MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. _____ Docket No. 6768

Application
- [ ] Denied
- [x] Withdrawn

Contract
- [ ] 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
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments
  Supplemental Application dtd 1/10/69

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual 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

72195-65

Cotton Patch Mines, Inc.

P. O. BOX 457
DENTON, NORTH CAROLINA 27239

December 23, 1968

R. B. McKINNEY, Pres.
J. C. CRATES, Vice Pres.
CHRIS COLUMBUS, Sec.-Treas.

AREA CODE 704
869-2136

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 2 1969
INITIALS | CODE

Mr. Robert A. Laurence, Geologist
Office of Minerals Exploration
Room 11, Post Office Building
Knoxville, Tennessee

Dear Mr. Laurence:

Attached herewith is two copies of Form MME 40 application for financial assistance in minerals exploration for Cotton Patch Mines, Incorporated. I am also furnishing supporting data as requested on back of forms with the exception of estimates of cost, since all of our experience has been on a very limited basis, and the previous owners were not able to establish any supporting data, we are not in a position to fully estimate the funds required to fully explore this property.

I am also attaching photostatic copies of two assays, and a letter from Dr. Brown, Professor of Geology of N. C. State University.

Four associates and myself acquired this property in September, and we are optimistic about the possibility of quantity of gold available in the area. The mine has never been worked extensively, and no exploration work done.

We would be pleased to have a representative from your office to visit the mine in the near future.

If there is any further information we can furnish, please advise.

Yours truly,

R B McKinney

R. B. McKinney
President
Cotton Patch Mines, Incorporated

RBM/fwe
Enclosures

RECEIVED
DEC 30 1968
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

SUPPLEMENTAL COPY

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

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

Cotton Patch Mines, Inc.
P. O. Box 457
Denton, North Carolina

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER

DATE RECEIVED

REGION

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL	
CORPORATION	X
PARTNERSHIP	
OTHER *(Specify)*	

STATE IN WHICH FIRM IS ORGANIZED N. C.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
R.B.McKinney, Sr.	Rt 5, Salisbury, N.C.	Pres.
James C. Crates	1509 Lilac Rd, Charlotte	V. Pres.
Christopher Columbus	1112 16th Ave. N.W., Hickory, N. C.	Sec. & Tres.

Supplemental Application

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Gold and Rare Earths

ESTIMATED COST OF PROJECT
$ 20,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
Cotton Patch Mines, Inc.	Stanley	N. C.

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). 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 two 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 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. 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 3(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 Office of Minerals Exploration, Department of the Interior,* ~~Washington 25, D. C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME 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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

1/10/1969
DATED

R.B. McKinney
BY *(Signature)*

Pres
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. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) 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 adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. 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 land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if 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, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show 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 *land boundaries* or to the closest identifiable corner.

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

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or 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. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees, rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. 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 equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *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 in the exploration work.

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

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(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*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

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

SUPPLIMENTAL INFORMATION TO APPLICATION

1. FINANCIAL ELIGIBILITY:

   (a) See attached application to Carolina Bank and Trust Company, dated October 16, 1968, and reply dated October 23, 1968, also application to Farmers Bank and Trust Company, dated October 26, with reply dated November 2, 1968.

   (b) None

   (c) From Corporate funds

2. APPLICANTS RIGHTS IN LAND:

   (a) Property owned by corporation with lien of $15,000 secured by Deed of Trust.

   (b) See attached plat with photostatic copy of Deed.

   (c) Does not apply

3. PHYSICAL DISCRIPTION:

   (a) Limited mining operation done several years ago, but accurate information not available.

   (b) None

   (c) Not known, never commercially operated.

   (d) See assayers report, surface sampling method.

   (e) As ahown on attached map, some mining (principally surface work has been done on about 40% of the property with shafts dug, (#1) to a depth of approximately 30 feet on a quartz vein of about 24 inches wide. This shaft caved in several years ago and has not been reopened. It is understood that several hundred dollars worth of gold bearing quartz was taken out of this shaft. Another shaft, (#2) was sunk later and followed another quartz vein to a depth of 21 feet. This also yielded some very rich samples.

   (f) Spot sampling by panning indicated quantities of placer gold present, and several veins of gold bearing quartz have been uncovered.

4. ACCESSIBILITY OF PROPERTY:

   (a) Property located 2 miles east of New London, N. C. on road N. C. 1520

   (b) Same

5.= Exploration Work:

(a) It is proposed to follow the procedures outlined below for exploring this property.

(1) Drill 30 or 40 6 inch holes to an average depth of 50 or 60 feet, taking samples for test at 5 foot intervals in each test hole in the event that the test drilling strikes a quartz vein which justifies exploring, we propose to uncover the vein by the use of clam shell, bucket, or backhoe, depending on depth, and further explore the vein.

(2) 2 shafts have been opened on the upper part of the mining property, one of which we have reinforced cribbing, and made safe to continue exploration on this quartz vein which has yielded some very rich samples. The other shaft was opened at one time to a depth of approximately 30 feet, but has caved in, and will have to be reopened, and cribbed from the top. This shaft has also yielded rich samples of gold bearing quartz. Both of these shafts are near the north boundry of the property, and are at a higher elevation than most of the property. At the south end of the property, near the creek, there is a basin covering several acres which is swampy, and samples have been taken from several locations in this area, all of which contained gold particles and, some cases, nuggets about the size of the head of a match, also in this swamp area, there is a small man-made lake from which panning has been done.

(b) This property is easily accessible by existing road, and will require very little attention.

(c) Early spring

6. This work will be supervised by Mr. McKinney, who has 40 years experience in telephone engineering and plant maintenence work, and is also owned and operated farm equipment and sawmill.

7. The estimated cost of the work proposed under item 5, is $19,900.00 broken down as follows:

Test hole drilling and backhoe or dragline work in connection with open vein	$ 8,000.
Clean debris and rock slide from present shaft #1 and including cribbing	4,200
Extend shaft #2	1,500
Lumber and labor for cribbing and other work	2,400
Pump lines and miscellaneous equipment	800
Miscellaneous overhead	3,000
Total	$19,900.

(a) We have been able to secure only 1 bid for the drilling work which was furnished from original application, and this bid amounted to $3.50 per foot. The cost of bull-dozer and/or backhoe operation will run $12 per hour.

(b) We propose to secure the services of Dr. Henry S. Brown, Professor of Geology of North Carolina State University on part time per diem basis, the cost of which is expected to run around $40 per day.

(c) The best price available locally for oak lumber for cribbing is $60 per 1000 foot, miscellaneous tools and equipment are on hand.

(d) 1 pump, practically new is onhand, another will probably be needed, and will cost #350.

(e-f) No buildings are presently on property, but we propose to build a small building of concrete block construction to store miscellaneous tools and equipment, the cost of which should not exceed $400.

(g) It is expected that the operation and maintenance of equipment will be born by independant contractors and services secured on the per diem basis given cost per hour or day. Cost of supervision will be furnished by officers of the corporation who have other sources of income, and will not be receiving compensation from the corporation for exploratory work. Liability Insurance will be carried by the corporation covering all phases of the work. The cost of this insurance will be $275. per year adjustable at a rate of $1.00 for every $100.00 annual payroll.

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY O. M. E. RECEIVED JAN 2 1969 UNITS CODE

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

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

Cotton Patch Mines, Inc.
P. O. Box 457
Denton, North Carolina

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6768

DATE RECEIVED: 1-2-69

REGION: IV

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL ☐
- CORPORATION ☐
- PARTNERSHIP ☐
- OTHER *(Specify)* ☐

STATE IN WHICH FIRM IS ORGANIZED:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
R. B. McKinney,	Rt 5, Salisbury, N. C.	President
James C. Crates,	1509 Lilac Rd. Charlotte, N. C.	V. Pres.
Christopher Columbus,	1112 16th Ave. N. W. Hickory, N. C.	Sec. & Treas.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Gold

ESTIMATED COST OF PROJECT: $

PROPERTY NAME	LOCATION COUNTY	STATE
Cotton Patch Mines, INc.	Stanley Co.	N. C.

GENERAL INSTRUCTIONS

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CERTIFICATION

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12/23/1968
DATED

R. B. McKinney
BY *(Signature)*

Pres.
TITLE

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INFORMATION REQUIRED WITH THIS APPLICATION

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(b) 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 adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

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(b) State your interest, if any, in operations described in (a).

(c) State, if 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, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

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(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

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

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or 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. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. 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 equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *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 in the exploration work.

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

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(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*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

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

SUPPLEMTAL INFORMATION TO APPLICATION

1. FINANCIAL ELIGIBILITY:

   (a) See attached application to Carolina Bank and Trust Company, dated October 16, 1968, and reply dated October 23, 1968, also application to Farmers Bank and Trust Company, dated October 26, 1968, with reply dated November 2, 1968.

   (b) None

   (c) From Corporated funds

2. APPLICANTS RIGHTS IN LAND:

   (a) Property owned by corporation with lien of $15,000 secured by Deed of Trust.

   (b) See attached plat with photostatic copy of Deed

   (c) Does not apply

3. PHYSICAL DISCRIPTION:

   (a) Limited mining operation done several years ago, but accurate information not available.

   (b) None

   (c) Not known, never commercially operated.

   (d) See assaters report, surface sampling method.

   (e) As shown on attached map, some mining (principally surface work) has been done on about 40% of the property with 2 shafts dug, (#1) to a depth of approximately 30 feet on a quartz vein of about 24 inches wide. This shaft caved in several years ago and has not been reopened. It is understood that several hundred dollars worth of gold bearing quartz was taken out of this shaft. Another shaft, (#2) was sunk later and followed another quartz vein to a depth of 21 feet. This also yielded some very rich samples.

   (f) Spot sampling by panning indicated quantities of placer gold present, and several veins of gold bearing quartz have been incovered.

4. ACCESSIBILITY OF PROPERTY:

   (a) Property located 2 minle east of New London, N. C. on road N. C. 1520

3439 Redbud Lane
Raleigh, N. C. 27607

January 9, 1967

Mr. W. C. Lanier
Denton, N. C.

Dear Mr. Lanier:

In reply to ypur request for a preliminary evaluation of the gold potential of the Cotton Patch Mine, I will list in fairly simple form what I know about conditions at the mine and those in the general vicinity of the mine.

1. I visited the site several years ago when you first opened a gold-bearing quartz vein. The vein was thin but quite rich in gold. The sample I have and the ones I saw in the mine are the best that I personally have ever seen. If enough of these veins can be found, you have a dandy deposit.

2. From other work done in the past two years, I can say that all the area in the vicinity of New Lomdon is mineralized with base metals (which in central North Carolina generally carry gold) to a degree greater than average.

3. Old reports show that in that general area much free gold, often in nugget size, has been found not at the surface but at about the ground water table which varies from a few feet to perhaps 30 or 40 feet beneath the surface. This gold is usually associated with quartz veins. This, however, does not mean that all quartz veins carry gold, but those which do often appear barren at the surface.

4. In general, these type deposits are not large in the sense of famous gold mines in other parts of the world. However, deposits of a similar type in that part of North Carolina have been known to produce from $ 100,000 to $ 1,000,000 in gold.

In order to evaluate the Cotton Patch Mine, I would suggest that one proceed with a minimum of expense by finding and evaluating quartz veins at or near the ground water table. Some veing, such as the one I saw on my earlier visit, may be flat lying and, hence, not show up at the surface. This presents a problem but is one of the unknown factors in mining. I would not move in and go to the unnecessary expense of stripping away the whole earth to the ground water table because the veins will likely be more concentrated at some places on the property than at others. You would want to first prospect the areas with the greatest number of veins. It is also possible that veins which have a certain dip or strike or some other distinguishing characteristic will tend to be more mineralized than others, so keep this in mind as you uncover and evaluate them. This will help to serve as a guide in deciding whether or not to follow a given vein

down to the water table.

Any gravel deposits on the property should be tested all the way to the bottom of the gravel - especially the bottom part of the deposit - where most gold is usually found. I would test the gravel at several different places. It is possible the deposit carries gold in uniform amounts throughout, or it may not. You will want to do your first digging in the most profitable places in order to pay for continuing this part of the operation.

In general, I would advise that you proceed at the present time as if you were going to prospect and evaluate the deposit on a larger scale than heretofore rather than enter directly into a formal and expensive mining operation. For example, you might apply regular mining techniques but on a small scale. You should expect to invest some money with the distinct possibility that it will not be recovered. If the expanded prospecting is handled properly, it will, after a while, either make enough money to allow you to continue or else show that you shouldn't spend a large sum pursuing an uneconomic cause.

If the property were mine, I would definitely proceed to evaluate its economic potential.

If I can be of any further assistance, please do not hesitate to call. Good luck!

Sincerely,

Henry S. Brown

Henry S. Brown
Professor of Geology
N. C. State University

NORTH CAROLINA,

STANLY COUNTY.

WARRANTY DEED

S. E. Brewer and wife, Gracie M. Brewer, Grantors,

to

Cotton Patch Mines, Inc., Grantee.

September 25, 1968

OFFICE OF REGISTER OF DEEDS
STANLY COUNTY, N. C.

Filed for registration in this office on the 26 day of Sept. 1968 at 11:21 o'clock A. M. and duly recorded and verified in Deed Book No. 236 Page 497

Register of Deeds

STATON P. WILLIAMS
LAW OFFICES
WILLIAMS
501-504 HILL BUILDING
NORTH SECOND STREET
ALBEMARLE, NORTH CAROLINA

Reg Fee 2.50

NORTH CAROLINA,

STANLY COUNTY.

WARRANTY DEED

THIS INDENTURE, made this 26th day of September, 1968, by and between S. E. BREWER and wife, Gracie M. Brewer, of the County of Stanly, State of North Carolina, of the first part; and COTTON PATCH MINES, INC., a corporation organized and existing under the laws of North Carolina, having its principal place of business in Denton, Davidson County, North Carolina, of the second part;

W I T N E S S E T H:

THAT the said parties of the first part, in consideration of the sum of Twenty Thousand Dollars ($20,000.00) to them in hand paid, the receipt of which is hereby acknowledged, have bargained and sold, and by these presents do bargain, sell, and convey unto Cotton Patch Mines, Inc., its successors and assigns, the following described real estate, lying and being in Harris Township, Stanly County, North Carolina, and particularly described as follows:

BEGINNING at an iron stake, an old corner of Hinson, Coley, and Brewer; thence with the old line of Hinson and Brewer N. 65 E. 1040 feet to an iron stake, an old corner of Hinson and Brewer; thence with the old line of Hinson and Brewer S. 73-00 E. 412 feet to an iron stake, an old corner of Hinson, Brewer, and Green; thence with another old line of Brewer and Green S. 28-30 W. 300 feet to an iron stake, an old corner of Brewer and Green; thence with another old line of Brewer and Green S. 73-00 E. 68 feet to an iron stake in the old line, a new corner; thence with three new lines, S. 13-00 W. 144 feet to a stake; thence S. 54-30 W. 421 feet to a stake in the center line of the old mine road, a new corner; thence S. 17-00 E. 130 feet to a point in the center line of N. C. S. Highway No. 1520, a new corner; thence with the center line of said State Highway S. 58-30 W. 483 feet to a point in the center line of said highway, an old corner of Brewer, Hearne, and Coley; thence with the old Hearne and Brewer line N. 73-00 W. 400 feet to a point in the center line of Mountain Creek, an old corner of Hearne, Coley, and Brewer; thence with the old Coley and Brewer line N. 11-30 W. 623 feet to the beginning, containing 22 acres, more or less, to be conveyed by this deed.

Real Estate Excise Tax
STATE OF NORTH CAROLINA
SEP 26 1968
STANLY COUNTY

tract is further shown in Plat Book 4, page 53, Stanly County Registry.

Surveyed and staked by Ralph E. Bisel, Registered Surveyor.

TO HAVE AND TO HOLD the aforesaid lands and premises and all privileges and appurtenances thereunto belonging or in anywise appertaining unto the party of the second part, its successors and assigns, in fee simple forever.

AND the said parties of the first part, for themselves, their heirs and assigns, executors and administrators, do hereby covenant with the party of the second part, its successors and assigns, that they are seized of the premises in fee simple; that said premises are free from all encumbrances; that they have good right and lawful authority to sell the same; and that they will warrant and defend the title to said premises unto the said party of the second part, its successors and assigns, against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, said parties of the first part have hereunto set their hands and seals, the day and year first above written.

S. E. Brewer (SEAL)
S. E. Brewer

Gracie M. Brewer (SEAL)
Gracie M. Brewer

NORTH CAROLINA,

STANLY COUNTY.

NORTH CAROLINA,

STANLY COUNTY,

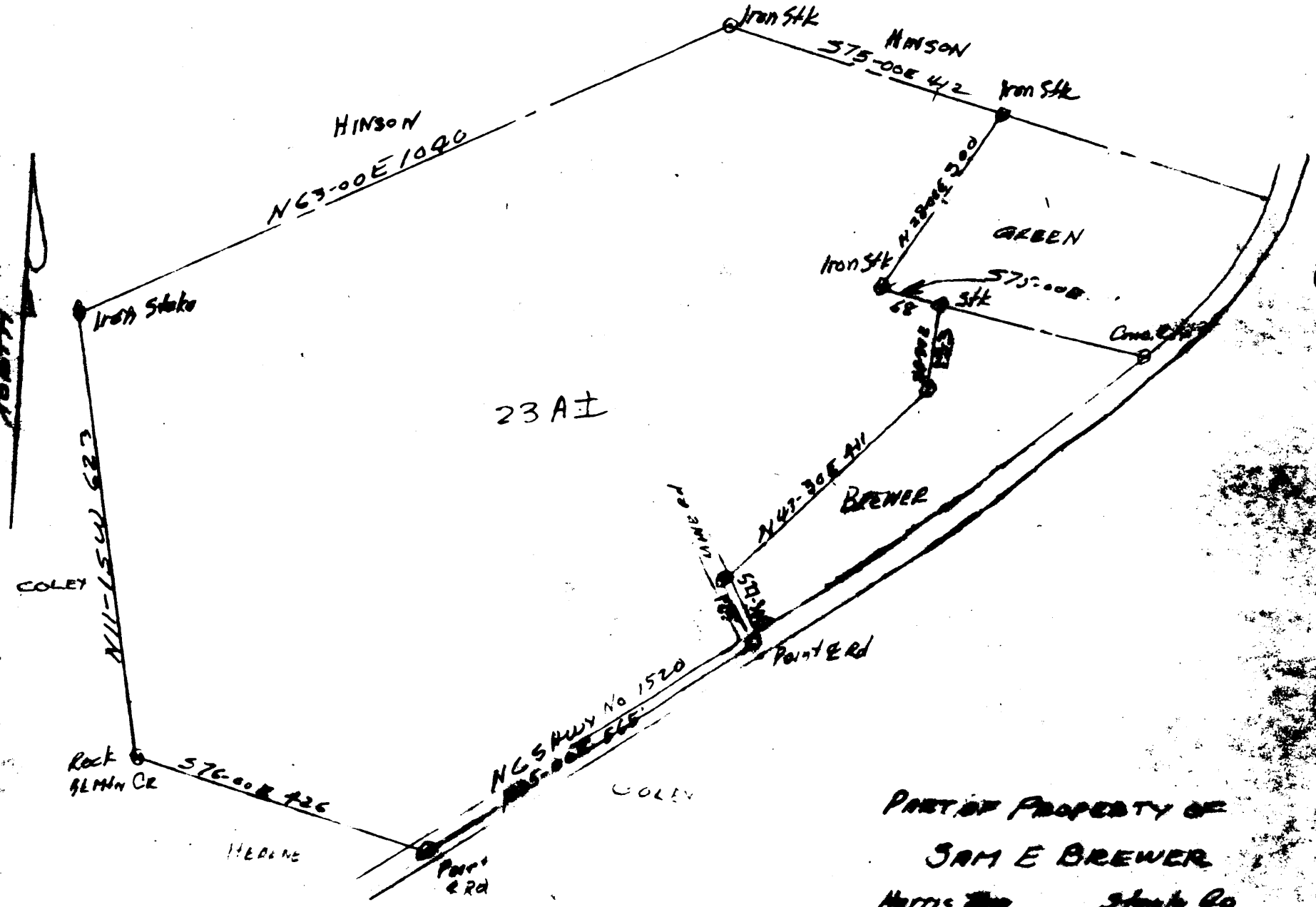
THIS IS TO CERTIFY that on this the 25th day of September, 1968, before the undersigned Sylvia P. Tucker, a Notary Public of said County and State, personally appeared S. E. Brewer and wife, Gracie M. Brewer, grantors named in the foregoing deed, and acknowledged the due execution thereof by them as their act and deed.

WITNESS my hand and notarial seal, the date above written.

Sylvia P. Tucker
NOTARY PUBLIC

My commission expires: April 5, 1969

STATON P. WILLIAMS
ATTORNEY AT LAW
801-804 HILL BUILDING
ALBEMARLE, N. C.

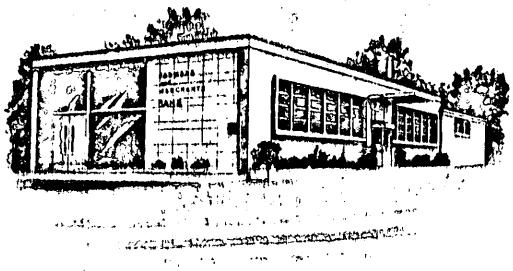


PART OF PROPERTY OF
SAM E BREWER
Harris Twp Schuylkill Co
REBUILT R.S
7/13/1968

FARMERS AND MERCHANTS BANK

W. F. BRINKLEY, SR.
PRESIDENT

D. L. PEELER
VICE PRESIDENT & CASHIER



PAUL E. FISHER
VICE PRESIDENT, SEC. & TREAS.

CHARLES D. BARRINGER
ASST. CASHIER

GRANITE QUARRY, NORTH CAROLINA 28072
AREA CODE 704
TELEPHONE 279-9955

November 2, 1968

Mr. R. B. McKinney
Cotton Patch Mines, Inc.
Denton, N. C.

Dear Mr. McKinney:

We are in receipt of your letter of October 16, 1968 in reference to your request for a $20,000 loan to finance the drilling operation on your property in Stanly County located near New London.

Mr. McKinney, your application has been taken into consideration by our loan committee; however, due to high loan demands and also because we have no previous experience in this type financing, we will be unable to finance this operation for your company.

I appreciate very much your giving us the opportunity of letting us be of service at this time.

Yours truly,

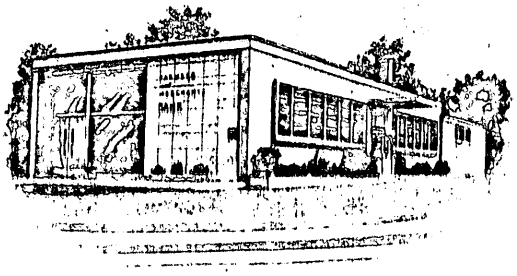
Paul E. Fisher
Vice President

PEF:KD

FARMERS AND MERCHANTS BANK

W. F. BRINKLEY, SR.
PRESIDENT

D. L. PEELER
VICE PRESIDENT & CASHIER



PAUL E. FISHER
VICE PRESIDENT, SEC. & TREAS.

CHARLES D. BARRINGER
ASST. CASHIER

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Yours truly,

Paul E. Fisher

Paul E. Fisher
Vice President

PEF:KD

OUR MOTTO: — WHAT THERE IS IN IT, NO MORE NO LESS.

EDMUND E. PHILLIPS, VICE-PRES.—GEN. MGR. M. E. PHILLIPS, SECRETARY

THE COLORADO ASSAYING COMPANY

(INCORPORATED)

ASSAYERS AND CHEMISTS

2244 BROADWAY

DENVER, COLORADO 80201 Jan. 11, 1968

REPORT ON DETERMINATIONS MADE FOR — E. R. Reynolds
Universal Agency, Inc.
Charlotte, N. C.

SAMPLE MARKS	METALS	Amount per Ton Ozs.	Amount per Ton Hds.	PER CENT		Value per Ton Dollars	Value per Ton Cents
	Gold		.68			$23	80

GOLD AT _____ PER OUNCE SILVER AT _____ PER OUNCE
LEAD AT _____ PER UNIT COPPER AT _____ PER UNIT

THE COLORADO ASSAYING COMPANY

By Ed Phillips

this deed.

The above tract or parcel of land is a part of the same lands as owned by Sam E. Brewer, recorded in Deed Book 88, page 343, and Deed Book 119, page 51, Stanly County Registry. The above

STATON P. WILLIAMS
ATTORNEY AT LAW
501-504 HILL BUILDING
ALBEMARLE, N. C.

NORTH CAROLINA,

STANLY COUNTY.

The foregoing certificate of Sybil P. Lucker, a Notary Public of Stanly County, North Carolina, is certified to be correct. This 26th day of September, 1968.

L. R. Almond
Register of Deeds

BY: Annie S. Tucker, Deputy

CAROLINA BANK & TRUST COMPANY
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

DENTON, NORTH CAROLINA 27239

October 23, 1968

Mr. R. B. McKinney
President
Cotton Patch Mines, Inc.
Denton, N. C.

Dear Mr. McKinney:

I took up your application for a $20,000.00 dated October 16, 1968 for Cotton Patch Mines, Inc., with our loan committee and regreat to inform you that they did not approve your loan application.

We wish you much success in all your efforts with your developing the Cotton Patch Mines, Inc.

Yours very truly,

Wesley P. Morris

Wesley P. Morris
Cashier

THE UNIVERSITY OF GEORGIA
DEPARTMENT OF GEOLOGY
ATHENS, GEORGIA 30601

Box 29
October 4, 1967

Mr. W.C.Lanier
Denton
North Carolina

Dear Mr. Lanier:

Last week I ran an assay on that sample of mud and dirt that we picked up from the driveway which was from the Cotton Patch. It didn't assay out too high, but I thought you might still be interested in the result. The assay was on 3,000 grams of the sample, and if representative runs about $7.89 a ton.

How is your mining operation coming along? Have you had any luck in your new shaft? If I can be of any further assistance to you at this distance, please do not hesitate to contact me.

If anything turns up, I am still interested in obtaining a few specimens of Cotton Patch gold and also an ounce of small nuggets.

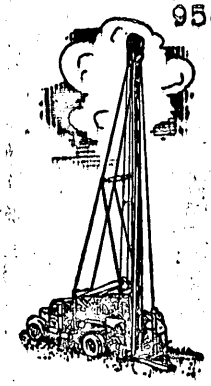
Sincerely,

Skip Simmons

Skip Simmons

WBS/ln

TELEPHONE 956-1138



A. W. JACOBS & SONS

Well Boring - Deep Well Drilling
Pumps Installed and Serviced

ROUTE 1 -- LINWOOD, NORTH CAROLINA

Gentlemen.

I would like to put a bid of $3.50 per foot on drilling the test holes for you at the Cotton Patch Mines, Inc. located below Gold Hill N.C.

Thank You

A. W. Jacobs

CAROLINA BANK & TRUST COMPANY

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

DENTON, NORTH CAROLINA 27239

October 23, 1968

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Sincerely,

Skip Simmons

Skip Simmons

WBS/ln

MME Form 40 extra Cy
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

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

Cotton Patch Mines, Inc.
P. O. Box 457
Denton, North Carolina

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6768

DATE RECEIVED 1/2/69

REGION IV

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL ☐
- CORPORATION ☐
- PARTNERSHIP ☐
- OTHER *(Specify)* ☐

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Robert B. McKinney	Rt. 5, Salisbury, N. C.	President
James C. Crates	1509 Lilac Rd, Charlotte	V. Pres.
Christopher Columbus	1112 16th Ave. N. W. Hickory, N. C.	Sec. & Treas.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE Gold

ESTIMATED COST OF PROJECT
$

PROPERTY NAME: Cotton Patch Mines, Inc
LOCATION COUNTY: Stanley
STATE: N. C.

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). 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 two 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 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. 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 3(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 Office of Minerals Exploration, Department of the Interior,* ~~Washington 25, D. C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME 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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

12/23/1968
DATED

R B McKinney
BY *(Signature)*

Pres.
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. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) 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 adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. 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 land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if 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, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show 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 *land boundaries* or to the closest identifiable corner.

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

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or 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. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. 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 equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *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 in the exploration work.

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

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(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*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

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

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/4/69	Peterson	120
		120
		220

APR 4 1969

Cotton Patch Mines, Inc.
P. O. Box 457
Denton, North Carolina 27239

Re: OME-6768 (Gold)
Cotton Patch Mines, Inc.
Cotton Patch Mine
Stanley County, North Carolina

Gentlemen:

This will acknowledge receipt of your letter dated April 1, 1969, in which you indicate that you have decided not to proceed further with the subject application.

We are, therefore, considering your application as having been withdrawn and are placing it in our inactive files.

If you wish to reopen this case at any time in the future, you may do so by filing a new application, referring to this OME docket number, and furnishing the information pertinent to your new proposal. This information should include new bank letters dated within 90 days of filing the new application, but need not repeat data already submitted.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Acting Chief
Office of Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
Region IV, w/cy incoming letter
Mr. Peterson

ECPeterson/gla 4-4-69

Cotton Patch Mines, Inc.

P. O. BOX 457

DENTON, NORTH CAROLINA 27239

R. B. McKINNEY, Pres.
J. C. CRATES, Vice Pres.
CHRIS COLUMBUS, Sec.-Treas.

AREA CODE 704
869-2136

April 1, 1969

OFFICIAL
COPY
O. M. E.
RECEIVED
APR 3 1969

INITIALS	CODE
	~~120~~
gla	120 m
	120
SP	~~120~~

Harold Kirkemo, Acting Chief
Office of Minerals Exploration
United States Department Of The Interior
Washington, D. C. 20242

Re: OME-6768 (Gold)
Cotton Patch Mines, Inc.
Cotton Patch Mine
Stanley County, N. C.

Dear Mr. Kirkemo:

With reference to your letter of March 27, and previous correspondence, I wish to inform you that we have decided not to pursue our application further at this time. We are preparing to make further tests on our own.

Yours truly,

R. B. McKinney (J)

R. B. McKinney
President
Cotton Patch Mines, Inc.

RBM/fwe

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/26/69	Peterson	120
		120
3/27	coe	120
		120M

MAR 27 1969

AIRMAIL

Cotton Patch Mines, Inc.
P. O. Box 457
Denton, North Carolina 27239

Re: OME-6768 (Cold)
Cotton Patch Mines, Inc.
Cotton Patch Mine
Stanley County, N. C.

Gentlemen:

On January 22 we wrote you outlining certain information which is necessary to continue the processing of your application. To date, we have not received these data. Will you please inform us of your plans regarding the application. If you have decided not to pursue it further, please so inform us.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Acting Chief
Office of Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region IV
Mr. Peterson

ECPetersen/bsl 3/26/69

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/22/69	Peterson	120
1/22/69	Kirkbemo	120
		110
1/22	cal	220
		120M

AIRMAIL

JAN 22 1969

Cotton Patch Mines, Inc.
P. O. Box 457
Denton, North Carolina 27239

Re: OME-6768 (Gold)
Cotton Patch Mines, Inc.
Cotton Patch Mine
Stanley County, N. C.

Gentlemen:

This will acknowledge receipt of the supplemental information in support of your application for financial assistance forwarded by Mr. Robert Laurence.

Our review of this material indicates that the proposal to drill a large number of test holes is lacking geologic evidence necessary to identify a specific target and justify the work. It should be noted that the OME program is limited to the exploration of specific targets in specific areas, and excludes participation in the preliminary work required to delineate these targets and obtaining the necessary supporting evidence. This information must be obtained by the Applicant at his own expense prior to the submittal of an application, and in this case, should include assays of mineralized structures and a detailed description of their occurrences such as lengths and widths of the mineralized segments of the veins or outcrops. As previously requested, the location of samples taken, how sampled, sample widths, and copies of the assay certificates should be furnished for our evaluation.

In addition, we note that you wish to rehabilitate the two shallow shafts located on the property. This work without subsequent underground exploration from the two sites would not be eligible for assistance. Here again you must provide the necessary data to identify the target and justify any work.

Furnish copies of your letters to the two banks requesting an exploration loan. These letters mentioned as being attached to the application were not received.

If the sellers, other individuals or organization retain an interest in the Cotton Patch property ($15,000.00 lien) as indicated in the application, we will require five Lien and Subordination Agreements signed by the lien holders. Lien and Subordination Agreements (six copies MME Form 52) are enclosed for your possible use.

We shall be pleased to continue the processing of your application upon receipt of the requested information. However, nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

FRANK E. JOHNSON (glh)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region IV
Mr. Peterson

ECPeterson/bsl 1/22/69

OPTIONAL FORM NO. 10
5010-103

UNITED STATES GOVERNMENT

Memorandum

TO : OME

DATE: 12/30/68

FROM : R.A.Laurence

SUBJECT:

Seems to me that a company with Christopher Columbus as its Secretary-Treasurer should be experts in the exploration business!

R.A.L.

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 2 1969

INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY
ROOM 11 POST OFFICE BLDG.
KNOXVILLE, TENN. 37902

OFFICIAL COPY
O. M. E.
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JAN 16 1969
INITIALS | CODE
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120
120
D.C. 120

January 15, 1969

Memorandum

To: Frank E. Johnson, Chief
Office of Minerals Exploration, USGS, Washington, D.C.

From: Robert A. Laurence, Branch of Resources Research, USGS
Knoxville, Tenn. 37902

Subject: Application, Cotton Patch Mihes, Inc.
Stanly County, North Carolina
OME-6768 (Gold)

Enclosed is a letter and two copies of a supplemental application from Cotton Patch Mines, Inc.

Item 3 (e) refers to an attached map. No map accompanied these copies of the application, but I think this refers to one sent you with the original application.

I have been unable to find any published reference to the Cotton Patch mine, though it may be the same as the Crowell mine, mentioned on page 97 of Professional Paper 213.

Robert A. Laurence
Geologist
Branch of Resources Research

Enclosures 3

January 15, 1969

Mr. R. B. McKinney, President
Cotton Patch Mines, Inc.
P. O. Box 457
Denton, North Carolina 27239

Re: OME-6768 (Gold)
Cotton Patch Mines, Inc.
Cotton Patch Mine
Stanley County, N. C.

Dear Mr. McKinney:

Your letter and supplemental information relating to your application for OME assistance in exploration for gold and rare earths in Stanly County, North Carolina, have been forwarded to our Washington office, as all processing of applications is handled there.

Thank you for providing the additional information.

Very truly yours,

Robert A. Laurence
Geologist
Branch of Resources Research

RAL/mg
cc - Director's Reading File
Economic Geology " "
Branch of Resources Research
Mr. Frank E. Johnson
Files

Cotton Patch Mines, Inc.

P. O. BOX 457

DENTON, NORTH CAROLINA 27239

R. B. McKINNEY, Pres.
J. C. CRATES, Vice Pres.
CHRIS COLUMBUS, Sec.-Treas.

AREA CODE 704
869-2136

January 9, 1969

Mr. Robert A. Laurence, Geologist
Office of Minerals Exploration
Room 11, Post Office Building
Knoxville, Tennessee

OME-6768

Dear Mr. Laurence:

Further in connection with my letter of December 23, including application for exploration assistance of Cotton Patch Mines, am indeed sorry I omitted the estimated cost of the project, also page 2 of supplemental information was omitted.

I am enclosing herewith two copies of the information omitted on original application.

I have also received a letter from Mr. Frank E. Johnson of the Washington office in which he requested the same information furnished to your office.

I am advising him that the information has been furnished to you, since I am not sure just what his office requires.

Yours truly,

R. B. McKinney

R. B. McKinney
President

RBM/fwe

RECEIVED
JAN 15 1969
U. S. Geological Survey

Copy to Region III 1/15/69

Cotton Patch Mines, Inc.

P. O. BOX 457

DENTON, NORTH CAROLINA 27239

January 9, 1969

OFFICIAL COPY
O. M. E.
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JAN 13 1969
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R. B. McKINNEY, Pres.
J. C. CRATES, Vice Pres.
CHRIS COLUMBUS, Sec.-Treas.

AREA CODE 704
869-2136

Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
Department Of The Interior
Washington, D. C.

OME-6768 (Gold)
Cotton Patch Mines, Inc.
Cotton Patch Mine
Stanley County, N. C.

Dear Mr. Johnson:

Thank you for the reply to my letter of January 6, regarding our application for assistance in exploration work at Cotton Patch Mine.

The information requested in your letter has already been forwarded to Mr. Laurence at Knoxville office, and I assume will be immediately sent to your office. The reason the information was not frowarded you by Mr. Laurence, with the application, was because we omitted some of the required information, and had to furnish it to Mr. Laurence after the application was furnished you.

Four associates and myself, acquired this property last September, after receiving a study and advise from Dr. Brown, Professor of Geology of North Carolina State University. This property has yielded some very interesing samples on a very limited basis, but has never been worked extensively or explored properly due to lack of funds by the original owners.

My associates and I feel that this property has some very promising possibilities, and since I am retiring from any other activities in approximately two months, I expect to devote all my time to this exploration work and development.

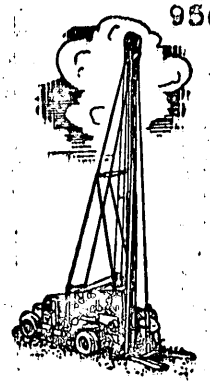
If you do not receive the information requested from Mr. Laurence's office in Knoxville within a short time, please advise and I will have additional copies made of everything.

Yours truly,

R B McKinney

R. B. McKinney
President

TELEPHONE
956-1138



A. W. JACOBS & SONS

Well Boring - Deep Well Drilling
Pumps Installed and Serviced

ROUTE 1 -- LINWOOD, NORTH CAROLINA

Gentlemen.

I would like to put a bid of $3.50 per foot on drilling the test holes for you at the Cotton Patch Mines, Inc. located below Gold Hill N.C.

Thank You

A. W. Jacobs

EDMUND E. PHILLIPS, VICE-PRES.—GEN. MGR.

OUR MOTTO: — WHAT THERE IS IN IT, NO MORE NO LESS.

M. E. PHILLIPS, SECRETARY

THE COLORADO ASSAYING COMPANY

(INCORPORATED)

ASSAYERS AND CHEMISTS

2244 BROADWAY

DENVER, COLORADO 80201 Jan. 11, 1968

REPORT ON DETERMINATIONS MADE FOR — E. R. Reynolds
Universal Agency, Inc.
Charlotte, N. C.

SAMPLE MARKS	METALS	Amount per Ton Ozs.	Amount per Ton Hds.	PER CENT		Value per Ton Dollars	Value per Ton Cents
	Gold		.68			$23	80

GOLD AT _____ PER OUNCE
LEAD AT _____ PER UNIT

SILVER AT _____ PER OUNCE
COPPER AT _____ PER UNIT

THE COLORADO ASSAYING COMPANY

By Ed Phillips

3439 Redbud Lane
Raleigh, N. C. 27607

January 9, 1967

Mr. W. C. Lanier
Denton, N. C.

Dear Mr. Lanier:

In reply to ypur request for a preliminary evaluation of the gold potential of the Cotton Patch Mine, I will list in fairly simple form what I know about conditions at the mine and those in the general vicinity of the mine.

1. I visited the site several years ago when you first opened a gold-bearing quartz vein. The vein was thin but quite rich in gold. The sample I have and the ones I saw in the mine are the best that I personally have ever seen. If enough of these veins can be found, you have a dandy deposit.

2. From other work done in the past two years, I can say that all the area in the vicinity of New Lomdon is mineralized with base metals (which in central North Carolina generally carry gold) to a degree greater than average.

3. Old reports show that in that general area much free gold, often in nugget size, has been found not at the surface but at about the ground water table which varies from a few feet to perhaps 30 or 40 feet beneath the surface. This gold is usually associated with quartz veins. This, however, does not mean that all quartz veins carry gold, but those which do often appear barren at the surface.

4. In general, these type deposits are not large in the sense of famous gold mines in other parts of the world. However, deposits of a similar type in that part of North Carolina have been known to produce from $ 100,000 to $ 1,000,000 in gold.

In order to evaluate the Cotton Patch Mine, I would suggest that one proceed with a minimum of expense by finding and evaluating quartz veins at or near the ground water table. Some veing, such as the one I saw on my earlier visit, may be flat lying and, hence, not show up at the surface. This presents a problem but is one of the unknown factors in mining. I would not move in and go to the unnecessary expense of stripping away the whole earth to the ground water table because the veins will likely be more concentrated at some places on the property than at others. You would want to first prospect the areas with the greatest number of veins. It is also possible that veins which have a certain dip or strike or some other distinguishing characteristic will tend to be more mineralized than others, so keep this in mind as you uncover and evaluate them. This will help to serve as a guide in deciding whether or not to follow a given vein

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/6/69	Peterson	120
1/6/69	Kirkham	120
		110
1/6/69		220
		120M

AIRMAIL

JAN 6 1969

Cotton Patch Mines, Inc.
P. O. Box 457
Denton, North Carolina 27239

OME-6768 (Gold)
Cotton Patch Mines, Inc.
Cotton Patch Mine
Stanley County, N. C.

Gentlemen:

Our review of your application for financial assistance indicates that the following additional information is needed to continue its processing.

Furnish copies of your letters to the two banks requesting an exploration loan. The letters should state the amount of the loan (estimated Government participation), purpose, date, and terms requested. The letters to the banks mentioned as being enclosed with the application were not received.

The proposed work should be described fully, indicating the specific geologic targets you wish to test, and give individual locations and footages for each item of work. Also furnish information relative to the location of samples taken, or additional samples you may take to lend further support to the proposal, how sampled, and sample widths. This information was not included with the assay data submitted.

Supply a detailed estimate of the necessary costs for the proposed work. These costs should be distributed as follows for the work to be performed: (1) supervision and engineering, (2) labor, (3) supplies and materials, (4) assaying, and (5) equipment. If the proposed exploration work is to be contracted, as indicated in your application, cost estimates should be supported by bids from three contractors if possible. The bids should include such information as to the type of drill used, size of hole, and means of sample collection.

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

Because the evaluation of a property for purposes of planning an exploration program requires competent, professional services, we suggest that you engage a consulting geologist or mining engineer to examine your property and assist in the preparation of the application if the property warrants exploration.

Please note that field examinations are scheduled only after the information required to process an application has been received, and the data furnished indicate that the proposal merits further consideration.

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract. We shall continue to hold the processing of your application until the data are received.

Sincerely yours,

FRANK E. JOHNSON (glk)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region IV
Mr. Peterson

ECPeterson/bsl 1/5/69

January 2, 1969

Cotton Patch Mines, Inc.
P. O. Box 457
Denton, North Carolina 27230

Subject: OME-6768

Gentlemen:

Your application for exploration assistance, dated December 23, 1968, submitted to our office at Knoxville, Tennessee, has been assigned Docket Number OME-6768.

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

Sincerely yours,

Frank E. Johnson

Copy to Region IV

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 2 1969

INITIALS	CODE

December 30, 1968

Mr. R. B. McKinney, President
Cotton Patch Mines, Incorporated
P. O. Box 457
Denton, North Carolina 27239

Dear Mr. McKinney:

Your application for assistance in exploration for gold at the Cotton Patch Mine, in Stanly County, North Carolina, has been forwarded to our Washington office for processing, in accordance with established procedure. They will advise you as to what additional information is needed, and whether a field examination is to be made.

May I point out, however, that you have failed to include some of the most essential information in your application, and without this further processing is not possible. Your supplemental information sheet ends with item 4, and I find no data for Item 5, Exploration work, Item 6, Experience, and Item 7, Estimate of costs. On the front of Form 40, you have not indicated an estimated total cost of the project.

I enclose three blank copies of Form MME-40, and I suggest that you submit the missing data at your earliest convenience, to avoid delay in consideration of your application.

Very truly yours,

Robert A. Laurence
Geologist

Director's R. File
Econ.Geol. File
Branch of M.R.
OME
File

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

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

Cotton Patch Mines, Inc.
P. O. Box 457
Denton, North Carolina

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER

DATE RECEIVED

REGION

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL [ ]
CORPORATION [X]
PARTNERSHIP [ ]
OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED N. C.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
R.B. McKinney,Sr.	Rt. 5, Salisbury, N. C.	Pres.
James C. Crates	1509 Lilac Rd. Charlotte, N. C.	V. Pres.
Christopher Columbus,	1112 16th Ave. N.W. Hickory, N. C.	Sec. & Treas

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Gold and Rare Earths

ESTIMATED COST OF PROJECT
$ 20,000.00

PROPERTY NAME / LOCATION COUNTY / STATE
Cotton Patch Mines, Inc., Stanley, N.C.

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). 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 two 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 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. 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 3(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 Office of Minerals Exploration, Department of the Interior,* ~~Washington, D. C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME 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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

1/10/1969
DATED

R.B. McKinney
BY *(Signature)*

Pres.
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. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) 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 adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. 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 land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if 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, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show 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 *land boundaries* or to the closest identifiable corner.

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

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or 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. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. 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 equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *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 in the exploration work.

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

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(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*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

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

SUPPLEMENTAL INFORMATION TO APPLICATION

1. FINANCIAL ELIGIBILITY:

(a) See attached application to Carolina Bank and Trust Company, dated October 16, 1968, and reply dated October 23, 1968, also application to Farmers Bank and Trust Company, dated October 26, 1968, with reply dated November 2, 1968.

(b) None

(c) From Corporate funds

2. APPLICANTS RIGHTS IN LAND:

(a) Property owned by coporation with lien of $15,000 secured by Deed of Trust.

(b) See attached plat with photostatic copy of Deed.

(c) Does not apply

3. PHYSICAL DISCRIPTION:

(a) Limited mining operation done several years ago, but accurate information not available.

(b) None

(c) Not known, never commercially operated.

(d) See assayers report, surface sampling method

(e) As shown on attached map, some mining (principally surface work) has been done on about 40% of the property with shafts dug, (#1) to a depth of approximetely 30 geet on a quartz vein of about 24 inches wide. This shaft caved in several Years ago, and has not been reopened. It is understood that several hundred dollars worth of gold bearing quartz was taken out of this shaft. Another shaft, (#2) was sunk later and followed another quartz vein to a depth of 21 feet. This also yielded some very rich samples.

(f) Spot sampling by panning indicated quantities of placer gold present, and several veins of gold bearing quartz have been uncovered.

4. ACCESSIBILITY OF PROPERTY:

(a) Property located 2 miles east of New London, N. C. on road N. C. 1520

(b) Same

5.= Exploration Work:

(a) It is proposed to follow the procedures outlined below for exploring this property.

(1) Drill 30 or 40 6 inch holes to an average depth of 50 or 60 feet, taking samples for test at 5 foot intervals in each test hole in the event that the test drilling strikes a quartz vein which justifies exploring, we propose to uncover the vein by the use of clam shell, bucket, or backhoe, depending on depth, and further explore the vein.

(2) 2 shafts have been opened on the upper part of the mining property, one of which we have reinforced cribbing, and made safe to continue exploration on this quartz vein which has yielded some very rich samples. The other shaft was opened at one time to a depth of approximately 30 feet, but has caved in, and will have to be reopened, and cribbed from the top. This shaft has also yielded rich samples of gold bearing quartz. Both of these shafts are near the north boundry of the property, and are at a higher elevation than most of the property. At the south end of the property, near the creek, there is a basin covering several acres which is swampy, and samples have been taken from several locations in this area, all of which contained gold particles and, some cases, nuggets about the size of the head of a match, also in this swamp area, there is a small man-made lake from which panning has been done.

(b) This property is easily accessible by existing road, and will require very little attention.

(c) Early spring

6. This work will be supervised by Mr. McKinney, who has 40 years experience in telephone engineering and plant maintenence work, and is also owned and operated farm equipment and sawmill.

7. The estimated cost of the work proposed under item 5, is $19,900.00 broken down as follows:

Test hole drilling and backhoe or dragline work in connection with open vein	$ 8,000.
Clean debris and rock slide from present shaft #1 and including cribbing	4,200
Extend shaft #2	1,500
Lumber and labor for cribbing and other work	2,400
Pump lines and miscellaneous equipment	800
Miscellaneous overhead	3,000
Total	$19,900.

(a) We have been able to secure only 1 bid for the drilling work which was furnished from original application, and this bid amounted to $3.50 per foot. The cost of bull-dozer and/or backhoe operation will run $12 per hour.

(b) We propose to secure the services of Dr. Henry S. Brown, Professor of Geology of North Carolina State University on part time per diem basis, the cost of which is expected to run around $40 per day.

(c) The best price available locally for oak lumber for cribbing is $60 per 1000 foot, miscellaneous tools and equipment are on hand.

(d) 1 pump, practically new is onhand, another will probably be needed, and will cost $350.

(e-f) No buildings are presently on property, but we propose to build a small building of concrete block construction to store miscellaneous tools and equipment, the cost of which should not exceed $400.

(g) It is expected that the operation and maintenance of equipment will be born by independant contractors and services secured on the per diem basis given cost per hour or day. Cost of supervision will be furnished by officers of the corporation who have other sources of income, and will not be receiving compensation from the corporation for exploratory work. Liability Insurance will be carried by the corporation covering all phases of the work. The cost of this insurance will be $275. per year adjustable at a rate of $1.00 for every $100.00 annual payroll.

down to the water table.

Any gravel deposits on the property should be tested all the way to the bottom of the gravel - especially the bottom part of the deposit - where most gold is usually found. I would test the gravel at several different places. It is possible the deposit carries gold in uniform amounts throughout, or it may not. You will want to do your first digging in the most profitable places in order to pay for continuing this part of the operation.

In general, I would advise that you proceed at the present time as if you were going to prospect and evaluate the deposit on a larger scale than heretofore rather than enter directly into a formal and expensive mining operation. For example, you might apply regular mining techniques but on a small scale. You should expect to invest some money with the distinct possibility that it will not be recovered. If the expanded prospecting is handled properly, it will, after a while, either make enough money to allow you to continue or else show that you shouldn't spend a large sum pursuing an uneconomic cause.

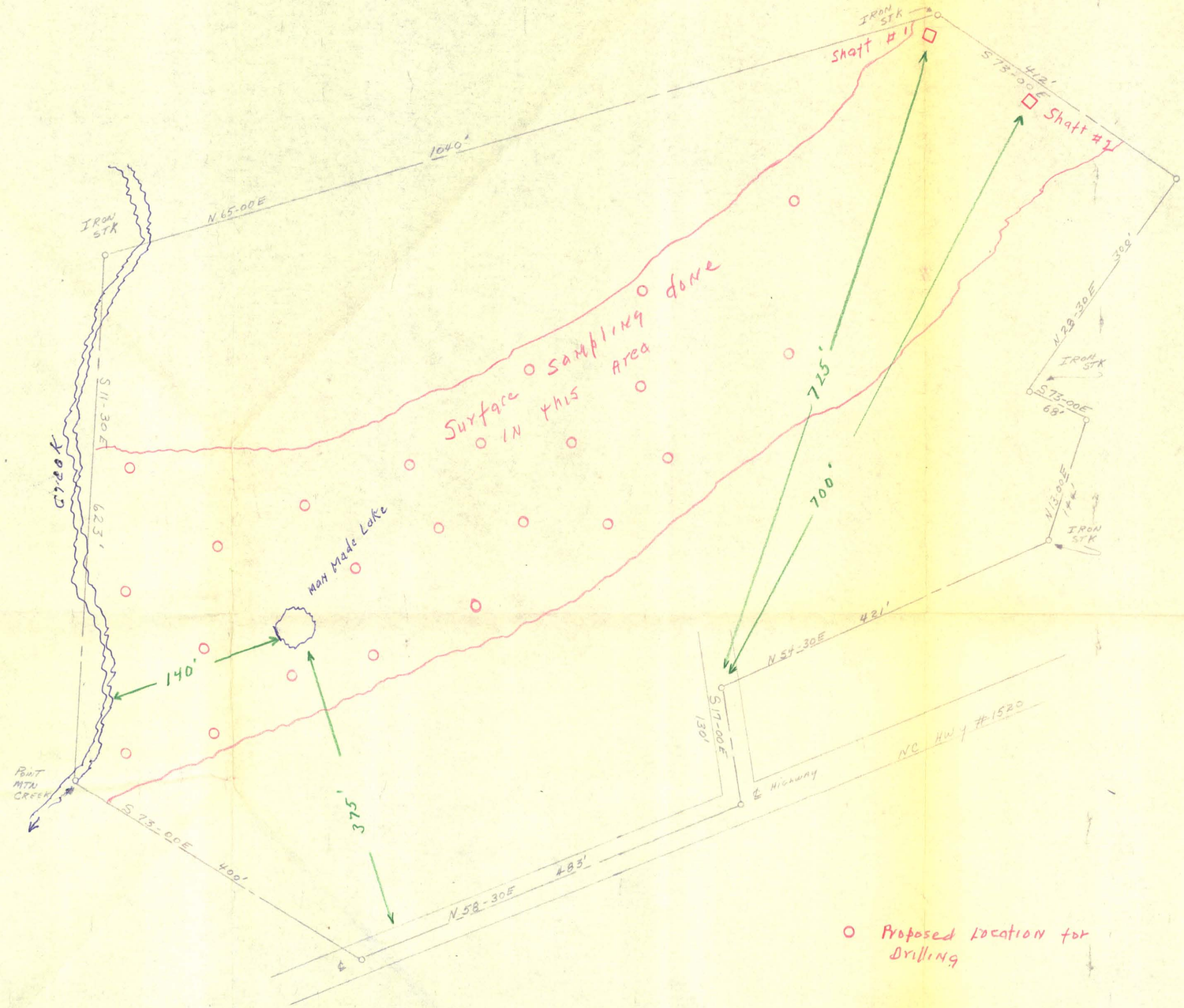
If the property were mine, I would definitely proceed to evaluate its economic potential.

If I can be of any further assistance, please do not hesitate to call. Good luck!

Sincerely,

Henry S. Brown

Henry S. Brown
Professor of Geology
N. C. State University


IRON STK
Shaft #1
S 73-00E
412'
Shaft #2
1040'
N 65-00E
IRON STK
Surface sampling done in this area
S 11-30E
623'
Creek
Man Made Lake
725'
700'
140'
375'
N 28-30E
308'
IRON STK
S 73-00E
68'
N 13-00E
144'
IRON STK
N 54-30E
421'
S 17-00E
130'
NC Hwy # 1520
℄ Highway
POINT MTN CREEK
S 73-00E
400'
N 58-30E
483'
℄
Proposed Location for Drilling
1" = 100' Scale