958, please find enclosed the lease to Mr. Nick Stigailo from Percy and Ethel H. Threadgill.

Sincerely yours,

Lawrence G. Houk, Director
Division of Nonmetallic Minerals

Enclosure

WCAnderson:gad 3/12/58
Copy to: Admr. R. File
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

IN S. WEGERZYN
ATTORNEY AT LAW

MANUFACTURERS BANK BUILDING • 1200 NORTH ASHLAND AVENUE
CHICAGO 22, ILLINOIS • TELEPHONE HUMBOLDT 6-3383

ASSOCIATE
EDWARD L. STEPNOWSKI

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 11 1958

DATE		CODE
3/11	C	220
3/11	Houk	600

March 10, 1958

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

Re: Docket No. DMEA-4890 (Mica)
Grassywoods Mine
Yancy County, North Carolina
Nick Stigailo

Mr. Lawrence G. Houk, Director

Dear Sir:

I represent the Grassywoods Mining Corporation and at the request of its president, Nick Stigailo, I was asked to write to you for the purpose of locating the lease that Nick Stigailo received from Threadgill. I would want the return of the lease or a photostatic copy of the same so that I can prepare a formal assignment of this lease from Nick Stigailo to the aforesaid corporation, and, in turn, so that I could make arrangements to receive the consents from Threadgill to the assignment of lease to the aforesaid corporation. I cannot work on this assignment until I receive the above information.

On February 24, 1958, the executive officer of the DMEA Field Team Region 5 of Knoxville, Tennessee, requested a copy of the assignment and a consent from the Lessor.

Very truly yours,

John S. Wegerzyn

JSW:EK
Air Mail

Operating Committee

DMEA
RECEIVED FEB 26 1958

DATE	INITIALS	CODE
2/26	C	220
2/27	Hook	600

February 24, 1958

Mr. Nick Stigaillo
c/o Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-4890 (Mica)
Grassywoods Mine
Yancey County, North Carolina

Dear Mr. Stigaillo:

Before we can go any further in processing a contract for exploration on the Grassywoods mine, we must have a copy of the assignment of your lease to the Grassy Woods Mining Corporation, as requested by Mr. L. G. Hook in his letter to you dated January 27.

It is also necessary for you to submit the written consent of the lessors to this assignment, as required in Paragraph 7 of the lease.

Upon receipt of these documents, I will forward a contract to you for execution.

Sincerely yours,

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

RAL/mg
cc - Mr. Stigaillo
5125 W. North Avenue
Chicago, Ill.

Operating Committee (2)
Mr. V. J. Lynch
File

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/10	Anderson	600
2/10	Houk	600
"	Chambers	800
2/14	Martin	130
"	Johnson	110
"	Rutledge	100
2/14	C	220
		600

600

FEB 14 1958

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

Re: Docket No. DMEA-4890-Mica
Grassy Woods Mining Corporation
Grassywood's Mine
Yancey 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), Consent to Lien and Subordination Agreement, Exhibit A (3 pages), and one map. Also enclosed are two extra copies of Annex I, Exhibit A, and the map for Field Team use.

The execution of the contract is subject to the submission of a copy of the assignment of the lease from Mr. Nick Stigailo to the Grassy Woods Mining Corporation, indicating the written consent of the lessors thereto as required by Paragraph 7 of the lease.

If the proposed contract meets with your approval, present it to the applicant for execution. 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 map are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated January 21 and 22, 1958, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Approved:

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

Thor H. Kiilsgaard (SHB)
Member, Geological Survey

Sincerely yours,

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

Enclosures 11

P.S. Under Article 1 the starting date has been left blank and is to be filled in when the contract is signed by the Operator.

WCAnderson:gad 2/7/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

FEB - 5 1958

Memorandum

To: Administrator, DMEA
Attention: Director, Division of Nonmetallic Minerals

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-4890-Mica
Nick Stigailo
Grassywood's Mine
Yancey County, North Carolina

As requested in Mr. Houk's reference slip dated January 31, 1958, we have prepared the attached Contract.

Prior to execution of the Contract, the map referred to in Exhibit A should be attached. In addition, a copy of the assignment to Operator of the lease, indicating the written consent of the lessors thereto as required by paragraph 7 of the lease, should be submitted.

Robert P. Dwyer

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/31	[illegible]	200
1/31	C	220
		600

600

January 30, 1958

Memorandum

To: Mr. Allan S. Dakan, Chief
Operations Control and Statistics

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

Subject: Name change on docket and records - DMEA-4890

We are in receipt of an affidavit dated January 29, 1958, from Mr. Nick Stigailo, signed as President of the Grassy Woods Mining Corporation.

Mr. Stigailo requests us to process application No. DMEA-4890, (originally filed in name of Nick Stigailo) under the name and in behalf of the Grassy Woods Mining Corporation.

We are changing our records to comply with this request.

Lawrence G. Houk, Director
Division of Nonmetallic Minerals

LGHouk:rsi 1/30/58
Copy to: Admr. R. File
Mr. Houk

8623

SOSTRIN AND SOSTRIN
ATTORNEYS AT LAW
33 NORTH LA SALLE STREET
CHICAGO 2

NATHAN SOSTRIN
JACK A. SOSTRIN

January 29, 1958

FINANCIAL 6-3580

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 30 1958

DATE	INITIALS	CODE
1-30	C	220
1/30	Houk	600

United States
Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

ATTENTION: Lawrence G. Houk

RE: Docket No. DMEA-4890-Mica
Nick Stigailo
Grassywood's Mine
Yancey County, No. Carolina

Gentlemen:

Concerning the aforesaid docket and application, would you kindly continue processing this application in the name of and in behalf of the Grassy Woods Mining Corporation, an Illinois Corporation.

I wish to advise you that the undersigned owns 51% of the stock in the aforesaid corporation and is President pursuant to a duly organized meeting of the Board of Directors dated October 4, 1957.

GRASSY WOODS MININING CORP.

BY Nick Stigailo
PRESIDENT

ATTEST:
George Hickey
Secretary

(SEAL)

Form 7
(2-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/27	Anderson	600
1/27	Houk	600
"	[illegible]	110
"	[illegible]	100
1/27	C	220
		600

600

JAN 27 1958

Mr. Nick Stigailo
5125 W. North Avenue
Chicago, Illinois

Re: Docket No. DMEA-4890-~~Mica~~
Nick Stigailo
Grassywood's Mine
Yancey County, North Carolina

Dear Mr. Stigailo:

We note in the last paragraph of your Threadgill Lease that you have assigned, transferred, and conveyed all your right, title and interest in the lease to the Grassy Woods Mining Corporation. You no longer have an interest in the subject property and, therefore, we are unable to continue the processing of the application.

Please advise what your intentions are to remedy this condition.

Sincerely yours,

Lawrence G. Houk, Director
Division of Nonmetallic Minerals

WCAnderson:gad 1/27/58
Copy to: Admr. R. File
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 23 1958

DATE	INITIALS	CODE
1/23	C	220
1/23	Hook	600

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

January 22, 1958

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4890 (mica)

Applicant: Nick Stigailo

Name and Location of Property: Grassywood's Mine, Yancey County, N. C.

Date of Field Team Report: January 17, 1958

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: January 21, 1958

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

Comments:

1. This prospect was originally recommended for exploration assistance under DMEA Docket No. 2726, in 1952.

2. During recent bulldozer work 1,008 pounds of mica were recovered and sold in block for initial payment of $74.10.

3. Mica from target pegmatite is of strategic grade according to field team.

Recommendation:

I concur with the recommendation of the field team for a two-stage exploration program as outlined by the field examiners.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 22 1958

DATE		CODE
1/22	C	220
1/23	Houk	600

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

January 21, 1958
Re: DMEA 4890
Nick Stigailo (S. L. Phillips)
Grassywood's Mine
Yancey County, N. C.
Appl. Est. $7,000
Rec'd " 6,734 - Mica

Memorandum

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

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

Subject: Review of Field Team Report

The applicant requested assistance in exploring an unzoned pegmatite, 1 to 4 feet thick, exposed on strike by bulldozing in 1957, for 75 feet. During the bulldozing block mica worth $74.10 was recovered and sold. The strike trench has since slumped and the pegmatite is covered and particulars as to the pegmatite are taken from a previous DMEA examination report. (Teague and Shirley, November 26, 1952, DMEA 2726). Work was then recommended and a contract was written and submitted to the applicant. Apparently the work was not done.

The present examiners in accord with the recommendation of the former examiners, recommend a 2-stage work program consisting of bulldozing 500 cu. yds., shaft sinking 60 feet, and drifting 100 feet.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DMEA
RECEIVED JAN 20 1958
CODE
1/20 gv 220
1/22 130
1/23 C 220
600

January 17, 1958

Memorandum

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

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

Subject: Examination Report - Docket No. DMEA-4890 (Mica)
Nick Stigailo, c/o Sam L. Phillips, Spruce Pine, N. C.
Grassywood's Mine, Yancey County, North Carolina

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

The Field Team agrees with the recommendation of the Examiners for a two-stage exploration program.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 11

Reviewed by
DMEA OPERATING COMMITTEE
1-22-58
(Date)

DMEA
RECEIVED JAN 20 1958

		CODE
1/22	2/12	130
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT

REGION V

DMEA-4890 (mica) GRASSYWOOD'S MINE
Yancey County, North Carolina

F. G. Lesure, Geologist
Geological Survey

S. A. Feitler, Mining Engineer
Bureau of Mines

Reviewed by
DMEA Operations
1-22-58
(date)

January 16, 1958

FIELD TEAM EXAMINATION REPORT

DMEA-4890 (mica) GRASSYWOOD'S MINE
Yancey County, N. C.

1/22 2/3 130 220

Applicant: Nick Stigailo, c/o Sam L. Phillips, Spruce Pine, N.C.

SUMMARY

A pegmatite vein ∅ to 4 feet thick was exposed by bulldozing at least 75 ft along strike. Over 1000 lbs of block mica were recovered and sold from this exploration. Because the target pegmatite is now covered by slump, a 2-stage exploration program is recommended.

INTRODUCTION

Location: The Grassywood's mine is on the western slope of Gibbs Mountain, Yancey County, North Carolina at an elevation of 4420 ft. The mine is 2.55 airline miles S72°E of Pensacola, North Carolina and about 6.5 miles by the Cattail Creek road from N.C. State Highway 197 (Black Brothers Quad. TVA.1:24,000). The mine road is rough but passable at all seasons by 4-wheel drive vehicles.

Examination: An examination of the Grassywood's mine lasting about 4 hours was made January 7, 1958. Mr. Nick Stigailo and Mr. R. W. Trexler accompanied the Examiners. At the time of the examination the ground was covered with 1 to 2 inches of snow and frozen to a depth of several inches.

Past Operations: The present workings consist of a large bulldozer trench about 140 ft long and a maximum of 12 ft deep that was enlarged by the Applicant in 1957. When examined in 1952 by K. H. Teague, USGS and L. E. Shirley, USBM (Field Examination Report , Nov. 26, 1952,DMEA-2726) there were several small caved

adits and a few prospect holes in a strike length of 75 ft. The Applicant showed the present Examiners the approximate lateral extent of old underground workings found during the recent bulldozing. He reported that these workings consisted of 25-feet of incline and about 30 to 40 ft of level work. During the recent work, 1008 lbs of mica were recovered and sold in the block for an initital payment of $74.10 at the Spruce Pine Mica Buying Depot.

No equipment or buildings are on the property. Water is available about 100 ft to the southeast and a single phase electric power line is 600 ft west of the mine. Mr. Charles Hensley, an experienced mica miner, will act as foreman on the proposed project.

GEOLOGY

Several concordant pegmatite veins, 2 to 4 inches thick, have been exposed by the recent bulldozing at the Grassywood's mine, but the target pegmatite as described by Teague and Shirley (field examination report Nov. 26, 1952) has been covered by recent slumping of the steep eastern wall of the cut. A small amount of weathered plagioclase and muscovite from the target pegmatite was exposed by digging at the north end of the slumped area (see map). According to the previous Examiners the target pegmatite ranges from 1 to 4 ft thick, is unzoned and composed of quartz, plagioclase microcline and muscovite. The pegmatite body strikes north and dips 45° east. Frozen ground concealed any extension of the pegmatite northwest of the slumped area.

The country rock is biotite-muscovite-feldspathic gneiss. The gneiss is deeply weathered on the east side of the cut and partly weathered to fresh in the outcrops on the west side. On the east side of the cut the foliation strikes predominantly NE and dips NW; on the west side the foliation strikes N or NW and is vertical.

Mica from the target pegmatite is ruby, clear, hard, generally flat, and free splitting. Pieces up to 6 inches across have been reported.

RECOMMENDATIONS

Although the target pegmatite is no longer well exposed, the present Examiners agree with the previous recommendations, that exploration assistance be granted. Because of the slumped steep eastern wall of the cut and the presence of old workings, a staged program of exploration is recommended.

Stage I should consist of cutting back the steep wall to a safe slope and exposing the pegmatite to facilitate choice of the best shaft site.

Stage II should consist of sinking a 60-foot shaft and drifting 100 feet on the pegmatite.

COST ESTIMATES

Stage I

Excavate by bulldozer to cut back steep bank and expose target pegmatite approximately 500 cu.yds. At 10-foot intervals, clean the pegmatite from wall to wall by hand trenches approximately 2 ft wide by 1-foot deep, totalling not more than 60 cu. ft.

costs cont'd.

Bulldoze 500 cu.yds. @ 40¢/cy	$200.00	
Hand trench 60 cu.ft. @ 15¢/c.f.	9.00	
Estimated cost Stage I.....		$209.00

Stage II

Sink 60 ft of shaft 5 x 7' in cross-section with timbered manway (40 shifts)

use 1.6'/shift = 38 shifts

Construct:

Toolhouse	$75.00	
Cap Magazine	15.00	
Powder magazine	25.00	
Total construction cost...		115.00

Equipment (rental)

1 - Compressor @ $150/Mo.	300.00	
1 - Single drum hoise @ $50/Mo.	100.00	
1 - Rock drill w/airhose @ $40 per month	80.00	
1 - Sump pump @ $40/Mo.	80.00	
@ $250/mo.		560.00
		500.00

Labor:

1 - Foreman-Miner @	$14/shift	
1 - Hoistman @	12/shift	
1 - Laborer @	8/shift	
Per 8 hrs. shift....	$34	
Total labor - 40 shift @ $34/shift		1360.00
		1292.00

Supplies:

Gasoline and oil	$135.00	
Explosives	210.00	
Drill steel	108.00	
Timber, 3 M. b.f. @ $65/M	195.00	
Small tools & Misc.	120.00	
Sales tax	23.00	
Social Sec. & Ins.	163.00	
Total supplies.....		954.00
Total estimated cost of shaft.....		$2,874.00
		2,746.00

Estimated cost per foot $47.90 use $46/mo.

100 feet

Drift and/or crosscut from or near the shaft bottom
5' x 7' in cross section (50 shifts)

Labor: use 2.2'/sh = 46 shifts

1 - Foreman-Miner	@ $14/shift	
1 - Hoistman	@ 12/ "	
1 - Laborer	@ 8/ "	
Per 8 hour shift.....	$34/shift	
Total labor 50 shifts @ $34.00	.....	$1700.00
		1564.00

Equipment (rental)

1 - Compressor @$150/Mo.	$375.00	
1 - single drum hoist @ $50/mo.	125.00	
1 - Rockdrill w/airhose @ $40/Mo.	100.00	
1 - Sump pump @ $40/Mo.	100.00	
Total equipment rental.....		700.00
$250/mo		650.00

Supplies:

Gasoline and oil	200.00	
Explosives	350.00	
Drill steel	140.00	
Timber, 1 M b.f.	65.00	
Small tools & Misc.	150.00	
Sales tax	27.00	
Soc. Sec. & Ins.	204.00	
Total supplies.....		1136.00
Total estimated cost of drift.....		$3536.00
		3350.00

Estimated cost per foot of drift $35.36. use $34/ft.

Summary of Estimated Cost:

Stage I

Excavation.....$209.00

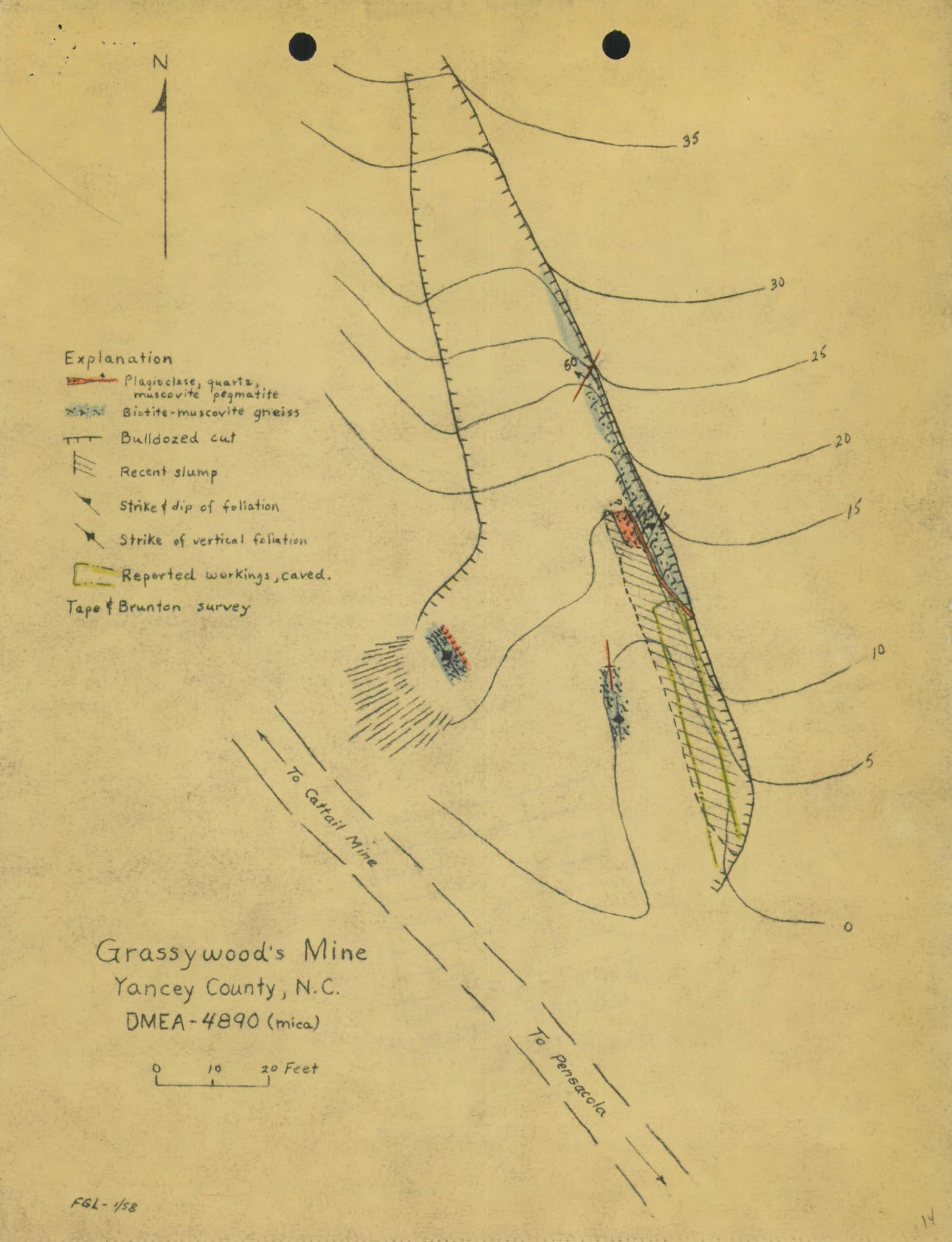
Stage II

Construction.....	115.00
Shaft, 60 feet.....	$2,874.00
Drift, 100 "	3,536.00

Total estimated cost of project....$6,734.00

F. G. Lesure, Geologist USGS

S. A. Feitler, Mining Engr.
Bureau of Mines


N
35
30
25
20
15
10
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60
Explanation
Plagioclase, quartz, muscovite pegmatite
Biotite-muscovite gneiss
Bulldozed cut
Recent slump
Strike & dip of foliation
Strike of vertical foliation
Reported workings, caved.
Tape & Brunton survey
To Cattail Mine
To Pensacola
Grassywood's Mine
Yancey County, N.C.
DMEA-4890 (mica)
0 10 20 Feet
FGL-1/58

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/12	Anderson	600
12/12	Houk	600
		130
12/13	Lamb	130
12/13	Nelson	130
"	Lamm	110
"	Mittendorf	100
		220

600

DEC 13 1957

Mr. Nick Stigailo
c/o Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-4890-Mica
Nick Stigailo
Grassywood's Mine
Yancey County, North Carolina

Dear Mr. Stigailo:

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 (fw)

Administrator

WCAnderson:gad 12/12/57
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/12	Anderson	600
12/12	Hood	600
12/13	[illegible]	130
"	[illegible]	110
"	[illegible]	100
12/16	[illegible]	220
		600

600

DEC 13 1957

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

Re: Docket No. DMEA-4390-Mica
Nick Stigailo
Grassywood's Mine
Yancey County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated December 9, 1957, by Mr. W. F. Dietrich, USBM, and Mr. W. E. Nelson, USGS, relating to the project are enclosed. There is also enclosed a copy of the application for the use of the Field Team.

Please note that this property was the subject of application No. DMEA-2726, submitted by Raymond E. Shoperd, and received by DMEA on October 3, 1952. A contract was processed and returned unsigned.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (FB)

Approved:

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

W. E. Nelson
Member, Geological Survey (FB)

WCAnderson:gad 12/12/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 5

P.S. Should the property be "Grassy Wood" or Grassywood's"?

8623

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 10 1957

		CODE
12/10	gb	220
12/11	[illegible]	600

IN REPLY REFER TO:

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

December 9, 1957
Re: DMEA 4890
Nick Stigailo (care S. L. Phillips)
Grassywood's Mine
Yancey County, North Carolina
$7,000.00 - Mica

Memorandum

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

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

Subject: Review of application

The applicant requests assistance in exploring a pegmatite by shaft and drifting. Previous work has been done but production, if any, is not given. Strategic mica shows in significant amounts, according to the application.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 10 1957

	INITIALS	CODE
12/10	glb	220
12/11	[illegible]	600

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

December 9, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4890 (mica)

Applicant: Nick Stigailo

Name and Location of Property: Grassywood's Mine, Yancey County, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 12/6/57

Comments:

1. Applicant states that there has been some previous work at this prospect at which strategic mica is visible in pegmatite.

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

3. Although it would be desirable for the applicant to furnish more complete information, it appears that a visit by an examiner would furnish more useful data.

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

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

December 6, 1957

Mr. Nick Stigailo
c/o Sam L. Phillips
Spruce Pine, North Carolina

Dear Mr. Stigailo:

Subject: DMEA-4890

Your application for exploration assistance, dated December 2, 1957 submitted to our office at Washington, D. C. has been assigned Docket Number DMEA-4890 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

THE GRASSY WOODS MINE
BOUNDARY CONTAINS (30,000.) ACRES
DATE. OCT. 22. 1957
SCALE. 1" = 100'
Recorded in Book 75 at Page 244.