DEFENSE MINERALS ADMINISTRATION
Status Change Notice

DMA Docket No. 1182

To: Reports and Records Branch

From: Tungsten Branch DMA

Date: September 5, 1951

The following action has been taken this date on the above Controlled Document.

Forwarded to Coordinating Committee

Type of request changed to:

Denied ☐ Withdrawn ☐

Approved in amount of $

Other action, specify:

FEB 2 1 1952

Calhoun Mines, Inc.
Marvel L. Lynch, Pres.
P.O. Box 150
Laurel, Delaware

Re: Reconsideration of Denial
DMA 1182X - Tungsten
Calhoun Gold Mine
Cherokee County, Georgia

Dear Mr. Lynch:

Your above noted application for an exploration loan, denied heretofore on May 24, 1951, has been reviewed again following the receipt of recent additional information.

The information notes that only a single speck of a fluorescent mineral was found, the characteristics of which were similar to those of the tungsten mineral scheelite. Furthermore, the dark greenish fluorescence noted throughout the mine workings is due to material of organic origin, in no way resembling the brilliant blue-white fluorescence of scheelite.

The additional information substantiates the decision originally made, hence we can only concur in the former denial of your application.

Sincerely yours,

G. O. Mittenderf

Acting Administrator
Defense Minerals Exploration
Administration

LBrewer:lm
2/14/52

cc: Admn. Reading File
Docket
D. W. Geehan, USGS
D. H. Lemmon, USGS
Field Team Reg. VII

G. C. Selfridge L. L. Brewer

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

C-MD-DML

February 7, 1952

Memorandum

To: George C. Selfridge, DMEA

From: D. M. Lemmon, U.S.G.S.

Subject: Field report
Calhoun gold mine
Dahlonega, Lumpkin County
Georgia

DMA 1182-X Tungsten

The Calhoun mine was examined January 17, 1952 by William A. Beck of the Bureau of Mines and Kefton H. Teague of the Geological Survey. They report that one grain of fluorescent mineral 1/8 inch square and 1/4 long is present in the vein. This material may be scheelite but is not definitely proved.

The Field Team recommends denial of an exploration loan, and thus concurs with me (see my memorandum of May 18, 1951).

Don Lemmon

DMLemmon:gt

Copies to: Director's reading file
Branch reading file

FILE COPY
SURNAME:

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

FEB 21 1952

S. D.

Brewer
Selfridge
Gulson
Thayer
Johnson
Johnson

Calhoun Mines, Inc.
Marvel L. Lynch, Pres.
P.O. Box 190
Laurel, Delaware

Re: Reconsideration of Denial
DMA 1182X - Tungsten
Calhoun Gold Mine
Dahlonega County, Georgia

Dear Mr. Lynch:

Your above noted application for an exploration loan, denied heretofore on May 24, 1951, has been reviewed again following the receipt of recent additional information.

The information notes that only a single speck of a fluorescent mineral was found, the characteristics of which were similar to those of the tungsten mineral scheelite. Furthermore, the dark greenish fluorescence noted throughout the mine workings is due to material of organic origin, in no way resembling the brilliant blue-white fluorescence of scheelite.

The additional information substantiates the decision originally made, hence we can only concur in the former denial of your application.

Sincerely yours,

cc
2/21/52

C. O. Mittenderf (fw)
Acting Administrator
Defense Minerals Exploration
Administration

QLBrewer'lm
2/14/52

cc: Admn. Reading File
Docket
R. W. Geehan, USBM
D. M. Lemmon, USGS
Field Team Reg. VII

H. C. Selfridge Q. L. Brewer

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

Reviewed by
DMEA OPERATING COMMITTEE
2-8-52
(date) (JHB)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII (DMEA)

DMA-1182X, Calhoun Mine
(Tungsten)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 8 1952

By

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines

Kefton H. Teague, Geologist
U. S. Geological Survey

Report of Field Examination on

DMA-1182X, Calhoun Mine (Tungsten)

The subject mine, located about four miles south of Dahlonega, Lumpkin County, Georgia was examined on January 17, 1952, by the DMEA Field Team - Wm. A. Beck, USBM, and Kefton H. Teague, USGS. Mr. John E. Kelly representing the applicants, and Capt. Garland Peyton, State Geologist of Georgia, accompanied the Field Team on the examination.

The Docket adequately describes the past history, gold production, periods of operation, etc., of the mine; therefore, no review is necessary in this report. About the end of the most recent activity (1945-49) fluorescent minerals were detected in the "Abbot Tunnel" (see map attached to docket). Apparently no effort was made to identify the mineral or minerals with fluorescent properties.

During the Field Team's examination the "Abbot Tunnel" was examined in its entirety, using a short wave ultra-violet, Model SL 2537 Mineralight. A surface coating with a dark greenish fluorescence is present as spots on the biotite garnet country rock from the portal inward for approximately 100 feet. Similar fluorescence was noted between station 4+50, and the head of the tunnel, although not as pronounced as that near the portal. Also, a wooden board stuck in one side of the tunnel and covered with a mold gave the same type of fluorescence. Wherever the rock showed this fluorescent coating, the coating was easily removed by rubbing the surface. It is the Field Team's opinion that the material which gave the dark greenish fluorescence is of organic origin.

At a point near station 4 + 30, one speck of mineral in vein quartz which gave bluish white fluorescence was noted. This material was approximately 1/8 x 1/8 inch in cross section and 1/4 inch long. The fragment was studied microscopically and has properties which indicates that it is probably scheelite. No evidence of other tungsten mineralization was noted during the examination.

From data obtained from the examination it would appear that minute amounts of tungsten minerals are present at the Calhoun Mine, but in quantities too small to justify exploration. Therefore, the Field Team recommends that the loan request be refused.

January 17, 1952

Wm. A. Beck, USBM

K.H. Teague, USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

Reviewed by
DMEA OPERATING COMMITTEE
2-8-52
(date) (JHB)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII (DMEA)

DMA-1182X, Calhoun Mine
(Tungsten)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 6 1952

By

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines

Kefton H. Teague, Geologist
U. S. Geological Survey

Report of Field Examination on

DMA-1182X, Calhoun Mine (Tungsten)

The subject mine, located about four miles south of Dahlonega, Lumpkin County, Georgia was examined on January 17, 1952, by the DMEA Field Team - Wm. A. Beck, USBM, and Kafton H. Teague, USGS. Mr. John L. Kelly representing the applicants, and Capt. Garland Peyton, State Geologist of Georgia, accompanied the Field Team on the examination.

The Docket adequately describes the past history, gold production, periods of operation, etc., of the mine; therefore, no review is necessary in this report. About the end of the most recent activity (1945-49) fluorescent minerals were detected in the "Abbot Tunnel" (see map attached to Docket). Apparently no effort was made to identify the mineral or minerals with fluorescent properties.

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At a point near station 4 + 30, one speck of mineral in vein quartz which gave bluish white fluorescence was noted. This material was approximately 1/8 x 1/8 inch in cross section and 1/4 inch long. The fragment was studied microscopically and has properties which indicates that it is probably scheelite. No evidence of other tungsten mineralization was noted during the examination.

From data obtained from the examination it would appear that minute amounts of tungsten minerals are present at the Calhoun Mine, but in quantities too small to justify exploration. Therefore, the Field Team recommends that the loan request be refused.

January 17, 1952

Wm. A. Beck, USBM

K.H. Teague, USGS

IN REPLY REFER TO:

G-MD-DML

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

February 7, 1952

Memorandum

To: George C. Selfridge, DMEA

From: D. M. Lemmon, U.S.G.S.

Subject: Field report DMA 1182-X Tungsten
Calhoun gold mine
Dahlonega, Lampkin County
Georgia

The Calhoun mine was examined January 17, 1952 by William A. Beck of the Bureau of Mines and Kefton H. Teague of the Geological Survey. They report that one grain of fluorescent mineral 1/8 inch square and 1/4 long is present in the vein. This material may be scheelite but is not definitely proved.

The Field Team recommends denial of an exploration loan, and thus concurs with me (see my memorandum of May 18, 1951).

Dwight M. Lemmon

This was denied on May 26-1951 why the field team examination on Jan 17-1952?
J P Bremer

1 copy removed to file

OFFICE OF THE ADMINISTRATOR

S.a.
2-6-52

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D. C.~~

Room 13, Post Office Building
Knoxville, Tennessee

February 4, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee

From: Field Team-DMEA Region VII

Subject: Field Examination Report, DMA-1182X, (Calhoun Mine).

Transmitted herewith are 4 copies of the field examiners' report on the subject tract.

Apparently the applicant's only reason for assuming existence of a tungsten orebody at this mine was the presence of a fluoreseent seepage in the Abbott Tunnel (see sheet 6, accompanying MF-100). The field examination showed no evidence of commercial tungsten deposits.

We agree with the conclusions. The docket is returned herewith.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 6 1952

Robert A. Laurence

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

Wm. A. Beck

Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

N CITY
EVADA

LOS ANGELES 17
KERR & COMPANY—ENGINEERS
GENERAL PETROLEUM BUILDING

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

September 8, 1951

Reference: DMA-1182 Tungsten

Mr. Tom Lyon, Director
Supply Division
United States Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Lyon:

Thank you for your letter of September 5 relating to Calhoun Mines, Inc. at Dahlonega, Georgia.

I am very pleased to hear, and I beg to thank you for, advice that you have requested Mr. Robert Laurence, Executive Officer at Knoxville, to have a field examination made of Calhoun property at his convenience.

I had the pleasure of talking with Mr. Laurence in Knoxville on September 5 and discussing the Calhoun situation in detail with him. I found that he has a high opinion of the competence of Captain Garland Peyton, State Geologist of Georgia, and would be happy to have Captain Peyton present during the forthcoming examination.

I quite realize that your engineers are swamped with work and, in fact, Mr. Laurence told us that he is weeks behind in the study of strategic micas in the Carolinas. We do not in any way want to interfere with or take priority over work earlier scheduled and will be willing to wait until it is convenient for Mr. Laurence and Captain Peyton jointly to visit the Dahlonega property. As long as the work is scheduled the exact date is not of such great importance.

Very truly yours,

John E. Kelly

John E. Kelly.

JEK/t

SEP 10 1 47 PM
DEFENSE MINERALS
ADMINISTRATION
WASHINGTON

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~XXXXXXXXXXXXXXXXXX~~
DEFENSE MINERALS ADMINISTRATION
Room 13, Post Office Building
Knoxville 2, Tennessee

September 7, 1951

Mr. Tom Lyon
Chairman, Coordinating Committee
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Re: Docket DMA-1182-X - Tungsten
Calhoun Mines, Inc.

Dear Mr. Lyon:

This will acknowledge receipt, on this date, of one copy of Form MF-100 and one copy of Form MF-103 executed by Calhoun Mines, Inc., P. O. Box 190, Laurel, Delaware. Also, one photostat copy of property map, and one photostat copy of profile of Calhoun Mines, Inc., Dahlonega, Georgia, prepared by Mr. John E. Kelly, Consultant, 316 Southern Building, Washington 5, D. C.

All correspondence pertaining to this docket has been placed on Mr. Laurence's desk for his attention, upon his return to the office next week.

Incidentally, Mr. Kelly was in the Knoxville office Wednesday, September 5.

Sincerely,

M. Gower

M. Gower

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
SEP 10 10 33 AM '51

340
FILE COPY
SURNAME:

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

A.E.C.

SEP 5 1951

Mr. John E. Kelly, Consultant
316 Southern Building
Washington 5, D. C.

In reply please refer to
DMA-1182 Tungsten

Dear Mr. Kelly:

The original field referral of Calhoun Mines, Inc. application was held up pending receipt of a sample or other concrete evidence of tungsten mineralization. Our field engineers are literally swamped with work and we hesitate to burden them with applications that contain insufficient evidence of mineralization.

However, we are requesting Mr. Robert Laurence, Executive Officer, Room 13, Post Office Building, Knoxville, Tennessee, to have a field examination made of your client's property at his convenience.

Very truly yours,

SIGNED BJ 9/5

Tom Lyon, Director
Supply Division

TJBallard:jh
September 5, 1951
CC:
DMA Docket File
Adm. Reading File
Mr. Lemmon
Mr. Geeham
Mr. Holderer
Field Team, Region VII (2)

FILE COPY
SURNAME:

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

a.e.c.

SEP 5 1951

Mr. Robert Laurence, Executive Officer
Field Team, Region VII
Room 13, Post Office Building
Knoxville, Tennessee

In reply please refer to
DMA 1182L- Tungsten

Dear Mr. Laurence:

It is requested that a field examination be made of the gold property of Calhoun Mines, Inc. The Calhoun Mine is 2.5 miles south of Dahlonega, Lumpkin County, Georgia. In 1949, fluorescent efflorescences and minerals, reportedly yielding colors similar to fluorescent tungsten minerals, were detected by a mineralite lamp in the Abbott adit below the old mine workings. Based on the fluorescence only, the applicant has requested an exploration loan covering a diamond drilling project costing $2[illegible],000. It is proposed to drill some 2,000 feet of radiating holes from a station cut at the face of the adit. The drilling is to prove for possible tungsten ore bodies within the wall rock that would give rise to the seepages depositing the efflorescence.

The examination primarily should prove or disprove the presence of fluorescent tungsten minerals, not merely an oil coating or organic matter.

To make arrangements for the examination you can contact either Mr. John E. Kelly, Consultant, 316 Southern Building, Washington 5, D. C., or Mr. [illegible] L. Lynch, President, Calhoun Mines, Inc., P. O. Box 100, Laurel, Delaware.

Enclosed herewith are one copy of Form MF-100 and one copy of Form MF-103 with maps.

Very truly yours,

B 9/5

Tom Lyon

Tom Lyon, Chairman
Coordinating Committee

TJBallard:ll
August 31, 1951
CC Files
Adm. Reading File
Reports and Unit
Mr. Lemmon
Mr. Geehan
Mr. Holderer

Enclosures

Approved:

Director of Mines

Olaf N. Rove
Geological Survey

DMA Docket File.

SEP 5 1951

Mr. Robert Laurence, Executive Officer
Field Team, Region VII
Room 13, Post Office Building
Knoxville, Tennessee

In reply lease refer to
DMA 1152L- Tungsten

Dear Mr. Laurence:

It is requested that a field examination be made of the gold property of Calhoun Mines, Inc. The Calhoun Mine is 2.5 miles south of Dahlonega, Lumpkin County, Georgia. In 1949, fluorescent efflorescences and minerals, reportedly yielding colors similar to fluorescent tungsten minerals, were detected by a mineralite lamp in the Abbott adit below the old mine workings. Based on the fluorescence only, the applicant has requested an exploration loan covering a diamond drilling project costing $20,000. It is proposed to drill some 2,000 feet of radiating holes from a station cut at the face of the adit. The drilling is to probe for possible tungsten ore bodies within the wall rock that would give rise to the seepages depositing the efflorescence.

The examination primarily should prove or disprove the presence of fluorescent tungsten minerals, not merely an oil coating or organic matter.

To make arrangements for the examination you can contact either Mr. John E. Kelly, Consultant, 316 Southern Building, Washington 5, D. C., or Mr. M. L. Lynch, President, Calhoun Mines, Inc., P. O. Box 190, Laurel, Delaware.

Enclosed herewith are one copy of Form MF-100 and one copy of Form MF-103 with maps.

Very truly yours,

Tom Lyon

Tom Lyon, Chairman
Coordinating Committee

TJBallard:ll
August 31, 1951
CC Files
Adm. Reading File
Reports and Unit
Mr. Lemmon
Mr. Geehan
Mr. Holderer

Enclosures

Approved:

Bureau of Mines

Geological Survey

FILE COPY
SURNAME:

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

AUG 28 1951

Holderer
Lyon
Schroeder

Hon. Richard B. Russell
United States Senate
Washington 25, D. C.

In reply please refer to
DMA 118

My dear Senator Russell:

This is in reply to your letter of August 10, 1951, in reference to the Calhoun Mines.

We have asked the applicant to send a sample of what he considers to be tungsten ore, which he seems disinclined to do. There is no question of slighting Georgia, but since many other substances besides tungsten are fluorescent, it would be very helpful to us if he would consent to let us have the sample in question.

Ample opportunity will be given for Captain Garland Peyton to be present at any time one of our field engineers visits the property.

Sincerely yours,

W. C. SCHROEDER BJ 8/28

Acting Administrator

Enclosures

GBHolderer:dgs
August 24, 1951

CC: Adm. Reading File
Reports and Records Unit
Dep. Admin., Rm 4617
Mr. Holderer
Files

United States Senate

August 10, 1951

Respectfully referred to

Hon. James Boyd, Administrator, Defense Minerals Administration, Department of the Interior,

with thanks for such favorable consideration as the communication herewith submitted warrants, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of

Richard B. Russell

U. S. S.

Please refer to DMA 1182X-Tungsten

Any consideration you may be able to accord the request for proceeding with a field examination of this property will be appreciated.

August 9, 1951

Honorable Richard B. Russell
United States Senate
Washington, D. C.

Dear Senator Russell:

In view of your past kind interest in the application of Calhoun Mines, Inc., I beg to enclose for your information copy of a letter dated August 3rd from the Defense Minerals Administration and copy of my reply thereto of this date. We had arranged that Captain Garland Peyton be present when the examination would be carried out by the field team of the DMA. This would assure a full and fair examination. I am sending copy of this correspondence to Captain Peyton.

I fear that the changed procedure now proposed by Mr. Lyon which would not afford Captain Peyton an opportunity to be present would too readily result in an unfavorable report.

The Defense Minerals Administration has provided funds for 47 mineral examinations totaling well over 3 million dollars, such as requested by Calhoun Mines, Inc. None of these are in Georgia. I see no reason why this discriminatory and even prejudicial procedure should be applied in case of the Dahlonega mine. If the DMA wants an examination of the ore, the place to examine it is on the ground, and I respectfully request your help in asking DMA to reorder a field examination as they did by their letter to you of July 23rd.

Very truly yours,

John E. Kelly.

11

C O P Y

August 9, 1951

Mr. Tom Lyon, Chairman
Coordinating Committee
Defense Minerals Administration
Washington, D. C.

DMA Docket 1182X
Calhoun Mines, Inc.
Dahlonega, Georgia

Dear Mr. Lyon:

Mr. Marvel L. Lynch, President of Calhoun Mines, has forwarded to me a copy of your letter of August 3rd addressed to him.

By your letter of July 23, you ordered a field examination of Calhoun Mines, Inc. at Dahlonega, Georgia to check evidences of tungsten ore detected by representatives of Calhoun Mines and by Captain Garland Peyton, State Geologist of Georgia. We have arranged with Captain Peyton to be present while your field team from the Knoxville office of DMA made this examination. We believe that this examination should be carried out as you originally planned. We do not believe that the procedure now proposed by you is satisfactory or feasible for the following reasons: (a) If "a field examination made some years ago by the Geological Survey did not disclose any scheelite on this mine's dump", it is because the tungsten indications had not at that time been discovered. They appear in the head of the Abbott Tunnel which had not been driven to that point some years ago. (b) I have talked to the representative of the U. S. Geological Survey who conducted a survey in that area some years ago. He tells me that he did not visit the Calhoun Mine and, in fact, did not examine any property south of the Chestatee River which divides the Calhoun property from the greater part of the Dahlonega mining camp. This river is of geologic importance as the sulphur content, for example, is very much greater north of the river than south thereof and, conversely, other mineral indications are much stronger to the south.

Since the information on which you base your letter of August 3rd was thus mistaken. I request th t you proceed with the plan outlined in your letter of July 23rd and ask your Knoxville office to send their field team, with prior notice to Captain Garland Peyton at the State Capitol at Atlanta, Georgia.

Very truly yours,

John E. Kelly.

11

C O P Y

Letterhead of:
United States Department of the Interior
Defense Mineral Administration
Washington, D. C.

August 3, 1951

Mr. M. L. Lynch
President, Calhoun Mines, Inc.
P. O. Box 190
Laurel, Delaware

Dear Mr. Lynch:

A review of your application for assistance under the Defense Minerals Administration exploration program for the Calhoun Gold Mine, Dahlonega, Georgia, has been reviewed. A field examination made some years ago by the Geological Survey did not disclose any scheelite on this mine's dump. The information you have furnished indicates that your evidence of the existence of tungsten minerals is based on the mineral lamp. Before arranging for a ground field examination, I would like to have a representative sample of the best material selected by yourself for examination here.

Your application is being held awaiting your submission of such material.

Very truly yours,

Tom Lyon
Chairman, Coordinating Committee

R.

C O P Y

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

AUG 28 1951

Hon. Richard B. Russell
United States Senate
Washington 25, D. C.

In reply please refer to
DMA 1182

My dear Senator Russell:

This is in reply to your letter of August 10, 1951, in reference to the Calhoun Mines.

We have asked the applicant to send a sample of what he considers to be tungsten ore, which he seems disinclined to do. There is no question of slighting Georgia, but since many other substances besides tungsten are fluorescent, it would be very helpful to us if he would consent to let us have the sample in question.

Ample opportunity will be given for Captain Garland Peyton to be present at any time one of our field engineers visits the property.

Sincerely yours,

W. H. SCHNEIDER

Acting Administrator

Enclosures

GBHolderer:dgs
August 24, 1951

CC: Adm. Reading File
Reports and Records Unit
Dep. Admin., Rm 4617
Mr. Holderer
Files

OFFICE OF THE ADMINISTRATOR

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

AUG 24 1951

Hon. Richard B. Russell
United States Senate
Washington 25, D. C.

In reply please refer to
DMA 1182

My dear Senator Russell:

This is in reply to your letter of August 10, 1951, in reference to the Calhoun Mines.

We have asked the applicant to send a sample of what he considers to be tungsten ore which he seems disinclined to do. There is no question of slighting Georgia, but since many other substances besides tungsten are fluorescent, it seems little enough for him to do pending any further action that might be taken. Ample opportunity will be given for Captain Garland Peyton to be present at any time one of our field engineers visits the property.

Sincerely yours,

~~W. C. Schwabedel~~

Acting Administrator

It would be very helpful to us if he would consent to let us have the sample in question.

Enclosure

United States Senate

August 10, 1951

Respectfully referred to

Administrator, Defense Minerals Admin

with thanks for such favorable consideration as the communication herewith submitted warrants, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of

Richard B. Russell

U. S. S.

Please refer to DMA 1182X-Tungsten

Any consideration you may be able to accord the request for proceeding with a field examination of this property will be appreciated.

MF-506

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

AUG 15 1951

REFERENCE SLIP

Rec'd by Mr. Frederick

DATE 8/14

REFERRED TO:

1. Code 3403624
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	✓ Reply for signature of Schwell
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: .....

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

CA[redacted] CIT[redacted]
NEVADA

LOS ANGELES 17
KERR & COMPANY—ENGINEERS
GENERAL PETROLEUM BUILDING

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

August 9, 1951

Honorable Richard B. Russell
United States Senate
Washington, D. C.

Dear Senator Russell:

In view of your past kind interest in the application of Calhoun Mines, Inc., I beg to enclose for your information copy of a letter dated August 3rd from the Defense Minerals Administration and copy of my reply thereto of this date. We had arranged that Captain Garland Peyton be present when the examination would be carried out by the field team of the DMA. This would assure a full and fair examination. I am sending copy of this correspondence to Captain Peyton.

I fear that the changed procedure now proposed by Mr. Lyon which would not afford Captain Peyton an opportunity to be present would too readily result in an unfavorable report.

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Very truly yours,

John E. Kelly

John E. Kelly.

JEK/t

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 14 1951

AUG 14 8 00 AM '51

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

August 9, 1951

DMA Docket 1182X
Calhoun Mines, Inc.
Dahlonega, Georgia

Mr. Tom Lyon, Chairman
Coordinating Committee
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Lyon:

Mr. Marvel L. Lynch, President of Calhoun Mines, has forwarded to me a copy of your letter of August 3rd addressed to him.

By your letter of July 23 you ordered a field examination of Calhoun Mines, Inc. at Dahlonega, Georgia to check evidences of tungsten ore detected by representatives of Calhoun Mines and by Captain Garland Peyton, State Geologist of Georgia. We have arranged with Captain Peyton to be present while your field team from the Knoxville office of DMA made this examination. We believe that this examination should be carried out as you originally planned. We do not believe that the procedure now proposed by you is satisfactory or feasible for the following reasons: (a) If "a field examination made some years ago by the Geological Survey did not disclose any scheelite on this mine's dump", it is because the tungsten indications had not at that time been discovered. They appear in the head of the Abbott Tunnel which had not been driven to that point some years ago. (b) I have talked to the representative of the U. S. Geological Survey who conducted a survey in that area some years ago. He tells me that he did not visit the Calhoun Mine and, in fact, did not examine any property south of the Chestatee River which divides the Calhoun property from the greater part of the Dahlonega mining camp. This river is of geologic importance as the sulphur content, for example, is very much greater north of the river than south thereof and, conversely, other mineral indications are much stronger to the south.

Since the information on which you base your letter of August 3rd was thus mistaken, I request that you proceed with the plan outlined in your letter of July 23rd and ask your Knoxville office to send their field team, with prior notice to Captain Garland Peyton at the State Capitol at Atlanta, Georgia.

Very truly yours,

K

John E. Kelly.

JEK/t

Letterhead of
UNITED STATES DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Washington 25, D. C.

C
O
P
Y

August 3, 1951

Mr. M. L. Lynch
President, Calhoun Mines, Inc.
P. O. Box 190
Laurel, Delaware

DMA Docket 1182X
Calhoun Gold Mine
Dahlonega, Georgia
(Tungsten)

Dear Mr. Lynch:

A review of your application for assistance under the Defense Minerals Administration exploration program for the Calhoun Gold Mine, Dahlonega, Georgia, has been reviewed. A field examination made some years ago by the Geological Survey did not disclose any scheelite on this mine's dump. The information you have furnished indicates that your evidence of the existence of tungsten minerals is based on the mineral lamp. Before arranging for a second field examination, I should like to have a representative sample of the best material selected by yourself for examination here.

Your application is being held awaiting your submission of such material.

Very truly yours,

Tom Lyon
Chairman, Coordinating Committee

United States Senate

August 10, 1951

Respectfully referred to

Administrator, Defense Minerals Admin

with thanks for such favorable consideration as the communication herewith submitted warrants, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of

Richard B. Russell

Please refer to DMA-1162X-Tungsten U. S. S.

[illegible] you may be able to [illegible] the request for proceeding with a [illegible] examination of this prop[illegible] [illegible]ed.

Reply
Holderer 8.14
sig: schroeder

CARSON CITY
NEVADA

LOS ANGELES 17
KERR & COMPANY—ENGINEERS
GENERAL PETROLEUM BUILDING

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

August 9, 1951

Honorable Richard B. Russell
United States Senate
Washington, D. C.

Dear Senator Russell:

In view of your past kind interest in the application of Calhoun Mines, Inc., I beg to enclose for your information copy of a letter dated August 3rd from the Defense Minerals Administration and copy of my reply thereto of this date. We had arranged that Captain Garland Peyton be present when the examination would be carried out by the field team of the DMA. This would assure a full and fair examination. I am sending copy of this correspondence to Captain Peyton.

I fear that the changed procedure now proposed by Mr. Lyon which would not afford Captain Peyton an opportunity to be present would too readily result in an unfavorable report.

The Defense Minerals Administration has provided funds for 47 mineral examinations totaling well over 3 million dollars, such as requested by Calhoun Mines, Inc. None of these are in Georgia. I see no reason why this discriminatory and even prejudicial procedure should be applied in case of the Hallonega mine. If the DMA wants an examination of the ore, the place to examine it is on the ground, and I respectfully request your help in asking DMA to reorder a field examination as they did by their letter to you of July 23rd.

Very truly yours,

John E. Kelly

John E. Kelly.

JEK/t

FILE COPY
SURNAME:

Holden
Schroeder

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

Hon. Walter F. George
United States Senate
Washington 25, D. C.

In reply please refer to
L&W 1182

Dear Senator George:

This is in reply to your letter of August 10, 1951, in reference to the Calhoun Mines.

We have asked the applicant to send a sample of what he considers to be tungsten ore, which he seems disinclined to do. There is no question of slighting Georgia, but since many other substances besides tungsten are fluorescent, it would be very helpful to us if he would consent to let us have the sample in question.

Ample opportunity will be given for Captain Garland Fenton to be present at any time one of our field engineers visits the property.

Sincerely yours,

SCHROEDER B 7
8/28

Acting Administrator

Enclosures

GBHolderer:dgs
August 24, 1951

Orig ~~rec~~ incoming ltr ret to Sen. George

CC: Adm. Reading File
Reports & Records Unit
Dep. Admin., Rm 4617
Mr. Holderer
Files

United States Senate

August 10, 1951

Respectfully referred to

Hon. James Boyd, Administrator, Defense Minerals Administration, Department of the Interior,

with thanks for such favorable consideration as the communication herewith submitted warrants, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of

Walter F. George

U. S. S.

Letterhead of:
United States Department of the Interior
Defense Mineral Administration
Washington, D. C.

August 3, 1951

Mr. M. L. Lynch
President, Calhoun Mines, Inc.
P. O. Box 190
Laurel, Delaware

Dear Mr. Lynch:

A review of your application for assistance under the Defense Minerals Administration exploration program for the Calhoun Gold Mine, Dahlonega, Georgia, has been reviewed. A field examination made some years ago by the Geological Survey did not disclose any scheelite on this mine's dump. The information you have furnished indicates that your evidence of the existence of tungsten minerals is based on the mineral lamp. Before aranging for a second field examination, I should like to have a representative sample of the best material selected by yourself for examination here.

Your application is being held awaiting your submission of such material.

Very truly yours,

Tom Lyon
Chairman, Coordinating Committee

11

C O P Y

Re: DMA 119Ex-Dungston
Ltr dtd July 23, 1951

August 9, 1951

Honorable Walter F. George
United States Senate
Washington, D. C.

Dear Senator George:

In view of your past kind interest in the application of Calhoun Mines, Inc., I beg to enclose for your information copy of a letter dated August 3rd from the Defense Minerals Administration and copy of my reply thereto of this date. We had arranged that Captain Garland Peyton be present when the examination would be carried out by the field team of the DMA. This would assure a full and fair examination. I am sending copy of this correspondence to Captain Peyton.

I fear that the changed procedure now proposed by Mr. Lyon which would not afford Captain Peyton an opportunity to be present would too readily result in an unfavorable report.

The Defense Minerals Administration has provided funds for 47 mineral examinations totaling well over 3 million dollars, such as requested by Calhoun Mines, Inc. None of these are in Georgia. I see no reason why this discriminatory and even prejudicial procedure should be applied in case of the Dahlonega mine. If the DMA wants an examination of the ore, the place to examine it is on the ground, and I respectfully request your help in asking DMA to reorder a field examination as they did by their letter to you of July 23rd.

Very truly yours,

John E. Kelly.

11

C O P Y

August 9, 1951

Mr. Tom Lyon, Chairman
Coordinating Committee
Defense Minerals Administration
Washington, D. C.

DMA Docket 1182X
Calhoun Mines, Inc.
Dahlonega, Georgia

Dear Mr. Lyon:

Mr. Marvel L. Lynch, President of Calhoun Mines, has forwarded to me a copy of your letter of August 3rd addressed to him.

By your letter of July 23, you ordered a field examination of Calhoun Mines, Inc. at Dahlonega, Georgia to check evidences of tungsten ore detected by representatives of Calhoun Mines and by Captain Garland Peyton, State Geologist of Georgia. We have arranged with Captain Peyton to be present while your field team from the Knoxville office of DMA made this examination. We believe that this examination should be carried out as you originally planned. We do not believe that the procedure now proposed by you is satisfactory or feasible for the following reasons: (a) If "a field examination made some years ago by the Geological Survey did not disclose any scheelite on this mine's dump", it is because the tungsten indications had not at that time been discovered. They appear in the head of the Abbott Tunnel which had not been driven to that point some years ago. (b) I have talked to the representative of the U. S. Geological Survey who conducted a survey in that area some years ago. He tells me that he did not visit the Calhoun Mine and, in fact, did not examine any property south of the Chestatee River which divides the Calhoun property from the greater part of the Dahlonega mining camp. This river is of geologic importance as the sulphur content, for example, is very much greater north of the river than south thereof and, conversely, other mineral indications are much stronger to the south.

Since the information on which you base your letter of August 3rd was thus mistaken. I request that you proceed with the plan outlined in your letter of July 23rd and ask your Knoxville office to send their field team, with prior notice to Captain Garland Peyton at the State Capitol at Atlanta, Georgia.

Very truly yours,

John E. Kelly.

11

COPY

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

AUG 28 1951

Hon. Walter F. George
United States Senate
Washington 25, D. C.

In reply please refer to
DMA 1182

Dear Senator George:

This is in reply to your letter of August 10, 1951, in reference to the Calhoun Mines.

We have asked the applicant to send a sample of what he considers to be tungsten ore, which he seems disinclined to do. There is no question of slighting Georgia, but since many other substances besides tungsten are fluorescent, it would be very helpful to us if he would consent to let us have the sample in question.

Ample opportunity will be given for Captain Garland Peyton to be present at any time one of our field engineers visits the property.

Sincerely yours,

[illegible] SCHROEDER

Acting Administrator

Enclosures

GBHolderer:dgs
August 24, 1951

CC: Adm. Reading File
Reports & Records Unit
Dep. Admin., Rm 4617
Mr. Holderer
Files

OFFICE OF THE ADMINISTRATOR

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

AUG 24 1951

Hon. Walter F. George
United States Senate
Washington 25, D. C.

In reply please refer to
DMA 1182

Dear Senator George:

This is in reply to your letter of August 10, 1951, in reference to the Calhoun Mines.

We have asked the applicant to send a sample of what he considers to be tungsten ore which he seems disinclined to do. There is no question of slighting Georgia, but since many other substances besides tungsten are flourescent, it seems little enough for him to do pending any further action that might be taken. Ample opportunity will be given for Captain Garland Peyton to be present at any time one of our field engineers visits the property.

Sincerely yours,

W. C. Schroeder

Acting Administrator

Enclosure

Retyped for Dr. Schroeder's request.

United States Senate

August 10, 1951

Respectfully referred to

Hon. James Boyd, Administrator, Defense Minerals Administration, Department of the Interior,

with thanks for such favorable consideration as the communication herewith submitted warrants, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of

Walter F. George

U. S. S.

AUG 14 1951
340 - Reply. Acty. Adm.
Holderer

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 1 5 1951

PLEASE RETURN TO SENATOR GEORGE

RE: DMA 1182X-Tungsten
Ltr dtd July 23, 1951

CARSON CITY
NEVADA

LOS ANGELES 17
KERR & COMPANY—ENGINEERS
GENERAL PETROLEUM BUILDING

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1078

August 9, 1951

Honorable Walter F. George
United States Senate
Washington, D. C.

Dear Senator George:

In view of your past kind interest in the application of Calhoun Mines, Inc., I beg to enclose for your information copy of a letter dated August 3rd from the Defense Minerals Administration and copy of my reply thereto of this date. We had arranged that Captain Garland Peyton be present when the examination would be carried out by the field team of the DMA. This would assure a full and fair examination. I am sending copy of this correspondence to Captain Peyton.

I fear that the changed procedure now proposed by Mr. Lyon which would not afford Captain Peyton an opportunity to be present would too readily result in an unfavorable report.

The Defense Minerals Administration has provided funds for 47 mineral examinations totaling well over 3 million dollars, such as requested by Calhoun Mines, Inc. None of these are in Georgia. I see no reason why this discriminatory and even prejudicial procedure should be applied in case of the Dahlonega mine. If the DMA wants an examination of the ore, the place to examine it is on the ground, and I respectfully request your help in asking DMA to reorder a field examination as they did by their letter to you of July 23rd.

Very truly yours,

John E. Kelly

John E. Kelly.

dmz/t

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 1 5 1951

CARSON CITY
NEVADA

LOS ANGELES 17
KERR & COMPANY—ENGINEERS
GENERAL PETROLEUM BUILDING

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

August 25, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 27 1951

Mr. Tom Lyon, Director
Supply Division
Defense Minerals Administration
Washington, D. C.

Re: DMA 1182, Tungsten

Dear Mr. Lyon:

Thank you for your letter of August 22nd.

I have not received from you the letter addressed to me under date of August 3rd nor have I received your letter to me of July 23rd. I would appreciate your courtesy in having them forwarded to me.

Very truly yours,

John E. Kelly

John E. Kelly.

JEK/t

FILE COPY
349 SURNAME:

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

Holderer

A. E. C.

AUG 22 1951

Mr. John E. Kelly
516 Southern Building
Washington 5, D. C.

In reply please refer to
DMA 1182, Tungsten

Dear Mr. Kelly:

This is in reference to your letters of August 6, 8, and 9, 1951.

Under date of August 3, a letter was sent to you requesting a sample of the fluorescent material. Since a field engineer is not available for an immediate visit to your property, this request is made as the first necessary step.

Very truly yours,

BJ 8/22

Tom Lyon
Director, Supply Division

QBHolderer:dgs Aug 20, 1951

CC: Adm. Reading File
Reports & Records Unit
Mr. Holderer
Files

CARSON CITY
NEVADA

LOS ANGELES 17
KERR & COMPANY—ENGINEERS
GENERAL PETROLEUM BUILDING

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

August 9, 1951

DMA Docket 1182X
Calhoun Mines, Inc.
Dahlonega, Georgia

Mr. Tom Lyon, Chairman
Coordinating Committee
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Lyon:

Mr. Marvel L. Lynch, President of Calhoun Mines, has forwarded to me a copy of your letter of August 3rd addressed to him.

By your letter of July 23 you ordered a field examination of Calhoun Mines, Inc. at Dahlonega, Georgia to check evidences of tungsten ore detected by representatives of Calhoun Mines and by Captain Garland Peyton, State Geologist of Georgia. We have arranged with Captain Peyton to be present while your field team from the Knoxville office of DMA made this examination. We believe that this examination should be carried out as you originally planned. We do not believe that the procedure now proposed by you is satisfactory or feasible for the following reasons: (a) If "a field examination made some years ago by the Geological Survey did not disclose any scheelite on this mine's dump", it is because the tungsten indications had not at that time been discovered. They appear in the head of the Abbott Tunnel which had not been driven to that point some years ago. (b) I have talked to the representative of the U. S. Geological Survey who conducted a survey in that area some years ago. He tells me that he did not visit the Calhoun Mine and, in fact, did not examine any property south of the Chestatee River which divides the Calhoun property from the greater part of the Dahlonega mining camp. This river is of geologic importance as the sulphur content, for example, is very much greater north of the river than south thereof and, conversely, other mineral indications are much stronger to the south.

Since the information on which you base your letter of August 3rd was thus mistaken, I request that you proceed with the plan outlined in your letter of July 23rd and ask your Knoxville office to send their field team, with prior notice to Captain Garland Peyton at the State Capitol at Atlanta, Georgia.

Very truly yours,

John E. Kelly

John E. Kelly

JEK/t

CARSON CITY
NEVADA

LOS ANGELES 17
KERR & COMPANY—ENGINEERS
GENERAL PETROLEUM BUILDING

340

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

August 8, 1951

Reference: DMA 1182X-Tungsten

Mr. Tom Lyon, Director
Supply Division
Defense Minerals Administration
Department of the Interior Building
Washington 25, D. C.

Dear Mr. Lyon:

I refer to your letter of July 23rd, copy of which has reached me, advising that you have instructed your regional office at Knoxville, Tennessee to undertake a field examination of the tungsten showing in the new workings of the Calhoun Mine at Dahlonega, Georgia.

Upon receipt thereof I wrote to Mr. Robert Laurence, Executive Officer, DMA, at Knoxville, requesting that he advise Captain Garland Peyton, State Geologist of Georgia, who is familiar with the Calhoun indications, in order that Captain Peyton might be present during the examination, which Captain Peyton has very kindly agreed to do.

I have today the enclosed letter from Mr. Kefton H. Teague, dated August 6th, by which apparently notice of your action had not reached the DMA Knoxville office by that date.

I would appreciate your courtesy in advising your Knoxville office in accordance with your standard practice.

Thanking you, I am

Very truly yours,

John E. Kelly

John E. Kelly.

JEK/t

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE AUG - 9 1951

REFERRED TO: AUG 10 1951

1. 340
2.
3.
4.

Rec'd by Mr. Hoeferer

FOR:

- ____ Action
- ____ Approval
- ____ Comment
- ____ Conference
- ____ Consideration
- ____ Filing
- ____ Instructions
- ____ Investigation
- ____ Initials
- ____ Mailing
- ____ Previous correspondence
- ____ Recommendation
- ____ Record of ____
- ____ Referring to ____
- X Reply for signature of ____
- ____ Rewriting
- ____ Signature
- ____ Suggestions
- ____ Your information

REMARKS:

Check (X) before the items needing attention.

ROBERT E. ADAMS
Initials of sender.

GPO 16—63815-1

Letterhead of:
UNITED STATES DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Washington 25, D. C.

Room 13, Post Office Building
Knoxville 01, Tennessee

C
O
P
Y

August 6, 1951

Mr. John E. Kelly
316 Southern Building
Washington 5, D. C.

Re: Docket DMA--1182

Dear Mr. Kelly:

Your letter of July 28, addressed to Mr. Laurence has been referred to me for reply as Mr. Lawrence is away from the office for about ten days. We have not been notified by the Defense Minerals Administration in Washington of any action on their part on your exploration application for Calhoun Mines, Inc. As a rule, we are sent a copy of correspondence with the applicant. However, as soon as we are notified, we will make the necessary field examinations.

Very truly yours,

(Signed) Kefton H. Teague

Kefton H. Teague for R. A. Laurence
Executive Officer
Field Team, Region VII

340

CARSON CITY
NEVADA

LOS ANGELES 17
KERR & COMPANY—ENGINEERS
GENERAL PETROLEUM BUILDING

AUG -7 1951

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

August 6, 1951

Mr. Tom Lyon, Director
Supply Division,
Defense Minerals Administration
Department of the Interior Building
Washington, D. C.

Re: Calhoun Mines, Inc.,
Dahlonega, Georgia

Your reference: DMA 1182X-Tungsten

Dear Sir:

I have not yet received the original of your letter dated July 23d and addressed to me on the above matter. Thru the courtesy of a member of Dr. Holderer's staff I have an unsigned copy on plain paper, but to complete my files, I would appreciate your courtesy in sending me a signed original.

Thanking you, I am

sincerely yours,

John E. Kelly

JOHN E. KELLY

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE AUG - 7 1951

REFERRED TO:

AUG 8 1951

1. 340
2.
3.
4.

Rec'd by
Mr. Holsen

FOR:

- ---------- Action
- ---------- Approval
- ---------- Comment
- ---------- Conference
- ---------- Consideration
- ---------- Filing
- ---------- Instructions
- ---------- Investigation
- ---------- Initials
- ---------- Mailing
- ---------- Previous correspondence
- ---------- Recommendation
- ---------- Record of ----------
- ---------- Referring to ----------
- ✓ Reply for signature of ----------
- ---------- Rewriting
- ---------- Signature
- ---------- Suggestions
- ---------- Your information

REMARKS: ----------

Check (X) before the items needing attention.

ROBERT E. ADAMS REA

Initials of sender.

GPO 16—63815-1

MA Docket File

FILE COPY
SURNAME:

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

Merrill
Rove

August 3, 1951

Mr. M. L. Lynch
President, Calhoun Mines, Inc.,
P. O. Box 190
Laurel, Delaware

DMA Docket 1182X
Calhoun Gold Mine,
Dahlonega, Georgia
(Tungsten)

Dear Mr. Lynch:

A review of your application for assistance under the Defense Minerals Administration exploration program for the Calhoun Gold Mine, Dahlonega, Georgia, has been reviewed. A field examination made some years ago by the Geological Survey did not disclose any scheelite on this mine's dump. The information you have furnished indicates that your evidence of the existence of tungsten minerals is based on the mineral lamp. Before arranging for a second field examination, I should like to have a representative sample of the best material selected by yourself for examination here.

Your application is being held awaiting your submission of such material.

Very truly yours,

SIGNED

Tom Lyon,
Chairman, Coordinating Committee

CWMerrill/hs

L.B. MOON
Copy to Mr. Geo. Holderer
Olaf Rove, Survey
Robert Laurence, P.O.Bldg. Knoxville, Tennessee
Dwight M. Lemmon - Survey
Tom Lyon
DMA F I L E S

CARSON CITY
NEVADA

LOS ANGELES 17
KERR & COMPANY—ENGINEERS
GENERAL PETROLEUM BUILDING

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

Folderer

July 28, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 30 1951

Mr. Tom Lyon, Director
Supply Division
Defense Minerals Administration
Washington, D. C.

Re: DMA 1182

Dear Sir:

I am in receipt of a copy of your letter of July 23d, relating to the application of Calhoun Mines, Inc., of Dahlonega, Georgia, for a mineral application loan.

The fluorescence detected by several Mineralite examinations showed the characteristic tungsten color bands.

I have written Mr. Robert Laurence, Executive Officer, DMA, Room 13, Post Office Building, Knoxville, Tennessee, requesting him to make contact with Captain Garland Peyton, State Geologist, Atlanta, that Captain Payeton or one of his engineering staff may go over the tungsten indications with your field team.

Sincerely yours,

John E. Kelly

JOHN E. KELLY

FILE COPY
SURNAME:

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

Hdqrs
Sgt
Dyson
Stuart 7/24

July 23, 1951

Hon. Walter F. George
United States Senate
Washington 25, D. C.

In reply please refer to
DMA 11821 - Tungsten

My dear Senator George:

This will acknowledge receipt of your letter of July 14, referring to the loan application of the Calhoun Mines, Inc., of Kahlonega, Georgia.

The application has been reexamined and a request made for a field examination of the property. A copy of a letter to Mr. Kelly informing him of this action is attached hereto.

Enclosed herewith as requested are the enclosures sent with your letter.

Sincerely,

JAMES BOYD
7/25
cc

Administrator

Enclosures
GCSelfridge:dgs

CC: Adm. Reading File
Dep. Admin., 4617
Reports & Records Unit
Mr. Holderer
Files

COPY

Calhoun Mines, Inc. Dahlonega, Georgia

316 Southern Building
Washington 5, D. C. Sterling 1079
July 13, 1951

Honorable Walter F. George
United States Senate
Washington, D. C.

Dear Senator George: Re: DMA 1182-X

This is an appeal on behalf of a Georgia mining enterprise, which having found evidences of existence of tungsten in its workings, made application to Defense Minerals Administration for an exploration loan, only to be summarily refused on what the applicant believes to be insufficient consideration. The applicant has renewed its application as per copy hereto attached.

Calhoun Mines, Inc. operates a mine in Lumpkin County, Georgia, slightly south of Dahlonega. On this property was made the discovery of gold in Georgia. The mine remained in the possession of John C. Calhoun and his family until about 1877 and thereafter for a considerable period belonged to the North Georgia College at Dahlonega. Calhoun Mines, Inc. leased the mine in 1945 and has since expended over $100,000 of its own funds readying the premises for renewed operation.

While tunneling under the old workings, evidences of tungsten were found. Captain Garland Peyton, State Geologist of Georgia, a recognized mining authority, recommended exploration by a series of diamond drill holes, radiating from the point of discovery. The Defense Minerals Administration, other Government officials, Senator Lyndon Johnson's Preparedness Subcommittee and many others have called attention to the desperate shortage of tungsten and the need for new discoveries. Yet when Calhoun Mines submitted its application, it was curtly rejected on the ground that the existence of tungsten is "not proven." Of course, it is not proven; the funds were applied for to test the discovery, a purpose specifically provided for in the Defense Production Act and subsequent regulations. Copy of the letter of rejection is hereto appended.

The recommendation of Captain Peyton alone, given his official and professional standing, should have been sufficient to bring approval of Calhoun Mines' application. Moreover, in the same geologic formation, the Appalachian uplift which commences in north Georgia, one of the largest American tungsten properties, the Haile Mines, is producing the critical metal in North Carolina. Conditions for the existence of tungsten ore are favorable in Lumpkin County, Georgia.

Calhoun Mines, Inc. applied for a loan totalling $20,000 of which the applicant would supply 25%. On July 10, 1951, the Defense Minerals Administration announced that it had launched a prospecting programme, allocating $3,735,385 to 47 mineral exploration projects in 14 states. Not one of these is east of the Mississippi River. As you know, Dahlonega's mines were an important factor in Georgia's prosperity for many years, supporting a United States Mint from 1837 until the outbreak of the War between the States. If tungsten can be found there it could renew mining activity throughout the north Georgia mountains. Certainly it seems fair to ask of the Federal Government which spends many millions of dollars exploring for metals in the West that a few thousand dollars be expended investigating the discovery in Georgia.

My clients will be most grateful for anything you can do to secure approval of the application of Calhoun Mines, Inc.

Sincerely yours,

/s/ John E. Kelly
Consultant

CALHOUN MINES, INC.

P. O. Box 190

Laurel, Delaware

May 15, 1951

Defense Minerals Administration
Department of the Interior Building
Washington 25, D. C.

Gentlemen:

I beg to submit by means of the enclosures an application on behalf of Calhoun Mines, Inc. for an investigation of a showing of tungsten encountered at depth in our properties at Dahlonega, Georgia.

We believe that this showing, which is found in a geologic condition analogous to presently producing tungsten properties elsewhere in the Appalachians, is worthy of investigation in behalf of the defense effort.

With regard to operation of the property for tungsten in event that the requested testing proves the existence of tungsten ore in commercial quantities, we have been interested in a letter from a Director of the Haile Mines, presently operating a tungsten mine in North Carolina, containing the following:

> "I note with interest in the last paragraph that you have already talked with the Defense Minerals Administration and asked for assistance in drilling the location under the direction of Captain Garland Peyton. May I suggest that this be explored further and you keep me in touch with any results that you may have as I feel sure that if favorable results showed up from such drillings that due to the loaction of this property we would be in a position to consider handling or managing it on some mutual basis."

Recently Calhoun Mines resolved to seek permission of the S. E. C. for the issuance of additional securities and conversations have been held with officials of the S. E. C. for that purpose.

Thanking you for your anticipated courtesy, I am

Very truly yours,

CALHOUN MINES, INC.

/s/ M. L. Lynch
President

Enclosures: 4 sets MF-100 and MF-103,
and accompanying data and 2 maps

COPY

WALTER F. GEORGE, GA., CHAIRMAN
TOM CONNALLY, TEX.
HARRY FLOOD BYRD, VA.
EDWIN C. JOHNSON, COLO.
CLYDE R. HOEY, N. C.
ROBERT S. KERR, OKLA.
J. ALLEN FREAR, JR., DEL.
EUGENE D. MILLIKIN, COLO.
ROBERT A. TAFT, OHIO
HUGH BUTLER, NEBR.
EDWARD MARTIN, PA.
JOHN J. WILLIAMS, DEL.
ELIZABETH B. SPRINGER, CHIEF CLERK

~~LANDON F. STROBEL~~
Hoeberer

United States Senate

COMMITTEE ON FINANCE

Dwa-1182X
Answered by Mr. Hoeberer 7/23/51

July 14, 1951

Honorable James Boyd, Administrator
Defense Minerals Administration
Department of the Interior
Washington, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 16 1951
LANDON F. STROBEL
Executive Secretary

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.
JUL 16 9 26 AM '51

Dear Mr. Boyd:

You will permit me to invite your attention to the attached correspondence which I have received from Mr. J. E. Kelly, 316 Southern Building, Washington, D. C., in which he advises that Calhoun Mines, Inc. has requested reconsideration of its application for a mineral exploration loan.

I express the hope that favorable action can be taken on this request. Every consideration which may be accorded the application will be greatly appreciated. Please inform me of the decision rendered, with the return of the enclosures.

Thanking you for your attention, I am

Sincerely yours,

Walter F. George

Enclosures

July 23, 1951

Hon. Walter F. George
United States Senate
Washington 25, D. C.

In reply please refer to
DMA 11822 - Tungsten

My dear Senator George:

This will acknowledge receipt of your letter of July 14, referring to the loan application of the Calhoun Mines, Inc., of Dahlonega, Georgia.

The application has been reexamined and a request made for a field examination of the property. A copy of a letter to Mr. Kelly informing him of this action is attached hereto.

Enclosed herewith as requested are the enclosures sent with your letter.

Sincerely,

Administrator

Enclosures
GCSelfridge:dgs

CC: Adm. Reading File
Dep. Admin., 4617
Reports & Records Unit
Mr. Holderer
Files

United States Senate

July 1[illegible], 1951

[illegible] James [illegible]yd, Administrator
[illegible] Mineral Exploration
[illegible]partment of the Interior
[illegible]shington, D. C.

JUL 16 9 26 AM '51

Dear Mr. Lloyd:

You will permit me to invite your attention to the attached correspondence which I have received from Mr. J. E. Kelly, 316 Southern Building, Washington, D. C., in which he advises that Calhoun Mines, Inc. has requested reconsideration of its application for a mineral exploration loan.

I express the hope that favorable action can be taken on this request. Every consideration which may be accorded the application will be greatly appreciated. Please inform me of the decision rendered, with the return of the enclosures.

Thanking you for your attention, I am

Sincerely yours,

Walter F. George

Enclosures

7/16/51
Acknowledge
Reply Boyd

DEPARTMENT OF THE INTERIOR
Defense Administration
RECEIVED
JUL 1 6 1951
LANDON F. STROBEL
Executive Secretary

PLEASE RETURN TO SENATOR GEORGE

[illegible]

316 Southern Building
Washington, D. C. Sterling 1-79
July 1[illegible], 1951

Honorable Walter F. George
United States Senate
Washington, D. C.

Re: DMA 1.82-A

Dear Senator George:

This is an appeal on behalf of a Georgia mining enterprise, which having found evidences of existence of tungsten in its operations, [illegible] to defense [illegible] administration for an exploration loan, only to [illegible] refused on what the applicant [illegible] to be insufficient consideration. The applicant has renewed its application [illegible] herein attached.

Calhoun Mines, Inc. operates a mine in Lumpkin County, Georgia slightly south of [illegible]. On this property was made the discovery of gold in Georgia. The mine remained in the possession of John C. Calhoun and his family until about 1877 and thereafter for a considerable period belonged to the North Georgia College at Dahlonega. Calhoun Mines, Inc. leased the mine in 1945 and has since expended over $100,000 of its own funds readying the premises for renewed operation.

While tunneling under the old workings, evidences of tungsten were found. Captain Gerland Peyton, State Geologist of Georgia, a recognized mining authority, recommended exploration by a series of diamond drill holes, radiating from the point of discovery. The Defense Minerals Administration, other Government officials, Senator Lyndon Johnson's Preparedness Subcommittee and many others have called attention to the desperate shortage of tungsten and the need for new discoveries. Yet when Calhoun Mines submitted its application, it was curtly rejected on the ground that the existence of tungsten is "not proven." Of course it is not proven; the funds were applied for to test the discovery, a purpose specifically provided for in the Defense Production Act and subsequent regulations. Copy of the letter of rejection is hereto appended.

The recommendation of Captain Peyton alone, given his official and professional standing, should have been sufficient to bring approval of Calhoun Mines' application. Moreover, in the same geologic formation, the Appalachian uplift which commences in north Georgia, one of the largest American tungsten properties, the Haile Mines, is producing the critical metal in North Carolina. Conditions for the existence of tungsten ore are favorable in Lumpkin County, Georgia.

Calhoun Mines, Inc. applied for a loan totalling $20,000, of which the applicant would supply 25%. On July 10, 1951, the Defense Minerals Administration announced that it had launched a prospecting programme, allocating $3,735,38[illegible] to 47 mineral exploration projects in 14 states. Not one of these is east of the Mississippi River. As you know,

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 1 6 1951
LANDON F. STROBEL
Executive Secretary

FILE COPY
SURNAME:

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

Helen Selfridge

July [illegible], 1951

Mr. John F. Kelly, Consultant
Old Southern Building
Washington [illegible], D. C.

In reply please refer to
DMA 1162

Dear Mr. Kelly:

Receipt is acknowledged of your letter of July [illegible] regarding the application of Calhoun Mines, Inc. Examination of the application definitely shows that the submitted data is inadequate to approve a loan application, especially since no assays of samples were submitted. Fluorescence by itself is not always reliable since many minerals, oils, lichen, etc., fluoresce. However, we are requesting a field examination for the property. The request has been sent to Mr. Robert Laurence, Executive Officer, Room 11, Post Office Building, Knoxville, Tennessee. Whatever aid your field representatives can give the field team during the examination will be appreciated.

Very truly yours,

Tom Lyon
Director, Supply Division

GCSelfridge:dgs

CC: Adm. Reading File
Reports & Records Unit
Senator George
Senator Russell
Mr. Holderer
Files
Fld Team

FILE COPY
SURNAME:

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

Holden
Selfridge
Lyon
STAFF 7/25

July 2[illegible], 1951

Hon. Richard B. Russell
United States Senate
Washington 25, D. C.

In reply please refer to
DMA 1182 - Tungsten

Dear Senator Russell:

This will acknowledge receipt of your letter of July 17, referring to the loan application of the Calhoun Mines, Inc., of Dahlonega, Georgia.

The application has been reexamined and a request made for a field examination of the property. Two copies of a letter to Mr. Kelly informing him of this action ~~is~~ are attached hereto.

Enclosed herewith are the enclosures sent with your letter.

Sincerely,

JAMES BOYD
7/25

Administrator

Enclosures

GGSelfridge:dgs

CC: Adm. Reading File
Reports & Records Unit
Dep. Admin., Rm 4617
Mr. Holderer
Files

COPY

CALHOUN MINES, INC. DAHLONEGA, GEORGIA

316 Southern Building
Washington 5, D. C. Sterling 1079
July 13, 1951

Honorable Richard B. Russell
United States Senate
Washington, D. C.

Dear Senator Russell: Re: DMA 1182-X

This is an appeal on behalf of a Georgia mining enterprise, which having found evidences of existence of tungsten in its workings, made application to Defense Minerals Administration for an exploration loan, only to be summarily refused on what the applicant believes to be insufficient consideration. The applicant has renewed its application as per copy hereto attached.

Calhoun Mines, Inc. operates a mine in Lumpkin County, Georgia, slightly south of Dahlonega. On this property was made the discovery of gold in Georgia. The mine remained in the possession of John C. Calhoun and his family until about 1877 and thereafter for a considerable period belonged to the North Georgia College at Dahlonega. Calhoun Mines, Inc. leased the mine in 1945 and has since expended over $100,00 of its own funds readying the premises for renewed operation.

While tunneling under the old workings, evidences of tungsten were found. Captain Garland Peyton, State Geologist of Georgia, a recognized mining authority, recommended exploration by a series of diamond drill holes, radiating from the point of discovery. The Defense Minerals Administration, other Government officials, Senator Lyndon Johnson's Preparedness Subcommittee and many others have called attention to the desperate shortage of tungsten and the need for new discoveries. Yet when Calhoun Mines submitted its application, it was curtly rejected on the ground that the existence of tungsten is "not proven." Of course it is not proven; the funds were applied for to test the discovery, a purpose specifically provided for in the Defense Production Act and subsequent regulations. Copy of the letter of rejection is hereto appended.

The recommendation of Captain Peyton alone, given his official and professional standing, should have been sufficient to bring approval of Calhoun Mines' application. However, in the same geologic formation, the Appalachian uplift which commences innorth Georgia, one of the largest American tungsten properties, the Haile Mines, is producing the critical metal in North Carolina. Conditions for the existence of tungsten ore are favorable in Lumpkin County, Georgia.

Calhoun Mines, Inc. applied for a loan totalling $20,000, of which the applicant would supply 25%. On July 10, 1951, the Defanse Minerals Administration announced that it had launched a prospecting programme, allocating $3,735,385 to 47 mineral exploration projects in 14 states. Not one of these is east of the Mississippi River. As you

COPY

DALHOUN MINES, INC. DAHLONEGA, GEORGIA

The Southern Building
Washington 5, D. C.
July 13, 1951

Sterling 1079

Honorable Richard B. Russell
United States Senate
Washington, D. C.

Dear Senator Russell: Re: DMA 1182-A

This is an appeal on behalf of a Georgia mining enterprise, which having found evidences of extensions of tungsten in its workings, made application to Defense Mineral Administration for an exploration loan, only to be summarily refused on what the applicant believes to be insufficient consideration. The applicant has renewed its application as per copy hereto attached.

Dalhoun Mines, Inc. operates a mine in Lumpkin County, Georgia, situated south of Dahlonega. On this property was made the discovery of gold in Georgia. The mine remained in the possession of John C. Dalhoun and his family until about 1877 and thereafter for a considerable period belonged to the North Georgia College at Dahlonega. Dalhoun Mines, Inc. leased the mine in 1945 and has expended over $100,00 of its own funds readying the premises for renewed operation.

While tunneling under the old workings, evidences of tungsten were found. Dr. Martin Dorlund Dyson, State Geologist of Georgia, a recognized mining authority, recommended exploration by a series of diamond drill holes, radiating from the point of discovery. The Defense Mineral Administration, other Government officials, Senator Lyndon Johnson's Preparedness Subcommittee and many others have called attention to the desperate shortage of tungsten and the need for new discoveries. Yet when Dalhoun Mines submitted the application, it was curtly rejected on the ground that the existence of tungsten is "not proven." Of course it is not proven; the funds were applied for to test the discovery, a purpose specifically provided for in the Defense Production Act and subsequent regulations. Copy of the letter of rejection is hereto appended.

The recommendation of Dr. Martin Dyson alone, given his official and professional standing, should have been sufficient to bring approval of Dalhoun Mines' application. However, in the same geologic formation, the Appalachian uplift which commences through Georgia, one of the largest American tungsten properties, the Bella Mines, is producing the critical metal in North Carolina. Conditions for the existence of tungsten are favorable in Lumpkin County, Georgia.

Dalhoun Mines, Inc. applied for a loan totalling $20,000, of which the applicant would supply 25%. On July 10, 1951, the Defense Mineral Administration announced that it had launched a prospecting program, allocating $3,750,385 to 17 mineral exploration projects in 11 states. Not one of these is east of the Mississippi River. Is you

know, Dahlonega's mines were an important factor in Georgia's prosperity for many years, supporting a United States Mint from 1837 until the outbreak of the War between the States. If tungsten can be found there it could renew mining activity throughout the north Georgia mountains. Certainly it seems fair to ask of the Federal Government which spends many millions of dollars exploring for metals in the West that a few thousand dollars be expended investigating the discovery in Georgia.

My clients will be most grateful for anything you can do to secure approval of the application of Calhoun Mines, Inc.

Sincerely yours,

/s/ John E. Kelly
Consultant

C O P Y

July 21, 1951

Hon. Richard B. Russell
United States Senate
Washington 25, D. C.

In reply please refer to
RFC 11822 - Tungsten

Dear Senator Russell:

This will acknowledge receipt of your letter of July 17, referring to the loan application of the Calhoun Mines, Inc., of Dahlonega, Georgia.

The application has been reexamined and a request made for a field examination of the property. Two copies of a letter to Mr. Kelly informing him of this action are attached hereto.

Enclosed herewith as requested are the enclosures sent with your letter.

Sincerely,

JAMES BOYD

Administrator

Enclosures

GCSelfridge:dgs

CC: Adm. Reading File
Reports & Records Unit
Dep. Admin., Rm 4617
Mr. Holderer
Files

Answered by
Mr. Haderer
Jul 23, 1951

United States Senate

July 17, 1951

Respectfully referred to

Administrator, Defense Minerals Administration

with thanks for such favorable consideration as the communication herewith submitted warrants, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of
Richard B. Russell

U. S. S.

Any reconsideration you may be able to accord the application for a loan referred to in the enclosures will be appreciated.

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

JUL 18 1 10 PM '51

Mark - Exp, Contrl
Wash Counsel

United States Senate

July 17, 1951

Respectfully referred to

Administrator, Defense Minerals Administration

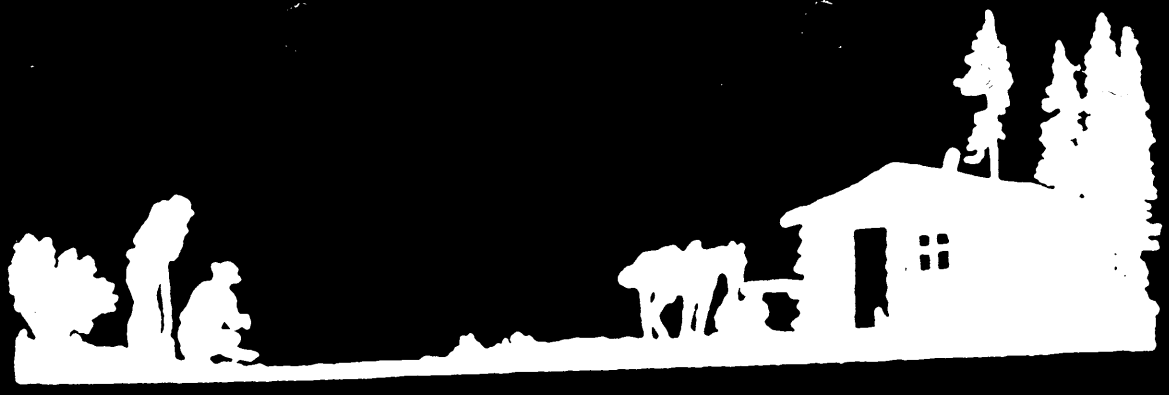
with thanks for such favorable consideration as the communication herewith submitted warrants, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of
Richard B. Russell

U. S. S.

Any recommendation you may be able to accord the application for a loan referred to in the enclosed will be appreciated.

JUL 18 1951
Mr Holderer
reply for Boyd



1079

CALHOUN MINES, INC. DAHLONEGA, GEORGIA

316 Southern Building
Washington 5, D. C.
July 13, 1951

Sterling 1079

Honorable Richard B. Russell
United States Senate
Washington, D. C.

Dear Senator Russell: Re: DMA 1182-X

This is an appeal on behalf of a Georgia mining enterprise, which having found evidences of existence of tungsten in its workings, made application to Defense Minerals Administration for an exploration loan, only to be summarily refused on what the applicant believes to be insufficient consideration. The applicant has renewed its application as per copy hereto attached.

Calhoun Mines, Inc. operates a mine in Lumpkin County, Georgia, slightly south of Dahlonega. On this property was made the discovery of gold in Georgia. The mine remained in the possession of John C. Calhoun and his family until about 1877 and thereafter for a considerable period belonged to the North Georgia College at Dahlonega. Calhoun Mines, Inc. leased the mine in 1945 and has since expended over $100,000 of its own funds readying the premises for renewed operation.

While tunneling under the old workings, evidences of tungsten were found. Captain Garland Peyton, State Geologist of Georgia, a recognized mining authority, recommended exploration by a series of diamond drill holes, radiating from the point of discovery. The Defense Minerals Administration, other Government officials, Senator Lyndon Johnson's Preparedness Subcommittee and many others have called attention to the desperate shortage of tungsten and the need for new discoveries. Yet when Calhoun Mines submitted its application, it was curtly rejected on the ground that the existence of tungsten is "not proven." Of course it is not proven; the funds were applied for to test the discovery, a purpose specifically provided for in the Defense Production Act and subsequent regulations. Copy of the letter of rejection is hereto appended.

The recommendation of Captain Peyton alone, given his official and professional standing, should have been sufficient to bring approval of Calhoun Mines' application. However, in the same geologic formation, the Appalachian uplift which commences in north Georgia, one of the largest American tungsten properties, the Haile Mines, is producing the critical metal in North Carolina. Conditions for the existence of tungsten ore are favorable in Lumpkin County, Georgia.

Calhoun Mines, Inc. applied for a loan totalling $20,000, of which the applicant would supply 25%. On July 10, 1951, the Defense Minerals Administration announced that it had launched a prospecting programme, allocating $3,735,385 to 47 mineral exploration projects in 14 states. Not one of these is east of the Mississippi River. As you know,

Dahlonega's mines were an important factor in Georgia's prosperity for many years, supporting a United States Mint from 1837 until the outbreak of the War between the States. If tungsten can be found there it could renew mining activity throughout the north Georgia mountains. Certainly it seems fair to ask of the Federal Government which spends many millions of dollars exploring for metals in the West that a few thousand dollars be expended investigating the discovery in Georgia.

My clients will be most grateful for anything you can do to secure approval of the application of Calhoun Mines, Inc.

Sincerely yours,

John E. Kelly

John E. Kelly
Consultant.

JEK/t

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 1 9 1951

LANDON F. STROBEL
Executive Secretary

FILE COPY
SURNAME:

Holden
Selfridge
Thayer

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

Mr. Robert Laurence, Executive Officer
Room 13, Post Office Building
Knoxville, Tennessee

In reply please refer to
DMA 11827 - Tungsten

Dear Mr. Laurence:

It is requested that a field examination be made of the gold property of Calhoun Mines, Inc. The Calhoun Mine is 2.5 miles south of Dahlonega, Lumpkin County, Georgia. In 1949, fluorescent efflorescences and minerals, reportedly yielding colors similar to fluorescent tungsten minerals, were detected by a mineralite lamp in the Abbott adit below the old mine workings. Based on the fluorescence only, the applicant has requested an exploration loan covering a diamond drilling project costing $20,000. It is proposed to drill some 2,000 feet of radiating holes from a station cut at the face of the adit. The drilling is to probe for possible tungsten ore bodies within the wall rock that would give rise to the seepages depositing the efflorescence.

The examination primarily should prove or disprove the presence of fluorescent tungsten minerals.

To make arrangements for the examination you can contact either Mr. John C. Kelly, Consultant, 716 Southern Building, Washington 5, D. C., or Mr. M. L. Lynch, President, Calhoun Mines, Inc., P. O. Box 190, Laurel, Delaware.

Enclosed herewith are two copies of Form DF-107 and one copy of Form DF-103 with maps.

Very truly yours,

Enclosures

Tom Lyon
Chairman, Coordinating Committee

Approved:

GCSelfridge:dgs

CC: Adm. Reading File
Reports & Records Unit
Mr. Holderer
Coordinating Committee
Files

Bureau of Mines

Geological Survey

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

Memorandum

To: Tom Lyon, Director, Supply Division

From: D. M. Lemmon, U. S. G. S.

Subject: Dma 1182, Calhoun Gold Mine, Dahlonega, Georgia Tungsten

The applicant has not submitted acceptable proof of any tungsten mineralization in the mine. Examination of dumps by the Geological Survey in 1943 did not disclose any scheelite.

I suggest that a field examination is not warranted, and that the applicant be requested to submit a sample of the material that he believes to be scheelite.

Dwight M. Lemmon

Dwight M. Lemmon

CARSON CITY
NEVADA

LOS ANGELES 17
KERR & COMPANY—ENGINEERS
GENERAL PETROLEUM BUILDING

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

July 13, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 16 1951
LANDON F. STROPE
Executive Secretary

Mr. Tom Lyon, Director
Supply Division
Defense Minerals Administration
Washington 25, D. C.

Your reference: DMA-1182 X

Dear Sir:

Upon the writer's return from South America your letter of May 24, 1951, addressed to Mr. Marvel L. Lynch, President, Calhoun Mines, Inc., Laurel, Delaware, has been forwarded to me for reply. The writer is consultant to Calhoun Mines, Inc.

Your letter rejects the application of Calhoun Mines, Inc. for a mineral exploration loan of $20,000 (of which the Company would supply $5,000) to drill an indication of tungsten minerals discovered when driving a tunnel under the present workings of Calhoun Mines near Dahlonega, Lumpkin County, Georgia. Your letter does not indicate that engineers of Defense Minerals Administration have visited or are familiar with the property; indeed the contents of your letter make it appear that some confusion as to the application may have existed when your letter was written.

The letter contains the following: "The data that you submitted is inadequate to show that tungsten is present." Calhoun Mines, Inc. did not state that the existence of tungsten is proven. Were the existence of tungsten ores in commercial quantities proven, application would have been made for a development or mining loan. The existence of tungsten minerals is indicated and this justifies test drilling to determine if a commercial ore body exists. The geological formation is favorable. Therefore, Calhoun Mines, Inc. applied for a mineral exploration loan, as provided for by the Defense Production Act and the regulations supplementary thereto.

Further your letter states: "If you are able to identify significant amounts of scheelite in the mine or in old mill tailings." The indications of tungsten appear in the head of the Abbott Tunnel, driven to undercut the old gold workings. Therefore there is none of this material in mill tailings. The indications are clearly visible by Mineralite in the tunnel face.

Captain Garland Peyton, State Geologist of Georgia, who is thoroughly familiar with the entire region and the development of the Calhoun property in particular, examined these tungsten indications and recommended the test drilling. Given Captain Peyton's high standing, my clients were confident that Defense Minerals Administration would give weight to his opinion.

Daily the press records the statements of Government officials regarding the dire need of more tungsten and urging further search for additional

Tom L you

I think Lemmon's suggestion is reasonable.

LBM.

Lowell

Seems to me that the DMA staff should insist on better data from the applicants & not pass the buck to Bureau & Surveyed Frames.

DR

Atty Merrill

This is the case that prompted Lowell or me to sponsor question 2 in this morning's agenda. If you agree I propose we refer it back to DMA for them to get more factual data. DR

soluble in most waters. For this reason it is often found in placers, sometimes in commercial amounts. At present we have no information reporting the occurrence of scheelite in the gold placers of the area. It is also highly doubtful that scheelite would precipitate again as supergene scheelite. Since many types of minerals, etc., fluoresce under the ultra violet light one can not always be sure that tungsten is present without a chemical analysis.

During 1942 the U. S. Geological Survey examined the diggings and found only two small fluorescent specks that may have been scheelite.

Since no assay data have been submitted we must state again that submitted information is not adequate to show that tungsten is present or that there is a reasonable possibility of discovering workable ore bodies by diamond drilling. We are unable to approve loans for merely prospecting.

We shall gladly reconsider the application if you will send us some of the fluorescent rock mentioned in the submitted data.

(Make extra copies for Senator George)

Very truly yours

Tom Ryan

Cancelled for field office.

July 18, 1951

In Reply
DMA 118.2 X Tungsten

Mr. John E. Kelly
316 Southern Bldg.
Washington 5, D.C.

Dear Mr. Kelly:

Receipt is acknowledged of your letter of July 13th in reply to our letter of May 24th denying the application of Calhoun Mines, Inc., for an exploration loan.

The submitted data has been reexamined carefully. In Mr. Peyton's letter of May 4, 1951, mention is made that investigations made on the lens of the adit gave the ultraviolet brilliant fluorescent colors yielded by certain tungsten ores. The colors yielded by individual particles of tungsten ores range from bluish white to cream depending on the amount of molybdenum accompanying the tungsten. The minerals do not yield fluorescent colors in the sense that willemite, fluorite, calcite, etc. do.

Note was also made of the description of the dump material on the much pile on the adit at the bottom of the mine. Its fragments confound reflected as well as slightly

deposits. The Calhoun formation is similar to that producing at the Haile Mines in North Carolina. My clients have advised of Haile Mines interest in operating this property if the test drilling is carried out successfully.

Calhoun Mines, Inc. have asked me to request of you reconsideration and approval of the application of May 14th. Such request is hereby made.

Sincerely yours,

John E. Kelly

John E. Kelly
Consultant.

JEK/t

FILE COPY
SURNAME:

Lemmon
Holden

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

MAY 24 1951

Mr. Marvel L. Lynch, President
Calhoun Mines, Inc.
P.O. Box 190
Laurel, Delaware

In reply, please refer to DMA-1182 X

Dear Mr. Lynch:

Defense Minerals Administration has received and carefully reviewed your application of May 14 for a $20,000 exploration project in search of tungsten ore bodies at the Calhoun mine, Lumpkin County, Georgia.

The data that you submitted is inadequate to show that tungsten is present in the mine or that there is a reasonable possibility of discovering workable ore bodies by diamond drilling. Fluorescence is not in itself proof of scheelite, for many other minerals also fluoresce. Other characteristics of the mineral, such as weight, hardness, and chemical composition, must also be determined to prove that fluorescent material is scheelite.

Scheelite is slightly soluble in mine waters, but will not precipitate readily on ore piles. It is highly improbable that scheelite makes up the white-fluorescent coating beneath the raise from the Abbott tunnel.

We are unable to approve exploration projects for tungsten unless they have a reasonable chance of success. Therefore, we regret that we must deny your request on the basis of the information you have submitted. If you are able to definitely identify significant amounts of scheelite in the mine or in old mill tailings, we will reconsider your application.

Very truly yours,

SIGNED

Tom Lyon
Director, Supply Division

DMLemmon:gt
5/23/51
Copies to: Surname (file) copy
Dr.Boyd's Admin.reading file
Mr.Strobel
Mr.Bradley
Mr.Thayer
Mr.Robt.Laurence, Field Team VII

a. 8. e.

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

May 24, 1951

Memorandum

To: Landon F. Strobel, Executive Secretary

Through: Director, Supply Division

From: Tungsten Branch

Subject: DMA-1182 Tungsten
~~Calhoun Mines, Inc.,~~ Box 190
Laurel, Delaware.
Property: Calhoun Gold Mine,
Lumpkin County, Georgia

The application for a loan of $15,000 to cover the Government's share of a $20,000 exploration project is denied because no evidence is presented indicative of a tungsten ore body.

The applicant determined that fluorescent material was present in the 500-foot Abbott tunnel of the old Calhoun gold mine. A muck pile at the foot of a raise near the face of the tunnel is covered with a thin scum of fluorescent material which the applicant believes to be secondary scheelite from mine waters, leached from a possible ore body above. The description furnished suggests that the coating is probably oil, not scheelite, and that the other fluorescent material in the drift is probably calcite. No assays have been made for tungsten.

The dumps of the mine were examined in 1942 by the Geological Survey. Only two fluorescent specks that might be scheelite were observed.

The exploration proposal involves diamond drill holes fanned upward from the tunnel, with an aggregate footage of 2000 feet.

No proof has been given that scheelite exists in the mine. The theory on which the proposed exploration is predicated is geologically untenable. Therefore the application is denied. The applicant is informed that the proposal will be reconsidered only if he is definitely able to identify significant amounts of scheelite in the mine or in old mill tailings.

Approved: Sam Lyon
Director, Supply Division

Geo. R. Holderer
George Holderer
Acting Chief, Tungsten Branch

FILE COPY
SURNAME:

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

May 23, 1951

Mr. Marvel L. Lynch
President
Calhoun Mines, Inc.
P. O. B ox 190
Laurel, Delaware

Subject: DMA 1182X
Re: Exploration Loan
Calhoun Mine
(Georgia)

My dear Mr. Lynch:

Receipt is acknowledged of your application and attachments of May 10, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1182X and was referred to Mr. P. R. Bradley, Chief, Tungsten Branch on May 17, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1182X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:mab
cc: Strobel -2
Files
Bradley
Lyon

CALHOUN MINES, INC.

P. O. Box 190

Laurel, Delaware

May 15, 1951

Defense Minerals Administration
Department of the Interior Building
Washington 25, D. C.

Gentlemen:

I beg to submit by means of the enclosures an application on behalf of Calhoun Mines, Inc. for an investigation of a showing of tungsten encountered at depth in our properties at Dahlonega, Georgia.

We believe that this showing, which is found in a geologic condition analogous to presently producing tungsten properties elsewhere in the Appalachians, is worthy of investigation in behalf of the defense effort.

With regard to operation of the property for tungsten in event that the requested testing proves the existence of tungsten ore in commercial quantities, we have been interested in a letter from a Director of the Haile Mines, presently operating a tungsten mine in North Carolina, containing the following:

> "I note with interest in the last paragraph that you have already talked with the Defense Minerals Administration and asked for assistance in drilling the location under the direction of Captain Garland Peyton. May I suggest that this be explored further and you keep me in touch with any results that you may have as I feel sure that if favorable results showed up from such drillings that due to the location of this property we would be in a position to consider handling or managing it on some mutual basis."

Recently Calhoun Mines resolved to seek permission of the S. E. C. for the issuance of additional securities and conversations have been held with officials of the S. E. C. for that purpose.

Thanking you for your anticipated courtesy, I am

Very truly yours,

CALHOUN MINES, INC.

M L Lynch

M. L. Lynch
President.

Enclosures: 4 sets MF-100 and MF-103,
and accompany data and 2 maps.

CALHOUN MINES, INC.

P. O. Box 190

Laurel, Delaware

May 15, 1951

Defense Minerals Administration
Department of the Interior Building
Washington 25, D. C.

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M L Lynch

M. L. Lynch
President.

Enclosures: 4 sets MF-100 and MF-103,
and accompany data and 2 maps.

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dma-1182 X

Date received 5/16/51

CALHOUN MINES, INC.
Marvel L. Lynch, President
P. O. Box 190
Laurel, Delaware

Name and address of applicant

Date May 10, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124-A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☒ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Marvel L. Lynch, Laurel, Del.	Pres. D	None		21,550	None		
J. C. Abbott, Laurel, Del.	V. Pres. D	None		17,812	None		
W. R. Collins, Seaford, Del.	V. Pres. D	None		17,225	None		
J. R. Eddington, Salisbury, Md.	D	None		15,805	None		
William H. Persons, Seaford, Del.	D	None		18,160	None		
W. H. Hopkins, Laurel, Del.	Secy. & Treas. D	None		6,500	None		
H. H. Keller, Laurel, Del.	D	None		2,720	None		
W. H. Phillips, Laurel, Del.	D	None		3,450	None		
A. J. Littleton, Laurel, Del.	D	None		6,655	None		
	Total	None	x x x x x	109,877	None	x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$300,000	$147,740	$ 1.00	147,740	None
Preferred stock	$ None	$ None	$ ——	None	——

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	Property is in development. Over $100,000 spent in driving tunnels and other work.				
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)	Silver, gold, pz.	13 oz. 76 oz.	From development only		Not in production.

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. For gold production, when feasible, minimum 50 tons daily, maximum 200 tons daily.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by an available report on the geology and ore reserves. See general statement herewith. Ore reserves are in gold zone, whereas this application applies to tungsten showing only.

Please answer to Question 7 (c) herein.

16—63792-1

Please see answer to question 7 (c) below.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved) ore gold-silver	250	$20 - 40/ton	(Submitted for general interest only as this is not the ore for which application is made.)		
Indicated (probable) gold-silver	3,000	$20 - 40/ton			

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

CALHOUN (Name of Company) INC.

By M L Lynch (Signature of authorized official)

May 14, 1951 (Date)

President (Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

Sheet No. 1, Accompanying Form MF-100, submitted by CALHOUN MINES, INC.

Data in Answer to Questions.

General Preliminary Statement

Calhoun Mines, Inc., a Delaware corporation, has spent in excess of $100,000 in developing an old gold producer known as the Calhoun Mine, near Dahlonega, Lumpkin County, Georgia. The purpose of the developer (Calhoun Mines, Inc.) has been to prepare this property for renewed gold production. In the course of driving a tunnel under the old workings, evidences of tungsten have been shown by Mineralite examination. These have been checked by Captain Garland Peyton, State Geologist of Georgia, who considers them worthy of exploration by test drilling. The purpose of this application is to obtain such testing for tungsten ore bodies. Under the above circumstances the bulk of the applicant's data relates to gold development. In reply to inquiry directed to Defense Minerals Administration as to whether, in applying for funds to explore for tungsten, all of the gold data need be presented, the applicant was informed by telephone by Mr. Ballard of the office of Mr. F. R. Bradley of DMA, that it would be satisfactory to summarize the gold data. Mr. Ballard's suggestion has been followed herein.

Believing that the geologic conditions, analagous generally to those of tungsten-bearing lodes elsewhere in the Appalachians, are worthy of examination in the defense effort, Calhoun Mines, Inc., makes application for Aid for an Exploration Project. Any of the following methods of exploration and testing will be satisfactory to Calhoun Mines, Inc.

(a) The joint funds (Government contribution plus applicant's investment) to be spent by Calhoun Mines;

(b) the work, to the total amount of the joint funds, to be performed by the U. S. Bureau of Mines, in consultation with Calhoun Mines, Inc.;

(c) a similar arrangement with the Georgia State Division of Mines, Mining & Geology instead of the U. S. Bureau of Mines;

(d) the work to be done, to the amount of the joint funds, by a private company presently operating tungsten properties, subject to a satisfactory agreement between Calhoun Mines, Inc. and such company.

- - -

1. Materials Produced:

(a) The mine is in development. The primary purpose was to mine gold with accompanying (15% to 25%) silver.

(b) As stated above, the discovery of evidences of tungsten and the shortage of this ore for the defense effort, motivate this application. If tungsten ores in sufficient quantities are found by the test drilling contemplated, tungsten would become the principal item of production; gold, the by-product.

Sheet No. 2, Accompanying Form MF-100, submitted by CALHOUN MINES, INC.

2. Underground mining.

Property has been known as the Calhoun Mine since gold was discovered thereon in 1828. Originally the deposits were worked by surface pits. Old workings, not in use or inaccessible today, are omitted from the following:

(a) Shafts: 60 to 80 feet;
(b) Drifts and crosscuts: 200 to 300 feet;
(c) Tunnels or adits: 735 feet;
(d) Linear feet of other mine openings (not probably of interest in the proposed drilling for tungsten and omitting open pits): 400 to 500 feet.

Mine is not flooded and makes almost no water. Workings occupy a ridge overlooking the Chestatee River, which flows through the leasehold.

Size of productive capacity (as planned for gold): Minimum, 50 tons; maximum, 200 tons daily.

3. The Calhoun Mine is 2.5 miles south of Dahlonega, county seat of Lumpkin County, Georgia. Dahlonega is the site of the North Georgia College, with map-making and research facilities and several faculty members expert in local geology and mineral resources. Dahlonega is approximately 70 miles north of Atlanta and lies in the southern extremity of the Appalachians. Prior to the discovery of gold in California, Dahlonega was the principal source of domestic gold and a U. S. Mint operated from 1837 until closed by the outbreak of the Civil War. The nearest rail shipping point is Gainesville, Hall County, Georgia, 18 miles southeast of the mine by a new hard-surfaced highway. Mining districts, townships and ranges are not used in Georgia.

4. (a) The property is not presently in operation, pending erection of a new mill to replace the present 10-stamp mill which loses too much of the values. Property is leased to Calhoun Mines, Inc., the applicant hereunder.

(b) Property is operated as lessee.

5. Calhoun Mines, Inc., commenced development of the old workings on August 1, 1945. Reference thereto occurs in several subsequent issues of the Minerals Yearbook. Gold production can be commenced on one week's notice. Tungsten development depends upon results of the drilling applied for hereunder.

6. Applicant has operated the property since August 1, 1945. Marvel L. Lynch, now President of Calhoun Mines, Inc., served as resident manager during the period 1945-50. Captain Garland Peyton, State Geologist of Georgia, a native of Dahlonega and formerly Professor of Mining & Geology at North Georgia College, and his staff, including mining engineers and geologists on loan from Tennessee Valley Authority, have kept in close touch with developments, mapping and assaying, consulting with the management. Their assistance and advice has been of the greatest value to the applicant. In February 1948 John E. Kelly, consultant in natural resources (see Who's Who in Commerce & Industry, Volume 6; Who's Who in the East, Volume 2) was retained as consulting engineer. Both of these associations continue.

Sheet No. 3, Accompanying Form MF-100, submitted by CALHOUN MINES, INC.

4. (a) The early history of the property is covered in Bulletin 4 of the Georgia Geological Survey, available upon request. Gold was discovered in Georgia in 1828 on the tract now leased by Calhoun Mines, Inc. Captain Garland Peyton, Georgia State Geologist, estimates production of gold to date in excess of $300,000. All of this came from shallow workings, none over 50 feet in depth (black powder proved ineffectual in shattering the rocks below the zone of surface oxidation). Some production was obtained from saprolite (eluvial) deposits and some from placer washing of gravels along the Chestatee River. The management estimates from study of the outcropping of the three known veins that not over 5% of the mineralized surface was ever worked.

The property was owned by John C. Calhoun (formerly Senator and Vice President of the United States) and his family from about 1830 until 1877. Thereafter it was acquired by the North Georgia College, which, having no way of working the property, leased it to operators. Two low dams in the Chestatee, erected for water and power purposes, having been carried away by freshets, the leases were abandoned. The property was the site of a high-grade strike in the early 40's. The operator became involved in a hit-run accident and was required to surrender his lease. New interests who formed Calhoun Mines, Inc., took over in 1945. They have devoted their time and funds to development and the gold production to date has been incidental thereto. The discovery of tungsten indications at the head of their 735-foot Abbott Tunnel, was made while driving under the old workings and main shaft.

(b) Dahlonega has been one of the principal American gold camps with a recorded output exceeding $18,000,000. Prior to the California discovery of 1847, over 15,000 men are said to have been employed in the diggings. The field is divided by the Chestatee River. North of the river, where the greater number of the old mines were located, sulphur proved a problem insuperable to amalgation. The sulphur appeared heavily just below the water table, at from 50 to 125 feet below the surface, and no shafts were driven below the latter depth. At that time no note was taken of other minerals intthe ore.

South of the Chestatee, where the Calhoun Mine is located, little to no sulphur has appeared at depths up to 300 feet, the greatest yet reached.

A report on the geology of the Dahlonega region appears in GOLD DEPOSITS OF THE SOUTHERN PIEDMONT, U. S. G. S. Professional Paper 213, 1948. The authors estimate that the mineralization may extend to 4,000 feet below the outcrops.

(c) In September, 1949, prior to the time at which the Abbott Tunnel had been driven to the point at which tungsten indications were discovered, a study of the ore was made by the El Paso Testing Laboratories. The study, having no reference to tungsten, is available upon request.

Also prior to the tungsten showing, a general report was made on the property by John E. Kelly in February 1948. This report is also available. Excerpts therefrom follow: (The tungsten indications occur in the so-called "Calhoun Mineralized Zone.")

"As to be expected in the extremity of a major uplift - the Blue Ridge - stress and repeated faulting characterize the Lumpkin County goldfield. Gold deposition is related to the granites which outcrop in massive form north of the town of Dahlonega and along Long Branch creek, two miles east of the Calhoun property. Elsewhere, altered schists and slates indicate the geologically recent intrusion of granite at depth. In the mineralized area as a whole, slates, quartzites, schists, volcanic flows and tufa are intricately interfolded with granitic members and gneisses.

"The region has been elevated during the period of formation of the Appalachian mountain chain, deeply eroded, locally raised again at almost right angles to the strike of the Appalachians and profusely faulted.

"The western part of the Dahlonega region is marked by outcrops of quartzites, mica schist and slate, while east of the town - including the Calhoun mine - slates derived from tuffs form the country rock. These predominant surface formations are separated in places by granite flows, elsewhere by granite and gneiss. Locally the tuff-slates are named "Carolina gneiss", an omnibus term embracing slaty schists of black and green-black shades, biotite mica, mica-gneiss, occasional garnet which seems to be a marker for gold-bearing formations, and some ottrelite and other silicates. 'Roan gneiss' comprises gabbros, hornblende, hornblende-gneiss, diorite and associated mica-schist.

"The strike of the formations is generally northeast. The subsequent faulting is generally parallel to the contact between the granite and the gneisses, particularly in the eastern part of the region, where Long Branch creek, flowing in a fault of the intrusive granite, strikes N. 40 E undeviating for miles. In the western part of the goldfield, some mineralization strikes northwest.

"Apart from placer deposits, gold in Dahlonega is found in or in close association with granite, or in adjoining altered schists and slates, indicating as stated earlier herein, the presence of underlying granitic magmas at relatively shallow depths. In the Calhoun property free milling gold occurs in quartz stringers and veins in Carolina gneiss, perceptibly silicified, and in association with sulphides of iron in a black slaty schist. In the oxidized zone, the country rock appears to carry little value, while gold has impregnated the country rock where depositions occurred in the slates, to a distance of several feet in both hanging and foot walls. In the opinion of Captain Peyton the quartz vein filling in the Calhoun vein was laid down in molten form and was not water-borne. The slate impregnation may be a later deposition.

"True veins in Lumpkin County are generally located in the granites. They range in size from minute fissures, sometimes carrying free gold in sheet form, to bodies exceeding a quarter mile in length and 12 to 20 feet wide. Mineralized zones, formed by replacement of the country rock in faults and shear zones, have indefinite boundaries, but are known several hundred feet in width and over a mile long. Slickenslides and gouges are frequent.

"The Calhoun enrichment, as presently known, consists of one true vein, the Peachtree, and two mineralized zones. The zones contain a large number

of interlacing veins and stringers, remarkably persistent, even in very thin members. Formerly, mineralized zones were called 'stringer leads' or 'belts' in Dahlonega; now formations of all lode types are 'veins'. Quartz is the dominant material in the shallower veins, with pyrites added at depth. Gossan cappings and iron stains are recognized locally as indications of underlying oreshoots. Both iron and sulphur occur in what are said to be commercial quantities in gold mines of western Lumpkin County, but development has shown to date only traces in Calhoun ores. Silver is recovered at the rate of one ounce per four ounces of gold, as shown by Calhoun Mines mint returns. This relates to free milling ore only, as the sulphides cannot be handled by the 10-stamp mill now on the premises.

"Massive white quartz, when present as a vein filler in the Calhoun mineralized zone, often tends to be barren, but the sides of such veins and stringers of white quartz show values, including visible gold. Remarkable specimens of 'picture rock', assaying thousands of dollars per ton (but not included herein as unrepresentative of the mineralization as a whole) frequently are composed of 'rotten quartz', with a honeycomb structure from which iron or silica has been leached by descending surface waters. Some of the visible gold of such specimens may be secondary enrichment and much later in deposition, geologically, than the balance of the values. The principal tonnage of rich ore has been found in a fine-grained blue-gray quartz, sometimes greenish, occurring alongside the white variety.

"In the Calhoun mineralized zone at the present working one vein is a foot in diameter, several from four to six inches, while the greater values are carried in two-inch stringers - interlacing with one another at frequent intervals. As in all Eastern ores, the values are pockety, but even between oreshoots stringers yield from $10 to $15 per ton, enough to pay costs of drifting between points of high mineralization. Pockets are strung on the stringers like peas on a thread. Calhoun Mines are presently working two high grade zones, one each in free milling and sulphide ores respectively, but to local miners, neither is a pocket, which in Dahlonega usage is largely picture rock.

"Ore shoots are usually lenticular in all dimensions, and range from hat-size pockets of 'picture rock' to widths of 100 feet by several times that distance in depth and strike. Their size is customarily in inverse ratio to their unit gold content.

"The gold-bearing formations of Lumpkin County are about eight miles wide as they strike northeast thru Dahlonega. The Calhoun Mine lies near the eastern edge of the enrichment. A contact of Roan and Carolina gneiss passes thru the southeastern corner of Lot #164.

"The three lode formations of commercial importance on this property are well known. The Peachtree Vein is of standard type, with tabular form and well defined walls. The country rock is schistose. The Peachtree dips about 30 degrees Southeast, varying in width from six inches to over three feet. The strike is about N. 35 E. It has been traced for a distance of over two miles from the Turkey Hill Mine, adjoining to the south, to a site on the right bank of the Chestatee River at the mouth of Yahoola

Creek. It has not been worked or prospected by Calhoun Mines, Inc. The Peachtree is said to have produced much gold on the Turkey Hill property, while at Tahoola Creek a sidehill working is reputed to have yielded over $50,000 from a small tonnage of ore. On Lot #164, south of the present workings, between an unnamed creek and the Turkey Hill property line, an old tunnel extends for some 500 feet, cut in the soft free-milling ore of the vein. The ore was milled in a small stamp mill erected where the tunnel debouches on the creek side. Several other sites exist on the Calhoun and Dungan (#165) lots where mining done in the last century can still be seen. All of these were shallow without exception.

"The Calhoun Vein is a mineralized zone, striking N. 55 E. It has not been found south of the point of its original discovery, about 1890, on a high nose close to the Turkey Hill property line, as shown on the maps herewith. This point has produced the greatest amount of gold from the property and the efforts of Calhoun Mines, Inc., are centered here. Northward the Calhoun zone has been traced to an outcrop southeast of the Chestatee Bridge on the Middle Gainesville Road, a distance of about one mile, but apparently not worked nor prospected. In the old records the Calhoun mineralized zone is known as the "Lawrence Stringer Lead", for its discoverer. The zone varies in width from 100 to 250 feet, narrowing as it approaches the river.

"A. S. Furcron, Assistant State Geologist, Georgia, and Hefton H. Teague, Assistant Geologist, Tennessee Valley Authority, on loan to the State of Georgia, visited the Calhoun Mine on March 13, 1947, and examined a vein showing in the Calhoun mineralized zone. The following is quoted from their notes:

> "'The Calhoun vein here exposed about 14 feet below "Y" (see Plan of Calhoun Mine, by David Passmore, herewith) consists of white quartz 4 to 8 inches thick. The country rock dips 40 degrees southeast and strikes N. 56 degrees E. The vein dips 74 degrees southeast and strikes with the country rock; althe it maintains the strike of the country rocks, it cuts the country rocks locally. The vein has all the aspects of a "fissure vein", or, better, of a strong crosscutting vein which has forced its way up thru the schist encountering considerable opposition. For this reason it shows a tendency to alternate thickening and thinning. Free gold is visible in the vein. A small amount of pyrite tends to occur locally as films in cracks in the quartz. The free gold also tends to occur along minute cracks, thus exposed particles tend to occur as small strings. The gold and pyrite show no especial relation to each other. We believe that the quartz vein was injected first, and that later solutions migrating up the dip deposited the gold in small fractures in the quartz. It is interesting to note that, althe at this point we are in the sulphide zone, the amount of sulphide is so small that the ore is essentially freemilling.'"

The first indications of tungsten in the head of the Abbott Tunnel were noted by the Mineralite in a slight seepage there encountered. Wet film on the broken face showed the tungsten band in the spectrum. Subsequently Captain

Peyton found ore showing the same reaction. It is the management's belief that a tungsten orebody may lie ahead or below the head of the tunnel and that the present heading has just reached the periphery of the tungsten zone. It is proposed to explore this showing by drilling from a station cut in the head of the tunnel.

Attached hereto is a property map of the Calhoun leasehold and a profile of the underground work on the Calhoun mineralized zone, as of 1947. The tungsten indications had not been reached at the time this latter map was prepared.

13. A new hard-surface highway, Dahlonega to Gainesville, Georgia (a town of 35,000 persons on the Southern Railway) borders the Calhoun leasehold. On the property, present roads are sufficient for mining. No access roads required.

14. The Chestatee River, a considerable all-year stream elsewhere furnishing mill power, runs thru the property and sufficient mine water can be readily withdrawn. Calhoun Mines employs a Jaeger 4" pressure pump to transport river water for operations.

15. A 25-HP Allis Chalmers motor-generator, gasoline fed, provides power for the mine. Additional mobile power units are available. Main transmission lines of the Georgia Power Company border the leasehold.

16. During a representative payroll period, two-shift development work (16 hours), 14 men were employed, as follows: four mill men, four miners, four muckers, one foreman, one manager.

17. Equipment and facilities available for use in testing tungsten showing: one jeep, one pick-up truck, one Jaeger air compressor #220, one Jaeger 4" pressure pump (needs repairs from flood wetting), one 25-HP Allis Chalmers motor-generator, gasoline fed, one 10-stamp mill, mine cars, air hammers, 2,200 feet 6" pipeline, 600 feet 2" pipe, air hose, etc., one utility building 15 x 20 (corrugated iron), two mill buildings, 15 x 45 and 20 x 60 respectively. Buildings in good condition. Mineralite.

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA FOR USE UNDER THE DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. Dma-1182X

Date received 5/16/51

CALHOUN MINES, INC.
Marvel L. Lynch, President
P. O. Box 190
Laurel, Delaware

Name and address of applicant

Date May 10, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124-A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☒ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Marvel L. Lynch, Laurel, Del.	Pres. D	None		21,550	None		
J. C. Abbott, Laurel, Del.	V. Pres. D	None		17,812	None		
W. R. Collins, Seaford, Del.	V. Pres. D	None		17,225	None		
J. R. Eddington, Salisbury, Md.	D	None		15,805	None		
William H. Parsons, Seaford, Del.	D	None		18,160	None		
W. H. Hopkins, Laurel, Del.	Secy. & Treas. D	None		6,500	None		
H. H. Keller, Laurel, Del.	D	None		2,720	None		
W. H. Phillips, Laurel, Del.	D	None		3,450	None		
A. J. Littleton, Laurel, Del.	D	None		6,655	None		
	Total	None	x x x x x	109,877	None	x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$ 300,000	$ 147,740	$ 1.00	147,740	None
Preferred stock	$ None	$ None	$ ——	None	——

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	Property is in development.			Over $100,000 spent	
	in driving tunnels and other work.				
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)	Silver, gold, oz.	13 oz. 76 oz.	From development only		Not in production.

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. For gold production, when feasible, minimum 50 tons daily, maximum 200 tons daily.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves. See general statement herewith. Ore reserves are in gold zone, whereas this application applies to tungsten showing only. Please see answer to Question 7 (c) herein.

16—63792-1

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
~~ore gold-silver~~	~~250~~	~~$20 - 40/ton~~	~~(Submitted for general interest only as this is not the ore for which application is made.)~~		
Measured (proved) ~~gold-silver~~	~~3,000~~	~~$20 - 40/ton~~			
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

CALHOUN MINES, INC.
(Name of company)

By M L Lynch
(Signature of authorized official)
President
(Title)

May 14, 1951
(Date)

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

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

Sheet No. 1, Accompanying Form MF-100, submitted by CALHOUN MINES, INC.

Data in Answer to Questions.

General Preliminary Statement

Calhoun Mines, Inc., a Delaware corporation, has spent in excess of $100,000 in developing an old gold producer known as the Calhoun Mine, near Dahlonega, Lumpkin County, Georgia. The purpose of the developer (Calhoun Mines, Inc.) has been to prepare this property for renewed gold production. In the course of driving a tunnel under the old workings, evidences of tungsten have been shown by Mineralite examination. These have been checked by Captain Garland Peyton, State Geologist of Georgia, who considers them worthy of exploration by test drilling. The purpose of this application is to obtain such testing for tungsten ore bodies. Under the above circumstances the bulk of the applicant's data relates to gold development. In reply to inquiry directed to Defense Minerals Administration as to whether, in applying for funds to explore for tungsten, all of the gold data need be presented, the applicant was informed by telephone by Mr. Ballard of the office of Mr. P. R. Bradley of DMA, that it would be satisfactory to summarize the gold data. Mr. Ballard's suggestion has been followed herein.

Believing that the geologic conditions, analagous generally to those of tungsten-bearing lodes elsewhere in the Appalachians, are worthy of examination in the defense effort, Calhoun Mines, Inc., makes application for Aid for an Exploration Project. Any of the following methods of exploration and testing will be satisfactory to Calhoun Mines, Inc.

(a) The joint funds (Government contribution plus applicant's investment) to be spent by Calhoun Mines;

(b) the work, to the total amount of the joint funds, to be performed by the U. S. Bureau of Mines, in consultation with Calhoun Mines, Inc.;

(c) a similar arrangement with the Georgia State Division of Mines, Mining & Geology instead of the U. S. Bureau of Mines;

(d) the work to be done, to the amount of the joint funds, by a private company presently operating tungsten properties, subject to a satisfactory agreement between Calhoun Mines, Inc. and such company.

- - -

1. Materials Produced:

(a) The mine is in development. The primary purpose was to mine gold with accompanying (15% to 25%) silver.

(b) As stated above, the discovery of evidences of tungsten and the shortage of this ore for the defense effort, motivate this application. If tungsten ores in sufficient quantities are found by the test drilling contemplated, tungsten would become the principal item of production; gold, the by-product.

Sheet No. 2, Accompanying Form MF-100, submitted by CALHOUN MINES, INC.

2. Underground mining.

Property has been known as the Calhoun Mine since gold was discovered thereon in 1828. Originally the deposits were worked by surface pits. Old workings, not in use or inaccessible today, are omitted from the following:

(a) Shafts: 60 to 80 feet;
(b) Drifts and crosscuts: 200 to 300 feet;
(c) Tunnels or adits: 735 feet;
(d) Linear feet of other mine openings (not probably of interest in the proposed drilling for tungsten and omitting open pits): 400 to 500 feet.

Mine is not flooded and makes almost no water. Workings occupy a ridge overlooking the Chestatee River, which flows through the leasehold.

Size of productive capacity (as planned for gold): Minimum, 50 tons; maximum, 200 tons daily.

3. The Calhoun Mine is 2.5 miles south of Dahlonega, county seat of Lumpkin County, Georgia. Dahlonega is the site of the North Georgia College, with map-making and research facilities and several faculty members expert in local geology and mineral resources. Dahlonega is approximately 70 miles north of Atlanta and lies in the southern extremity of the Appalachians. Prior to the discovery of gold in California, Dahlonega was the principal source of domestic gold and a U. S. Mint operated from 1837 until closed by the outbreak of the Civil War. The nearest rail shipping point is Gainesville, Hall County, Georgia, 18 miles southeast of the mine by a new hard-surfaced highway. Mining districts, townships and ranges are not used in Georgia.

4. (a) The property is not presently in operation, pending erection of a new mill to replace the present 10-stamp mill which loses too much of the values. Property is leased to Calhoun Mines, Inc., the applicant hereunder.

(b) Property is operated as lessee.

5. Calhoun Mines, Inc., commenced development of the old workings on August 1, 1945. Reference thereto occurs in several subsequent issues of the Minerals Yearbook. Gold production can be commenced on one week's notice. Tungsten development depends upon results of the drilling applied for hereunder.

6. Applicant has operated the property since August 1, 1945. Marvel L. Lynch, now President of Calhoun Mines, Inc., served as resident manager during the period 1945-50. Captain Garland Peyton, State Geologist of Georgia, a native of Dahlonega and formerly Professor of Mining & Geology at North Georgia College, and his staff, including mining engineers and geologists on loan from Tennessee Valley Authority, have kept in close touch with developments, mapping and assaying, consulting with the management. Their assistance and advice has been of the greatest value to the applicant. In February 1948 John E. Kelly, consultant in natural resources (see Who's Who in Commerce & Industry, Volume 6; Who's Who in the East, Volume 2) was retained as consulting engineer. Both of these associations continue.

Sheet No. 3, Accompanying Form MF-100, submitted by CALHOUN MINES, INC.

4. (a) The early history of the property is covered in Bulletin 4 of the Georgia Geological Survey, available upon request. Gold was discovered in Georgia in 1828 on the tract now leased by Calhoun Mines, Inc. Captain Garland Peyton, Georgia State Geologist, estimates production of gold to date in excess of $300,000. All of this came from shallow workings, none over 50 feet in depth (black powder proved ineffectual in shattering the rocks below the zone of surface oxidation). Some production was obtained from saprolite (eluvial) deposits and some from placer washing of gravels along the Chestatee River. The management estimates from study of the outcropping of the three known veins that not over 5% of the mineralized surface was ever worked.

The property was owned by John C. Calhoun (formerly Senator and Vice President of the United States) and his family from about 1830 until 1877. Thereafter it was acquired by the North Georgia College, which, having no way of working the property, leased it to operators. Two log dams in the Chestatee, erected for water and power purposes, having been carried away by freshets, the leases were abandoned. The property was the site of a high-grade strike in the early 40's. The operator became involved in a hit-run accident and was required to surrender his lease. New interests who formed Calhoun Mines, Inc., took over in 1945. They have devoted their time and funds to development and the gold production to date has been incidental thereto. The discovery of tungsten indications at the head of their 735-foot Abbott Tunnel, was made while driving under the old workings and main shaft.

(b) Dahlonega has been one of the principal American gold camps with a recorded output exceeding $18,000,000. Prior to the California discovery of 1847, over 15,000 men are said to have been employed in the diggings. The field is divided by the Chestatee River. North of the river, where the greater number of the old mines were located, sulphur proved a problem insuperable to amalgation. The sulphur appeared heavily just below the water table, at from 50 to 125 feet below the surface, and no shafts were driven below the latter depth. At that time no note was taken of other minerals intthe ore.

South of the Chestatee, where the Calhoun Mine is located, little to no sulphur has appeared at depths up to 300 feet, the greatest yet reached.

A report on the geology of the Dahlonega region appears in GOLD DEPOSITS OF THE SOUTHERN PIEDMONT, U. S. G. S. Professional Paper 213, 1948. The authors estimate that the mineralization may extend to 4,000 feet below the outcrops.

(c) In September, 1949, prior to the time at which the Abbott Tunnel had been driven to the point at which tungsten indications were discovered, a study of the ore was made by the El Paso Testing Laboratories. The study, having no reference to tungsten, is available upon request.

Also prior to the tungsten showing, a general report was made on the property by John E. Kelly in February 1948. This report is also available. Excerpts therefrom follow: (The tungsten indications occur in the so-called "Calhoun Mineralized Zone.")

"As to be expected in the extremity of a major uplift - the Blue Ridge - stress and repeated faulting characterize the Lumpkin County goldfield. Gold deposition is related to the granites which outcrop in massive form north of the town of Dahlonega and along Long Branch creek, two miles east of the Calhoun property. Elsewhere, altered schists and slates indicate the geologically recent intrusion of granite at depth. In the mineralized area as a whole, slates, quartzites, schists, volcanic flows and tufa are intricately interfolded with granitic members and gneisses.

"The region has been elevated during the period of formation of the Appalachian mountain chain, deeply eroded, locally raised again at almost right angles to the strike of the Appalachians and profusely faulted.

"The western part of the Dahlonega region is marked by outcrops of quartzites, mica schist and slate, while east of the town - including the Calhoun mine - slates derived from tuffs form the country rock. These predominant surface formations are separated in places by granite flows, elsewhere by granite and gneiss. Locally the tuff-slates are named "Carolina gneiss", an omnibus term embracing slaty schists of black and green-black shades, biotite mica, mica-gneiss, occasional garnet which seems to be a marker for gold-bearing formations, and some ettrelite and other silicates. 'Roan gneiss' comprises gabbros, hornblende, horneblende-gneiss, diorite and associated mica-schist.

"The strike of the formations is generally northeast. The subsequent faulting is generally parallel to the contact between the granite and the gneisses, particularly in the eastern part of the region, where Long Branch creek, flowing in a fault of the intrusive granite, strikes N. 40 E undeviating for miles. In the western part of the goldfield, some mineralization strikes northwest.

"Apart from placer deposits, gold in Dahlonega is found in or in close association with granite, or in adjoining altered schists and slates, indicating as stated earlier herein, the presence of underlying granitic magmas at relatively shallow depths. In the Calhoun property free milling gold occurs in quartz stringers and veins in Carolina gneiss, perceptibly silicified, and in association with sulphides of iron in a black slaty schist. In the oxidized zone, the country rock appears to carry little value, while gold has impregnated the country rock where depositions occurred in the slates, to a distance of several feet in both hanging and foot walls. In the opinion of Captain Peyton the quartz vein filling in the Calhoun vein was laid down in molten form and was not water-borne. The slate impregnation may be a later deposition.

"True veins in Lumpkin County are generally located in the granites. They range in size from minute fissures, sometimes carrying free gold in sheet form, to bodies exceeding a quarter mile in length and 12 to 20 feet wide. Mineralized zones, formed by replacement of the country rock in faults and shear zones, have indefinite boundaries, but are known several hundred feet in width and over a mile long. Slickenslides and gouges are frequent.

"The Calhoun enrichment, as presently known, consists of one true vein, the Peachtree, and two mineralized zones. The zones contain a large number

of interlacing veins and stringers, remarkably persistent, even in very thin members. Formerly, mineralized zones were called 'stringer leads' or 'belts' in Dahlonega; now formations of all lode types are 'veins'. Quartz is the dominant material in the shallower veins, with pyrites added at depth. Gossan cappings and iron stains are recognized locally as indications of underlying oreshoots. Both iron and sulphur occur in what are said to be commercial quantities in gold mines of western Lumpkin County, but development has shown to date only traces in Calhoun ores. Silver is recovered at the rate of one ounce per four ounces of gold, as shown by Calhoun Mines mint returns. This relates to free milling ore only, as the sulphides cannot be handled by the 10-stamp mill now on the premises.

"Massive white quartz, when present as a vein filler in the Calhoun mineralized zone, often tends to be barren, but the sides of such veins and stringers of white quartz show values, including visible gold. Remarkable specimens of 'picture rock', assaying thousands of dollars per ton (but not included herein as unrepresentative of the mineralization as a whole) frequently are composed of 'rotten quartz', with a honeycomb structure from which iron or silica has been leached by descending surface waters. Some of the visible gold of such specimens may be secondary enrichment and much later in deposition, geologically, than the balance of the values. The principal tonnage of rich ore has been found in a fine-grained blue-gray quartz, sometimes greenish, occurring alongside the white variety.

"In the Calhoun mineralized zone at the present working one vein is a foot in diameter, several from four to six inches, while the greater values are carried in two-inch stringers - interlacing with one another at frequent intervals. As in all Eastern ores, the values are pockety, but even between oreshoots stringers yield from $10 to $15 per ton, enough to pay costs of drifting between points of high mineralization. Pockets are strung on the stringers like peas on a thread. Calhoun Mines are presently working two high grade zones, one each in free milling and sulphide ores respectively, but to local miners, neither is a pocket, which in Dahlonega usage is largely picture rock.

"Ore shoots are usually lenticular in all dimensions, and range from hat-size pockets of 'picture rock' to widths of 100 feet by several times that distance in depth and strike. Their size is customarily in inverse ratio to their unit gold content.

"The gold-bearing formations of Lumpkin County are about eight miles wide as they strike northeast thru Dahlonega. The Calhoun Mine lies near the eastern edge of the enrichment. A contact of Roan and Carolina gneiss passes thru the southeastern corner of Lot #164.

"The three lode formations of commercial importance on this property are well known. The Peachtree Vein is of standard type, with tabular form and well defined walls. The country rock is schistose. The Peachtree dips about 30 degrees Southeast, varying in width from six inches to over three feet. The strike is about N. 35 E. It has been traced for a distance of over two miles from the Turkey Hill Mine, adjoining to the south, to a site on the right bank of the Chestatee River at the mouth of Yahoola

Creek. It has not been worked or prospected by Calhoun Mines, Inc. The Peachtree is said to have produced much gold on the Turkey Hill property, while at Yahoola Creek a sidehill working is reputed to have yielded over $50,000 from a small tonnage of ore. On Lot #164, south of the present workings, between an unnamed creek and the Turkey Hill property line, an old tunnel extends for some 500 feet, cut in the soft free-milling ore of the vein. The ore was milled in a small stamp mill erected where the tunnel debouches on the creek side. Several other sites exist on the Calhoun and Dungan (#165) lots where mining done in the last century can still be seen. All of these were shallow without exception.

"The Calhoun Vein is a mineralized zone, striking N. 55 E. It has not been found south of the point of its original discovery, about 1830, on a high nose close to the Turkey Hill property line, as shown on the maps herewith. This point has produced the greatest amount of gold from the property and the efforts of Calhoun Mines, Inc., are centered here. Northward the Calhoun zone has been traced to an outcrop southeast of the Chestatee Bridge on the Middle Gainesville Road, a distance of about one mile, but apparently not worked nor prospected. In the old records the Calhoun mineralized zone is known as the 'Lawrence Stringer Lead', for its discoverer. The zone varies in width from 100 to 250 feet, narrowing as it approaches the river.

"A. S. Furcron, Assistant State Geologist, Georgia, and Kefton H. Teague, Assistant Geologist, Tennessee Valley Authority, on loan to the State of Georgia, visited the Calhoun Mine on March 13, 1947, and examined a vein showing in the Calhoun mineralized zone. The following is quoted from their notes:

> "'The Calhoun vein here exposed about 14 feet below "Y" (see Plan of Calhoun Mine, by David Passmore, herewith) consists of white quartz 4 to 8 inches thick. The country rock dips 40 degrees southeast and strikes N. 56 degrees E. The vein dips 74 degrees southeast and strikes with the country rock; altho it maintains the strike of the country rocks, it cuts the country rocks locally. The vein has all the aspects of a "fissure vein", or, better, of a strong crosscutting vein which has forced its way up thru the schist encountering considerable opposition. For this reason it shows a tendency to alternate thickening and thinning. Free gold is visible in the vein. A small amount of pyrite tends to occur locally as films in cracks in the quartz. The free gold also tends to occur along minute cracks, thus exposed particles tend to occur as small strings. The gold and pyrite show no especial relation to each other. We believe that the quartz vein was injected first, and that later solutions migrating up the dip deposited the gold in small fractures in the quartz. It is interesting to note that, altho at this point we are in the sulphide zone, the amount of sulphide is so small that the ore is essentially freemilling.'"

The first indications of tungsten in the head of the Abbott Tunnel were noted by the Mineralite in a slight seepage there encountered. Wet film on the broken face showed the tungsten band in the spectrum. Subsequently Captain

Peyton found ore showing the same reaction. It is the management's belief that a tungsten orebody may lie ahead or below the head of the tunnel and that the present heading has just reached the periphery of the tungsten zone. It is proposed to explore this showing by drilling from a station cut in the head of the tunnel.

Attached hereto is a property map of the Calhoun leasehold and a profile of the underground work on the Calhoun mineralized zone, as of 1947. The tungsten indications had not been reached at the time this latter map was prepared.

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17. Equipment and facilities available for use in testing tungsten showing: one jeep, one pick-up truck, one Jaeger air compressor #220, one Jaeger 4" pressure pump (needs repairs from flood wetting), one 25-HP Allis Chalmers motor-generator, gasoline fed, one 10-stamp mill, mine cars, air hammers, 2,200 feet 6" pipeline, 600 feet 2" pipe, air hose, etc., one utility building 15 x 20 (corrugated iron), two mill buildings, 15 x 45 and 20 x 60 respectively. Buildings in good condition. Mineralite.

Sheet No. 2, Accompanying Form MF-103, submitted by CALHOUN MINES, INC.

Data in Answer to Question 8.

CURRENT FINANCIAL STATEMENT*

		Amount	Total
	A S S E T S		
1.	Cash		$ 146.27
2.	Notes and Accounts Receivable	$ 1,200.00	
	Less: reserve for bad debts		1,200.00
3.	Inventories (Ore in sight and probable ore not included)		
4.	Investment in Government obligations		
5.	Other Investments		
6.	Capital Assets		
	Depreciable Assets: machinery and equipment	$13,091.40	
	auto and truck	1,600.00	
	furniture and fixtures	282.17	
	Total depreciable assets	$14,973.57	
	Less: Reserve for depreciation	12,814.23	2,159.34
	Depletable assets (Ore in sight and probable are not included)		
	Land (leased)		
7.	Other Assets: Organization expense	$ 1,810.00	
	Mine development expense	95,432.39	
	Stock dividend	10,492.00	107,734.39
8.	Total assets		$111,240.00
	L I A B I L I T I E S		
9.	Accounts payable		
10.	Bonds, notes and mortgages payable		
11.	Accrued expenses		
12.	Other liabilities		
13.	Surplus reserves		
14.	Capital stock, Dec. 31, 1950		$111,240.00
15.	Paid in or capital surplus		
16.	Earned surplus and undivided profits		
17.	Total liabilities		$111.240.00

* (Dec. 31, 1950)

Sheet No. 3, Accompanying Form MF-103, submitted by Calhoun Mines, Inc.

Question:

10. (a) and (b) Description from lease: (See also property map herewith)

" . . . Lot 164 known as the Calhoun and Lot 165 known as the Dungan, and Lessor's 40 acres of Lot 168 known as The Langston Fraction, and 2½ acres in Lot 1192 and 5½ acres in Lot 1191 and 18/100 of an acre in Lot 1193, of Lumpkin County, Georgia, containing 487 acres, more or less. . . ."

Lot 164, containing the mine workings where the gunsten indications have been found, consists of 239 acres.

15. Tunsten ore could be milled and concentrated in a mill built for that site on the property. Concentrates, or picked ore if desired, can be shipped by truck to the Southern Railway at Gainesville, a distance of 18 miles.

20. Exploration by drilling will be conducted to locate tungsten orebody believed to exist at depth near head of Abbott Tunnel on Lot 164 of the Calhoun leasehold.

21. The exploration will consist of a series of drill holes. At first these will radiate from a station cut at the head of the Abbott Tunnel. If an orebody is located thereby, subsequent holes may be started from the surface if desirable, to delineate the ore. Dependent upon the time required for the contractor to start work, the exploration should be completed within nine to twelve months, perhaps in six months. The general geology of the area (leasehold) is similar to that in which tungsten orebodies have been found elsewhere in the Appalachian uplift.

Maximum amount of drilling contemplated under this application: 2,000 feet. This comprises five 200-foot holes and two 500-foot holes.

23. The test drilling will be done by contractors. The State Geologist of Georgia (see attached letter) and engineers presently supervising such drilling concur in estimating contract price at $5.00 per foot.

(a)	Labor, except as stated below, will comprise two drilling crews (one per shift of eight hours). Not possible to segregate cost thereof, as this is included in contractor's charge. Contracted: 2,000 feet of drilling at $5.00/ft. .	$10,000.00
(b)	Local labor, handling, storing, shipping cores, etc. (9 months)	2,000.00
(b)	Supervisors, expense only, no salaries charged	1,500.00
(c)	Repairs to existing facilities	1,000.00
(d)	Water tank for contractor	150.00
(e)	400 feet of 2" pipe, small pump for water tank	250.00
(f)	Not contemplated	
(g)	Applicant will make no charge for use of its equipment by contractor	
(h)	Tools, etc.	100.00
(i)	Gasoline (50 gal. daily @ .32 gal. delivered, for power), etc.	5,000.00
	Total above	$20,000.00

Sheet No. 4, Accompanying Form MF-103, submitted by CALHOUN MINES, INC.

Question:

24. Time schedule of expenditure - nine months program.

First two months - preparation and commencement of drilling (lettered as above)

(a)	Contractors	$1,500.00
(b)	Local labor	600.00
(b)	Supervisor's expense	600.00
(c)	Repairs	1,000.00
(d)	Water tank	150.00
(e)	Pipe and pump	250.00
(h)	Tools	100.00
(i)	Gasoline, etc.	800.00
		$5,000.00

In the first two months, after completion of preparations, it is assumed that 250 feet of core drilling will be done.

In each of the remaining seven months, it is assumed that an average of 250 feet of drilling will be completed and the average monthly cost will be $2,143.00.

Sheet No. 5, Accompanying Form MF-103, submitted by CALHOUN MINES, INC.

DEPARTMENT OF MINES, MINING AND GEOLOGY
State Division of Conservation
425 State Capitol
Atlanta 3, Georgia

May 4, 1951

Mr. John E. Kelly
316 Southern Bldg.
Washington 5, D. C.

Dear Mr. Kelly:

In compliance with your recent request, I am pleased to make the following statements in connection with the possible occurrence of tungsten in the Calhoun Mining Property south of Dahlonega, Lumpkin County, Georgia.

Our first information that tungsten mineral existed in the Calhoun mine at Dahlonega resulted from statements made by Mr. Allen L. Hearst sometime during the month of June, 1949. Mr. Hearst made an examination of the underground workings in the Calhoun Mine, including the 500-foot Abbott tunnel. Among other equipment utilized by Mr. Hearst during this examination was a portable short-wave ultraviolet lamp. As I recall it, Mr. Hearst made the statement somewhat to the effect that no matter how much gold ore might be found in that tunnel, there were other minerals and ores in the mine which probably would be worth much more in money value than the gold. Following his examinations and statements, as indicated herein, the undersigned accompanied Mr. Marvel Lynch, mine superintendent, to the mine south of Dahlonega, not more than two or three days following the examination of Mr. Hearst. We carried with us a fluorescent lamp, and used it in examining the tunnel throughout, from portal to face, and part way up the connecting raise to the upper workings. In the face of the tunnel fluorescent minerals were observed which gave the characteristic brilliant fluorescent colors yielded by certain tungsten ores. A chunk of this rock weighing approximately 10 pounds was removed from the face of the tunnel and brought to Atlanta. This ore continued to exhibit this characteristic tungsten fluorescence for many weeks following its transportation to Atlanta, and as long as we thought it necessary to keep it in the office. Finally, it was discarded along with other surplus rocks that we find it necessary to dispose of from time to time.

During the same trip of inspection referred to above, it was noted that brilliant fluorescence occurred in the muck pile which had accumulated at the foot of the raise which held the upper workings. It was our impression and the general understanding that this muck was broken somewhat higher up in the mine, and that it was allowed to fall or slide down the inclined raise until it reached the tunnel floor below where it would be available for mucking and removal from the mine. On examining these spots by punching into the surface of the ore pile with my fingers, I found that the brilliant fluorescence was produced by a precipitated deposit dropped down by mine waters which dripped from above. Apparently, each place where a drop occurred, some of this fluorescent material was found to have precipitated and left a slight coating of material which, when first observed, gave you the impression that there was a solid mass of this type material at the point where the lamp showed fluorescence. It was only after disturbing it that it was found to be something other than a solid chunk of the fluorescent material.

Judging from the foregoing, it would seem logical that secondary mineral was being produced probably by the leaching action of percolating mine waters in that part of the mine above the tunnel, and finally was being redeposited in the material in the Abbott tunnel. Also, a chunk of solid rock referred to above would seem to indicate the distribution to an unknown degree of this fluorescent material in at least a portion of the undisturbed hard schist rock constituting the wall rock or country rock found adjacent to the face and finally the veins of gold ore in that mine.

It would be my suggestion that five diamond drill holes not more than 200 feet in depth be drilled from the vicinity of the heading or end of the Abbott tunnel, in order to obtain an indication concerning the distribution of this fluorescent material in all directions on either side, straight ahead, or above and below the tunnel. According to our understanding, such drilling probably would cost on a contract basis for that much footage not less than $5.00 per foot, not counting supervision salaries of people other than the actual drilling contractor and his crew.

Those holes which would be directed so as to drill at an angle, above and horizontal, would if they should intersect fissures and such, give an indication as to just where rock containing this fluorescent mineral might be located, both in the cores and in the mine waters.

If the undersigned or other members of the staff of this department could perform any useful service in connection with prospecting of the sort outlined in this letter, we shall be only too glad to cooperate. There will, of course, be no charge to the government or the company for services of this type which we may be able to render.

Trusting that this is in line with your request, and with all good wishes, I am

Sincerely yours,

(Signed) Garland Peyton

Garland Peyton
Director

p/g

Sheet Number 1

Accompanying Form MF-103, submitted by Calhoun Mines, Inc.

Question 10 (a) and (b) CALHOUN MINE LEASES

GEORGIA,
FULTON COUNTY:

THIS AGREEMENT, made in duplicate this 1st day of August 1945, by and between ELLA M. CARMICHAEL, of East Point, Fulton County, Georgia, hereinafter called the Lessor, and CALHOUN MINES, INC., a Delaware Corporation, hereinafter called the Lessee.

W I T N E S S E T H:

That in consideration of One Dollar, to said Lessor paid by Lessee, receipt whereof is hereby acknowledged, and in consideration of the mutual covenants herein set forth, Lessor does hereby rent, lease and demise unto said Lessee, Lot 164 known as The Calhoun and Lot 165 known as the Dungan, and Lessor's 40 acres of Lot 168 known as The Langston Fraction, and 2-1/2 acres in Lot 1192 and 5-1/2 acres in Lot 1191 and 18/100 of an acre in Lot 1193, of Lumpkin County, Georgia, containing 487 acres, more or less, for a period of Ten (10) years from the effective date hereof, with the option and privilege to said Lessee to renew this lease not less than ninety (90) days before expiration hereof for a like term of Ten (10) years for the sum of Two Hundred ($200.00) Dollars per month for the first twelve months thereof, and Two Hundred and Fifty ($250.00) Dollars per month thereafter for the remainder of this lease, payable by said Lessee to said Lessor on the first day of each six months' period in advance, as hereinafter set forth, and upon the conditions, stipulations, and covenants herein. Said rental shall be payable six months in advance upon execution of this lease, and upon the expiration of said first six months, another six months' rent will be due and payable in advance, and so on each six months thereafter for the full term of this lease, so that rent shall be payable in advance, not on the first of each month, or monthly, but will be payable for a period of six months at a time in advance, at the expiration of each six months' period of this lease. Rent shall bear interest after its due date at 6% per annum.

The rent payable hereunder shall be paid by deposit thereof as above set forth to the credit of Lessor in the Bank of Fulton County of East Point, Georgia, or in such other bank or banks as Lessor may designate in writing hereafter, and Lessee shall instruct said bank or banks to forward duplicate deposit slips showing said deposits to Lessor every six months, but shall not be responsible for the bank or banks' failure or negligence in forwarding said duplicate deposit slips at any time hereafter.

Lessor reserves the right of ingress and egress over her property; and reserves the right to sell the property herein demised or any interest therein at any time hereafter, subject to this agreement; and reserves the farming, timber, and all other rights in, upon and over the leased premises, except as herein expressly granted.

Lessee shall have the sole and exclusive right and privilege during the term of this lease to mine and remove all gold and silver which may be located and found upon, and within the leased property; Lessee shall have the right to

use water appurtenant to the leased property and necessary to the proper operation and enjoyment thereof, which now is owned by Lessor, and shall have the right to build and construct a dam for the operation of said property as aforesaid, if it shall so desire; Lessee shall surrender said premises to Lessor without the necessity of legal process upon the termination hereof; Lessee shall have the right at any time hereafter to assign this lease and its interest herein to only such solvent person, firm or corporation as is financially able to keep and perform the covenants in this contract; Lessee shall have the right at any time to purchase for mining purposes any unsold timber he may desire upon payment to Lessor of the fair market value thereof, first being made to the satisfaction of the Lessor; Lessor reserves the right to sell all of her timber at any time. Lessee shall have the right to use all buildings erected on said properties by Lessor and now on the leased property, except any placed thereon by Five Counties Lumber Company or its assigns under a timber lease to which lease this mineral lease is hereby expressly made subject, and except Lessor's residence building on said properties, provided that it shall surrender same to Lessor at the expiration or termination of this agreement in as good condition as at the inception hereof, usual and natural wear and tear from weather and use excepted; Lessee shall have the right to erect on said premises and maintain machinery, and the right to install and lay pipe on said premises, necessary to the enjoyment of the leased property and the operation of the business of mining, and Lessee shall have the right to remove, before expiration of this lease, any machinery and equipment so installed by it, with the exception of buildings, electric lighting wire and fixtures, and plumbing fixtures such as piping, sinks, commodes, bowls and bath tubs, if any, attached to said buildings or any of them by it, provided it has not breached this contract and is not in default hereunder at the time of removal as aforesaid, but a lien on all of Lessee's property on said premises at any time is hereby granted Lessor for any and all sums due Lessor on account of rent or any breach of this agreement at any time, and Lessee shall have the right to erect and construct buildings upon the leased property, which buildings, if so erected, shall become the property of Lessor upon erection of same, it being agreed by the parties hereto that Lessee shall not remove any building or buildings from the leased property at any time. It is further agreed that neither Lessee nor any assignees of Lessee shall use any borrowed, rented, or other machinery, equipment, furniture or fixtures except property of which such lessee or assignees is the owner, or except property in which Lessee or assignees has a substantial equity increasing in amount by payment of deferred installments of purchase money at regular intervals, and a violation of this covenant will authorize Lessor to terminate this agreement.

Lessee, and its assigns, does hereby covenant and agree to pay the rent in the amounts and at the times and in the manner stipulated herein.

Lessee agrees to return and pay all local, state and Federal Social Security, Income, unemployment, franchise, and other taxes which it is obligated by law to return and pay, promptly when due, and furnish Lessor with proof thereof upon request. Lessor will return and pay taxes she is obligated by law to return and pay, and will furnish Lessee with proof thereof on request.

This contract is made under and pursuant to the laws of the State of Georgia, and shall be construed as a Georgia contract.

Lessee agrees to indemnify and save harmless Lessor against loss or damage to any person, firm or corporation arising out of the operation of the business

of the Lessee upon the leased property, or on account of the negligence of Lessee, its agents, servants, successors and assigns.

Upon the termination hereof, for any cause whatever, Lessee covenants and agrees to execute such quit-claim to the leased premises as Lessor, at her expense, shall require.

It is expressly agreed that terms "Lessor" and "Lessee" shall mean the parties hereto and their heirs, personal representatives, successors and assigns of each of them, and the singular shall include the plural where reference is made to the parties, and the present shall include the past and future, unless the context indicates otherwise, and the masculine shall include the feminine and neuter genders, unless the context indicates otherwise.

This agreement is executed in duplicate and each copy shall be deemed original evidence of its contents in any court.

This lease shall not take effect till it shall have been executed and delivered to each of the parties by the other,and the first six months' rent shall have been paid by Lessee and received by Lessor,but rent is to commence and accrue from August 1st, 1945.

Notwithstanding any other provision in this lease, the Lessee herein shall have the right at any time it is not in default in the payment of rentals due hereunder, to give Lessor Twenty-four (24) months notice in writing of Lessee's desire to terminate this lease, and this lease shall terminate Twenty-four (24) months from such written notice. Nothing in this paragraph, however, shall be construed at any time to deny in any respect the right of Lessor to terminate this lease for any breach of any of its terms and provisions by Lessee or any assignee hereof.

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

CALHOUN MINES, INC.

By: (Signed) J. C. Abott, Pres.
Its President (CORPORATE SEAL)

By: (Signed) H. H. Keller
Its Secretary and Treasurer

(Signed) Ella M. Carmichael
Mrs. Ella M. Carmichael

Signed, sealed and delivered
in the presence of:

E. M. Daugherty, Witness
Ida L. Moore, Witness

G. W. Daugherty Sept. 21, 1945
Notary Public, State of Kansas, County of Grant

(NOTARIAL SEAL)

STATE OF GEORGIA,
COUNTY OF FULTON.

THIS AGREEMENT made this 31st day of March, 1949 by and between ELLA M. CARMICHAEL of East Point, Fulton County, Georgia, and hereinafter called "lessor" and CALHOUN MINES, INC., a Delaware corporation, of Laurel, Delaware, and hereinafter called "lessee."

W I T N E S S E T H:

That for and in consideration of the mutual convenants and agreements herein set forth the parties hereto have and do hereby mutually covenant and agree as follows:

1. The timber lease heretofore granted Five Counties Lumber Company by lessor has expired and is of no force or effect.

2. Lessee shall have the right to use only on lessor's lands described in the mineral lease from lessor to lessee dated August 1, 1945 such standing timber only as lessee may need for lessee's mining purposes only on said lands, including the right to fell, saw, work and otherwise cut and employ such timber; provided, that none of said timber shall be used for fuel purposes except limbs, tops, scrap and timber originally cut for some other bona fide purposes; provided, further, that lessee shall exercise economy in the exercise of its right to use lessor's standing timber under this amendment.

3. Lessee shall pay lessor for the right to use said standing timber as above stipulated an annual rental of $100.00 on the second day of February in each year except for the year 1949. For said 1949 lessee shall pay lessor on execution of this amendment the sum of $100.00 for said timber rights above mentioned. Said annual rental of $100.00 for said timber rights shall continue during the remainder of the term of said mineral lease.

4. None of said timber shall be sold or removed from lessor's lands mentioned in said mineral lease, nor shall any wood or lumber cut therefrom be removed from said premises for any purpose except that such timber as lessee shall need to process into lumber and boards may be carried away to be processed and returned to lessor's premises.

5. Lessee shall have the right to remove any buildings hereafter erected by lessee on lessor's lands mentioned in said mineral lease if none of the materials used in construction of such buildings is obtained from lessor's lands.

6. The size 10 stamp mill erected by lessee on said lands of lessor and now located on said lands shall not be removed therefrom, but shall remain on said premises on expiration of said lease.

7. Lessee shall have the right to borrow or rent and use borrowed or rented machinery and equipment which it cannot otherwise obtain, and if rented or borrowed machinery or equipment is used on said premises under permission herein granted lessee shall have the right to remove said borrowed or rented machinery and equipment.

8. If rented or borrowed machinery or equipment is used by lessee on said premises it shall be only on condition that lessee give lessor notice in writing of the nature, amount and location of such rented or borrowed machinery and equipment within 30 days from the day the same is installed on lessor's

premises, and before the same may be removed from lessor's premises lessee shall give lessor five days' written notice of the time, nature and amount of the rented or borrowed machinery and equipment lessee intends to remove from said premises.

9. Except as modified above said mineral lease of August 1, 1945 under which said lessee has heretofore operated remains of full force and effect, it being the intent of the parties to said mineral lease and this amendment thereof to amend said mineral lease by this amendment to the extent herein expressly provided and no further.

IN WITNESS WHEREOF each of the parties hereto have hereunto set their hands and seals the day and year first above written.

Sworn and subscribed before me this 6th day April A.D. 1949

(Signed) Marshall Pussey, N. P.
Commission expires 11-27-50

(NOTARIAL SEAL)

Signed, sealed and delivered in the presence of:

(Signed) Ezra E. Phillips

Mrs. A. E. Boozer (Signed)
Notary Public, DeKalb Co., Ga.
as to Mrs. Carmichael
(NOTARIAL SEAL)

Signed, Sealed and delivered in the presence of:

(Signed) Grace M. Toadvine

(Signed) Marshall Pussey N. P.

Commission expires 11-27-50

(NOTARIAL SEAL)

(Signed) Mrs. Ella M. Carmichael (SEAL)
Lessor

CALHOUN MINES, INC.

By (Signed) J. C. Abbott (SEAL)
As Its President

ATTESTED BY:

(Signed) H. H. Keller
As Its Secretary

STATE OF GEORGIA,
COUNTY OF FULTON.

THIS AGREEMENT made this first day of September, 1949 by and between ELLA M. CARMICHAEL of East Point, Fulton County, Georgia, and hereinafter called "lessor," and CALHOUN MINES, INC., a Delaware Corporation, of Laurel, Delaware, and hereinafter called "lessee,"

W I T N E S S E T H:

That for and in consideration of the mutual convenants and agreements herein set forth the parties hereto have and do hereby mutually covenant and agree as follows:

1. The mineral lease heretofore executed by lessor to lessee on August 1, 1945 as amended by a modification agreement dated March 31, 1949 is hereby further amended as follows:

In consideration of a royalty of five per cent (5%) of the gross receipts or proceeds from any sale of any mineral or minerals obtained by lessee from lessor's property described in said lease agreement of August 1, 1945 by virtue of this amendment of said lease (meaning minerals other than gold, silver, coal, oil and gas) said lessor hereby agrees that if, in addition to silver and gold, lessee discovers, in the course of its mining operations on said property described in said lease of August 1, 1945 any other mineral or minerals in what lessee deems economic or commercially profitable quantities, except gold, silver, coal, oil and gas, lessee shall have the right to prospect, mine, save and sell such mineral or minerals, or any of them other than gold, silver, coal, oil and gas, at such time or times as lessee may deem feasible or desirable prior to the expiration of said mineral lease made August 1, 1945.

Said royalty payments shall be made within ten (10) days after the expiration of any quarter year period in which a sale or sales of such mineral or minerals obtained by lessee under this amendment is made, and in the same manner at the same place as payments on rent under said original lease.

With each royalty payment lessor shall be furnished by lessee with a quarterly itemized statement clearly setting forth what minerals have been obtained from lessor's property by lessee under this amendment, and the amount thereof, with the date of all sales and the names of all persons, firms or corporations to whom such sales are made, with the price at which sales are made. Said quarterly statements shall be furnished whether sales were made or not, and if none were made this fact shall be stated.

Quarter years mentioned in this amendment shall be reckoned from the first days of August, November, February and May of each year.

Except as modified above said mineral lease of August 1, 1945 under which said lessee has heretofore operated remains of full force and effect as amended March 31, 1949, it being the intent of the parties hereto that said mineral lease as heretofore amended is hereby amended to the extent herein expressly provided and no further.

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

(Signed) Mrs. Ella M. Carmichael (SEAL)
Lessor

Signed, sealed and delivered
by Lessor in the presence of:

(Signed) Irma Carmichael

Ezra E. Phillips
Notary Public, Fulton County, Ga.

(CORPORATE SEAL, CALHOUN MINES, INC.)

CALHOUN MINES, INC.

BY (Signed) John E. Kelly (SEAL)
As Its President

and

BY (Signed) Marvel L. Lynch
As Its Treasurer

Lessor

Signed, sealed and delivered
by Calhoun Mines, Inc. in the
presence of:

(Signed) Harley Tice

(Signed) B. Harold Cordrey
Notary Public, State of Delaware

(NOTARIAL SEAL)

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA-1182 X

Date received 5/16/51

Participation

CALHOUN MINES, INC.
Marvel L. Lynch, Pres.
P. O. Box 190
Laurel, Delaware

Name and address of applicant

Date May 10, 1951

FILL IN THIS BLOCK

Date of application May 10, 1951

Estimated cost $20,000.00

Mineral or metal Tungsten

Percentage of Government participation 75%

Location of mine Lumpkin County, Georgia

Date of filing MF-100 May 10, 1951

DMA Docket Number, if available DMA-1182 X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Delaware corporation.

*2. If a partnership, state names and addresses of partners. Tunnell & Tunnell, Georgetown, Del. (Counsel)

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. See MF-100 herewith.

*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.

*5. Are you the owner or the lessee of the property? Lessee

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. No encumbrances.

7. If lessee, attach a copy of the lease and state if it is in good standing. Lease in good standing; copy herewith.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract. None

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. Herewith

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? Prepared to invest $5,000.00, sufficient to meet applicant's part of project.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. Herewith. (a) and (b) are the same.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. Herewith; see lease.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any. Known as Calhoun Mines since 1828 discovery.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Tungsten

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. 9 to 12 months.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. See general statement herewith and accompanying letter of Georgia State Geologist. Also answer to 7(c) of MF-100.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

CALHOUN MINES, INC.
(Name of company)

By M L Lynch.
(Signature of authorized official)

May 14, 1951
(Date)

President.
(Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. Dma - 1182 X

Date received 5/16/51

Participation

CALHOUN MINES, INC.
Marvel L. Lynch, Pres.
P. O. Box 190
Laurel, Delaware

Name and address of applicant

Date May 10, 1951

FILL IN THIS BLOCK

Date of application May 10, 1951

Estimated cost $20,000.00

Mineral or metal Tungsten

Percentage of Government participation 75%

Location of mine Lumpkin County, Georgia

Date of filing MF-100 May 10, 1951

DMA Docket Number, if available Dma - 1182 X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Delaware corporation.

*2. If a partnership, state names and addresses of partners. Tunnell & Tunnell, Georgetown, Del. (Counsel)

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. See MF-100 herewith.

*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.

*5. Are you the owner or the lessee of the property? Lessee

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. No encumbrances.

7. If lessee, attach a copy of the lease and state if it is in good standing. Lease in good standing; copy herewith.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract. None

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. Herewith

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? Prepared to invest $5,000.00, sufficient to meet applicant's part of project.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. Herewith. (a) and (b) are the same.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. see lease. Herewith;/

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any. Known as Calhoun Mines since 1928 discovery.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Tungsten
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. 9 to 12 months.
    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. See general statement herewith and accompanying letter of Georgia State Geologist. Also answer to 7(c) of MF-100.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

CALHOUN MINES, INC. (Name of company) — By M L Lynch (Signature of authorized official)

May 14, 1951 (Date) — President. (Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Sheet No. 5, Accompanying Form MF-103, submitted by CALHOUN MINES, INC.

DEPARTMENT OF MINES, MINING AND GEOLOGY
State Division of Conservation
425 State Capitol
Atlanta 3, Georgia

May 4, 1951

Mr. John E. Kelly
316 Southern Bldg.
Washington 5, D. C.

Dear Mr. Kelly:

In compliance with your recent request, I am pleased to make the following statements in connection with the possible occurrence of tungsten in the Calhoun Mining Property south of Dahlonega, Lumpkin County, Georgia.

Our first information that tungsten mineral existed in the Calhoun mine at Dahlonega resulted from statements made by Mr. Allen L. Hearst sometime during the month of June, 1949. Mr. Hearst made an examination of the underground workings in the Calhoun Mine, including the 500-foot Abbott tunnel. Among other equipment utilized by Mr. Hearst during this examination was a portable short-wave ultraviolet lamp. As I recall it, Mr. Hearst made the statement somewhat to the effect that no matter how much gold ore might be found in that tunnel, there were other minerals and ores in the mine which probably would be worth much more in money value than the gold. Following his examinations and statements, as indicated herein, the undersigned accompanied Mr. Marvel Lynch, mine superintendent, to the mine south of Dahlonega, not more than two or three days following the examination of Mr. Hearst. We carried with us a fluorescent lamp, and used it in examining the tunnel throughout, from portal to face, and part way up the connecting raise to the upper workings. In the face of the tunnel fluorescent minerals were observed which gave the characteristic brilliant fluorescent colors yielded by certain tungsten ores. A chunk of this rock weighing approximately 10 pounds was removed from the face of the tunnel and brought to Atlanta. This ore continued to exhibit this characteristic tungsten fluorescence for many weeks following its transportation to Atlanta, and as long as we thought it necessary to keep it in the office. Finally, it was discarded along with other surplus rocks that we find it necessary to dispose of from time to time.

During the same trip of inspection referred to above, it was noted that brilliant fluorescence occurred in the muck pile which had accumulated at the foot of the raise which held the upper workings. It was our impression and the general understanding that this muck was broken somewhat higher up in the mine, and that it was allowed to fall or slide down the inclined raise until it reached the tunnel floor below where it would be available for mucking and removal from the mine. On examining these spots by punching into the surface of the ore pile with my fingers, I found that the brilliant fluorescence was produced by a precipitated deposit dropped down by mine waters which dripped from above. Apparently, each place where a drop occurred, some of this fluorescent material was found to have precipitated and left a slight coating of material which, when first observed, gave you the impression that there was a solid mass of this type material at the point where the lamp showed fluorescence. It was only after disturbing it that it was found to be something other than a solid chunk of the fluorescent material.

Judging from the foregoing, it would seem logical that secondary mineral was being produced probably by the leaching action of percolating mine waters in that part of the mine above the tunnel, and finally was being redeposited in the material in the Abbott tunnel. Also, a chunk of solid rock referred to above would seem to indicate the distribution to an unknown degree of this fluorescent material in at least a portion of the undisturbed hard schist rock constituting the wall rock or country rock found adjacent to the face and finally the veins of gold ore in that mine.

It would be my suggestion that five diamond drill holes not more than 200 feet in depth be drilled from the vicinity of the heading or end of the Abbott tunnel, in order to obtain an indication concerning the distribution of this fluorescent material in all directions on either side, straight ahead, or above and below the tunnel. According to our understanding, such drilling probably would cost on a contract basis for that much footage not less than $5.00 per foot, not counting supervision salaries of people other than the actual drilling contractor and his crew.

Those holes which would be directed so as to drill at an angle, above and horizontal, would if they should intersect fissures and such, give an indication as to just where rock containing this fluorescent mineral might be located, both in the cores and in the mine waters.

If the undersigned or other members of the staff of this department could perform any useful service in connection with prospecting of the sort outlined in this letter, we shall be only too glad to cooperate. There will, of course, be no charge to the government or the company for services of this type which we may be able to render.

Trusting that this is in line with your request, and with all good wishes, I am

Sincerely yours,

(Signed) Garland Peyton

Garland Peyton
Director

p/g

Sheet Number 1

Accompanying Form MF-103, submitted by Calhoun Mines, Inc.

Question 10 (a) and (b) CALHOUN MINE LEASES

GEORGIE,
FULTON COUNTY:

THIS AGREEMENT, made in duplicate this 1st day of August 1945, by and between ELLA M. CARMICHAEL, of East Point, Fulton County, Georgia, hereinafter called the Lessor, and CALHOUN MINES, INC., a Delaware Corporation, hereinafter called the Lessee.

W I T N E S S E T H:

That in consideration of One Dollar, to said Lessor paid by Lessee, receipt whereof is hereby acknowledged, and in consideration of the mutual covenants herein set forth, Lessor does hereby rent, lease and demise unto said Lessee, Lot 164 known as The Calhoun and Lot 165 known as the Duncan, and Lessor's 40 acres of Lot 168 known as The Langston Fraction, and 2-1/2 acres in Lot 1192 and 5-1/2 acres in Lot 1191 and 18/100 of an acre in Lot 1193, of Lumpkin County, Georgia, containing 487 acres, more or less, for a period of Ten (10) years from the effective date hereof, with the option and privilege to said Lessee to renew this lease not less than ninety (90) days before expiration hereof for a like term of Ten (10) years for the sum of Two Hundred ($200.00) Dollars per month for the first twelve months thereof, and Two Hundred and Fifty ($250.00) Dollars per month thereafter for the remainder of this lease, payable by said Lessee to said Lessor on the first day of each six months' period in advance, as hereinafter set forth, and upon the conditions, stipulations, and covenants herein. Said rental shall be payable six months in advance upon execution of this lease, and upon the expiration of said first six months, another six months' rent will be due and payable in advance, and so on each six months thereafter for the full term of this lease, so that rent shall be payable in advance, not on the first of each month, or monthly, but will be payable for a period of six months at a time in advance, at the expiration of each six months' period of this lease. Rent shall bear interest after its due date at 6% per annum.

The rent payable hereundef shall be paid by deposit thereof as above set forth to the credit of Lessor in the Bank of Fulton County of East Point, Georgia, or in such other bank or banks as Lessor may designate in writing hereafter, and Lessee shall instruct said bank or banks to forward duplicate deposit slips showing said deposits to Lessor every six months, but shall not be responsible for the bank or banks' failure or negligence in forwarding said duplicate deposit slips at any time hereafter.

Lessor reserves the right of ingress and egress over her property; and reserves the right to sell the property herein demised or any interest therein at any time hereafter, subject to this agreement; and reserves the farming, timber, and all other rights in, upon and over the leased premises, except as herein expressly granted.

Lessee shall have the sole and exclusive right and privilege during the term of this lease to mine and remove all gold and silver which may be located and found upon, and within the leased property; Lessee shall have the right to

use water appurtenant to the leased property and necessary to the proper operation and enjoyment thereof, which now is owned by Lessor, and shall have the right to build and construct a dam for the operation of said property as aforesaid, if it shall so desire; Lessee shall surrender said premises to Lessor without the necessity of legal process upon the termination hereof; Lessee shall have the right at any time hereafter to assign this lease and its interest herein to only such solvent person, firm or corporation as is financially able to keep and perform the covenants in this contract; Lessee shall have the right at any time to purchase for mining purposes any unsold timber he may desire upon payment to Lessor of the fair market value thereof, first being made to the satisfaction of the Lessor; Lessor reserves the right to sell all of her timber at any time. Lessee shall have the right to use all buildings erected on said properties by Lessor and now on the leased property, except any placed thereon by Five Counties Lumber Company or its assigns under a timber lease to which lease this mineral lease is hereby expressly made subject, and except Lessor's residence building on said properties, provided that it shall surrender same to Lessor at the expiration or termination of this agreement in as good condition as at the inception hereof, usual and natural wear and tear from weather and use excepted; Lessee shall have the right to erect on said premises and maintain machinery, and the right to install and lay pipe on said premises, necessary to the enjoyment of the leased property and the operation of the business of mining, and Lessee shall have the right to remove, before expiration of this lease, any machinery and equipment so installed by it, with the exception of buildings, electric lighting wire and fixtures, and plumbing fixtures such as piping, sinks, commodes, bowls and bath tubs, if any, attached to said buildings or any of them by it, provided it has not breached this contract and is not in default hereunder at the time of removal as aforesaid, but a lien on all of Lessee's property on said premises at any time is hereby granted Lessor for any and all sums due Lessor on account of rent or any breach of this agreement at any time, and Lessee shall have the right to erect and construct buildings upon the leased property, which buildings, if so erected, shall become the property of Lessor upon erection of same, it being agreed by the parties hereto that Lessee shall not remove any building or buildings from the leased property at any time. It is further agreed that neither Lessee nor any assignees of Lessee shall use any borrowed, rented, or other machinery, equipment, furniture or fixtures except property of which such lessee or assignees is the owner, or except property in which Lessee or assignees has a substantial equity increasing in amount by payment of deferred installments of purchase money at regular intervals, and a violation of this covenant will authorize Lessor to terminate this agreement.

Lessee, and its assigns, does hereby covenant and agree to pay the rent in the amounts and at the times and in the manner stipulated herein.

Lessee agrees to return and pay all local, state and Federal Social Security, Income, unemployment, franchise, and other taxes which it is obligated by law to return and pay, promptly when due, and furnish Lessor with proof thereof upon request. Lessor will return and pay taxes she is obligated by law to return and pay, and will furnish Lessee with proof thereof on request.

This contract is made under and pursuant to the laws of the State of Georgia, and shall be construed as a Georgia contract.

Lessee agrees to indemnify and save harmless Lessor against loss or damage to any person, firm or corporation arising out of the operation of the business

of the Lessee upon the leased property, or on account of the negligence of Lessee, its agents, servants, successors and assigns.

Upon the termination hereof, for any cause whatever, Lessee covenants and agrees to execute such quit-claim to the leased premises as Lessor, at her expense, shall require.

It is expressly agreed that terms "Lessor" and "Lessee" shall mean the parties hereto and their heirs, personal representatives, successors and assigns of each of them, and the singular shall include the plural where reference is made to the parties, and the present shall include the past and future, unless the context indicates otherwise, and the masculine shall include the feminine and neuter genders, unless the context indicates otherwise.

This agreement is executed in duplicate and each copy shall be deemed original evidence of its contents in any court.

This lease shall not take effect till it shall have been executed and delivered to each of the parties by the other, and the first six months' rent shall have been paid by Lessee and received by Lessor, but rent is to commence and accrue from August 1st, 1945.

Notwithstanding any other provision in this lease, the Lessee herein shall have the right at any time it is not in default in the payment of rentals due hereunder, to give Lessor Twenty-four (24) months notice in writing of Lessee's desire to terminate this lease, and this lease shall terminate Twenty-four (24) months from such written notice. Nothing in this paragraph, however, shall be construed at any time to deny in any respect the right of Lessor to terminate this lease for any breach of any of its terms and provisions by Lessee or any assignee hereof.

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

CALHOUN MINES, INC.

By: (Signed) J. C. Abott, Pres.
Its President (CORPORATE SEAL)

By: (Signed) H. H. Keller
Its Secretary and Treasurer

(Signed) Ella M. Carmichael
Mrs. Ella M. Carmichael

Signed, sealed and delivered
in the presence of:

E. M. Daugherty, Witness
Ida L. Moore, Witness

G. W. Daugherty Sept. 21, 1945
Notary Public, State of Kansas, County of Grant

(NOTARIAL SEAL)

STATE OF GEORGIA,
COUNTY OF FULTON.

THIS AGREEMENT made this 31st day of March, 1949 by and between ELLA M. CARMICHAEL of East Point, Fulton County, Georgia, and hereinafter called "lessor" and CALHOUN MINES, INC., a Delaware corporation, of Laurel, Delaware, and hereinafter called "lessee."

W I T N E S S E T H:

That for and in consideration of the mutual convenants and agreements herein set forth the parties hereto have and do hereby mutually covenant and agree as follows:

1. The timber lease heretofore granted Five Counties Lumber Company by lessor has expired and is of no force or effect.

2. Lessee shall have the right to use only on lessor's lands described in the mineral lease from lessor to lessee dated August 1, 1945 such standing timber only as lessee may need for lessee's mining purposes only on said lands, including the right to fell, saw, work and otherwise cut and employ such timber; provided, that none of said timber shall be used for fuel purposes except limbs, tops, scrap and timber originally cut for some other bona fide purposes; provided, further, that lessee shall exercise economy in the exercise of its right to use lessor's standing timber under this amendment.

3. Lessee shall pay lessor for the right to use said standing timber as above stipulated an annual rental of $100.00 on the second day of February in each year except for the year 1949. For said 1949 lessee shall pay lessor on execution of this amendment the sum of $100.00 for said timber rights above mentioned. Said annual rental of $100.00 for said timber rights shall continue during the remainder of the term of said mineral lease.

4. None of said timber shall be sold or removed from lessor's lands mentioned in said mineral lease, nor shall any wood or lumber cut therefrom be removed from said premises for any purpose except that such timber as lessee shall need to process into lumber and boards may be carried away to be processed and returned to lessor's premises.

5. Lessee shall have the right to remove any buildings hereafter erected by lessee on lessor's lands mentioned in said mineral lease if none of the materials used in construction of such buildings is obtained from lessor's lands.

6. The size 10 stamp mill erected by lessee on said lands of lessor and now located on said lands shall not be removed therefrom, but shall remain on said premises on expiration of said lease.

7. Lessee shall have the right to borrow or rent and use borrowed or rented machinery and equipment which it cannot otherwise obtain, and if rented or borrowed machinery or equipment is used on said premises under permission herein granted lessee shall have the right to remove said borrowed or rented machinery and equipment.

8. If rented or borrowed machinery or equipment is used by lessee on said premises it shall be only on condition that lessee give lessor notice in writing of the nature, amount and location of such rented or borrowed machinery and equipment within 30 days from the day the same is installed on lessor's

premises, and before the same may be removed from lessor's premises lessee shall give lessor five days' written notice of the time, nature and amount of the rented or borrowed machinery and equipment lessee intends to remove from said premises.

9. Except as modified above said mineral lease of August 1, 1945 under which said lessee has heretofore operated remains of full force and effect, it being the intent of the parties to said mineral lease and this amendment thereof to amend said mineral lease by this amendment to the extent herein expressly provided and no further.

IN WITNESS WHEREOF each of the parties hereto have hereunto set their hands and seals the day and year first above written.

Sworn and subscribed before me this 6th day April A.D. 1949

(Signed) Marshall Pussey, N. P.
Commission expires 11-27-50

(NOTARIAL SEAL)

Signed, sealed and delivered in the presence of:

(Signed) Ezra E. Phillips

Mrs. A. E. Booser (Signed)
Notary Public, DeKalb Co., Ga.
as to Mrs. Carmichael
(NOTARIAL SEAL)

Signed, Sealed and delivered in the presence of:

(Signed) Grace M. Toadvine

(Signed) Marshall Pussey N. P.

Commission expires 11-27-50

(NOTARIAL SEAL)

(Signed) Mrs. Ella M. Carmichael (SEAL)
Lessor

CALHOUN MINES, INC.

By (Signed) J. C. Abbott (SEAL)
As Its President

ATTESTED BY:

(Signed) H. H. Keller
As Its Secretary

STATE OF GEORGIA,
COUNTY OF FULTON.

THIS AGREEMENT made this first day of September, 1949 by and between ELLA M. CARMICHAEL of East Point, Fulton County, Georgia, and hereinafter called "lessor," and CALHOUN MINES, INC., a Delaware Corporation, of Laurel, Delaware, and hereinafter called "lessee,"

W I T N E S S E T H:

That for and in consideration of the mutual convenants and agreements herein set forth the parties hereto have and do hereby mutually covenant and agree as follows:

1. The mineral lease heretofore executed by lessor to lessee on August 1, 1945 as amended by a modification agreement dated March 31, 1949 is hereby further amended as follows:

In consideration of a royalty of five per cent (5%) of the gross receipts or proceeds from any sale of any mineral or minerals obtained by lessee from lessor's property described in said lease agreement of August 1, 1945 by virtue of this amendment of said lease (meaning minerals other than gold, silver, coal, oil and gas) said lessor hereby agrees that if, in addition to silver and gold, lessee discovers, in the course of its mining operations on said property described in said lease of August 1, 1945 any other mineral or minerals in what lessee deems economic or commercially profitable quantities, except gold, silver, coal, oil and gas, lessee shall have the right to prospect, mine, save and sell such mineral or minerals, or any of them other than gold, silver, coal, oil and gas, at such time or times as lessee may deem feasible or desirable prior to the expiration of said mineral lease made August 1, 1945.

Said royalty payments shall be made within ten (10) days after the expiration of any quarter year period in which a sale or sales of such mineral or minerals obtained by lessee under this amendment is made, and in the same manner at the same place as payments on rent under said original lease.

With each royalty payment lessor shall be furnished by lessee with a quarterly itemized statement clearly setting forth what minerals have been obtained from lessor's property by lessee under this amendment, and the amount thereof, with the date of all sales and the names of all persons, firms or corporations to whom such sales are made, with the price at which sales are made. Said quarterly statements shall be furnished whether sales were made or not, and if none were made this fact shall be stated.

Quarter years mentioned in this amendment shall be reckoned from the first days of August, November, February and May of each year.

Except as modified above said mineral lease of August 1, 1945 under which said lessee has heretofore operated remains of full force and effect as amended March 31, 1949, it being the intent of the parties hereto that said mineral lease as heretofore amended is hereby amended to the extent herein expressly provided and no further.

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

(Signed) Mrs. Ella M. Carmichael (SEAL)
Lessor

Signed, sealed and delivered
by Lessor in the presence of:

(Signed) Irma Carmichael

Ezra E. Phillips
Notary Public, Fulton County, Ga.

(CORPORATE SEAL, CALHOUN MINES, INC.)

CALHOUN MINES, INC.

BY (Signed) John E. Kelly (SEAL)
As Its President

and

BY (Signed) Marvel L. Lynch
As Its Treasurer

Lessor

Signed, sealed and delivered
by Calhoun Mines, Inc. in the
presence of:

(Signed) Harley Tice

(Signed) E. Harold Cordrey
Notary Public, State of Delaware

(NOTARIAL SEAL)

Sheet No. 2, Accompanying Form MF-103, submitted by CALHOUN MINES, INC.

Data in Answer to Question 8.

CURRENT FINANCIAL STATEMENT*

		Amount	Total
	A S S E T S		
1.	Cash		$ 146.27
2.	Notes and Accounts Receivable	$ 1,200.00	
	Less: reserve for bad debts		1,200.00
3.	Inventories (Ore in sight and probable ore not included)		
4.	Investment in Government obligations		
5.	Other Investments		
6.	Capital Assets		
	Depreciable Assets: machinery and equipment	$13,091.40	
	auto and truck	1,600.00	
	furniture and fixtures	282.17	
	Total depreciable assets	$14,973.57	
	Less: Reserve for depreciation	12,814.23	2,159.34
	Depletable assets (Ore in sight and probable are not included)		
	Land (leased)		
7.	Other Assets: Organization expense	$ 1,810.00	
	Mine development expense	95,432.39	
	Stock dividend	10,492.00	107,734.39
8.	Total assets		$111,240.00
	L I A B I L I T I E S		
9.	Accounts payable		
10.	Bonds, notes and mortgages payable		
11.	Accrued expenses		
12.	Other liabilities		
13.	Surplus reserves		
14.	Capital stock, Dec. 31, 1950		$111,240.00
15.	Paid in or capital surplus		
16.	Earned surplus and undivided profits		
17.	Total liabilities * (Dec. 31, 1950)		$111.240.00

Sheet No. 5, Accompanying Form MF-103, submitted by Calhoun Mines, Inc.

Question:

10. (a) and (b) Description from lease: (See also property map herewith)

" . . . Lot 164 known as the Calhoun and Lot 165 known as the Dungan, and Lessor's 40 acres of Lot 168 known as The Langston Fraction, and 2½ acres in Lot 1192 and 5½ acres in Lot 1191 and 18/100 of an acre in Lot 1193, of Lumpkin County, Georgia, containing 487 acres, more or less. . . ."

Lot 164, containing the mine workings where the gunsten indications have been found, consists of 239 acres.

15. Gunsten ore could be milled and concentrated in a mill built for that site on the property. Concentrates, or picked ore if desired, can be shipped by truck to the Southern Railway at Gainesville, a distance of 18 miles.

20. Exploration by drilling will be conducted to locate tungsten orebody believed to exist at depth near head of Abbott Tunnel on Lot 164 of the Calhoun leasehold.

21. The exploration will consist of a series of drill holes. At first these will radiate from a station cut at the head of the Abbott Tunnel. If an orebody is located thereby, subsequent holes may be started from the surface if desirable, to delinate the ore. Dependent upon the time required for the contractor to start work, the exploration should be completed within nine to twelve months, perhaps in six months. The general geology of the area (leasehold) is similar to that in which tungsten orebodies have been found elsewhere in the Appalachian uplift.

Maximum amount of drilling contemplated under this application: 2,000 feet. This comprises five 200-foot holes and two 500-foot holes.

23. The test drilling will be done by contractors. The State Geologist of Georgia (see attached letter) and engineers presently supervising such drilling concur in estimating contract price at $5.00 per foot.

(a)	Labor, except as stated below, will comprise two drilling crews (one per shift of eight hours). Not possible to segregate cost thereof, as this is included in contractor's charge. Contracted: 2,000 feet of drilling at $5.00/ft. .	$10,000.00
(b)	Local labor, handling, storing, shipping cores, etc. (9 months)	2,000.00
(b)	Supervisors, expense only, no salaries charged	1,500.00
(c)	Repairs to existing facilities	1,000.00
(d)	Water tank for contractor	150.00
(e)	400 feet of 2" pipe, small pump for water tank	250.00
(f)	Not contemplated	
(g)	Applicant will make no charge for use of its equipment by contractor	
(h)	Tools, etc.	100.00
(i)	Gasoline (50 gal. daily @ .32 gal. delivered, for power), etc.	5,000.00
	Total above	$20,000.00

Sheet No. 4, Accompanying Form MF-103, submitted by CALHOUN MINES, INC.

Question:

24. Time schedule of expenditure - nine months program.

First two months - preparation and commencement of drilling (lettered as above)

(a)	Contractors	$1,500.00
(b)	Local labor	600.00
(b)	Supervisor's expense	600.00
(c)	Repairs	1,000.00
(d)	Water tank	150.00
(e)	Pipe and pump	250.00
(h)	Tools	100.00
(i)	Gasoline, etc.	800.00
		$5,000.00

In the first two months, after completion of preparations, it is assumed that 250 feet of core drilling will be done.

In each of the remaining seven months, it is assumed that an average of 250 feet of drilling will be completed and the average monthly cost will be $2,143.00.

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA FOR USE UNDER THE DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. Dma-1182 X

Date received 5/16/51

CALHOUN MINES, INC.
Harvel L. Lynch, President
P. O. Box 190
Laurel, Delaware

Name and address of applicant

Date May 10, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124–A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☒ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Harvel L. Lynch, Laurel, Del.	Pres. D	None		21,550	None		
J. C. Abbott, Laurel, Del.	V. Pres. D	None		17,812	None		
W. R. Collins, Seaford, Del.	V. Pres. D	None		17,225	None		
J. R. Eddington, Salisbury, Md.	D	None		15,805	None		
William H. Parsons, Seaford, Del.	D	None		18,160	None		
W. H. Hopkins, Laurel, Del.	Secy. & Treas. D	None		6,500	None		
H. H. Heller, Laurel, Del.	D	None		2,720	None		
W. H. Phillips, Laurel, Del.	D	None		3,450	None		
A. J. Littleton, Laurel, Del.	D	None		6,655	None		
	Total	None	x x x x x	109,677	None	x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$ 300,000	$ 147,740	$ 1.00	147,740	None
Preferred stock	$ None	$ None	$ —	None	—

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	Property is in development. Over $100,000 spent in driving tunnels and other work.				
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)	Silver, gold, oz.	13 oz. 76 oz.	From development only		Not in production.

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. For gold production, when feasible, minimum 50 tons daily, maximum 200 tons daily.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves. See general statement herewith. Ore reserves are in gold zone, whereas this application applies to tungsten showing only.

Please see answer to Question 7 (c) herein.

16-63792-1

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved) ore gold-silver	250	[illegible] - 40/ton	(Submitted for general interest only as this is not the ore for which application is made.)		
Indicated (probable) gold-silver	3,000	[illegible] - 40/ton			

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

CA[illegible] (Name of company) By M L Lynch (Signature of authorized official)

May 14, 1951 (Date) President (Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

Sheet No. 1, Accompanying Form MF-100, submitted by CALHOUN MINES, INC.

Data in Answer to Questions.

General Preliminary Statement

Calhoun Mines, Inc., a Delaware corporation, has spent in excess of $100,000 in developing an old gold producer known as the Calhoun Mine, near Dahlonega, Lumpkin County, Georgia. The purpose of the developer (Calhoun Mines, Inc.) has been to prepare this property for renewed gold production. In the course of driving a tunnel under the old workings, evidences of tungsten have been shown by Mineralite examination. These have been checked by Captain Garland Peyton, State Geologist of Georgia, who considers them worthy of exploration by test drilling. The purpose of this application is to obtain such testing for tungsten ore bodies. Under the above circumstances the bulk of the applicant's data relates to gold development. In reply to inquiry directed to Defense Minerals Administration as to whether, in applying for funds to explore for tungsten, all of the gold data need be presented, the applicant was informed by telephone by Mr. Ballard of the office of Mr. F. R. Bradley of DMA, that it would be satisfactory to summarize the gold data. Mr. Ballard's suggestion has been followed herein.

Believing that the geologic conditions, analagous generally to those of tungsten-bearing lodes elsewhere in the Appalachians, are worthy of examination in the defense effort, Calhoun Mines, Inc., makes application for Aid for an Exploration Project. Any of the following methods of exploration and testing will be satisfactory to Calhoun Mines, Inc.

(a) The joint funds (Government contribution plus applicant's investment) to be spent by Calhoun Mines;

(b) the work, to the total amount of the joint funds, to be performed by the U. S. Bureau of Mines, in consultation with Calhoun Mines, Inc.;

(c) a similar arrangement with the Georgia State Division of Mines, Mining & Geology instead of the U. S. Bureau of Mines;

(d) the work to be done, to the amount of the joint funds, by a private company presently operating tungsten properties, subject to a satisfactory agreement between Calhoun Mines, Inc. and such company.

- - -

1. Materials Produced:

(a) The mine is in development. The primary purpose was to mine gold with accompanying (15% to 25%) silver.

(b) As stated above, the discovery of evidences of tungsten and the shortage of this ore for the defense effort, motivate this application. If tungsten ores in sufficient quantities are found by the test drilling contemplated, tungsten would become the principal item of production; gold, the by-product.

Sheet No. 2, Accompanying Form MF-100, submitted by CALHOUN MINES, INC.

2. Underground mining.

Property has been known as the Calhoun Mine since gold was discovered thereon in 1828. Originally the deposits were worked by surface pits. Old workings, not in use or inaccessible today, are omitted from the following:

(a) Shafts: 60 to 80 feet;
(b) Drifts and crosscuts: 200 to 500 feet;
(c) Tunnels or adits: 735 feet;
(d) Linear feet of other mine openings (not probably of interest in the proposed drilling for tungsten and omitting open pits): 400 to 500 feet.

Mine is not flooded and makes almost no water. Workings occupy a ridge overlooking the Chestatee River, which flows through the leasehold.

Size of productive capacity (as planned for gold): Minimum, 50 tons; maximum, 200 tons daily.

3. The Calhoun Mine is 2.5 miles south of Dahlonega, county seat of Lumpkin County, Georgia. Dahlonega is the site of the North Georgia College, with map-making and research facilities and several faculty members expert in local geology and mineral resources. Dahlonega is approximately 70 miles north of Atlanta and lies in the southern extremity of the Appalachians. Prior to the discovery of gold in California, Dahlonega was the principal source of domestic gold and a U. S. Mint operated from 1837 until closed by the outbreak of the Civil War. The nearest rail shipping point is Gainesville, Hall County, Georgia, 18 miles southeast of the mine by a new hard-surfaced highway. Mining districts, townships and ranges are not used in Georgia.

4. (a) The property is not presently in operation, pending erection of a new mill to replace the present 10-stamp mill which loses too much of the values. Property is leased to Calhoun Mines, Inc., the applicant hereunder.

(b) Property is operated as lessee.

5. Calhoun Mines, Inc., commenced development of the old workings on August 1, 1945. Reference thereto occurs in several subsequent issues of the Minerals Yearbook. Gold production can be commenced on one week's notice. Tungsten development depends upon results of the drilling applied for hereunder.

6. Applicant has operated the property since August 1, 1945. Darrel L. Lynch, now President of Calhoun Mines, Inc., served as resident manager during the period 1945-50. Captain Garland Peyton, State Geologist of Georgia, a native of Dahlonega and formerly Professor of Mining & Geology at North Georgia College, and his staff, including mining engineers and geologists on loan from Tennessee Valley Authority, have kept in close touch with developments, mapping and assaying, consulting with the management. Their assistance and advice has been of the greatest value to the applicant. In February 1948 John E. Kelly, consultant in natural resources (see Who's Who in Commerce & Industry, Volume 6; Who's Who in the East, Volume 2) was retained as consulting engineer. Both of these associations continue.

Sheet No. 3, Accompanying Form MF-100, submitted by CALHOUN MINES, INC.

4. (a) The early history of the property is covered in Bulletin 4 of the Georgia Geological Survey, available upon request. Gold was discovered in Georgia in 1828 on the tract now leased by Calhoun Mines, Inc. Captain Garland Peyton, Georgia State Geologist, estimates production of gold to date in excess of $300,000. All of this came from shallow workings, none over 50 feet in depth (black powder proved ineffectual in shattering the rocks below the zone of surface oxidation). Some production was obtained from saprolite (eluvial) deposits and some from placer washing of gravels along the Chestatee River. The management estimates from study of the outcropping of the three known veins that not over 5% of the mineralized surface was ever worked.

The property was owned by John C. Calhoun (formerly Senator and Vice President of the United States) and his family from about 1830 until 1877. Thereafter it was acquired by the North Georgia College, which, having no way of working the property, leased it to operators. Two log dams in the Chestatee, erected for water and power purposes, having been carried away by freshets, the leases were abandoned. The property was the site of a high-grade strike in the early 40's. The operator became involved in a hit-run accident and was required to surrender his lease. New interests who formed Calhoun Mines, Inc., took over in 1945. They have devoted their time and funds to development and the gold production to date has been incidental thereto. The discovery of tungsten indications at the head of their 735-foot Abbott Tunnel, was made while driving under the old workings and main shaft.

(b) Dahlonega has been one of the principal American gold camps with a recorded output exceeding $18,000,000. Prior to the California discovery of 1847, over 15,000 men are said to have been employed in the diggings. The field is divided by the Chestatee River. North of the river, where the greater number of the old mines were located, sulphur proved a problem insuperable to amalgation. The sulphur appeared heavily just below the water table, at from 50 to 125 feet below the surface, and no shafts were driven below the latter depth. At that time no note was taken of other minerals intthe ore.

South of the Chestatee, where the Calhoun Mine is located, little to no sulphur has appeared at depths up to 300 feet, the greatest yet reached.

A report on the geology of the Dahlonega region appears in GOLD DEPOSITS OF THE SOUTHERN PIEDMONT, U. S. G. S. Professional Paper 213, 1948. The authors estimate that the mineralization may extend to 4,000 feet below the outcrops.

(c) In September, 1949, prior to the time at which the Abbott Tunnel had been driven to the point at which tungsten indications were discovered, a study of the ore was made by the El Paso Testing Laboratories. The study, having no reference to tungsten, is available upon request.

Also prior to the tungsten showing, a general report was made on the property by John E. Kelly in February 1948. This report is also available. Excerpts therefrom follow: (The tungsten indications occur in the so-called "Calhoun Mineralized Zone.")

"As to be expected in the extremity of a major uplift - the Blue Ridge - stress and repeated faulting characterise the Lumpkin County goldfield. Gold deposition is related to the granites which outcrop in massive form north of the town of Dahlonega and along Long Branch creek, two miles east of the Calhoun property. Elsewhere, altered schists and slates indicate the geologically recent intrusion of granite at depth. In the mineralized area as a whole, slates, quartzites, schists, volcanic flows and tufa are intricately interfolded with granitic members and gneisses.

"The region has been elevated during the period of formation of the Appalachian mountain chain, deeply eroded, locally raised again at almost right angles to the strike of the Appalachians and profusely faulted.

"The western part of the Dahlonega region is marked by outcrops of quartzites, mica schist and slate, while east of the town - including the Calhoun mine - slates derived from tuffs form the country rock. These predominant surface formations are separated in places by granite flows, elsewhere by granite and gneiss. Locally the tuff-slates are named "Carolina gneiss", an omnibus term embracing slaty schists of black and green-black shades, biotite mica, mica-gneiss, occasional garnet which seems to be a marker for gold-bearing formations, and some ottrelite and other silicates. 'Moan gneiss' comprises gabbros, hornblende, hornblende-gneiss, diorite and associated mica-schist.

"The strike of the formations is generally northeast. The subsequent faulting is generally parallel to the contact between the granite and the gneisses, particularly in the eastern part of the region, where Long Branch creek, flowing in a fault of the intrusive granite, strikes N. 40 E undeviating for miles. In the western part of the goldfield, some mineralization strikes northwest.

"Apart from placer deposits, gold in Dahlonega is found in or in close association with granite, or in adjoining altered schists and slates, indicating as stated earlier herein, the presence of underlying granitic magmas at relatively shallow depths. In the Calhoun property free milling gold occurs in quartz stringers and veins in Carolina gneiss, perceptibly silicified, and in association with sulphides of iron in a black slaty schist. In the oxidized zone, the country rock appears to carry little value, while gold has impregnated the country rock where depositions occurred in the slates, to a distance of several feet in both hanging and foot walls. In the opinion of Captain Peyton the quartz vein filling in the Calhoun vein was laid down in molten form and was not water-borne. The slate impregnation may be a later deposition.

"True veins in Lumpkin County are generally located in the granites. They range in size from minute fissures, sometimes carrying free gold in sheet form, to bodies exceeding a quarter mile in length and 12 to 20 feet wide. Mineralized zones, formed by replacement of the country rock in faults and shear zones, have indefinite boundaries, but are known several hundred feet in width and over a mile long. Slickenslides and gouges are frequent.

"The Calhoun enrichment, as presently known, consists of one true vein, the Peachtree, and two mineralized zones. The zones contain a large number

of interlacing veins and stringers, remarkably persistent, even in very thin members. Formerly, mineralized zones were called 'stringer leads' or 'belts' in Dahlonega; now formations of all lode types are 'veins'. Quartz is the dominant material in the shallower veins, with pyrites added at depth. Gossan cappings and iron stains are recognized locally as indications of underlying oreshoots. Both iron and sulphur occur in what are said to be commercial quantities in gold mines of western Lumpkin County, but development has shown to date only traces in Calhoun ores. Silver is recovered at the rate of one ounce per four ounces of gold, as shown by Calhoun Mines mint returns. This relates to free milling ore only, as the sulphides cannot be handled by the 10-stamp mill now on the premises.

"Massive white quartz, when present as a vein filler in the Calhoun mineralized zone, often tends to be barren, but the sides of such veins and stringers of white quartz show values, including visible gold. Remarkable specimens of 'picture rock', assaying thousands of dollars per ton (but not included herein as unrepresentative of the mineralization as a whole) frequently are composed of 'rotten quartz', with a honeycomb structure from which iron or silica has been leached by descending surface waters. Some of the visible gold of such specimens may be secondary enrichment and much later in deposition, geologically, than the balance of the values. The principal tonnage of rich ore has been found in a fine-grained blue-gray quartz, sometimes greenish, occurring alongside the white variety.

"In the Calhoun mineralized zone at the present working one vein is a foot in diameter, several from four to six inches, while the greater values are carried in two-inch stringers - interlacing with one another at frequent intervals. As in all eastern ores, the values are pockety, but even between oreshoots stringers yield from $10 to $15 per ton, enough to pay costs of drifting between points of high mineralization. Pockets are strung on the stringers like peas on a thread. Calhoun Mines are presently working two high grade zones, one each in free milling and sulphide ores respectively, but to local miners, neither is a pocket, which in Dahlonega usage is largely picture rock.

"Ore shoots are usually lenticular in all dimensions, and range from hat-size pockets of 'picture rock' to widths of 100 feet by several times that distance in depth and strike. Their size is customarily in inverse ratio to their unit gold content.

"The gold-bearing formations of Lumpkin County are about eight miles wide as they strike northeast thru Dahlonega. The Calhoun Mine lies near the eastern edge of the enrichment. A contact of Hown and Carolina gneiss passes thru the southeastern corner of Lot #164.

"The three lode formations of commercial importance on this property are well known. The Peachtree Vein is of standard type, with tabular form and well defined walls. The country rock is schistose. The Peachtree dips about 30 degrees Southeast, varying in width from six inches to over three feet. The strike is about N. 35 E. It has been traced for a distance of over two miles from the Turkey Hill Mine, adjoining to the south, to a site on the right bank of the Chestatee River at the mouth of Yahoola

Creek. It has not been worked or prospected by Calhoun Mines, Inc. The Peachtree is said to have produced much gold on the Turkey Hill property, while at Yaheola Creek a sidehill working is reputed to have yielded over $50,000 from a small tonnage of ore. On Lot #164, south of the present workings, between an unnamed creek and the Turkey Hill property line, an old tunnel extends for some 500 feet, cut in the soft free-milling ore of the vein. The ore was milled in a small stamp mill erected where the tunnel debouches on the creek side. Several other sites exist on the Calhoun and Dangan (#165) lots where mining done in the last century can still be seen. All of these were shallow without exception.

"The Calhoun Vein is a mineralized zone, striking N. 55 E. It has not been found south of the point of its original discovery, about 1830, on a high nose close to the Turkey Hill property line, as shown on the maps herewith. This point has produced the greatest amount of gold from the property and the efforts of Calhoun Mines, Inc., are centered here. Northward the Calhoun zone has been traced to an outcrop southeast of the Chestatee Bridge on the Middle Gainesville Road, a distance of about one mile, but apparently not worked nor prospected. In the old records the Calhoun mineralized zone is known as the "Lawrence Stringer Lead", for its discoverer. The zone varies in width from 100 to 200 feet, narrowing as it approaches the river.

"W. C. Purcron, Assistant State Geologist, Georgia, and Kelton H. Teague, Assistant Geologist, Tennessee Valley Authority, on loan to the State of Georgia, visited the Calhoun Mine on March 13, 1947, and examined a vein showing in the Calhoun mineralized zone. The following is quoted from their notes:

> "'The Calhoun vein here exposed about 14 feet below "Y" (see Plan of Calhoun Mine, by David Passmore, herewith) consists of white quartz 4 to 8 inches thick. The country rock dips 40 degrees southeast and strikes N. 36 degrees E. The vein dips 74 degrees southeast and strikes with the country rock; altho it maintains the strike of the country rocks, it cuts the country rocks locally. The vein has all the aspects of a "fissure vein", or, better, of a strong crosscutting vein which has forced its way up thru the schist encountering considerable opposition. For this reason it shows a tendency to alternate thickening and thinning. Free gold is visible in the vein. A small amount of pyrite tends to occur locally as films in cracks in the quartz. The free gold also tends to occur along minute cracks, thus exposed particles tend to occur as small strings. The gold and pyrite show no especial relation to each other. We believe that the quartz vein was injected first, and that later solutions migrating up the dip deposited the gold in small fractures in the quartz. It is interesting to note that, altho at this point we are in the sulphide zone, the amount of sulphide is so small that the ore is essentially freemilling.'"

The first indications of tungsten in the head of the Abbott Tunnel were noted by the Mineralite in a slight seepage there encountered. Wet film on the broken face showed the tungsten band in the spectrum. Subsequently Captain

Peyton found ore showing the same reaction. It is the management's belief that a tungsten orebody may lie ahead or below the head of the tunnel and that the present heading has just reached the periphery of the tungsten zone. It is proposed to explore this showing by drilling from a station cut in the head of the tunnel.

Attached hereto is a property map of the Calhoun leasehold and a profile of the underground work on the Calhoun mineralized zone, as of 1947. The tungsten indications had not been reached at the time this latter map was prepared.

13. A new hard-surface highway, Dahlonega to Gainesville, Georgia (a town of 35,000 persons on the Southern Railway) borders the Calhoun leasehold. On the property, present roads are sufficient for mining. No access roads required.

14. The Chestatee River, a considerable all-year stream elsewhere furnishing mill power, runs thru the property and sufficient mine water can be readily withdrawn. Calhoun Mines employs a Jaeger 4" pressure pump to transport river water for operations.

15. A 25-HP Allis Chalmers motor-generator, gasoline fed, provides power for the mine. Additional mobile power units are available. Main transmission lines of the Georgia Power Company border the leasehold.

16. During a representative payroll period, two-shift development work (16 hours), 14 men were employed, as follows: four mill men, four miners, four muckers, one foreman, one manager.

17. Equipment and facilities available for use in testing tungsten showing: one jeep, one pick-up truck, one Jaeger air compressor #220, one Jaeger 4" pressure pump (needs repairs from flood wetting), one 25-HP Allis Chalmers motor-generator, gasoline fed, one 10-stamp mill, mine cars, air hammers, 2,200 feet 6" pipeline, 600 feet 2" pipe, air hose, etc., one utility building 15 x 20 (corrugated iron), two mill buildings, 15 x 45 and 20 x 60 respectively. Buildings in good condition. Mineralite.

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. Dma - 1182 X

Date received 5/16/51

Participation

CALHOUN MINES, INC.
Marvel L. Lynch, Pres.
P. O. Box 190
Laurel, Delaware

Name and address of applicant

Date May 10, 1951

FILL IN THIS BLOCK

Date of application May 10, 1951

Estimated cost $20,000.00

Mineral or metal Tungsten

Percentage of Government participation 75%

Location of mine Lumpkin County, Georgia

Date of filing MF-100 May 10, 1951

DMA Docket Number, if available Dma - 1182X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Delaware corporation.

*2. If a partnership, state names and addresses of partners. Tunnell & Tunnell, Georgetown, Del. (Counsel)

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. See MF-100 herewith.

*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.

*5. Are you the owner or the lessee of the property? Lessee

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. No encumbrances.

7. If lessee, attach a copy of the lease and state if it is in good standing. Lease in good standing; copy herewith.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract. None

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. Herewith

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? Prepared to invest $5,000.00, sufficient to meet applicant's part of project.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. Herewith. (a) and (b) are the same.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. see lease. Herewith;/

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any. Known as Calhoun Mines since 1828 discovery.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Tungsten
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. 9 to 12 months.
    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. See general statement herewith and accompanying letter of Georgia State Geologist. Also answer to 7(c) of MF-100.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

CALHOUN MINES, INC. (Name of company) — By M L Lynch (Signature of authorized official)

May 14, 1951 (Date) — President. (Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Sheet Number 1

Accompanying Form MF-103, submitted by Calhoun Mines, Inc.

Question 10 (a) and (b) CALHOUN MINE LEASES

GEORGIA,
FULTON COUNTY:

THIS AGREEMENT, made in duplicate this 1st day of August 1945, by and between ELLA M. CARMICHAEL, of East Point, Fulton County, Georgia, hereinafter called the Lessor, and CALHOUN MINES, INC., a Delaware Corporation, hereinafter called the Lessee.

W I T N E S S E T H:

That in consideration of One Dollar, to said Lessor paid by Lessee, receipt whereof is hereby acknowledged, and in consideration of the mutual covenants herein set forth, Lessor does hereby rent, lease and demise unto said Lessee, Lot 164 known as The Calhoun and Lot 165 known as the Dungan, and Lessor's 40 acres of Lot 168 known as The Langston Fraction, and 2-1/2 acres in Lot 1192 and 5-1/2 acres in Lot 1191 and 18/100 of an acre in Lot 1193, of Lumpkin County, Georgia, containing 487 acres, more or less, for a period of Ten (10) years from the effective date hereof, with the option and privilege to said Lessee to renew this lease not less than ninety (90) days before expiration hereof for a like term of Ten (10) years for the sum of Two Hundred ($200.00) Dollars per month for the first twelve months thereof, and Two Hundred and Fifty ($250.00) Dollars per month thereafter for the remainder of this lease, payable by said Lessee to said Lessor on the first day of each six months' period in advance, as hereinafter set forth, and upon the conditions, stipulations, and covenants herein. Said rental shall be payable six months in advance upon execution of this lease, and upon the expiration of said first six months, another six months' rent will be due and payable in advance, and so on each six months thereafter for the full term of this lease, so that rent shall be payable in advance, not on the first of each month, or monthly, but will be payable for a period of six months at a time in advance, at the expiration of each six months' period of this lease. Rent shall bear interest after its due date at 6% per annum.

The rent payable hereunder shall be paid by deposit thereof as above set forth to the credit of Lessor in the Bank of Fulton County of East Point, Georgia, or in such other bank or banks as Lessor may designate in writing hereafter, and Lessee shall instruct said bank or banks to forward duplicate deposit slips showing said deposits to Lessor every six months, but shall not be responsible for the bank or banks' failure or negligence in forwarding said duplicate deposit slips at any time hereafter.

Lessor reserves the right of ingress and egress over her property; and reserves the right to sell the property herein demised or any interest therein at any time hereafter, subject to this agreement; and reserves the farming, timber, and all other rights in, upon and over the leased premises, except as herein expressly granted.

Lessee shall have the sole and exclusive right and privilege during the term of this lease to mine and remove all gold and silver which may be located and found upon, and within the leased property; Lessee shall have the right to

use water appurtenant to the leased property and necessary to the proper operation and enjoyment thereof, which now is owned by Lessor, and shall have the right to build and construct a dam for the operation of said property as aforesaid, if it shall so desire; Lessee shall surrender said premises to Lessor without the necessity of legal process upon the termination hereof; Lessee shall have the right at any time hereafter to assign this lease and its interest herein to only such solvent person, firm or corporation as is financially able to keep and perform the covenants in this contract; Lessee shall have the right at any time to purchase for mining purposes any unsold timber he may desire upon payment to Lessor of the fair market value thereof, first being made to the satisfaction of the Lessor; Lessor reserves the right to sell all of her timber at any time. Lessee shall have the right to use all buildings erected on said properties by Lessor and now on the leased property, except any placed thereon by Five Counties Lumber Company or its assigns under a timber lease to which lease this mineral lease is hereby expressly made subject, and except Lessor's residence building on said properties, provided that it shall surrender same to Lessor at the expiration or termination of this agreement in as good condition as at the inception hereof, usual and natural wear and tear from weather and use excepted; Lessee shall have the right to erect on said premises and maintain machinery, and the right to install and lay pipe on said premises, necessary to the enjoyment of the leased property and the operation of the business of mining, and Lessee shall have the right to remove, before expiration of this lease, any machinery and equipment so installed by it, with the exception of buildings, electric lighting wire and fixtures, and plumbing fixtures such as piping, sinks, commodes, bowls and bath tubs, if any, attached to said buildings or any of them by it, provided it has not breached this contract and is not in default hereunder at the time of removal as aforesaid, but a lien on all of Lessee's property on said premises at any time is hereby granted Lessor for any and all sums due Lessor on account of rent or any breach of this agreement at any time, and Lessee shall have the right to erect and construct buildings upon the leased property, which buildings, if so erected, shall become the property of Lessor upon erection of same, it being agreed by the parties hereto that Lessee shall not remove any building or buildings from the leased property at any time. It is further agreed that neither Lessee nor any assignees of Lessee shall use any borrowed, rented, or other machinery, equipment, furniture or fixtures except property of which such lessee or assignees is the owner, or except property in which Lessee or assignees has a substantial equity increasing in amount by payment of deferred installments of purchase money at regular intervals, and a violation of this covenant will authorize Lessor to terminate this agreemen..

Lessee, and its assigns, does hereby covenant and agree to pay the rent in the amounts and at the times and in the manner stipulated herein.

Lessee agrees to return and pay all local, state and Federal Social Securit , Income, unemployment, franchise, and other taxes which it is obligated by law to return and pay, promptly when due, and furnish Lessor with proof thereof upon request. Lessor will return and pay taxes she is obligated by law to return and pay, and will furnish Lessee with proof thereof on request.

This contract is made under and pursuant to the laws of the State of Georgia, and shall be construed as a Georgia contract.

Lessee agrees to indemnify and save harmless Lessor against loss or damage to any person, firm or corporation arising out of the operation of the business

of the Lessee upon the leased property, or on account of the negligence of Lessee, its agents, servants, successors and assigns.

Upon the termination hereof, for any cause whatever, Lessee covenants and agrees to execute such quit-claim to the leased premises as Lessor, at her expense, shall require.

It is expressly agreed that terms "Lessor" and "Lessee" shall mean the parties hereto and their heirs, personal representatives, successors and assigns of each of them, and the singular shall include the plural where reference is made to the parties, and the present shall include the past and future, unless the context indicates otherwise, and the masculine shall include the feminine and neuter genders, unless the context indicates otherwise.

This agreement is executed in duplicate and each copy shall be deemed original evidence of its contents in any court.

This lease shall not take effect till it shall have been executed and delivered to each of the parties by the other, and the first six months' rent shall have been paid by Lessee and received by Lessor, but rent is to commence and accrue from August 1st, 1945.

Notwithstanding any other provision in this lease, the Lessee herein shall have the right at any time it is not in default in the payment of rentals due hereunder, to give Lessor Twenty-four (24) months notice in writing of Lessee's desire to terminate this lease, and this lease shall terminate Twenty-four (24) months from such written notice. Nothing in this paragraph, however, shall be construed at any time to deny in any respect the right of Lessor to terminate this lease for any breach of any of its terms and provisions by Lessee or any assignee hereof.

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

CALHOUN MINES, INC.

By: (Signed) J. C. Abott, Pres.
Its President (CORPORATE SEAL)

By: (Signed) H. N. Keller
Its Secretary and Treasurer

(Signed) Ella M. Carmichael
Mrs. Ella M. Carmichael

Signed, sealed and delivered
in the presence of:

E. M. Daugherty, Witness
Ida L. Moore, Witness

G. W. Daugherty Sept. 21, 1945
Notary Public, State of Kansas, County of Grant

(NOTARIAL SEAL)

STATE OF GEORGIA,
COUNTY OF FULTON.

THIS AGREEMENT made this 31st day of March, 1949 by and between ELLA M. CARMICHAEL of East Point, Fulton County, Georgia, and hereinafter called "lessor" and CALHOUN MINES, INC., a Delaware corporation, of Laurel, Delaware, and hereinafter called "lessee."

W I T N E S S E T H:

That for and in consideration of the mutual convenants and agreements herein set forth the parties hereto have and do hereby mutually covenant and agree as follows:

1. The timber lease heretofore granted Five Counties Lumber Company by lessor has expired and is of no force or effect.

2. Lessee shall have the right to use only on lessor's lands described in the mineral lease from lessor to lessee dated August 1, 1945 such standing timber only as lessee may need for lessee's mining purposes only on said lands, including the right to fell, saw, work and otherwise cut and employ such timber; provided, that none of said timber shall be used for fuel purposes except limbs, tops, scrap and timber originally cut for some other bona fide purposes; provided, further, that lessee shall exercise economy in the exercise of its right to use lessor's standing timber under this amendment.

3. Lessee shall pay lessor for the right to use said standing timber as above stipulated an annual rental of $100.00 on the second day of February in each year except for the year 1949. For said 1949 lessee shall pay lessor on execution of this amendment the sum of $100.00 for said timber rights above mentioned. Said annual rental of $100.00 for said timber rights shall continue during the remainder of the term of said mineral lease.

4. None of said timber shall be sold or removed from lessor's lands mentioned in said mineral lease, nor shall any wood or lumber cut therefrom be removed from said premises for any purpose except that such timber as lessee shall need to process into lumber and boards may be carried away to be processed and returned to lessor's premises.

5. Lessee shall have the right to remove any buildings hereafter erected by lessee on lessor's lands mentioned in said mineral lease if none of the materials used in construction of such buildings is obtained from lessor's lands.

6. The size 10 stamp mill erected by lessee on said lands of lessor and now located on said lands shall not be removed therefrom, but shall remain on said premises on expiration of said lease.

7. Lessee shall have the right to borrow or rent and use borrowed or rented machinery and equipment which it cannot otherwise obtain, and if rented or borrowed machinery or equipment is used on said premises under permission herein granted lessee shall have the right to remove said borrowed or rented machinery and equipment.

8. If rented or borrowed machinery or equipment is used by lessee on said premises it shall be only on condition that lessee give lessor notice in writing of the nature, amount and location of such rented or borrowed machinery and equipment within 30 days from the day the same is installed on lessor's

premises, and before the same may be removed from lessor's premises lessee shall give lessor five days' written notice of the time, nature and amount of the rented or borrowed machinery and equipment lessee intends to remove from said premises.

9. Except as modified above said mineral lease of August 1, 1945 under which said lessee has heretofore operated remains of full force and effect, it being the intent of the parties to said mineral lease and this amendment thereof to amend said mineral lease by this amendment to the extent herein expressly provided and no further.

IN WITNESS WHEREOF each of the parties hereto have hereunto set their hands and seals the day and year first above written.

Sworn and subscribed before me this 6th day April A.D. 1949

(Signed) Marshall Pussey, N. P.
Commission expires 11-27-50

(NOTARIAL SEAL)

Signed, sealed and delivered in the presence of:

(Signed) Dara E. Phillips

Mrs. A. E. Boozer (Signed)
Notary Public, DeKalb Co., Ga.
as to Mrs. Carmichael
(NOTARIAL SEAL)

Signed, Sealed and delivered in the presence of:

(Signed) Grace H. Toadvine

(Signed) Marshall Pussey N. P.

Commission expires 11-27-50

(Signed) Mrs. Ella M. Carmichael (SEAL)
Lessor

CALHOUN MINES, INC.

By (Signed) J. C. Abbott (SEAL)
As Its President

ATTESTED BY:

(Signed) H. H. Keller
As Its Secretary

STATE OF GEORGIA,
COUNTY OF FULTON.

THIS AGREEMENT made this first day of September, 1949 by and between ELLA M. CARMICHAEL of East Point, Fulton County, Georgia, and hereinafter called "lessor," and CALHOUN MINES, INC., a Delaware Corporation, of Laurel, Delaware, and hereinafter called "lessee,"

W I T N E S S E T H:

That for and in consideration of the mutual convenants and agreements herein set forth the parties hereto have and do hereby mutually covenant and agree as follows:

1. The mineral lease heretofore executed by lessor to lessee on August 1, 1945 as amended by a modification agreement dated March 31, 1949 is hereby further amended as follows:

In consideration of a royalty of five per cent (5%) of the gross receipts or proceeds from any sale of any mineral or minerals obtained by lessee from lessor's property described in said lease agreement of August 1, 1945 by virtue of this amendment of said lease (meaning minerals other than gold, silver, coal, oil and gas) said lessor hereby agrees that if, in addition to silver and gold, lessee discovers, in the course of its mining operations on said property described in said lease of August 1, 1945 any other mineral or minerals in what lessee deems economic or commercially profitable quantities, except gold, silver, coal, oil and gas, lessee shall have the right to prospect, mine, save and sell such mineral or minerals, or any of them other than gold, silver, coal, oil and gas, at such time or times as lessee may deem feasible or desirable prior to the expiration of said mineral lease made August 1, 1945.

Said royalty payments shall be made within ten (10) days after the expiration of any quarter year period in which a sale or sales of such mineral or minerals obtained by lessee under this amendment is made, and in the same manner at the same place as payments on rent under said original lease.

With each royalty payment lessor shall be furnished by lessee with a quarterly itemized statement clearly setting forth what minerals have been obtained from lessor's property by lessee under this amendment, and the amount thereof, with the date of all sales and the names of all persons, firms or corporations to whom such sales are made, with the price at which sales are made. Said quarterly statements shall be furnished whether sales were made or not, and if none were made this fact shall be stated.

Quarter years mentioned in this amendment shall be reckoned from the first days of August, November, February and May of each year.

Except as modified above said mineral lease of August 1, 1945 under which said lessee has heretofore operated remains of full force and effect as amended March 31, 1949, it being the intent of the parties hereto that said mineral lease as heretofore amended is hereby amended to the extent herein expressly provided and no further.

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

(Signed) Mrs. Ella M. Carmichael (SEAL)
Lessor

Signed, sealed and delivered
by Lessor in the presence of:

(Signed) Irma Carmichael

Ezra E. Phillips
Notary Public, Fulton County, Ga.

(CORPORATE SEAL, CALHOUN MINES, INC.)

CALHOUN MINES, INC.

BY (Signed) John E. Kelly (SEAL)
As Its President

and

BY (Signed) Marvel L. Lynch
As Its Treasurer

Lessor

Signed, sealed and delivered
by Calhoun Mines, Inc. in the
presence of:

(Signed) Harley Tice

(Signed) W. Harold Cordrey
Notary Public, State of Delaware

(NOTARIAL SEAL)

Sheet No. 3, Accompanying Form MF-103, submitted by CALHOUN MINES, INC.

Data in Answer to Question 8.

CURRENT FINANCIAL STATEMENT*

		Amount	Total
	A S S E T S		
1.	Cash		$ 146.27
2.	Notes and Accounts Receivable	$ 1,200.00	
	Less: reserve for bad debts		1,200.00
3.	Inventories (Ore in sight and probable ore not included)		
4.	Investment in Government obligations		
5.	Other Investments		
6.	Capital Assets		
	Depreciable Assets: machinery and equipment	$13,091.40	
	auto and truck	1,600.00	
	furniture and fixtures	282.17	
	Total depreciable assets	$14,973.57	
	Less: Reserve for depreciation	12,814.23	2,159.34
	Depletable assets (Ore in sight and probable are not included)		
	Land (leased)		
7.	Other Assets: Organization expense	$ 1,810.00	
	Mine development expense	95,432.39	
	Stock dividend	10,492.00	107,734.39
8.	Total assets		$111,240.00
	L I A B I L I T I E S		
9.	Accounts payable		
10.	Bonds, notes and mortgages payable		
11.	Accrued expenses		
12.	Other liabilities		
13.	Surplus reserves		
14.	Capital stock, Dec. 31, 1950		$111,240.00
15.	Paid in or capital surplus		
16.	Earned surplus and undivided profits		
17.	Total liabilities * (Dec. 31, 1950)		$111.240.00

Sheet No. 3, Accompanying Form MF-103, submitted by Calhoun Mines, Inc.

Question:

10. (a) and (b) Description from lease: (See also property map herewith)

" . . . Lot 164 known as the Calhoun and Lot 165 known as the Dungan, and Lessor's 40 acres of Lot 168 known as The Langston Fraction, and 2½ acres in Lot 1192 and 5½ acres in Lot 1191 and 18/100 of an acre in Lot 1193, of Lumpkin County, Georgia, containing 487 acres, more or less. . . ."

Lot 164, containing the mine workings where the gunsten indications have been found, consists of 239 acres.

15. Gunsten ore could be milled and concentrated in a mill built for that site on the property. Concentrates, or picked ore if desired, can be shipped by truck to the Southern Railway at Gainesville, a distance of 18 miles.

20. Exploration by drilling will be conducted to locate tungsten orebody believed to exist at depth near head of Abbott Tunnel on Lot 164 of the Calhoun leasehold.

21. The exploration will consist of a series of drill holes. At first these will radiate from a station cut at the head of the Abbott Tunnel. If an orebody is located thereby, subsequent holes may be started from the surface if desirable, to delinate the ore. Dependent upon the time required for the contractor to start work, the exploration should be completed within nine to twelve months, perhaps in six months. The general geology of the area (leasehold) is similar to that in which tungsten orebodies have been found elsewhere in the Appalachian uplift.

Maximum amount of drilling contemplated under this application: 2,000 feet. This comprises five 200-foot holes and two 500-foot holes.

23. The test drilling will be done by contractors. The State Geologist of Georgia (see attached letter) and engineers presently supervising such drilling concur in estimating contract price at $5.00 per foot.

(a)	Labor, except as stated below, will comprise two drilling crews (one per shift of eight hours). Not possible to segregate cost thereof, as this is included in contractor's charge. Contracted: 2,000 feet of drilling at $5.00/ft. .	$10,000.00
(b)	Local labor, handling, storing, shipping cores, etc. (9 months)	2,000.00
(b)	Supervisors, expense only, no salaries charged	1,500.00
(c)	Repairs to existing facilities	1,000.00
(d)	Water tank for contractor	150.00
(e)	400 feet of 2" pipe, small pump for water tank	250.00
(f)	Not contemplated	
(g)	Applicant will make no charge for use of its equipment by contractor	
(h)	Tools, etc.	100.00
(i)	Gasoline (50 gal. daily @ .32 gal. delivered, for power), etc.	5,000.00
	Total above	$20,000.00

Sheet No. 4, Accompanying Form MF-103, submitted by CALHOUN MINES, INC.

Question:

24. Time schedule of expenditure - nine months program.

First two months - preparation and commencement of drilling (lettered as above)

(a)	Contracters	$1,500.00
(b)	Local labor	600.00
(b)	Supervisor's expense	600.00
(c)	Repairs	1,000.00
(d)	Water tank	150.00
(e)	Pipe and pump	250.00
(h)	Tools	100.00
(i)	Gasoline, etc.	800.00
		$5,000.00

In the first two months, after completion of preparations, it is assumed that 250 feet of core drilling will be done.

In each of the remaining seven months, it is assumed that an average of 250 feet of drilling will be completed and the average monthly cost will be $2,143.00.

Sheet No. 5, Accompanying Form MP-103, submitted by CALHOUN MINES, INC.

DEPARTMENT OF MINES, MINING AND GEOLOGY
State Division of Conservation
425 State Capitol
Atlanta 3, Georgia

May 4, 1951

Mr. John E. Kelly
316 Southern Bldg.
Washington 5, D. C.

Dear Mr. Kelly:

In compliance with your recent request, I am pleased to make the following statements in connection with the possible occurrence of tungsten in the Calhoun Mining Property south of Dahlonega, Lumpkin County, Georgia.

Our first information that tungsten mineral existed in the Calhoun mine at Dahlonega resulted from statements made by Mr. Allen L. Hearst sometime during the month of June, 1949. Mr. Hearst made an examination of the underground workings in the Calhoun Mine, including the 500-foot Abbott tunnel. Among other equipment utilized by Mr. Hearst during this examination was a portable short-wave ultraviolet lamp. As I recall it, Mr. Hearst made the statement somewhat to the effect that no matter how much gold ore might be found in that tunnel, there were other minerals and ores in the mine which probably would be worth much more in money value than the gold. Following his examinations and statements, as indicated herein, the undersigned accompanied Mr. Marvel Lynch, mine superintendent, to the mine south of Dahlonega, not more than two or three days following the examination of Mr. Hearst. We carried with us a fluorescent lamp, and used it in examining the tunnel throughout, from portal to face, and part way up the connecting raise to the upper workings. In the face of the tunnel fluorescent minerals were observed which gave the characteristic brilliant fluorescent colors yielded by certain tungsten ores. A chunk of this rock weighing approximately 10 pounds was removed from the face of the tunnel and brought to Atlanta. This ore continued to exhibit this characteristic tungsten fluorescence for many weeks following its transportation to Atlanta, and as long as we thought it necessary to keep it in the office. Finally, it was discarded along with other surplus rocks that we find it necessary to dispose of from time to time.

During the same trip of inspection referred to above, it was noted that brilliant fluorescence occurred in the muck pile which had accumulated at the foot of the raise which held the upper workings. It was our impression and the general understanding that this muck was broken somewhat higher up in the mine, and that it was allowed to fall or slide down the inclined raise until it reached the tunnel floor below where it would be available for mucking and removal from the mine. On examining these spots by punching into the surface of the ore pile with my fingers, I found that the brilliant fluorescence was produced by a precipitated deposit dropped down by mine waters which dripped from above. Apparently, each place where a drop occurred, some of this fluorescent material was found to have precipitated and left a slight coating of material which, when first observed, gave you the impression that there was a solid mass of this type material at the point where the lamp showed fluorescence. It was only after disturbing it that it was found to be something other than a solid chunk of the fluorescent material.

Judging from the foregoing, it would seem logical that secondary mineral was being produced probably by the leaching action of percolating mine waters in that part of the mine above the tunnel, and finally was being redeposited in the material in the Abbott tunnel. Also, a chunk of solid rock referred to above would seem to indicate the distribution to an unknown degree of this fluorescent material in at least a portion of the undisturbed hard schist rock constituting the wall rock or country rock found adjacent to the face and finally the veins of gold ore in that mine.

It would be my suggestion that five diamond drill holes not more than 200 feet in depth be drilled from the vicinity of the heading or end of the Abbott tunnel, in order to obtain an indication concerning the distribution of this fluorescent material in all directions on either side, straight ahead, or above and below the tunnel. According to our understanding, such drilling probably would cost on a contract basis for that much footage not less than $5.00 per foot, not counting supervision salaries of people other than the actual drilling contractor and his crew.

Those holes which would be directed so as to drill at an angle, above and horizontal, would if they should intersect fissures and such, give an indication as to just where rock containing this fluorescent mineral might be located, both in the cores and in the mine waters.

If the undersigned or other members of the staff of this department could perform any useful service in connection with prospecting of the sort outlined in this letter, we shall be only too glad to cooperate. There will, of course, be no charge to the government or the company for services of this type which we may be able to render.

Trusting that this is in line with your request, and with all good wishes, I am

Sincerely yours,

(Signed) Garland Peyton

Garland Peyton
Director

p/g

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA-1182X

Date received 5/16/51

Participation

CALHOUN MINES, INC.
Marvel L. Lynch, Pres.
P. O. Box 190
Laurel, Delaware

Name and address of applicant

Date May 10, 1951

FILL IN THIS BLOCK

Date of application May 10, 1951

Estimated cost $20,000.00

Mineral or metal Tungsten

Percentage of Government participation 75%

Location of mine Lumpkin County, Georgia

Date of filing MF-100 May 10, 1951

DMA Docket Number, if available DMA-1182X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 6 1952

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Delaware corporation.
*2. If a partnership, state names and addresses of partners. Tunnell & Tunnell, Georgetown, Del. (Counsel)
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. See MF-100 herewith.
*4. Describe the mining and general business experience of (a) the applicant, and (b) the person or persons who will manage the project. Lessee
*5. Are you the owner or the lessee of the property? No encumbrances.
6. If owner, state what claims, liens, or encumbrances, if any, are against the property. Lease in good standing; copy herewith.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances, lessors subordinating their interests in the property to the interest of the Government under the contract. herewith

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? $5,000.00, sufficient to meet applicant's part of project. Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. Herewith. (a) and (b) are the same. see lease.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. Herewith;/

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any. Known as Calhoun Mines since 1828 discovery.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Tungsten
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. 9 to 12 months.
    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. See general statement herewith and accompanying letter of Georgia State Geologist. Also answer to 7(c) of MF-100.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

CALHOUN MINES, INC. (Name of company) — By M L Lynch (Signature of authorized official)

May 14, 1951 (Date) — President. (Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Sheet Number 1

Accompanying Form MF-103, submitted by Calhoun Mines, Inc.

Question 10 (a) and (b) CALHOUN MINE LEASES

GEORGIE,
FULTON COUNTY:

THIS AGREEMENT, made in duplicate this 1st day of August 1945, by and between ELLA M. CARMICHAEL, of East Point, Fulton County, Georgia, hereinafter called the Lessor, and CALHOUN MINES, INC., a Delaware Corporation, hereinafter called the Lessee.

W I T N E S S E T H:

That in consideration of One Dollar, to said Lessor paid by Lessee, receipt whereof is hereby acknowledged, and in consideration of the mutual covenants herein set forth, Lessor does hereby rent, lease and demise unto said Lessee, Lot 164 known as The Calhoun and Lot 165 known as the Dungan, and Lessor's 40 acres of Lot 168 known as The Langston Fraction, and 2-1/2 acres in Lot 1192 and 5-1/2 acres in Lot 1191 and 18/100 of an acre in Lot 1193, of Lumpkin County, Georgia, containing 487 acres, more or less, for a period of Ten (10) years from the effective date hereof, with the option and privilege to said Lessee to renew this lease not less than ninety (90) days before expiration hereof for a like term of Ten (10) years for the sum of Two Hundred ($200.00) Dollars per month for the first twelve months thereof, and Two Hundred and Fifty ($250.00) Dollars per month thereafter for the remainder of this lease, payable by said Lessee to said Lessor on the first day of each six months' period in advance, as hereinafter set forth, and upon the conditions, stipulations, and covenants herein. Said rental shall be payable six months in advance upon execution of this lease, and upon the expiration of said first six months, another six months' rent will be due and payable in advance, and so on each six months thereafter for the full term of this lease, so that rent shall be payable in advance, not on the first of each month, or monthly, but will be payable for a period of six months at a time in advance, at the expiration of each six months' period of this lease. Rent shall bear interest after its due date at 6% per annum.

The rent payable hereunder shall be paid by deposit thereof as above set forth to the credit of Lessor in the Bank of Fulton County of East Point, Georgia, or in such other bank or banks as Lessor may designate in writing hereafter, and Lessee shall instruct said bank or banks to forward duplicate deposit slips showing said deposits to Lessor every six months, but shall not be responsible for the bank or banks' failure or negligence in forwarding said duplicate deposit slips at any time hereafter.

Lessor reserves the right of ingress and egress over her property; and reserves the right to sell the property herein demised or any interest therein at any time hereafter, subject to this agreement; and reserves the farming, timber, and all other rights in, upon and over the leased premises, except as herein expressly granted.

Lessee shall have the sole and exclusive right and privilege during the term of this lease to mine and remove all gold and silver which may be located and found upon, and within the leased property; Lessee shall have the right to

use water appurtenant to the leased property and necessary to the proper operation and enjoyment thereof, which now is owned by Lessor, and shall have the right to build and construct a dam for the operation of said property as aforesaid, if it shall so desire; Lessee shall surrender said premises to Lessor without the necessity of legal process upon the termination hereof; Lessee shall have the right at any time hereafter to assign this lease and its interest herein to only such solvent person, firm or corporation as is financially able to keep and perform the covenants in this contract; Lessee shall have the right at any time to purchase for mining purposes any uncut timber he may desire upon payment to Lessor of the fair market value thereof, first being made to the satisfaction of the Lessor; Lessor reserves the right to sell all of her timber at any time. Lessee shall have the right to use all buildings erected on said properties by Lessor and now on the leased property, except any placed thereon by Five Counties Lumber Company or its assigns under a timber lease to which lease this mineral lease is hereby expressly made subject, and except Lessor's residence building on said properties, provided that it shall surrender same to Lessor at the expiration or termination of this agreement in as good condition as at the inception hereof, usual and natural wear and tear from weather and use excepted; Lessee shall have the right to erect on said premises and maintain machinery, and the right to install and lay pipe on said premises, necessary to the enjoyment of the leased property and the operation of the business of mining, and Lessee shall have the right to remove, before expiration of this lease, any machinery and equipment so installed by it, with the exception of buildings, electric lighting wire and fixtures, and plumbing fixtures such as piping, sinks, commodes, bowls and bath tubs, if any, attached to said buildings or any of them by it, provided it has not breached this contract and is not in default hereunder at the time of removal as aforesaid, but a lien on all of Lessee's property on said premises at any time is hereby granted Lessor for any and all sums due Lessor on account of rent or any breach of this agreement at any time, and Lessee shall have the right to erect and construct buildings upon the leased property, which buildings, if so erected, shall become the property of Lessor upon erection of same, it being agreed by the parties hereto that Lessee shall not remove any building or buildings from the leased property at any time. It is further agreed that neither Lessee nor any assignees of Lessee shall use any borrowed, rented, or other machinery, equipment, furniture or fixtures except property of which such lessee or assignees is the owner, or except property in which Lessee or assignees has a substantial equity increasing in amount by payment of deferred installments of purchase money at regular intervals, and a violation of this covenant will authorize Lessor to terminate this agreement.

Lessee, and its assigns, does hereby covenant and agree to pay the rent in the amounts and at the times and in the manner stipulated herein.

Lessee agrees to return and pay all local, state and Federal Social Security, Income, unemployment, franchise, and other taxes which it is obligated by law to return and pay, promptly when due, and furnish Lessor with proof thereof upon request. Lessor will return and pay taxes she is obligated by law to return and pay, and will furnish Lessee with proof thereof on request.

This contract is made under and pursuant to the laws of the State of Georgia, and shall be construed as a Georgia contract.

Lessee agrees to indemnify and save harmless Lessor against loss or damage to any person, firm or corporation arising out of the operation of the business

of the Lessee upon the leased property, or on account of the negligence of Lessee, its agents, servants, successors and assigns.

Upon the termination hereof, for any cause whatever, Lessee covenants and agrees to execute such quit-claim to the leased premises as Lessor, at her expense, shall require.

It is expressly agreed that terms "Lessor" and "Lessee" shall mean the parties hereto and their heirs, personal representatives, successors and assigns of each of them, and the singular shall include the plural where reference is made to the parties, and the present shall include the past and future, unless the context indicates otherwise, and the masculine shall include the feminine and neuter genders, unless the context indicates otherwise.

This agreement is executed in duplicate and each copy shall be deemed original evidence of its contents in any court.

This lease shall not take effect till it shall have been executed and delivered to each of the parties by the other,and the first six months' rent shall have been paid by Lessee and received by Lessor,but rent is to commence and accrue from August 1st, 1945.

Notwithstanding any other provision in this lease, the Lessee herein shall have the right at any time it is not in default in the payment of rentals due hereunder, to give Lessor Twenty-four (24) months notice in writing of Lessee's desire to terminate this lease, and this lease shall terminate Twenty-four (24) months from such written notice. Nothing in this paragraph, however, shall be construed at any time to deny in any respect the right of Lessor to terminate this lease for any breach of any of its terms and provisions by Lessee or any assignee hereof.

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

CALHOUN MINES, INC.

By: (Signed) J. C. Abott, Pres.
Its President (CORPORATE SEAL)

By: (Signed) H. E. Keller
Its Secretary and Treasurer

(Signed) Ella M. Carmichael
Mrs. Ella M. Carmichael

Signed, sealed and delivered
in the presence of:

E. M. Daugherty, Witness
Ida L. Moore, Witness

G. W. Daugherty Sept. 21, 1945
Notary Public, State of Kansas, County of Grant

(NOTARIAL SEAL)

STATE OF GEORGIA,
COUNTY OF FULTON.

THIS AGREEMENT made this 31st day of March, 1949 by and between ELLA M. CARMICHAEL of East Point, Fulton County, Georgia, and hereinafter called "lessor" and CALHOUN MINES, INC., a Delaware corporation, of Laurel, Delaware, and hereinafter called "lessee."

W I T N E S S E T H:

That for and in consideration of the mutual convenants and agreements herein set forth the parties hereto have and do hereby mutually covenant and agree as follows:

1. The timber lease heretofore granted Five Counties Lumber Company by lessor has expired and is of no force or effect.

2. Lessee shall have the right to use only on lessor's lands described in the mineral lease from lessor to lessee dated August 1, 1945 such standing timber only as lessee may need for lessee's mining purposes only on said lands, including the right to fell, saw, work and otherwise cut and employ such timber; provided, that none of said timber shall be used for fuel purposes except limbs, tops, scrap and timber originally cut for some other bona fide purposes; provided, further, that lessee shall exercise economy in the exercise of its right to use lessor's standing timber under this amendment.

3. Lessee shall pay lessor for the right to use said standing timber as above stipulated an annual rental of $100.00 on the second day of February in each year except for the year 1949. For said 1949 lessee shall pay lessor on execution of this amendment the sum of $100.00 for said timber rights above mentioned. Said annual rental of $100.00 for said timber rights shall continue during the remainder of the term of said mineral lease.

4. None of said timber shall be sold or removed from lessor's lands mentioned in said mineral lease, nor shall any wood or lumber cut therefrom be removed from said premises for any purpose except that such timber as lessee shall need to process into lumber and boards may be carried away to be processed and returned to lessor's premises.

5. Lessee shall have the right to remove any buildings hereafter erected by lessee on lessor's lands mentioned in said mineral lease if none of the materials used in construction of such buildings is obtained from lessor's lands.

6. The size 10 stamp mill erected by lessee on said lands of lessor and now located on said lands shall not be removed therefrom, but shall remain on said premises on expiration of said lease.

7. Lessee shall have the right to borrow or rent and use borrowed or rented machinery and equipment which it cannot otherwise obtain, and if rented or borrowed machinery or equipment is used on said premises under permission herein granted lessee shall have the right to remove said borrowed or rented machinery and equipment.

8. If rented or borrowed machinery or equipment is used by lessee on said premises it shall be only on condition that lessee give lessor notice in writing of the nature, amount and location of such rented or borrowed machinery and equipment within 30 days from the day the same is installed on lessor's

premises, and before the same may be removed from lessor's premises lessee shall give lessor five days' written notice of the time, nature and amount of the rented or borrowed machinery and equipment lessee intends to remove from said premises.

9. Except as modified above said mineral lease of August 1, 1945 under which said lessee has heretofore operated remains of full force and effect, it being the intent of the parties to said mineral lease and this amendment thereof to amend said mineral lease by this amendment to the extent herein expressly provided and no further.

IN WITNESS WHEREOF each of the parties hereto have hereunto set their hands and seals the day and year first above written.

Sworn and subscribed before me this 6th day April A.D. 1949

(Signed) Marshall Pussey, N. P.
Commission expires 11-27-50

(NOTARIAL SEAL)

Signed, sealed and delivered in the presence of:

(Signed) Ezra E. Phillips

Mrs. A. E. Booser (Signed)
Notary Public, DeKalb Co., Ga.
as to Mrs. Carmichael
(NOTARIAL SEAL)

Signed, Sealed and delivered in the presence of:

(Signed) Grace M. Toadvine

(Signed) Marshall Pussey N. P.

Commission expires 11-27-50

(NOTARIAL SEAL)

(Signed) Mrs. Ella M. Carmichael (SEAL)
Lessor

CALHOUN MINES, INC.

By (Signed) J. C. Abbott (SEAL)
As Its President

ATTESTED BY:

(Signed) H. H. Keller
As Its Secretary

STATE OF GEORGIA,
COUNTY OF FULTON.

THIS AGREEMENT made this first day of September, 1949 by and between ELLA M. CARMICHAEL of East Point, Fulton County, Georgia, and hereinafter called "lessor," and CALHOUN MINES, INC., a Delaware Corporation, of Laurel, Delaware, and hereinafter called "lessee,"

W I T N E S S E T H:

That for and in consideration of the mutual convenants and agreements herein set forth the parties hereto have and do hereby mutually covenant and agree as follows:

1. The mineral lease heretofore executed by lessor to lessee on August 1, 1945 as amended by a modification agreement dated March 31, 1949 is hereby further amended as follows:

In consideration of a royalty of five per cent (5%) of the gross receipts or proceeds from any sale of any mineral or minerals obtained by lessee from lessor's property described in said lease agreement of August 1, 1945 by virtue of this amendment of said lease (meaning minerals other than gold, silver, coal, oil and gas) said lessor hereby agrees that if, in addition to silver and gold, lessee discovers, in the course of its mining operations on said property described in said lease of August 1, 1945 any other mineral or minerals in what lessee deems economic or commercially profitable quantities, except gold, silver, coal, oil and gas, lessee shall have the right to prospect, mine, save and sell such mineral or minerals, or any of them other than gold, silver, coal, oil and gas, at such time or times as lessee may deem feasible or desirable prior to the expiration of said mineral lease made August 1, 1945.

Said royalty payments shall be made within ten (10) days after the expiration of any quarter year period in which a sale or sales of such mineral or minerals obtained by lessee under this amendment is made, and in the same manner at the same place as payments on rent under said original lease.

With each royalty payment lessor shall be furnished by lessee with a quarterly itemised statement clearly setting forth what minerals have been obtained from lessor's property by lessee under this amendment, and the amount thereof, with the date of all sales and the names of all persons, firms or corporations to whom such sales are made, with the price at which sales are made. Said quarterly statements shall be furnished whether sales were made or not, and if none were made this fact shall be stated.

Quarter years mentioned in this amendment shall be reckoned from the first days of August, November, February and May of each year.

Except as modified above said mineral lease of August 1, 1945 under which said lessee has heretofore operated remains of full force and effect as amended March 31, 1949, it being the intent of the parties hereto that said mineral lease as heretofore amended is hereby amended to the extent herein expressly provided and no further.

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

(Signed) Mrs. Ella M. Carmichael (SEAL)
Lessor

Signed, sealed and delivered
by Lessor in the presence of:

(Signed) Irma Carmichael

Ezra E. Phillips
Notary Public, Fulton County, Ga.

(CORPORATE SEAL, CALHOUN MINES, INC.)

CALHOUN MINES, INC.

BY (Signed) John L. Kelly (SEAL)
As Its President

and

BY (Signed) Marvel L. Lynch
As Its Treasurer

Lessor

Signed, sealed and delivered
by Calhoun Mines, Inc. in the
presence of:

(Signed) Harley Tice

(Signed) B. Harold Cordrey
Notary Public, State of Delaware

(NOTARIAL SEAL)

Sheet No. 1 Accompanying Form MF-103, submitted by CALHOUN MINES, INC.

Data in Answer to Question 8.

CURRENT FINANCIAL STATEMENT*

		Amount	Total
A S S E T S			
1. Cash			$ 146.27
2. Notes and Accounts Receivable		$ 1,200.00	
Less: reserve for bad debts			1,200.00
3. Inventories (Ore in sight and probable ore not included)			
4. Investment in Government obligations			
5. Other Investments			
6. Capital Assets			
Depreciable Assets:	machinery and equipment	$13,091.40	
	auto and truck	1,600.00	
	furniture and fixtures	282.17	
Total depreciable assets		$14,973.57	
Less: Reserve for depreciation		12,814.23	2,159.34
Depletable assets (Ore in sight and probable are not included)			
Land (leased)			
7. Other Assets:	Organization expense	$ 1,810.00	
	Mine development expense	95,432.39	
	Stock dividend	10,492.00	107,734.39
8. Total assets			$111,240.00
L I A B I L I T I E S			
9. Accounts payable			
10. Bonds, notes and mortgages payable			
11. Accrued expenses			
12. Other liabilities			
13. Surplus reserves			
14. Capital stock, Dec. 31, 1950			$111,240.00
15. Paid in or capital surplus			
16. Earned surplus and undivided profits			
17. Total liabilities	* (Dec. 31, 1950)		$111,240.00

Sheet No. 3, Accompanying Form MF-103, submitted by Calhoun Mines, Inc.

Question:

10. (a) and (b) Description from lease: (See also property map herewith)

" . . . Lot 164 known as the Calhoun and Lot 165 known as the Dungan, and Lessor's 40 acres of Lot 168 known as The Langston Fraction, and 2½ acres in Lot 1192 and 5½ acres in Lot 1191 and 18/100 of an acre in Lot 1193, of Lumpkin County, Georgia, containing 487 acres, more or less. . . ."

Lot 164, containing the mine workings where the gunsten indications have been found, consists of 239 acres.

15. Gunsten ore could be milled and concentrated in a mill built for that site on the property. Concentrates, or picked ore if desired, can be shipped by truck to the Southern Railway at Gainesville, a distance of 18 miles.

20. Exploration by drilling will be conducted to locate tungsten orebody believed to exist at depth near head of Abbott Tunnel on Lot 164 of the Calhoun leasehold.

21. The exploration will consist of a series of drill holes. At first these will radiate from a station cut at the head of the Abbott Tunnel. If an orebody is located thereby, subsequent holes may be started from the surface if desirable, to delineate the ore. Dependent upon the time required for the contractor to start work, the exploration should be completed within nine to twelve months, perhaps in six months. The general geology of the area (leasehold) is similar to that in which tungsten orebodies have been found elsewhere in the Appalachian uplift.

Maximum amount of drilling contemplated under this application: 2,000 feet. This comprises five 200-foot holes and two 500-foot holes.

23. The test drilling will be done by contractors. The State Geologist of Georgia (see attached letter) and engineers presently supervising such drilling concur in estimating contract price at $5.00 per foot.

(a)	Labor, except as stated below, will comprise two drilling crews (one per shift of eight hours). Not possible to segregate cost thereof, as this is included in contractor's charge. Contracted: 2,000 feet of drilling at $5.00/ft. .	$10,000.00
(b)	Local labor, handling, storing, shipping cores, etc. (9 months)	2,000.00
(b)	Supervisors, expense only, no salaries charged	1,500.00
(c)	Repairs to existing facilities	1,000.00
(d)	Water tank for contractor	150.00
(e)	400 feet of 2" pipe, small pump for water tank	250.00
(f)	Not contemplated	
(g)	Applicant will make no charge for use of its equipment by contractor	
(h)	Tools, etc.	100.00
(i)	Gasoline (50 gal. daily @ .32 gal. delivered, for power), etc.	5,000.00
	Total above	$20,000.00

Sheet No. 4, [redacted]companying Form MF-103, submit[redacted] by CALHOUN MINES, INC.

Question:

24. Time schedule of expenditure - nine months program.

First two months - preparation and commencement of drilling (lettered as above)

(a)	Contractors	$1,500.00
(b)	Local labor	600.00
(b)	Supervisor's expense	800.00
(c)	Repairs	1,000.00
(d)	Water tank	150.00
(e)	Pipe and pump	250.00
(h)	Tools	100.00
(i)	Gasoline, etc.	800.00
		$5,000.00

In the first two months, after completion of preparations, it is assumed that 250 feet of core drilling will be done.

In each of the remaining seven months, it is assumed that an average of 250 feet of drilling will be completed and the average monthly cost will be $2,143.00.

Sheet No. 5, Accompanying Form MF-103, submitted by CALHOUN MINES, INC

DEPARTMENT OF MINES, MINING AND GEOLOGY
State Division of Conservation
425 State Capitol
Atlanta 3, Georgia

May 4, 1951

Mr. John E. Kelly
316 Southern Bldg.
Washington 5, D. C.

Dear Mr. Kelly:

In compliance with your recent request, I am pleased to make the following statements in connection with the possible occurrence of tungsten in the Calhoun Mining Property south of Dahlonega, Lumpkin County, Georgia.

Our first information that tungsten mineral existed in the Calhoun mine at Dahlonega resulted from statements made by Mr. Allen L. Hearst sometime during the month of June, 1949. Mr. Hearst made an examination of the underground workings in the Calhoun Mine, including the 500-foot Abbott tunnel. Among other equipment utilized by Mr. Hearst during this examination was a portable short-wave ultraviolet lamp. As I recall it, Mr. Hearst made the statement somewhat to the effect that no matter how much gold ore might be found in that tunnel, there were other minerals and ores in the mine which probably would be worth much more in money value than the gold. Following his examinations and statements, as indicated herein, the undersigned accompanied Mr. Marvel Lynch, mine superintendent, to the mine south of Dahlonega, not more than two or three days following the examination of Mr. Hearst. We carried with us a fluorescent lamp, and used it in examining the tunnel throughout, from portal to face, and part way up the connecting raise to the upper workings. In the face of the tunnel fluorescent minerals were observed which gave the characteristic brilliant fluorescent colors yielded by certain tungsten ores. A chunk of this rock weighing approximately 10 pounds was removed from the face of the tunnel and brought to Atlanta. This ore continued to exhibit this characteristic tungsten fluorescence for many weeks following its transportation to Atlanta, and as long as we thought it necessary to keep it in the office. Finally, it was discarded along with other surplus rocks that we find it necessary to dispose of from time to time.

During the same trip of inspection referred to above, it was noted that brilliant fluorescence occurred in the muck pile which had accumulated at the foot of the raise which held the upper workings. It was our impression and the general understanding that this muck was broken somewhat higher up in the mine, and that it was allowed to fall or slide down the inclined raise until it reached the tunnel floor below where it would be available for mucking and removal from the mine. On examining these spots by punching into the surface of the ore pile with my fingers, I found that the brilliant fluorescence was produced by a precipitated deposit dropped down by mine waters which dripped from above. Apparently, each place where a drop occurred, some of this fluorescent material was found to have precipitated and left a slight coating of material which, when first observed, gave you the impression that there was a solid mass of this type material at the point where the lamp showed fluorescence. It was only after disturbing it that it was found to be something other than a solid chunk of the fluorescent material.

Judging from the foregoing, it would seem logical that secondary mineral was being produced probably by the leaching action of percolating mine waters in that part of the mine above the tunnel, and finally was being redeposited in the material in the Abbott tunnel. Also, a chunk of solid rock referred to above would seem to indicate the distribution to an unknown degree of this fluorescent material in at least a portion of the undisturbed hard schist rock constituting the wall rock or country rock found adjacent to the face and finally the veins of gold ore in that mine.

It would be my suggestion that five diamond drill holes not more than 200 feet in depth be drilled from the vicinity of the heading or end of the Abbott tunnel, in order to obtain an indication concerning the distribution of this fluorescent material in all directions on either side, straight ahead, or above and below the tunnel. According to our understanding, such drilling probably would cost on a contract basis for that much footage not less than $5.00 per foot, not counting supervision salaries of people other than the actual drilling contractor and his crew.

Those holes which would be directed so as to drill at an angle, above and horizontal, would if they should intersect fissures and such, give an indication as to just where rock containing this fluorescent mineral might be located, both in the cores and in the mine waters.

If the undersigned or other members of the staff of this department could perform any useful service in connection with prospecting of the sort outlined in this letter, we shall be only too glad to cooperate. There will, of course, be no charge to the government or the company for services of this type which we may be able to render.

Trusting that this is in line with your request, and with all good wishes, I am

Sincerely yours,

(Signed) Garland Peyton

Garland Peyton
Director

p/s

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. Dma - 1182X

Date received 5/16/51

CALHOUN MINES, INC.
Marvel L. Lynch, President
P. O. Box 190
Laurel, Delaware

Name and address of applicant

Date May 10, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124-A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☒ Lessee.
   - ☐ Contractor.

   DEPARTMENT OF THE INTERIOR
   Defense Minerals Administration
   RECEIVED
   FEB 6 1952
5. Number of years in production .....

   If not in production or operation, estimated date when production will begin .....
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Marvel L. Lynch, Laurel, Del.	Pres. D	None		21,550	None		
J. C. Abbott, Laurel, Del.	V. Pres. D	None		17,812	None		
W. R. Collins, Seaford, Del.	V. Pres. D	None		17,225	None		
J. R. Eddington, Salisbury, Md.	D	None		15,805	None		
William H. Parsons, Seaford, Del.	D	None		18,160	None		
W. H. Hopkins, Laurel, Del.	Secy. & Treas. D	None		6,500	None		
H. H. Keller, Laurel, Del.	D	None		2,720	None		
W. H. Phillips, Laurel, Del.	D	None		3,450	None		
A. J. Littleton, Laurel, Del.	D	None		6,655	None		
	Total	None	x x x x x	109,877	None	x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$ 300,000	$ 147,740	$ 1.00	147,740	None
Preferred stock	$ None	$ None	$ ----	None	----

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	Property is in development. in driving tunnels and other			Over $100,000 spent work.	
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)	Silver, gold, oz.	13 oz. 76 oz.	From development only		Not in production.

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. For gold production, when feasible, minimum 50 tons daily, maximum 200 tons daily.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application with any available report on the geology and ore reserves. See general statement herewith. Ore reserves are in gold zone, whereas this application applies to tungsten showing only. Please see answer to Question 7 (c) herein.

16—63792-1

Please see answer to question 4 (a)

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved) ore gold-silver	250	$20 - 40/ton	(Submitted for general interest only as this is not the ore for which application is made.)		
Indicated (probable) gold-silver	3,000	$20 - 40/ton			

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

CALHOUN MINES, INC.
(Name of company)

By M L Lynch
(Signature of authorized official)

May 14, 1951
(Date)

President
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

Sheet No. 1, Accompanying Form MF-100, submitted by CALHOUN MINES, INC.

Data in Answer to Questions.

General Preliminary Statement

Calhoun Mines, Inc., a Delaware corporation, has spent in excess of $100,000 in developing an old gold producer known as the Calhoun Mine, near Dahlonega, Lumpkin County, Georgia. The purpose of the developer (Calhoun Mines, Inc.) has been to prepare this property for renewed gold production. In the course of driving a tunnel under the old workings, evidences of tungsten have been shown by Mineralite examination. These have been checked by Captain Garland Peyton, State Geologist of Georgia, who considers them worthy of exploration by test drilling. The purpose of this application is to obtain such testing for tungsten ore bodies. Under the above circumstances the bulk of the applicant's data relates to gold development. In reply to inquiry directed to Defense Minerals Administration as to whether, in applying for funds to explore for tungsten, all of the gold data need be presented, the applicant was informed by telephone by Mr. Ballard of the office of Mr. P. R. Bradley of DMA, that it would be satisfactory to summarize the gold data. Mr. Ballard's suggestion has been followed herein.

Believing that the geologic conditions, analagous generally to those of tungsten-bearing lodes elsewhere in the Appalachians, are worthy of examination in the defense effort, Calhoun Mines, Inc., makes application for Aid for an Exploration Project. Any of the following methods of exploration and testing will be satisfactory to Calhoun Mines, Inc.

(a) The joint funds (Government contribution plus applicant's investment) to be spent by Calhoun Mines;

(b) the work, to the total amount of the joint funds, to be performed by the U. S. Bureau of Mines, in consultation with Calhoun Mines, Inc.;

(c) a similar arrangement with the Georgia State Division of Mines, Mining & Geology instead of the U. S. Bureau of Mines;

(d) the work to be done, to the amount of the joint funds, by a private company presently operating tungsten properties, subject to a satisfactory agreement between Calhoun Mines, Inc. and such company.

- - -

1. Materials Produced:

(a) The mine is in development. The primary purpose was to mine gold with accompanying (15% to 25%) silver.

(b) As stated above, the discovery of evidences of tungsten and the shortage of this ore for the defense effort, motivate this application. If tungsten ores in sufficient quantities are found by the test drilling contemplated, tungsten would become the principal item of production; gold, the by-product.

2. Underground mining.

Property has been known as the Calhoun Mine since gold was discovered thereon in 1828. Originally the deposits were worked by surface pits. Old workings, not in use or inaccessible today, are omitted from the following:

(a) Shafts: 60 to 80 feet;
(b) Drifts and crosscuts: 200 to 300 feet;
(c) Tunnels or adits: 735 feet;
(d) Linear feet of other mine openings (not probably of interest in the proposed drilling for tungsten and omitting open pits): 400 to 500 feet.

Mine is not flooded and makes almost no water. Workings occupy a ridge overlooking the Chestatee River, which flows through the leasehold.

Size of productive capacity (as planned for gold): Minimum, 50 tons; maximum, 200 tons daily.

3. The Calhoun Mine is 2.5 miles south of Dahlonega, county seat of Lumpkin County, Georgia. Dahlonega is the site of the North Georgia College, with map-making and research facilities and several faculty members expert in local geology and mineral resources. Dahlonega is approximately 70 miles north of Atlanta and lies in the southern extremity of the Appalachians. Prior to the discovery of gold in California, Dahlonega was the principal source of domestic gold and a U. S. Mint operated from 1837 until closed by the outbreak of the Civil War. The nearest rail shipping point is Gainesville, Hall County, Georgia, 18 miles southeast of the mine by a new hard-surfaced highway. Mining districts, townships and ranges are not used in Georgia.

4. (a) The property is not presently in operation, pending erection of a new mill to replace the present 10-stamp mill which loses too much of the values. Property is leased to Calhoun Mines, Inc., the applicant hereunder.

(b) Property is operated as lessee.

5. Calhoun Mines, Inc., commenced development of the old workings on August 1, 1945. Reference thereto occurs in several subsequent issues of the Minerals Yearbook. Gold production can be commenced on one week's notice. Tungsten development depends upon results of the drilling applied for hereunder.

6. Applicant has operated the property since August 1, 1945. Marvel L. Lynch, now President of Calhoun Mines, Inc., served as resident manager during the period 1945-50. Captain Garland Peyton, State Geologist of Georgia, a native of Dahlonega and formerly Professor of Mining & Geology at North Georgia College, and his staff, including mining engineers and geologists on loan from Tennessee Valley Authority, have kept in close touch with developments, mapping and assaying, consulting with the management. Their assistance and advice has been of the greatest value to the applicant. In February 1948 John E. Kelly, consultant in natural resources (see Who's Who in Commerce & Industry, Volume 6; Who's Who in the East, Volume 2) was retained as consulting engineer. Both of these associations continue.

Sheet No. 3, Accompanying Form MF-100, submitted by CALHOUN MINES, INC.

7. (a) The early history of the property is covered in Bulletin 4 of the Georgia Geological Survey, available upon request. Gold was discovered in Georgia in 1828 on the tract now leased by Calhoun Mines, Inc. Captain Garland Peyton, Georgia State Geologist, estimates production of gold to date in excess of $300,000. All of this came from shallow workings, none over 50 feet in depth (black powder proved ineffectual in shattering the rocks below the zone of surface oxidation). Some production was obtained from saprolite (eluvial) deposits and some from placer washing of gravels along the Chestatee River. The management estimates from study of the outcropping of the three known veins that not over 5% of the mineralized surface was ever worked.

The property was owned by John C. Calhoun (formerly Senator and Vice President of the United States) and his family from about 1830 until 1877. Thereafter it was acquired by the North Georgia College, which, having no way of working the property, leased it to operators. Two log dams in the Chestatee, erected for water and power purposes, having been carried away by freshets, the leases were abandoned. The property was the site of a high-grade strike in the early 40's. The operator became involved in a hit-run accident and was required to surrender his lease. New interests who formed Calhoun Mines, Inc., took over in 1945. They have devoted their time and funds to development and the gold production to date has been incidental thereto. The discovery of tungsten indications at the head of their 735-foot Abbott Tunnel, was made while driving under the old workings and main shaft.

(b) Dahlonega has been one of the principal American gold camps with a recorded output exceeding $18,000,000. Prior to the California discovery of 1847, over 15,000 men are said to have been employed in the diggings. The field is divided by the Chestatee River. North of the river, where the greater number of the old mines were located, sulphur proved a problem insuperable to amalgation. The sulphur appeared heavily just below the water table, at from 50 to 125 feet below the surface, and no shafts were driven below the latter depth. At that time no note was taken of other minerals in the ore.

South of the Chestatee, where the Calhoun Mine is located, little to no sulphur has appeared at depths up to 300 feet, the greatest yet reached.

A report on the geology of the Dahlonega region appears in GOLD DEPOSITS OF THE SOUTHERN PIEDMONT, U. S. G. S. Professional Paper 213, 1948. The authors estimate that the mineralization may extend to 4,000 feet below the outcrops.

(c) In September, 1949, prior to the time at which the Abbott Tunnel had been driven to the point at which tungsten indications were discovered, a study of the ore was made by the El Paso Testing Laboratories. The study, having no reference to tungsten, is available upon request.

Also prior to the tungsten showing, a general report was made on the property by John E. Kelly in February 1948. This report is also available. Excerpts therefrom follow: (The tungsten indications occur in the so-called "Calhoun Mineralized Zone.")

"As to be expected in the extremity of a major uplift - the Blue Ridge - stress and repeated faulting characterize the Lumpkin County goldfield. Gold deposition is related to the granites which outcrop in massive form north of the town of Dahlonega and along Long Branch creek, two miles east of the Calhoun property. Elsewhere, altered schists and slates indicate the geologically recent intrusion of granite at depth. In the mineralized area as a whole, slates, quartzites, schists, volcanic flows and tufa are intricately interfolded with granitic members and gneisses.

"The region has been elevated during the period of formation of the Appalachian mountain chain, deeply eroded, locally raised again at almost right angles to the strike of the Appalachians and profusely faulted.

"The western part of the Dahlonega region is marked by outcrops of quartzites, mica schist and slate, while east of the town - including the Calhoun mine - slates derived from tuffs form the country rock. These predominant surface formations are separated in places by granite flows, elsewhere by granite and gneiss. Locally the tuff-slates are named "Carolina gneiss", an omnibus term embracing slaty schists of black and green-black shades, biotite mica, mica-gneiss, occasional garnet which seems to be a marker for gold-bearing formations, and some ottrelite and other silicates. 'Roan gneiss' comprises gabbros, hornblende, horneblende-gneiss, diorite and associated mica-schist.

"The strike of the formations is generally northeast. The subsequent faulting is generally parallel to the contact between the granite and the gneisses, particularly in the eastern part of the region, where Long Branch creek, flowing in a fault of the intrusive granite, strikes N. 40 E undeviating for miles. In the western part of the goldfield, some mineralization strikes northwest.

"Apart from placer deposits, gold in Dahlonega is found in or in close association with granite, or in adjoining altered schists and slates, indicating as stated earlier herein, the presence of underlying granitic magmas at relatively shallow depths. In the Calhoun property free milling gold occurs in quartz stringers and veins in Carolina gneiss, perceptibly silicified, and in association with sulphides of iron in a black slaty schist. In the oxidized zone, the country rock appears to carry little value, while gold has impregnated the country rock where depositions occurred in the slates, to a distance of several feet in both hanging and foot walls. In the opinion of Captain Peyton the quartz vein filling in the Calhoun vein was laid down in molten form and was not water-borne. The slate impregnation may be a later deposition.

"True veins in Lumpkin County are generally located in the granites. They range in size from minute fissures, sometimes carrying free gold in sheet form, to bodies exceeding a quarter mile in length and 12 to 20 feet wide. Mineralized zones, formed by replacement of the country rock in faults and shear zones, have indefinite boundaries, but are known several hundred feet in width and over a mile long. Slickenslides and gouges are frequent.

"The Calhoun enrichment, as presently known, consists of one true vein, the Peachtree, and two mineralized zones. The zones contain a large number

of interlacing veins and stringers, remarkably persistent, even in very thin members. Formerly, mineralized zones were called 'stringer leads' or 'belts' in Dahlonega; now formations of all lode types are 'veins'. Quartz is the dominant material in the shallower veins, with pyrites added at depth. Gossan cappings and iron stains are recognized locally as indications of underlying oreshoots. Both iron and sulphur occur in what are said to be commercial quantities in gold mines of western Lumpkin County, but development has shown to date only traces in Calhoun ores. Silver is recovered at the rate of one ounce per four ounces of gold, as shown by Calhoun Mines mint returns. This relates to free milling ore only, as the sulphides cannot be handled by the 10-stamp mill now on the premises.

"Massive white quartz, when present as a vein filler in the Calhoun mineralized zone, often tends to be barren, but the sides of such veins and stringers of white quartz show values, including visible gold. Remarkable specimens of 'picture rock', assaying thousands of dollars per ton (but not included herein as unrepresentative of the mineralization as a whole) frequently are composed of 'rotten quartz', with a honeycomb structure from which iron or silica has been leached by descending surface waters. Some of the visible gold of such specimens may be secondary enrichment and much later in deposition, geologically, than the balance of the values. The principal tonnage of rich ore has been found in a fine-grained blue-gray quartz, sometimes greenish, occurring alongside the white variety.

"In the Calhoun mineralized zone at the present working one vein is a foot in diameter, several from four to six inches, while the greater values are carried in two-inch stringers - interlacing with one another at frequent intervals. As in all Eastern ores, the values are pockety, but even between oreshoots stringers yield from $10 to $15 per ton, enough to pay costs of drifting between points of high mineralization. Pockets are strung on the stringers like peas on a thread. Calhoun Mines are presently working two high grade zones, one each in free milling and sulphide ores respectively, but to local miners, neither is a pocket, which in Dahlonega usage is largely picture rock.

"Ore shoots are usually lenticular in all dimensions, and range from hat-size pockets of 'picture rock' to widths of 100 feet by several times that distance in depth and strike. Their size is customarily in inverse ratio to their unit gold content.

"The gold-bearing formations of Lumpkin County are about eight miles wide as they strike northeast thru Dahlonega. The Calhoun Mine lies near the eastern edge of the enrichment. A contact of Roan and Carolina gneiss passes thru the southeastern corner of Lot #164.

"The three lode formations of commercial importance on this property are well known. The Peachtree Vein is of standard type, with tabular form and well defined walls. The country rock is schistose. The Peachtree dips about 30 degrees Southeast, varying in width from six inches to over three feet. The strike is about N. 35 E. It has been traced for a distance of over two miles from the Turkey Hill Mine, adjoining to the south, to a site on the right bank of the Chestatee River at the mouth of Yahoola

Creek. It has not been worked or prospected by Calhoun Mines, Inc. The Peachtree is said to have produced much gold on the Turkey Hill property, while at Yahoola Creek a sidehill working is reputed to have yielded over $50,000 from a small tonnage of ore. On Lot #164, south of the present workings, between an unnamed creek and the Turkey Hill property line, an old tunnel extends for some 500 feet, cut in the soft free-milling ore of the vein. The ore was milled in a small stamp mill erected where the tunnel debouches on the creek side. Several other sites exist on the Calhoun and Dungan (#165) lots where mining done in the last century can still be seen. All of these were shallow without exception.

"The Calhoun Vein is a mineralized zone, striking N. 55 E. It has not been found south of the point of its original discovery, about 1830, on a high nose close to the Turkey Hill property line, as shown on the maps herewith. This point has produced the greatest amount of gold from the property and the efforts of Calhoun Mines, Inc., are centered here. Northward the Calhoun zone has been traced to an outcrop southeast of the Chestatee Bridge on the Middle Gainesville Road, a distance of about one mile, but apparently not worked nor prospected. In the old records the Calhoun mineralized zone is known as the 'Lawrence Stringer Lead', for its discoverer. The zone varies in width from 100 to 250 feet, narrowing as it approaches the river.

"A. S. Furcron, Assistant State Geologist, Georgia, and Kefton H. Teague, Assistant Geologist, Tennessee Valley Authority, on loan to the State of Georgia, visited the Calhoun Mine on March 13, 1947, and examined a vein showing in the Calhoun mineralized zone, The following is quoted from their notes:

> "'The Calhoun vein here exposed about 14 feet below "Y" (see Plan of Calhoun Mine, by David Passmore, herewith) consists of white quartz 4 to 8 inches thick. The country rock dips 40 degrees southeast and strikes N. 56 degrees E. The vein dips 74 degrees southeast and strikes with the country rock; altho it maintains the strike of the country rocks, it cuts the country rocks locally. The vein has all the aspects of a "fissure vein", or, better, of a strong crosscutting vein which has forced its way up thru the schist encountering considerable opposition. For this reason it shows a tendency to alternate thickening and thinning. Free gold is visible in the vein. A small amount of pyrite tends to occur locally as films in cracks in the quartz. The free gold also tends to occur along minute cracks, thus exposed particles tend to occur as small strings. The gold and pyrite show no especial relation to each other. We believe that the quartz vein was injected first, and that later solutions migrating up the dip deposited the gold in small fractures in the quartz. It is interesting to note that, altho at this point we are in the sulphide zone, the amount of sulphide is so small that the ore is essentially freemilling.'"

The first indications of tungsten in the head of the Abbott Tunnel were noted by the Mineralite in a slight seepage there encountered. Wet film on the broken face showed the tungsten band in the spectrum. Subsequently Captain

Peyton found ore showing the same reaction. It is the management's belief that a tungsten orebody may lie ahead or below or somewhere else the head of the tunnel and that the present heading has just reached the periphery of the tungsten zone. It is proposed to explore this showing by drilling from a station cut in the head of the tunnel.

Attached hereto is a property map of the Calhoun leasehold and a profile of the underground work on the Calhoun mineralized zone, as of 1947. The tungsten indications had not been reached at the time this latter map was prepared.

13. A new hard-surface highway, Dahlonega to Gainesville, Georgia (a town of 35,000 persons on the Southern Railway) borders the Calhoun leasehold. On the property, present roads are sufficient for mining. No access roads required.

14. The Chestatee River, a considerable all-year stream elsewhere furnishing mill power, runs thru the property and sufficient mine water can be readily withdrawn. Calhoun Mines employs a Jaeger 4" pressure pump to transport river water for operations.

15. A 25-HP Allis Chalmers motor-generator, gasoline fed, provides power for the mine. Additional mobile power units are available. Main transmission lines of the Georgia Power Company border the leasehold.

16. During a representative payroll period, two-shift development work (16 hours), 14 men were employed, as follows: four mill men, four miners, four muckers, one foreman, one manager.

17. Equipment and facilities available for use in testing tungsten showing: one jeep, one pick-up truck, one Jaeger air compressor #220, one Jaeger 4" pressure pump (needs repairs from flood wetting), one 25-HP Allis Chalmers motor-generator, gasoline fed, one 10-stamp mill, mine cars, air hammers, 2,200 feet 6" pipeline, 600 feet 2" pipe, air hose, etc., one utility building 15 x 20 (corrugated iron), two mill buildings, 15 x 45 and 20 x 60 respectively. Buildings in good condition. Mineralite.

LANDON F. [illegible]

CARSON CITY
NEVADA

Bradley

LOS ANGELES, CALIF.
KERR & COMPANY—ENGINEERS
704 SOUTH SPRING STREET

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

DMA-1182
Manganese

February 9, 1951

Ref.: Calhoun Mines, Inc.
Dahlonega, Ga.

File

Mr. P. R. Bradley, Jr., Chief
Manganese Division
Defense Minerals Administration
Interior Building
Washington 25, D. C.

Dear Mr. Bradley:

This is in further reference to your letter of January 11 replying to mine of January 3rd and which I acknowledged on January 23rd.

The property in question is that mentioned hereinabove, and the subject exploration to confirm evidences of tungsten encountered while developing the property for precious metals.

The subject of my previous letters was an inquiry as to the possibility of obtaining a grant for exploration of this tungsten showing. I make this suggestion of a grant rather than a loan because of the nature of the company's title. Calhoun Mines, Inc. has possession of approximately 458 acres of mineral land in Lumpkin County, Georgia. Title is held by rental at the insistence of the fee owner. That is, the company pays $3,100 per annum for all mineral rights except hydrocarbons (no evidence of which has been discovered) and upon semi-annual payments (all of which have been made to date), the property may be held for the ensuing 17 years. There is no royalty, and the rental is not part payment for acquisition of the property. In this circumstance I do not know whether the company would be eligible for a loan, although proven and probable reserves which it has the right to remove and benefit from are of substantial nature. The following comment is taken from a recent report:

> "In the stopes at present are some 200 to 250 tons of broken ore averaging $40 per ton or better. In the Calhoun mineralized zone, an upper stope has cut an oreshoot eight feet in width. Stopped in ore at either end, it is presently 40 feet in length and from 80 to 100 feet below the outcrop of the old workings. The oreshoot above the stope ceiling is estimated to contain from 2,500 to 3,000 tons of ore, which in the history of Calhoun should equal in gold content that of the broken ore already mined, per ton. If so, the gold content of this one block of ore would equal the investment to date. All of this ore is free-milling."

However, it might be simpler and it would be satisfactory to the company to have the Bureau of Mines or the Defense Minerals Administration carry out exploration for ~~petroleum~~ tungsten and/or other strategic minerals with its own crews and funds.

The geology of the Dahlonega mining region is exhaustively treated by J. T. Pardee and C. F. Park, Jr. in "Gold Deposits of the Southern Piedmont," Professional Paper 213, U.S.G.S., 1948. The history of the Calhoun Mines in as far as gold production and ores is concerned is covered in Bulletin No. 4 of the Georgia Geological Survey. This volume is long out of print, but a copy can be supplied

for examination. The mine is also the subject of a report by the writer (which regards precious metals only) dated February, 1948.

In undercutting the old workings, some of which date from 1828, Calhoun Mines, Inc. drove the Abbott Tunnel a distance of approximately 300 feet under the Calhoun oreshoot. In the head of this tunnel Mineralite explorations showed the characteristic color of tungsten in the spectrum. Captain Garland Peyton, State Geologist of Georgia, competent mining engineer who previously worked with Newmont and other large companies, and who has been Professor of Mining and Geology at the North Georgia College of Mines, has been in close touch with the Calhoun development since the present company acquired its lease in 1945. Immediately upon noting the tungsten colors, company management asked Captain Peyton to make an investigation which he did with his own Mineralite. I beg to quote the following excerpts from letters by Captain Peyton to the writer relating to this discovery.

> "I am not sure that I understand just how the tungsten occurs in the Abbott tunnel. I think possibly that Mr. Lynch did not give you a fair impression of what we saw when we used the fluorescent lamp in the tunnel. It looks as though the solutions which were dripping from above and which landed on the tunnel floor, as well as the muck pile which extended up into the raise, were being saturated with some sort of solution which reacted like tungsten. I remember when I attempted to pick up some of the material in the muck pile that gave this reaction, that it was nothing more than a soft dirt or mush which seemed to disintegrate and break up into thousands of little veins. We did find one or two large chunks of rock, however, which definitely showed tungsten mineral fluorescence in the hard rock. It would be my guess that, wherever you have certain mineralization in the mine, you also have some of this tungsten deposited, and in some instances, weathering has carried some of this tungsten mineral into solution, with the result that it has percolated downward and been redeposited in the tunnel and muck pile below.
>
> "It would seem that drilling could be done as you suggest, but also that it might be well to drill in other directions, that is, straight ahead and to the right and left, and possibly upward overhead at an angle."
>
> "Frankly, I believe that you might find enough indication in the mine to make a legitimate claim for some type of mining other than and more strategic than gold."

As you know, tungsten is mined in North Carolina in the same general uplift and geologic-type formation that exists in Dahlonega, and I think it not beyond the bounds of possibility that a tungsten deposit might be encountered in the Calhoun property. From talking with Captain Peyton, I am under the impression that from $20,000 to $40,000 (the investigation being carried further if the first drill holes develop interest) would permit a test of the point at which tungsten signs have been found.

The Calhoun Mines are fully equipped but not presently in operation inasmuch as, on the writer's advice, the property was shut down until a new mill could be built to replace the present 10-stamp mill which loses too much of the

gold. The company has applied to the SEC for permission to issue shares to acquire additional funds. While it has received a cordial reception from the SEC, it is somewhat nonplussed now at the time and expense required to refile in the several states. For this reason, among others, the company would be happy to make its property available for the production of strategic minerals if investigation proves their existence in commercial quantities.

I ask your indulgence for this lengthy letter in which I have endeavored to set forth the situation and will be indebted to you for suggestions as to how the matter may be proceeded with if it appears feasible to you.

Thanking you, I am

Sincerely yours,

John E. Kelly

John E. Kelly.

JEK/t

CARSON CITY
NEVADA

LANDON F. STROBEL

LOS ANGELES 17
KERR & COMPANY—ENGINEERS
GENERAL PETROLEUM BUILDING

1. Mr. Malcolm
2. files, DMA

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

April 18, 1951

Mr. George N. Malcolm, Acting Chief
Chrome-Manganese-Tungsten Branch
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Malcolm:

Thank you for your letter of April 17 enclosing copies of MO-5, MF-100, and MF-103.

I beg to ask your advice in regard to the following situation. Clients of the writer who have been developing a precious metal mine have discovered in the head of a tunnel which they are driving undercutting the old workings indications of tungsten which have been checked by the State Geologist. It is desired to request exploration of this tungsten showing under the Defense Minerals program.

However, almost all of the data which can be supplied under MF-100 and MF-103 will relate to the development for gold. It was only through this gold development that the tungsten show was found although in the same geologic belt a tungsten property is presently producing.

My question is: In filling out MF-100 and MF-103 should the full geologic and development data relating to the gold mining phase be included or only passing reference made thereto and information limited to the tungsten find and request for a loan for drilling this discovery.

As soon as your reply has been received, we will complete and forward the application to your office.

Thanking you for your anticipated courtesy, I am

Very truly yours,

John E. Kelly

John E. Kelly.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 20 1951
LANDON F. STROBEL
Executive Secretary

JEK/t

NF-560

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 4-20

REFERRED TO:
1. Mr. Malcolm
2.
3.
4.

FOR:

- ____ Action
- ____ Approval
- ____ Comment
- ____ Conference
- ____ Consideration
- ____ Filing
- ____ Instructions
- ____ Investigation
- ____ Initials
- ____ Mailing
- ____ Previous correspondence
- ____ Recommendation
- ____ Record of ____
- ____ Referring to ____
- X Reply for signature of ____
- ____ Rewriting
- ____ Signature
- ____ Suggestions
- ____ Your information

Called on telephone & answered in paragraph

REMARKS:

Received by Bradley APR 20 1951

Check (X) before the items needing attention.

LANDON F. STROBEL
Initials of sender.

GPO 16—63815-1

APR 19 9 42 AM '51
BUREAU OF MINES
WASHINGTON, D.C.

April 17, 1951

John . Kelly
716 Southern Building
Washington 5, D. C.

Dear Mr. Kelly:

This is in response to your letter of April 1[illegible], 1951, which was held pending authorization of the Defense Minerals Administration exploration program.

Enclosed is a copy of the pertinent regulations Form [illegible]-5, also five copies each of Form [illegible]-100 (General Technical Data) and Form [illegible]F-1[illegible] (Application for [illegible] for an Exploration Project).

If you are interested in participating in this type of loan, please complete the above forms in quadruplicate and return to this office.

Very truly yours,

George . Malcolm, Acting Chief
Chrome-Manganese-Tungsten Branch

Enclosure

EJBallard:ec

CC: Adm. Lending File
[illegible]. Gr[illegible]el
[illegible]r. [illegible]radley
Files

CARSON CITY
NEVADA

Bradley

LOS ANGELES 17
KERR & COMPANY—ENGINEERS
GENERAL PETROLEUM BUILDING

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

April 10, 1951

Mr. P. K. Bradley, Jr.
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Bradley:

On February 9 I wrote you regarding the possibility of a grant for tungsten exploration on the property of Calhoun Mines, Inc., Dahlonega, Georgia, and you replied that the policy regarding such grants was being formulated. As I have seen in the press that some $10,000,000 has now been made available for grants of this nature, I beg to ask how application can be made for such assistance.

Sincerely yours,

John E. Kelly

John E. Kelly.

JEK/t

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 12 1951
LANDON F. STROBEL
Executive Secretary

LANDON F. [illegible]

CARSON CITY
NEVADA

LOS ANGELES, CALIF.
KERR & COMPANY—ENGINEERS
704 SOUTH SPRING STREET

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

February 9, 1951

Ref.: Calhoun Mines, Inc.
Dahlonega, Ga.

Mr. P. R. Bradley, Jr., Chief
Manganese Division
Defense Minerals Administration
Interior Building
Washington 25, D. C.

Dear Mr. Bradley:

This is in further reference to your letter of January 11 replying to mine of January 3rd and which I acknowledged on January 23rd.

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2-19-51 Bradley says + reply

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Thanking you, I am

Sincerely yours,

John E. Kelly

John E. Kelly.

JEK/t

ADMINISTRATOR

CARSON CITY
NEVADA

LOS ANGELES, CALIF
KERR & COMPANY—ENGINEERS
704 SOUTH SPRING STREET

JOHN E. KELLY
CONSULTANT IN NATURAL RESOURCES
316 SOUTHERN BUILDING
WASHINGTON 5, D. C.
STERLING 1079

1/5/51
to Phil Bradley to check on Policy

January 3, 1951

Honorable James S. Boyd, Director
Defense Minerals Administration
U. S. Department of the Interior
Washington 25, D. C.

Dear Mr. Boyd:

With regard to the need of increasing production of strategic minerals, I beg to ask whether grants are available for exploring for such deposits where reasonable indications thereof have been uncovered, or whether the Defense Minerals Administration would undertake such exploration upon the lands of mining companies. I have looked into the H.S.R.B. Form 146 but this seems to relate to loans rather than to grants, and I do not think it is financially feasible in the following circumstances.

Clients of mine are developing one of the old gold properties at Dahlonega, Georgia by undercutting the former workings and encountered in the head of their tunnel indications of tungsten, at least to the extent that the characteristic tungsten color appears in the Mineralite spectrum. In the opinion of Captain Carland Peyton, State Geologist of Georgia, the discovery warrants exploration. My clients have shut down their gold mining operations pending an application to the SE.C. for public financing and are not presently in position to undertake the drilling Captain Peyton has recommended to investigate the tungsten showing.

Please advise me the proper channel through which the above should be followed.

Thanking you for your anticipated courtesy, I am

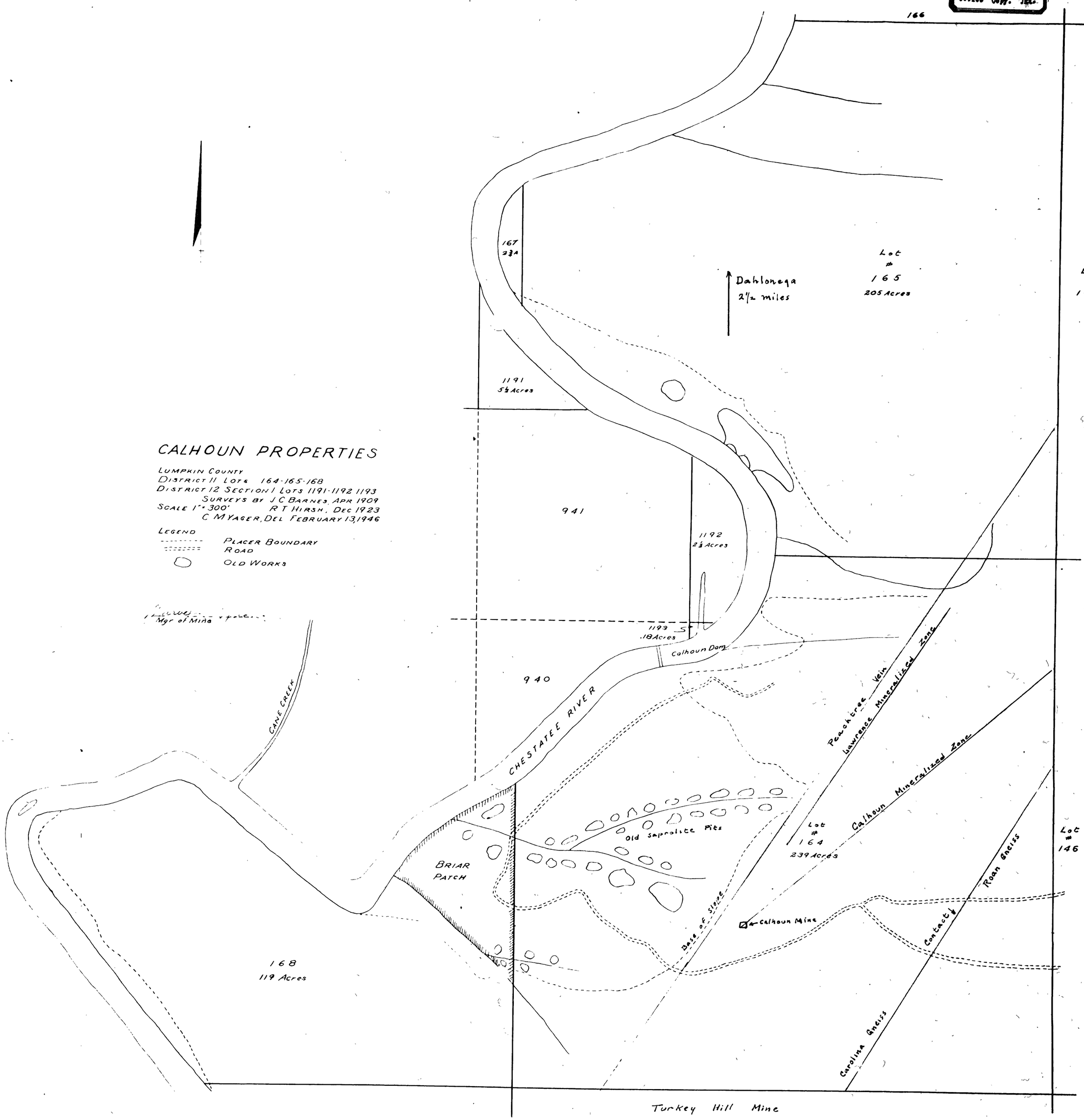
Yours very truly,

John E. Kelly

John E. Kelly
Consultant

JEK/t

JAN 4 5 12 PM '51
BUREAU OF MINES
WASHINGTON, D.C.

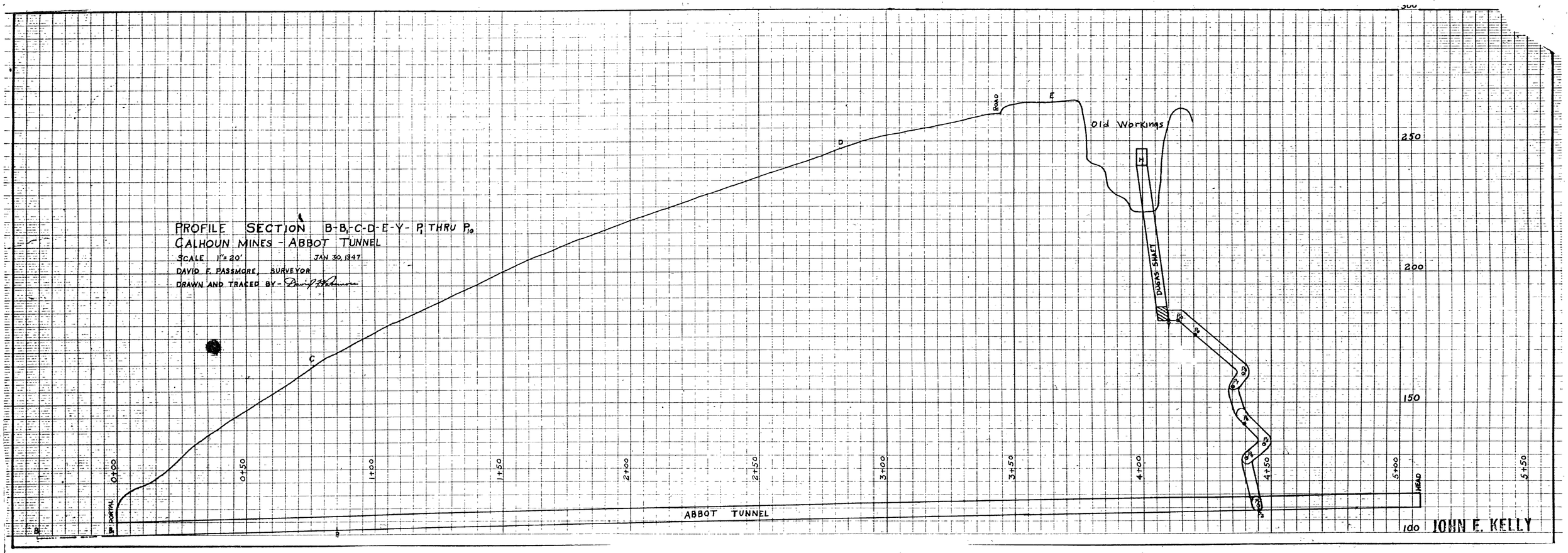


CALHOUN PROPERTIES

LUMPKIN COUNTY
DISTRICT 11 LOTS 164-165-168
DISTRICT 12 SECTION 1 LOTS 1191-1192 1193
SURVEYS BY J C BARNES, APR 1909
SCALE 1" = 300' R T HIRSH, DEC 1923
C M YAGER, DEL FEBRUARY 13, 1946

LEGEND
PLACER BOUNDARY
ROAD
OLD WORKS

JOHN E. KELLY


PROFILE SECTION B-B,-C-D-E-Y-P, THRU P10
CALHOUN MINES - ABBOT TUNNEL
SCALE 1" = 20'
JAN 30, 1947
DAVID F. PASSMORE, SURVEYOR
DRAWN AND TRACED BY-
B
C
D
E
ROAD
Old Workings
DOUGLAS SHAFT
PORTAL
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HEAD
ABBOT TUNNEL
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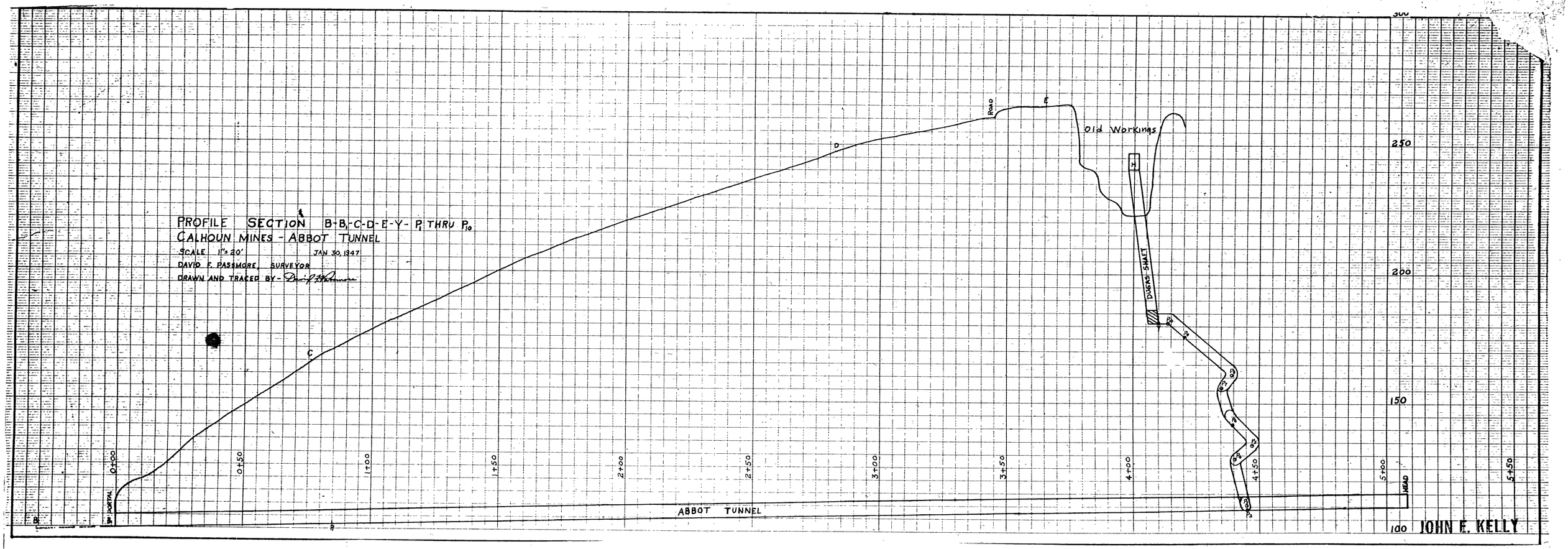
JOHN E. KELLY


PROFILE SECTION B-B1-C-D-E-Y-P1 THRU P10
CALHOUN MINES - ABBOT TUNNEL
SCALE 1"=20'
JAN 30, 1947
DAVID F. PASSMORE, SURVEYOR
DRAWN AND TRACED BY-
Old Workings
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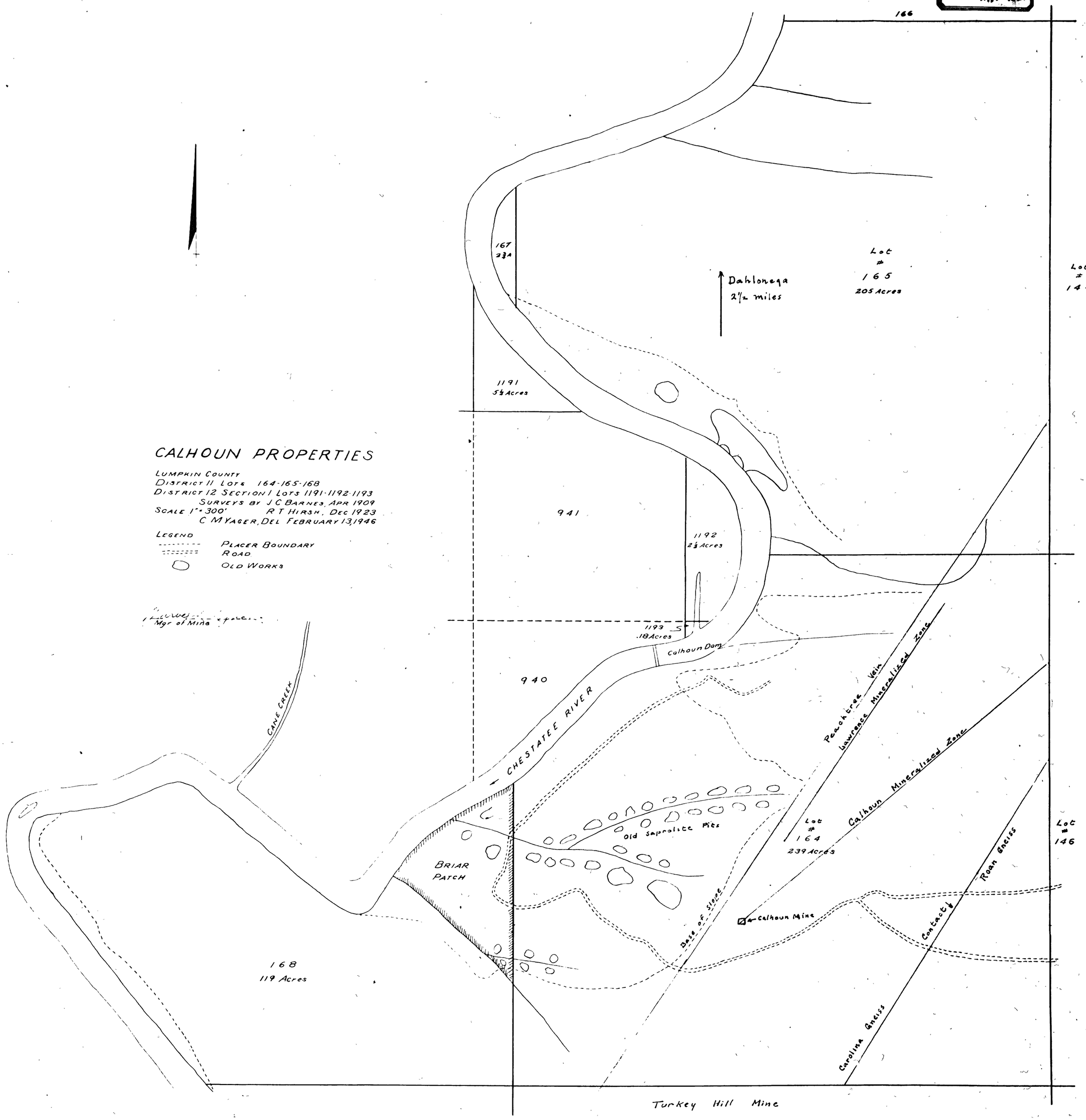
JOHN E. KELLY



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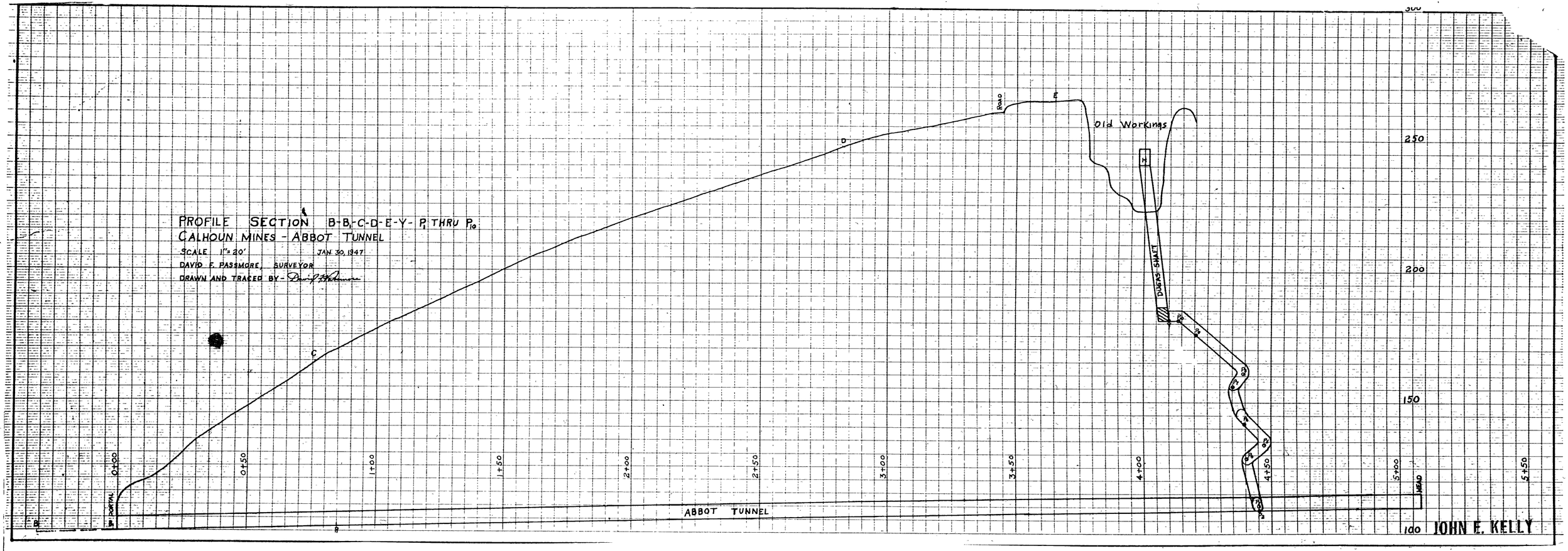
⬭ OLD WORKS

JOHN E. KELLY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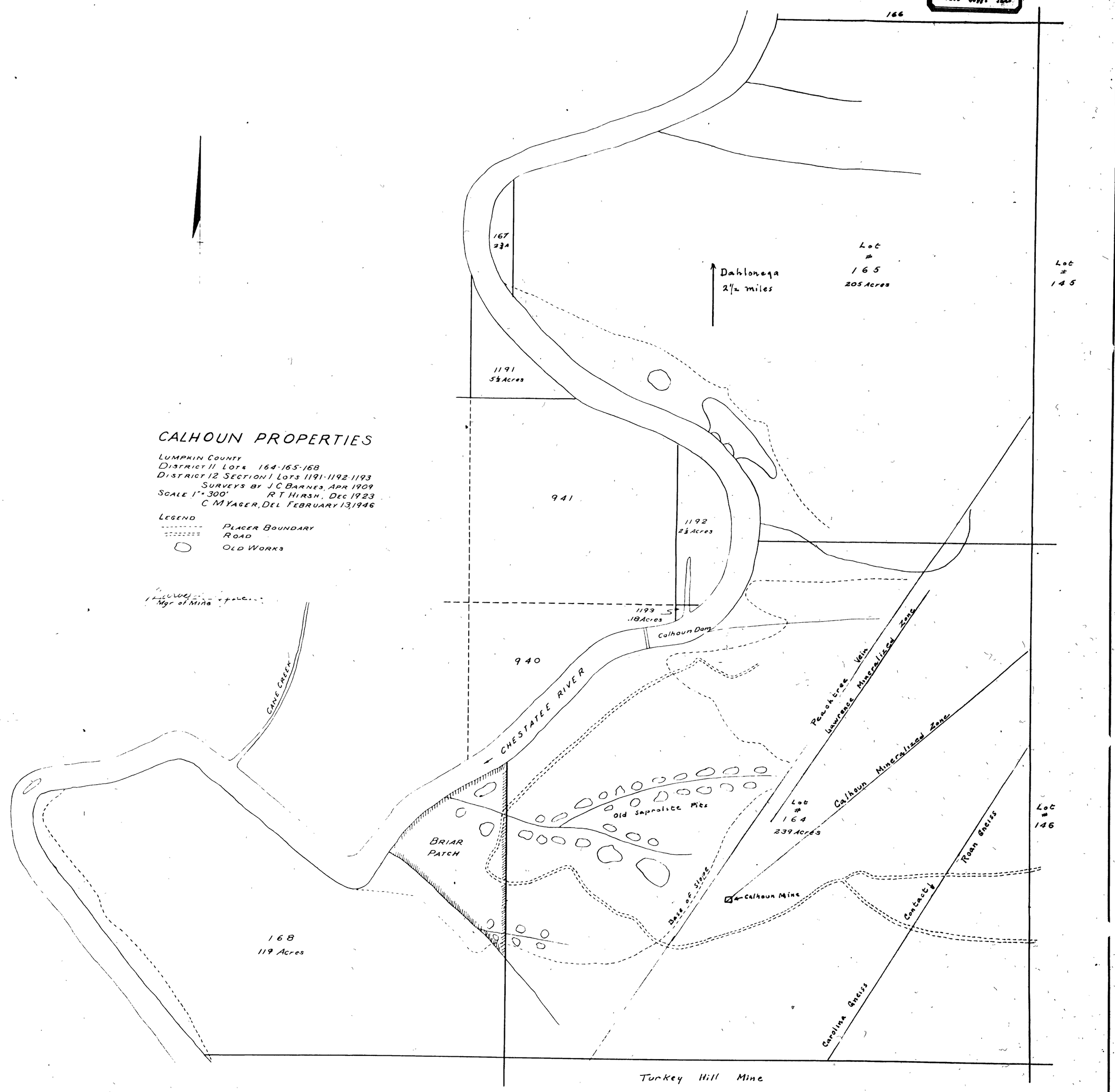
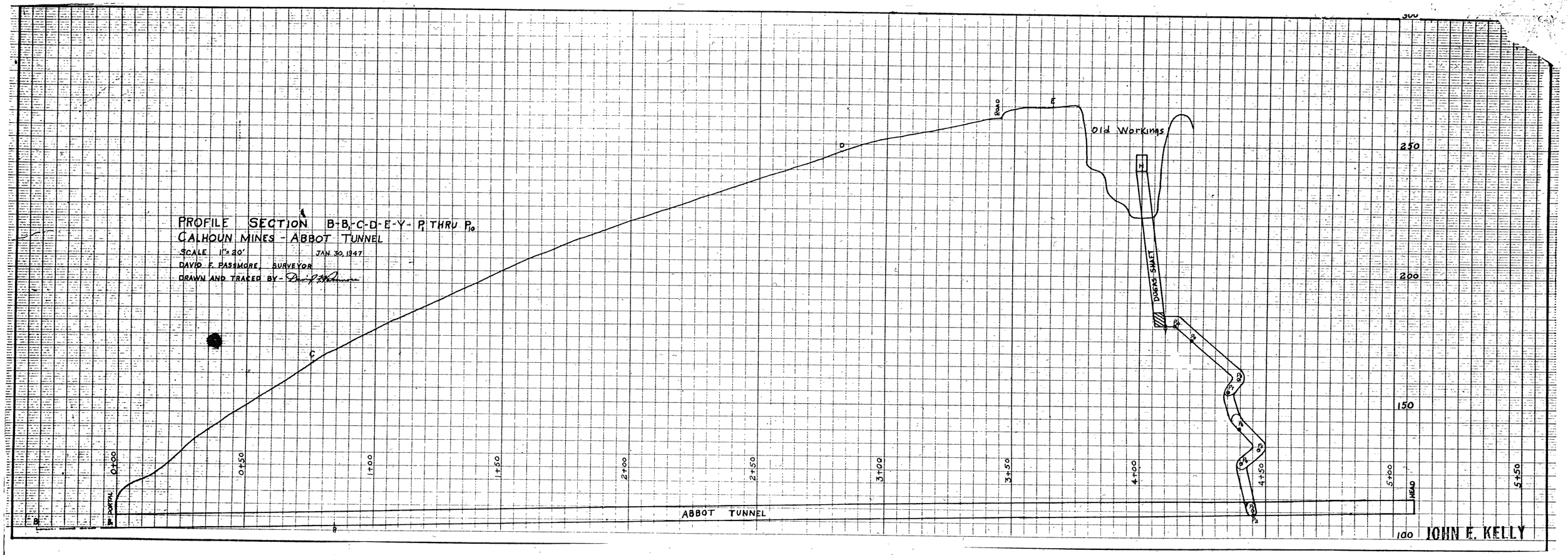
JOHN E. KELLY

Office Copy. JEK.



JOHN E. KELLY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SCALE 1"=20'
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DAVID F. PASSMORE, SURVEYOR
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B
B1 PORTAL
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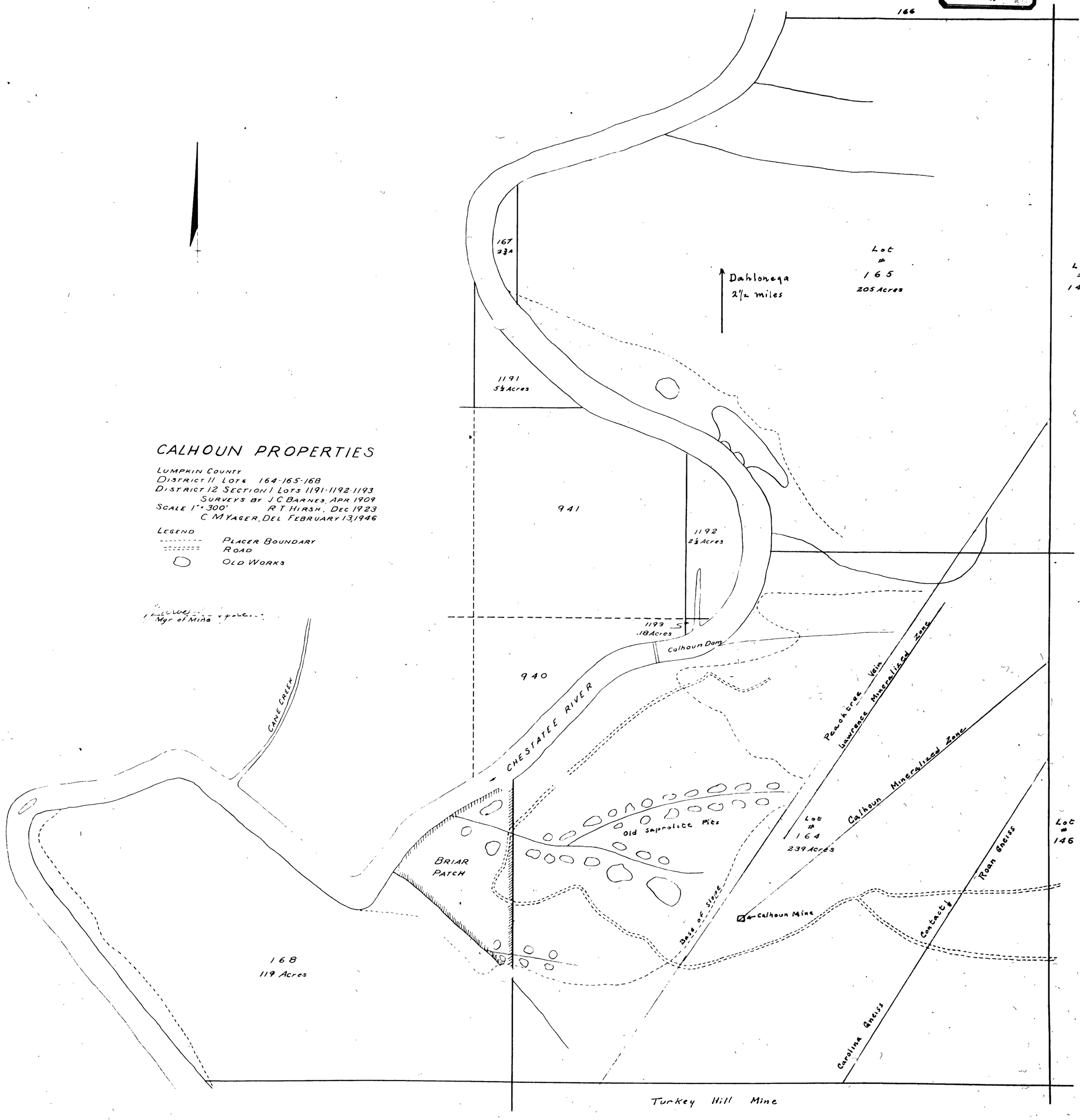
200
150
100
JOHN E. KELLY



CALHOUN PROPERTIES

LUMPKIN COUNTY
DISTRICT 11 LOTS 164-165-168
DISTRICT 12 SECTION 1 LOTS 1191-1192-1193
SURVEYS BY J C BARNES, APR 1909
SCALE 1" = 300' R T HIRSH, DEC 1923
C M YAGER, DEL FEBRUARY 13, 1946

LEGEND
PLACER BOUNDARY
ROAD
OLD WORKS

JOHN E. KELLY