Docket copy

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TERMINATION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT
AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this 19th day of May, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Everett L. Poston and R. W. Poston, partners, hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm-E 420, Docket No. DMEA-2561, dated October 15, 1952, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

UNITED STATES OF AMERICA

By Robert A Lane EXECUTIVE OFFICER, ~~DMEA~~ REGION VII

By Everett L. Poston
~~(Operator)~~ Partner

By R W Poston
Partner

18262-1

UNITED STATES OF AMERICA

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Contract Amendment No. 1

DMEA-Docket No. 2561, Idm-E420, Everett Poston and R. W. Poston (Mica)

Contract Docket DMEA-2561, Idm-E420, dated 15th October 1952, between THE UNITED STATES OF AMERICA and EVERETT L. POSTON and R. W. POSTON, Partners, is hereby amended as follows:

1. Article 3 is amended to read "The Operator, within 6 months from the date of this contract shall commence work on a project of exploration for Mica....," instead of 60 days as provided in the contract; "And shall bring the project to completion within a period of 18 months from the date of this contract," instead of 10 months as provided in the contract.

This amendment is made because difficulties enountered in working in the mountains during the winter months will greatly delay and increase the cost of the work. It is advantageous to all parties concerned to delay starting until spring.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the cost which the Government may be obligated to pay, under the provisions of Article 8 of the contract form.

Dated: November 6, 1952

THE UNITED STATES OF AMERICA

By: Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA
Region VII

EVERETT L. POSTON and
R. W. POSTON, Partners.

By Everett L. Poston
Partner

By R. W. Poston
Partner.

xx

MF-200
(June 1951)
(Revised Feb. 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
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DOCKET DMEA 2561

COMMODITY Mica

UNITED STATES OF AMERICA Docket Copy
DEPARTMENT OF THE INTERIOR IDM-E 420
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 15th day of October, 1952 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Everett L. Poston and R. W. Poston, partners
c/o James H. Howell, Jr.,
P. O. Box 24
Waynesville, N. C.

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Haywood, described as follows: [3]
See Annex I attached hereto and made a part hereof

the Operator represents and undertakes: [4]

(*a*) [redacted]

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for [5] Mica

in or upon the described land; and shall bring the project to completion within a period of 10 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payments in [illegible] cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 90 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $9,180.00, which is 90 percent of $10,200.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* ....

Executed in sextuplicate, the day and year first above written.

Everette Paston
Partner (XXXXX)

By N W R Paston
Partner

THE UNITED STATES OF AMERICA

By C. O. Mittendorf
Administrator - Defense
Minerals Exploration
Administration

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

....

[CORPORATE SEAL]

POSTON PROSPECT
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2561

ANNEX I

1st Tract: BEGINNING on a chestnut on top of a ridge, J. M. Gwyn's corner, and runs a South course with the top of said ridge and with Gwyn's line 122 poles to a hickory, Gwyn's corner; thence N. 65 deg. E. 109 poles to a chestnut oak; thence N. 8 deg. E. 150 poles to a locust on top of Big Rocky Face; thence southwest with the top of said mountain to the point of the BEGINNING, containing 115 acres, more or less.

2nd Tract: Lying and being on the East side of the East Fork of Pigeon River, and BEGINNING at a hickory on the point of a ridge J. M. Gwyn corner, and runs thence with the Gwyn line 1 deg. 30' E. 42 poles to a stake on a ridge; thence S. 76 deg. E. 67 poles to a Spanish oak on top of Horse Ridge; and running thence according to a survey made by W. H. Hargrove, surveyor, July 30-31, 1896, and containing 155 acres, more or less.

3rd Tract. BEGINNING on a hickory, T. L. Gwyn corner, and runs with said Gwyn line S. 28 deg. E. 1320 feet to a stake formerly a hickory; then N. 49 deg. E. 3500 feet to a stake on top of mountain; then with top of mountain as it meanders 17 calls: N. 2 deg. E. 130 feet; N. 8 deg. W. 165 feet; N. 5 deg. W. 140 feet; N. 18 deg. W. 235 feet; N. 51 deg. 30' W. 230 feet; N. 11 deg. W. 190 feet; N. 28 deg. W. 193 feet; N. 3 deg. E. 120 feet; N. 12 deg. W. 178 feet; N. 18 deg. W. 178 feet; N. 23 deg. 30' W. 135 feet; N. 40 deg. 30' W. 140 feet; N. 55 deg. W. 185 feet; N. 82 deg. 30' W. 113 feet; N. 88 deg. W. 103 feet; S. 84 deg. W. 120 feet; N. 51 deg. W. 182 feet to a locust on Big Rocky Face, Jess Garnes' corner; then with said Garnes line S. 8 deg. W. 2475 feet to a chestnut oak, Garnes corner; then with Garnes line S. 65 deg. W. 1798 feet to the BEGINNING, containing 114 acres, more or less.

POSTON PROSPECT
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2561

EXHIBIT "A"

Description of the Work

The exploration is to be conducted in two stages as follows:

Stage I

At Location No. 2 shown on the sketch map attached hereto and made a part hereof and entitled "Poston Prospect - Location No. 2 - Haywood Co., N. C. - DMEA-2561," excavate across the pegmatite to determine its width and strike approximately as indicated.

Strip the overburden from the pegmatite for approximately 100 feet along its strike.

At Location No. 6 shown on the map attached hereto and made a part hereof and entitled "Poston Prospect - Location No. 6, Haywood Co., N. C. - DMEA-2561," strip the overburden from the pegmatite for from 100 to 150 feet along the strike approximately as indicated.

If in the opinion of the Government the results of Stage I are favorable, Stage II is to be undertaken.

Stage II

Construct approximately 3000 feet of access road to Locations No. 2 and No. 6, on an alignment approved by the Government.

If in the opinion of the Government, other forms of access in lieu of the above road construction will result in greater economy, these may be specified by the Government and the funds designated for road construction applied thereto.

At Location No. 2 approximately as indicated on the above-mentioned sketch map thereof, sink a maximum of two shafts 5' x 7' in cross-section, each 25 feet deep. Drift from the bottom of the shafts not to exceed a total of 50 feet.

At Location No. 6, extract such quantity of mica as is designated by the Government, process this mica, submit the process material to W. S. Flynt, Manager, General Services Administration Depot, Spruce Pine, N. C., and if the DMEA Field Team considers favorably the results of this testing, sink a shaft 5' x 7' in cross-section 40 feet deep and drift 50 feet from the bottom approximately as indicated on the above-mentioned sketch map of Location No. 6.

The exact location, direction, and extent of all work shall be subject to the approval of the Government. If in the opinion of the Government, deeper shafts are advisable, funds provided for drifting may be applied to shaft sinking.

Estimated Costs of the Project
(* Indicates allowable maximum)

Stage I

(1) Independent contracts

None

(2) Labor, supervision, consultants

1 Working foreman, 10 shifts @ $12.00* per shift	$ 120.00
2 Muckers, 10 shifts each @ $8.00 per shift	160.00

(3) Operating materials and supplies

None

(4) Operating equipment

To be rented

1 Bulldozer, 80 hrs. @ $10.00* per hr., including Operator, fuel oil and repairs	800.00

(5) Rehabilitation and repairs

None

(6) New buildings, improvements, installations

None

(7) Miscellaneous	$ 70.00	
(8) Contingencies		
None		
Total Stage I		$1,150.00

Stage II

The Government will contribute to the cost of the various items of work enumerated below on the basis of the agreed, estimated unit costs as they accrue for units of work actually performed in lieu of actual costs. These agreed unit costs cover all costs whatsoever of the work.

Construct 3000 feet of road @ $0.33-1/3* per foot	$1,000.00*	
At Location No. 2 - shaft sinking - 50 feet @ $45.00* per foot	2,250.00	
Drifting - 50 feet @ $30.00* per foot	1,500.00	
At Location No. 6 - Trenching and preparing sample - 800 cubic feet @ $1.25* per cubic foot	1,000.00	
Shaft sinking - 40 feet @ $45.00* per foot	1,800.00	
Drifting - 50 feet at $30.00* per foot	1,500.00	
Total Stage II		$ 9,050.00
Total Estimated Cost of Project		$10,200.00*
Government Participation 90%		$ 9,180.00*

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of NORTH CAROLINA, County of [illegible], described ~~as follows~~ 1/

in a lease dated the 26th day of March, 1952, by and between Richard T. Alexander Jr and wife Margaret Alexander as lessors, and Everett L. Foston and H. W. Foston as lessees, and recorded in Deed Book 153, at page 337, Haywood County Registry,

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Everett L. Foston and H. W. Foston

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 15,000.00 (Fifteen Thousand Dollars) or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 5TH day of September, 195 2.

Richard T. Alexander Jr. [Seal]

Margaret Alexander [Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert, "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

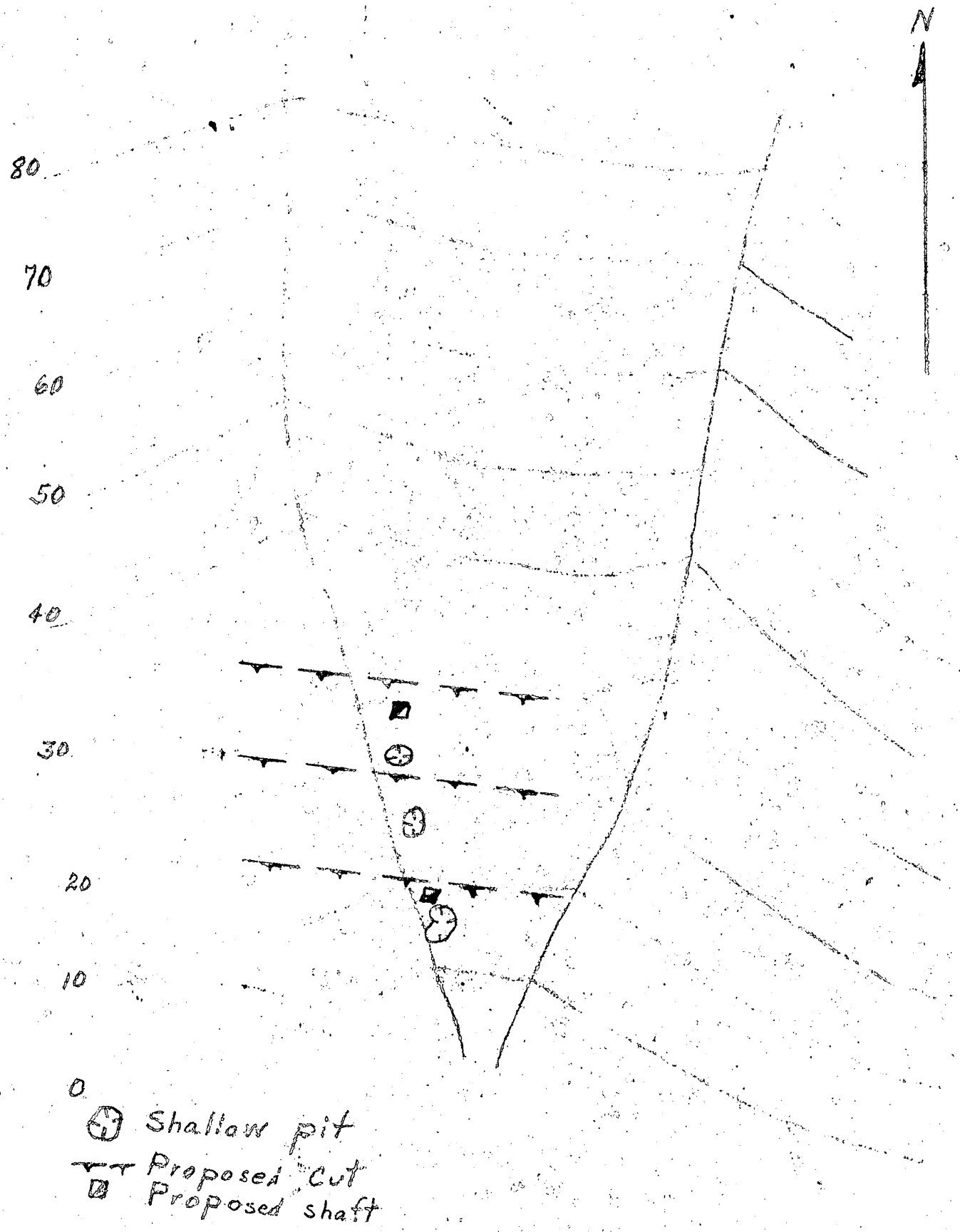
(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

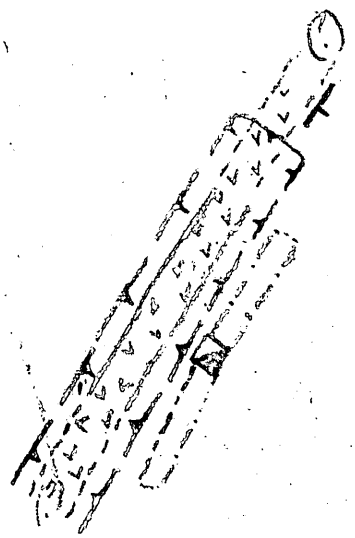
(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.



POSTON PROSPECT
Location No. 2
Haywood Co., N.C.

DMER-2561



N

0 5 10 15 20

Pegmatite

Proposed Open Cut - Stage 1

Proposed Shaft - Stage 2

Proposed Drift - Stage 2

POSTON PROSPECT
Location No. 6

Haywood Co., N.C.

DMEA-2561

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

~~DMA~~ Docket No. 2561

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

EXPLORATION PROJECT

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

Copies to USBM, USGS, and Region VII.

To:	Code 600, Rm. 4637	Date	6-2-52
To:	Feitler	Date	6/3/52
To:	Op. Com.	Date	6-23-52
To:	Op Com	Date	10-13-52
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CONTROLLED DOCUMENT

DOCKET NO. DMEA - 2561

Sample of mica tested at Spruce Pine, GSA, 7/18/52 found to be ruby mica.

FILE COPY
SURNAME

Anderson
Houk
Robin
Oakes
Chamberlin

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 600
WASHINGTON 25, D. C.

OCT 19 1953

Mr. Everett L. Poston
C/o James H. Howell, Jr.
P. O. Box 24
Waynesville, North Carolina

Re: Docket No. DMEA-2561 - Miss
E. L. and R. W. Poston
Poston Prospect
Haywood County, North Carolina
Contract No. Idm-E420

Dear Mr. Poston:

This is with reference to the subject Exploration Contract between you and your partner and the Government.

The final audit of the contract expenditures and the final reports of the Operators and of the Field Team have been received and accepted by this Administration. Of the total amount of $10,200.00 approved under the contract, the sum of $3,335.00 was expended, 90 percent of which, or $3,001.50, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operators and the Government. The exploration work was performed in a satisfactory manner.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 7 (d) of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract".

Your interest in the Exploration Program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

Frank E. Johnson (fw)

ACTING Administrator

WCAnderson:gad 10/13/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Mr. Dietrich 3526 Mr. Larrabee, G-232 GSA Bldg. Mr. Houk

R.C.G. 10-19-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

October 12, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing Review of Docket No. DMEA-2561 - Mica
Contract No. Idm-E420
Date of contract: October 15, 1952
Property: Poston Prospects
Located about 10.5 miles southeast of Canton and 13 miles east of Waynesville, Haywood County, North Carolina.
Operators: E. L. and R. W. Poston
C/o James H. Howell
P. O. Box 24
Waynesville, North Carolina

Contract amount approved:	$10,200.00
Total accepted cost	3,335.00
Government's share @ 90%	3,001.50

Project work: Started February 16, 1953
Contract terminated by mutual consent: May 19, 1953
Final Field Report received September 21, 1953

Closing letter: Copy of closing letter is attached. There is no certification of discovery or development.

Docket Summary:

6/2/52	Received application MF-103.
6/2/52	Acknowledged receipt of application.
6/10/52	Received memo from P. L. Weis, USGS, recommending field team referral.
6/17/52	Received memo from W. F. Dietrich, USBM, recommending field team examination.
6/24/52	Application referred to Region VII for field examination.
7/14/52	Received report of examination. Author - K. H. Teague. An exploration contract costing $3,800 was recommended.
7/21/52	Received memo from P. L. Weis, USGS, suggested follow field team's recommendation.
7/28/52	Received memo from W. F. Dietrich, USBM. Concurred in field team's recommendation.
10/15/52	Transmitted original and five copies of a contract to Region VII for approval and signature by Operator.

11/10/52 Received signed copies of contract, dated October 15, 1952
11/28/52 Received Amendment No. 1, providing 6 months instead of 60 days from date of contract for commencement of work and allowing 18 months instead of 10 months from date of contract for completion of work.
6/22/53 Received Termination Agreement dated May 19, 1953.
7/14/53 Received Final Audit Review.
9/28/53 Received Final Field Team Report.

Resume of Work:

Two pegmatite bodies were explored at locations designated as Location No. 6 and Location No. 2.

At Location No. 6 the pegmatite was stripped of overburden and trenched by drilling and shooting, opening a cut 65 feet long, 4 feet wide and 3 feet deep, and exposing pegmatite 1 to 4 feet thick. Some strategic mica was found, majority of which was badly bent.

At Location No. 2, three bulldozer trenches were cut and a pegmatite exposed, access road built, and 20 feet of adit driven. The adit was started on a pegmatite 8 feet thick and at 10 feet from the portal the pegmatite pinched abruptly and no additional pegmatite was found.

There appeared to be no basis for further exploration and the operator was notified that work should be suspended.

Unit Costs:

The following is a tabulation of expenditures on the project, Unit Costs and total:

Stripping:		
1 Bulldozer rental - 48 hours @ $10.00/hr.	$480.00	
1 Foreman - 10 shifts @ $12.00/shift	120.00	
Muckers - 20 shifts @ $8.00/shift	160.00	
Total stripping		$ 760.00
Road construction - 3,000 feet @ $0.33 1/3/ft.		1,000.00
Trenching - 780 feet @ $1.25/ft.		975.00
Drifting - 20 feet @ $30.00/ft.		600.00
Total cost of project		$3,335.00

Project Cost: (Per summary audit review 7/14/53.)

The review disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor		$3,335.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total accepted cost		$3,335.00
Government participation @ 90%		$3,001.50

Comments and Recommendations:

Only $3,335.00 of the contract amount approved, $10,200 was expended on this project. After trenching had been completed at Location No. 6, it was recommended by the field team that no further exploring be done there, since the small amount of mica that was recovered was of inferior grade. At Location No. 2 the pegmatite pinched out abruptly.

There was sufficient exploration work done to reveal no worthwhile deposits of mica existed in either of the two pegmatite bodies. Additional work is not warranted and production is not feasible. The Nonmetallic Minerals Division is in agreement with the examiners that no certification of discovery should be issued.

The field team reports that the operation was conducted in a satisfactory and efficient manner.

W. C. Anderson

W. C. Anderson
Nonmetallic Minerals Division

FILE COPY
SURNAME:

Anderson
Stewart C. Hope

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION 600
WASHINGTON 25, D. C.

October 12, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing Review of Docket No. DMEA-2561 - Mica
Contract No. Idm-E420
Date of contract: October 15, 1952
Property: Poston Prospects
Located about 10.5 miles southeast of Canton and 13 miles east of Waynesville, Haywood County, North Carolina.
Operators: E. L. and R. W. Poston
C/o James H. Howell
P. O. Box 24
Waynesville, North Carolina
Contract amount approved: $10,200.00
Total accepted cost 3,335.00
Government's share @ 90% 3,001.50
Project work: Started February 16, 1953
Contract terminated by mutual consent: May 19, 1953
Final Field Report received September 21, 1953

Closing letter: Copy of closing letter is attached. There is no certification of discovery or development.

Docket Summary:

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R.C.G.
10-19-53

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There appeared to be no basis for further exploration and the operator was notified that work should be suspended.

Unit Costs:

The following is a tabulation of expenditures on the project, Unit Costs and total:

Stripping:		
1 Bulldozer rental - 48 hours @ $10.00/hr.	$480.00	
1 Foreman - 10 shifts @ $12.00/shift	120.00	
Muckers - 20 shifts @ $8.00/shift	160.00	
Total stripping		$ 760.00
Road construction - 3,000 feet @ $0.33 1/3/ft.		1,000.00
Trenching - 780 feet @ $1.25/ft.		975.00
Drifting - 20 feet @ $30.00/ft.		600.00
Total cost of project		$3,335.00

Project Cost: (Per summary audit review 7/14/53.)

The review disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor		$3,335.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total accepted cost		$3,335.00
Government participation @ 90%		$3,001.50

Comments and Recommendations:

Only $3,335.00 of the contract amount approved, $10,200 was expended on this project. After trenching had been completed at Location No. 6, it was recommended by the field team that no further exploring be done there, since the small amount of mica that was recovered was of inferior grade. At Location No. 2 the pegmatite pinched out abruptly.

There was sufficient exploration work done to reveal no worthwhile deposits of mica existed in either of the two pegmatite bodies. Additional work is not warranted and production is not feasible. The Nonmetallic Minerals Division is in agreement with the examiners that no certification of discovery should be issued.

The field team reports that the operation was conducted in a satisfactory and efficient manner.

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad

Copy to: Admr. R. File
Docket File
Mr. Houk

IN REPLY REFER TO:

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

September 29, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2561 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: E. L. and R. W. Poston, c/o James H. Howell
Name of property: Poston Prospects
Location of property: Rocky Face Mountain, Haywood County, N. C.
Date of field team report: September 15, 1953.
Authorship of field team report: K. H. Teague and L. E. Shirley.
Field team's recommendation: Termination of contract with no certification of discovery.

ACTION SUGGESTED: Follow field team's recommendation.

D. M. Larrabee

D. M. Larrabee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

COPY

September 17, 1953

Memorandum

Reviewed by
DMEA OPERATING COMMITTEE
9-28-53
(date)

To: Chairman, Operating Committee

From: DMEA Field Team, Region 7

Subject: Final Reports.

Transmitted herewith are the field examiners final reports on the following projects:

DMEA-2416, Idm-E328, J. W. Autrey Mine (mica)

DMEA-2824, Idm-E511, Hawkins Mine (mica)

DMEA-2832, Idm-E503, Bear Pen Mine (mica)

DMEA-2561, Idm-E420, Poston Prospects (mica)

DMEA-2375, Idm-E349, Swannanoa Mine (mica)

DMEA-2524, Idm-E430, Joe Stevenson Mine (mica)

Attached to the appropriate reports are also the Operator's final reports on the following:

DMEA-2832, Idm-E503, Bear Pen
DMEA-2824, Idm-E511, Hawkins Mine
DMEA-2416, Idm-E328, J. W. Autrey

The operators final report on Poston Prospects, DMEA-2561, Idm-E420 has previously been forwarded.

Final reports have not been received from the operator on the following:

Swannanoa, DMEA-2375, Idm-E349, and J. W. Stevenson Mine, DMEA-2524, Idm-E430. As soon as these reports are received they will be forwarded.

The Field Team is in agreement that none of the projects herein described warrant certification.

/s/ Wm. A. Beck
U. S. Bureau of Mines

/s/ Robert A. Laurence
Executive Officer, DMEA
Field Team, Region 7

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
ON

POSTON PROSPECTS, DMEA-2561, Idm-E420 (mica)
Haywood County, North Carolina

BY

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

and

Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

September 15, 1953

Reviewed by
DMEA OPERATING COMMITTEE
9-28-53
(date)

FINAL REPORT
ON
POSTON PROSPECTS (Mica)
DMEA-2561, Idm-E 420
Operators: E. L. and R. W. Poston, c/o James H. Howell
P.O. Box 24, Waynesville, North Carolina

The Poston Prospects are along the south and southwest side of Rocky Face Mountain at the headwaters of Long Branch, about 10.5 miles southeast of Canton and 13 miles east of Waynesville, Haywood County, N. C.

Two pegmatite bodies were explored, neither of which revealed a worthwhile deposit of mica. No additional work is warranted and production is not feasible.

This project began on ~~May~~ Feb 16, 1953 and was terminated by mutual consent on May 19, 1953.

At location #6 the pegmatite was stripped of overburden for approximately 65 feet along the strike. Later trenching by drilling and shooting opened a cut 65 feet long, 4 feet wide and 3 feet deep exposing a pegmatite 1-4 feet thick. An estimated 200 pounds of muscovite mica was recovered from trenching. Although some strategic mica was found, the majority of it was badly bent. After trenching was completed it was recommended that no further work be attempted at this location. The pegmatite material removed consisted of some massive quartz and feldspar and mica. Apatite crystals with perfectly developed crystal faces were observed in some of the sugary quartz. The pegmatite body was enclosed by mica schist.

At location No. 2, three bulldozer trenches were cut and a pegmatite exposed, access road built, and 20 feet of adit driven. The adit was started on a pegmatite about 8 feet thick. This pegmatite pinches abruptly 10 feet from the portal and no additional pegmatite was found. There appeared to be no basis for doing further work and the operator was notified that work should be suspended.

At neither location, No. 2 nor No. 6 was commercial sheet mica discovered; therefore, no certification of discovery should be issued.

Expenditures:

(a)	Total approved	$10,200.00
(b)	Total cost of project	3,335.00
(c)	Government's share of cost	3,001.50

Reviewed by
DMEA CERTIFICATE COMMITTEE

9-28-53
(date)

(d) Government's share unexpended $ 6,178.50

(e) Value of production during operation - None

The operation was conducted in a satisfactory and efficient manner. No equipment was purchased for the project as it was on a unit basis.

September 15, 1953

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

Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

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

June 19, 1953

Memorandum

To: Chairman, Operating Committee, D M E A - Washington

From: Executive Officer, DMEA - Region 7

Subject: Final Report of Operator on DMEA-2561, Idm-E420 (mica)
Poston & Poston

Transmitted herewith are 4 copies of the Operators final report on the subject project.

Robert A. Laurence

Robert A. Laurence

June 13,1953

Final Report

E.L.Poston
R.W.Poston

Re.DMEA - 2561
Contract IDM-420
Mica

We began work in February, by use of hand tools we stripped the overburden from vein at location #6. At location #2 we made two crosscuts with dozer.

During March we stripped over 800 cu.yds. of overburden from vein at location #2 and got ready tostart drift. At location #6 we finished stripping overburden making a total of 1200 cu. ft. removed. We also blasted a trench of 630 cu. ft. along run of vein. We removed plenty of Mica, mostly warped and stained.

In April, we finished prospect trench of 780 cu. ft. April 9, the Government decided against anymore work at Location #6.

We moved to location #2, built our road, and began drifting in the vein that had us all fooled.

In May, we drifted 10 more ft. After which we decided in favor of termination May 19.

Yours truly,
Everette L.Poston
Everett L. Poston

June 10,1949

Final Report

E.L.Boston
E.W.Boston

Re: WPA - 501 Act
Contract 2[illegible]-100
Mica

We went on work in February, by use of hand tools we stripped the overburden from vein at location (B. At location (A we made the excavation with Cocey.

During March we stripped over 600 cu.yds. of overburden from vein at location (A and put ready to store drift. At location (C we finished stripping overburden adding a total of 1000 cu. ft. removal. We also blasted a trench of 600 cu. ft. along run of vein. We removed plenty of Mica, neatly sorted and stored.

In April, we finished prospect trench of 900 cu. ft. April 9, the Government checked against entire work at location (C.

We moved to location (A, built new shed, and began stripping in the vein that has an all footed.

In May, we drifted 20 more ft. After which we decided in favor of termination May 10.

Yours truly,
Everette L. Boston

Everette L. Boston

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

613

June 19, 1953

Memorandum

To: Chairman, Operating Committee, DMEA- Washington

From: Executive Officer, DMEA- Region 7

Subject: Termination of Exploration Project - DMEA-2561, Idm-E420. Poston & Poston (mica) North Carolina

Transmitted herewith are three signed copies of the above subject termination agreement. The customary distribution of the other copies have been made.

Robert A. Laurence

Robert A. Laurence

Cal
6-22

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

JUN

Houk
Crenshaw
Carlane
Perry
Selfridge
Hedges
Distribution

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

Subject: Docket No. DMEA-2561 - Mica
E. L. and R. . Poston
Poston Prospect
Haywood County, North Carolina
Contract No. Idm-E420

Dear Mr. Laurence:

Reference is made to your memorandum of May 26, 1953, addressed to the Operating Committee, on the proposed termination by mutual consent, DMEA-2561, Idm-E420 (mica), Poston Prospect.

You will find enclosed seven copies of "Termination of Exploration Project Contract by Agreement After Commencement but Before Completion of the Work" for execution.

The Washington Office concurs that this project should be terminated.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

Enclosures 7

LGHouk:gad 6/4/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION COPY
~~WASHINGTON 25, D.C.~~
Room 13, Post Office Building
Knoxville 2, Tennessee

May 26, 1953

Memorandum

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

From: Field Team, DMEA, Region VII

Subject: Proposed termination by Mutual Consent
DMEA-2561, Idm-E420 (mica), Poston Prospect

Work as proposed under this contract was to consist of exploring two separate locations.

At location No. 6 trenching, 65' x 4' x 3', resulted in the recovery of about 200 pounds of book mica, very little of which could produce strategic mica. The field examiners on April 9, 1953 recommended that no further work be conducted at this location.

At location No. 2 two bulldozer trenches were cut and a pegmatite exposed, access road built, and 20 feet of adit driven. The adit was started on a pegmatite about 8 feet thick. This pegmatite pinches abruptly 10 feet from the portal and no additional pegmatite shows. On May 19, 1953 the project was visited. There appeared to be no basis for doing further work and the operator was notified that work on the project should be suspended for the present. The Field Team recommends that this project be terminated by mutual consent because there is very little possibility of discovery.

/s/ Robert A. Laurence
Executive Officer
DMEA, Region VII

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Room 13, Post Office Building
Knoxville 2, Tennessee

May 26, 1953

Memorandum

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

From: Field Team, DMEA, Region VII

Subject: Proposed termination by Mutual Consent
DMEA-2561, Idm-E420 (mica), Poston Prospect

Work as proposed under this contract was to consist of exploring two separate locations.

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

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

BL

INTERIM REPORT

DMEA-2561 Idm-E420 (mica) POSTON PROSPECT

OPERATOR: E. L. and R. W. Poston, c/o James H. Howell, Jr., P. O. Box 24, Waynesville, North Carolina.

LOCATION: Along the south and southwest side of Rocky Face Mountain, at the headwaters of Long Branch, about 10.5 miles southeast of Canton and 13 miles east of Waynesville, Haywood County, North Carolina.

Most of the recent activity on this project has been confined to building a road for access to Location # 2. Approximately 3500 linear feet of road has been constructed; 3000 ft. was allowable under contract. Necessary water breaks were made, crude culverts installed where needed and switchbacks were made where the topography demanded them.

Some work has been accomplished at Location # 2. An adit has been started, but not enough progress to report has been made.

D. M. Larrabee, Commodity Specialist, U. S. Geological Survey, accompanied field examiners on this visit to the mine.

L. E. Shirley

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. H. Teague

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

April 23, 1953

INTERIM REPORT

IMEA-2561 Idm-E420 (mica) POSTON PROSPECT

OPERATORS: E. L. and R. W. Poston, c/o James H. Howell, Jr., P. O. Box 24, Waynesville, North Carolina.

LOCATION: Along the south and southwest side of Rocky Face Mountain, at the headwaters of Long Branch, about 10.5 miles southeast of Canton and 13 miles east of Waynesville, Haywood County, North Carolina.

No changes have been made at location # 2 since last Interim Report, so a visit was not made to this prospect. The operators expect to begin road construction to this location in the near future.

At Location # 6 trenching of the exposed outcrop has been completed. The pegmatite was stripped of overburden for approximately 65 feet along the strike. Later trenching by drilling and shooting opened a cut 65 feet long, 4 feet wide and 3 feet deep. An estimated 200 lbs. of muscovite mica was recovered from trenching. Although some strategic mica was found, the majority of it was badly bent. After trenching was completed it was recommended that no further work be attempted at this location. The pegmatite material removed consisted of some massive quartz and feldspar and mica. Apatite crystals with perfectly developed crystal faces were observed in some of the sugary quartz. The pegmatite body was enclosed by mica schist.

L. E. Shirley

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. H. Teague

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

April 9, 1953

DEPARTMENT OF THE INTERIOR
Bureau Minerals Administration
RECEIVED
APR 1 1953

INTERIM REPORT

IMEA-2561 Idm-E420 (mica) POSTON PROSPECTS

OPERATORS: E. L. and R. W. Poston, c/o James H. Howell, Jr., P. O. Box 24, Waynesville, North Carolina.

LOCATION: Along the south and southwest side of Rocky Face Mountain, at the headwaters of Long Branch, about 10.5 miles ~~east~~ south of Canton and 13 miles east of Waynesville, North Carolina.

Locations #2 and #6 were both examined at time of this visit. At Location #2 bulldozing has been completed. Approximately 30 hours of machine work was necessitated in making this last cut. Results of this work exposed a pegmatite dike, striking N 8° W and dipping steeply NE, about 7 feet in width. Strike length was indeterminable. This dike was composed principally of feldspar with minor amounts of quartz and scattered muscovite mica 3" x 2½" in size or smaller. The mica is ruby and extremely hard, but contains some biotite spots or specks. An access road to this location will have to be constructed before any additional exploration can begin. The operators expressed the opinion that the 3000 ft. of road, as set up in the contract, will be satisfactory.

At Location #6 additional work, to the SW and along the strike of the vein, by stripping with hand tools, has exposed more of this pegmatite. Sizeable blocks of mica can be observed at most points along the strike and mica removed indicates that additional work in the form of trenching is necessary. A trench will be made along the strike for

a distance of 60 ft, a width of from 3 - 5 feet and about 3 feet deep. Mica obtained will be submitted to Mr. W. S. Flynt at the Spruce Pine, North Carolina Mica Depot and if results of this testing is favorable, additional work under Stage II may be started. Machinery necessary for drilling and shooting has been acquired and work will begin this week.

L. E. Shirley

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

March 17, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1953

INTERIM REPORT

DMEA-2561 Idm-E420 (mica) POSTON PROSPECTS

OPERATORS: E. L. and R. W. Poston, c/o James H. Howell, Jr., P. O. Box 24, Waynesville, North Carolina.

LOCATION: Along the south and southwest side of Rocky Face Mountain, at the headwaters of Long Branch, about 10.5 miles southeast of Canton and 13 miles east of Waynesville, Haywood County, North Carolina.

This project began work on February 16, 1953. On "Location #2", Stage I of the contract is progressing. Two bulldozer cuts have been made which roughly correspond to proposed cuts as shown on Sketch Map, which accompanied Field Examination Report. Neither cut exposed workable pegmatite material. The operator was advised to continue exploration by making a similar extreme upper cut in the area where large mica was found previously. After this work is completed, Field Examiners will make another visit to determine if additional work in the form of Stage 2 is needed.

Some exploration had also been accomplished at "Location #6". This work consisted of cleaning off by use of hand tools overburden and debris along the strike of the pegmatite. No open cut work had been done and the operator was advised to continue this work until pegmatite extent had been fully determined. Many scattered books of mica were observed in the pegmatite. Material consisted of massive quartz, feldspar and muscovite and biotite mica. Upon completion of this additional work this location will also be revisited by the Field Examiners to see if additional exploration is warranted.

L. E. Shirley

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. H. Teague

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

February 24, 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

December 2, 1952

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 1
Docket DMEA-2561 - Mica
Contract Idm E-420
Everett Poston and R. W. Poston
c/o James H. Howell, Jr.
P. O. Box 24
Waynesville, North Carolina

Purpose: Amendment No. I provides additional time for beginning the work to allow the Operator to start the project in the spring of 1953.

Recommendation: Approval

Discussion: The work is to be done in rough terrain at an elevation of more than 4,000 feet. Winter conditions can be expected to result in increased costs. This is especially true in this case as Stage I provides for surface work.

The funds provided under the contract do not provide for high cost winter work.

Stanley A. Feitler
Nonmetallic Minerals Division

RECEIVED
DEC 5 - 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

12-9

FILE COPY
SURNAME:

Feitler
Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

December 2, 1952

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 1
Docket DMEA-2561 - Mica
Contract Idm E-420
Everett Poston and R. W. Poston
c/o James H. Howell, Jr.
P. O. Box 24
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Discussion: The work is to be done in rough terrain at an elevation of more than 4,000 feet. Winter conditions can be expected to result in increased costs. This is especially true in this case as Stage I provides for surface work.

The funds provided under the contract do not provide for high cost winter work.

Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:fls 12/2/52

Copy to: Admr. R. File
Docket File
Mr. Houk

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

Room 13, Post Office Building
Knoxville, Tenn.

November 26, 1952

Memorandum

To: Operating Committee, D M E A - Washington

From: Executive Officer, D M E A - Region 7

Subject: Amendment No. 1. DMEA-2561, Idm-E420. Poston & Poston (mica)

Attached are three copies of the above subject amendment. One copy was retained in this office, one by the Operator, and one sent to the Finance Officer in Norris, according to the usual procedures of distribution.

Robert A. Laurence
Robert A. Laurence

RECEIVED
DEC 5 - 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

WMC
11/28

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

OCT 15 1952

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

Subject: Docket No. DMEA-2561 - Mica
E. L. and H. W. Poston
Poston Prospect
Haywood County, North Carolina

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by this office for the Government with register number and effective date as shown.

If the contract meets with your approval, present it to the operator for his approval and signature. If any provisions are unsatisfactory to the operator, return all copies to this office along with suggested changes for consideration.

After signing of the contract, one copy is to be given to the operator, one copy retained for your files, one copy for the Regional Finance Officer, and the remaining copies, including the original, are to be returned to this office as soon as possible.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

Approved:

C. N. Johnson (246)
Member, Bureau of Mines

A. R. Kinkel, Jr. (246)
Member, Geological Survey

SAFeitler:gad 10/13/52
Copy to: Adm. R. File
Operating Committee (2)
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

Enclosures 6

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

October 13, 1952

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Resume - Docket No. DMEA-2561 - Mica
E. L. and R. W. Poston
c/o James H. Howell, Jr.
P. O. Box 24
Waynesville, North Carolina

Conclusions:

Prospecting with hand tools has uncovered six or more pegmatite dikes containing ruby mica on Rocky Face Mountain in Haywood County, North Carolina. Ruby mica has been produced from other pegmatites on this mountain.

The Field Team considers two of these pegmatites sufficiently exposed and promising enough to warrant exploration.

Samples from these two dikes have been qualified as ruby, but the mica from one deposit is bent. Exploration should determine, in this case, whether the bending involves the mica laterally or at depth. The sampling proposed for this dike should determine whether pattern sheets can be trimmed from the bent mica.

Recommendation:

Your approval of the attached contract providing for a total expenditure of $10,200.00 is recommended.

The program has been set up in two stages for each of two pegmatite dikes providing, roughly, $4,800.00 for one and $5,400 for the other. It has been made flexible so these newly uncovered deposits may be effectively explored at minimum cost.

6/2/52	Application received.
6/10/52)	U.S.G.S. and U.S.B.M. recommended field referral.
6/17/52)	
6/24/52	Field Referral to Region VII.
7/14/52	Field Report received.
9/11/52	Subordinations, etc. received.
9/29/52	Draft of contract submitted to Legal Division.

Stanley A. Feitler
Stanley A. Feitler
Nonmetallic Minerals Division

FILE COPY
SURNAME:

SAFeitler
Hook

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

October 13, 1952

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Resume - Docket No. DMEA-2561 - Mica
E. L. and R. W. Posten
c/o James H. Howell, Jr.
P. O. Box 24
Waynesville, North Carolina

Conclusions:

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6/2/52 Application received.
6/10/52) U.S.G.S. and U.S.B.M. recommended field referral.
6/17/52)
6/24/52 Field Referral to Region VII.
7/14/52 Field Report received.
9/11/52 Subordinations, etc. received.
9/29/52 Draft of contract submitted to Legal Division.

SAF

SAFeitler:gad
Copy to: Docket
Mr. Hook

Stanley A. Feitler
Nonmetallic Minerals Division

JAMES H. HOWELL, JR.
ATTORNEY-AT-LAW
P. O. BOX 24
WAYNESVILLE, N. C.

September 10th, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 11 1952

Mr. Lawrence G. Houk,
Chief, Nonmetallic Minerals Division
Defense Minerals Exploration Administration
Department of the Interior,
Washington 25, D. C.

Re: Docket No. DMEA-2561, - Mica.
Roston Prospect
Rocky Face Mountain
Haywood County, North Carolina.

Dear Mr. Houk:

Reference is made to subject application for exploration assistance, and to your letter of August 22, 1952.

Per your letter there is attached the completed new form MF-203, (5 copies) Owner's Consent to Lien, signed by lessors.

If the old form MF-202, Subordination Agreement is superseded and is no longer needed, please cancel same and return to me .

Sincerely yours,

James H. Howell, Jr.

James H. Howell, Jr.

Encl: Owner's Consent to Lien.

SD

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

AUG 22 1952

SAFeitler
Robertson
Mitt

Mr. James H. Howell, Jr.
P. O. Box 24
Waynesville, North Carolina

Subject: Docket No. DMEA-2561 - Mica
Poston Prospect
Rocky Face Mountain
Haywood County, North Carolina

Dear Mr. Howell:

Reference is made to the subject application for exploration assistance and the Landlord's Subordination Agreements (Form MF-202) received in this office August 20, 1952.

Form MF-202, Landlord's Subordination Agreement, has been superseded by Form MF-203, Owner's Consent to Lien. Please return six copies of the enclosed form MF-203, signed by the lessors.

If the lessors insist on having the maximum lien inserted before they sign, it would be well to use $15,000.00. A maximum Government contribution of less than $11,000.00 may not be adequate for this project.

Sincerely yours,

signed 8/22/52

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 8

SAFeitler:gad 8/22/52

Copy to: Admin. Reading File
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk
Field Team, Region VII

JAMES H. HOWELL, JR.
ATTORNEY-AT-LAW
P. O. BOX 24
WAYNESVILLE, N. C.

August 18th, 1952

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

Re: DMEA - 2561
Exploration Loan,
Poston Mica Prospect,
Non-Metallic Minerals Division

Attention: R. E. Adams,
Administrative Officer

Dear Sirs:

Enclosed is "Landlord's Subordination Agreement" to be attached to subject application for Exploration Loan, submitted in original and four copies. The line for date of contract with government is left blank for your office to complete, if and when the loan contract is let.

It would be appreciated if you would advise present status of loan application.

Very truly yours,

James H. Howell, Jr.

James H. Howell, Jr.

August [illegible], 1952
3:00 P. M.

Mr. Stanley A. Feitler, Nonmetallic Minerals Division calling
Mr. Teague, Field Team, Region VII

Mashburn (DMEA-2467) Send to field.

Leonard Mine (DMEA-2244) They (applicant) had promised to expose the pegmatite before the formal field examination. Nothing done - denied.

Poston (DMEA-2561) Road for the benefit of location No. 6 not essential.

Long dozing good but one cross trench needed to establish location of pegmatite with certainty.

Adit not applicable. Slope is not as steep as map would indicate.

Deeper shaft and more drifting - fine.

Beck:

Cattail (DMEA-1876) found 1,400 lb. book this is nearly record. Sales now about $14,000.

Also discussed Reid & Siersma. Reid is planning to withdraw Reid & Hooker DMEA-2150 - Siersma will not subordinate.

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

July 28, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2561, Poston Prospect (mica) Field Examination Report, Rocky Face Mountain, Haywood County, N.C.

I concur in the field team's recommendation for an exploration program on location No. 2 and No. 6 in the amount of $5,895 and $9,695, respectively.

W. F. Dietrich

W. F. Dietrich

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

IN REPLY REFER TO:

G-MD-CNM

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

July 18, 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2561 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: P. L. Weis, U. S. Geological Survey
Applicant: E. L. Poston and R. W. Poston.
Name of property: Poston Prospect.
Location of property: Haywood County, North Carolina.
Date of field team report: July 3, 1952.
Authorship of field team report: K. H. Teague, U. S. Geological Survey.
Field team's recommendation: Allow an exploration loan of $9,695 to permit two stages of exploration work to be carried out on each of two localities on the applicant's property. Recommendation of stage 2 is dependent upon the quality of a mica sample sent to G. S. A.
Comments: None.
ACTION SUGGESTED: Follow field team's recommendation.

Paul L. Weis

Paul L. Weis

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 21 1952

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Y

GENERAL SERVICES ADMINISTRATION

Spruce Pine, N. C.
July 18, 1952

Mr. Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Subject: Docket No. DMEA-2410 - Mica
" " DMEA-2533 - "
" " DMEA-2557 - "
" " DMEA-2561 - "
" " DMEA-2575 - "

Dear Mr. Houk:

Replying to your inquiry of July 17, 1952, beg to advise that sample number 2, of Everett L. and R. W. Poston, DMEA-2561, is ruby mica, and the sample shows a few black dots that are not acceptable on this program, however, this mine may produce mica large enough to eliminate these spots in trimming, thereby making it acceptable on this Program.

The samples under DMEA-2533, Fred Wilson and J. Van Werry, are ruby mica, and if trimmed properly is saleable on this Program.

The sample from Anglin and Elkins mine, DMEA-2557, we find to be ruby mica, and if trimmed properly, would be acceptable on our Program.

The samples given by Beck and Lawrence, under DMEA-2410, we find to be ruby mica, and if large enough and properly trimmed, would be acceptable on this program.

The sample given by Ortha Roper, under DMEA-2410, number 2 sample, we find to be ruby mica, and if properly trimmed, would be acceptable under this Program. The other sample enclosed under DMEA-2410, we find to be ruby mica, but has too many reeves to be acceptable under this Program.

Sample DMEA-2571, Conway Revis, we find to be ruby mica, but has considerable waves and buckles. If this mine produced large size mica, it might be that it would produce, by careful trimming, mica that would be acceptable on this Program.

I am returning, under separate cover, samples above referred to.

With best regards from the writer, I am

Very truly yours,

W. S. Flynt (sgd)
Superintendent
Spruce Pine Mica Depot

FILE COPY
SURNAME:

Houk
FEJohnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

COPY

Mr. Walter S. Flynt, Manager
General Services Administration Depot
Box 846
Spruce Pine, North Carolina

Subject: Docket No. DMEA-2410 - Mica
" " DMEA-2533 - "
" " DMEA-2557 - "
" " DMEA-2561 - "
" " DMEA-2575 - "

Dear Mr. Flynt:

Transmitted herewith are five samples of mica for evaluation as to the probability of their acceptance for purchase by your agency. These samples are submitted in accordance with an agreement with Mr. W. M. B. Freeman of your Washington Office. We would appreciate your sending a copy of the evaluation to Mr. Robert A. Laurence, Executive Officer, DMEA, Field Team, Region VII, Room 13, Post Office Building, Knoxville 01, Tennessee.

The following samples are submitted:

DMEA-2410 - Zeb Angel, Ortha Roper Mine
DMEA-2533 - Fred Wilson and John VanWerry
DMEA-2557 - K. L. Anglin and J. K. Elkins, Huskins Mine
DMEA-2561 - R. L. Poston and R. W. Poston
DMEA-2575 - Conway Nevis

Sincerely yours,

SIGNED 7/17/52

Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration
Administration

Enclosures - 5

LGHouk:mp 7/16/52
cc: Docket File
Adm. Reading File
Mr. Dietrich, 3526
Mr. Norton, G-232, GSA Bldg.
Mr. Houk
Field Team, Region VII

P.S. An addressed envelope is enclosed for return of the samples.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Room 13, Post Office Building
Knoxville, Tennessee

July 10, 1952

Memorandum

To: Operating Committee, D. M. E. A. Washington

From: Field Team, D. M. E. A. Region 7

Subject: D. M. E.A. 2561, Poston Prospect (mica) Field Examination Report
Rocky Face Mountain, Haywood County, N.C.

Enclosed herewith are 4 copies of the Field Examination Report on the subject application, accompanied by 6 extra copies of each of the 2 maps accompanying the report.

The Field Team agrees with the recommendations for exploration, if the samples submitted by the Applicant prove to be acceptable as strategic mica.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2561, POSTON PROSPECT
(mica)
Haywood County, N. C.

JUL 14 1952

By

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

July 3, 1952

Reviewed by
DMEA OPERATING COMMITTEE
7-18-52
(date)

Report of Field Examination
on

DMEA-2561 - POSTON PROSPECT.
Haywood County, N. C.

The Poston Prospects are located along the south and southwest side of Rocky Face Mountain, at the headwaters of Long Branch, about 10.5 miles southeast of Canton and 13 miles east of Waynesville, Haywood County, North Carolina.

Several pegmatite bodies have been slightly prospected on this property. Prospecting to date has consisted of stripping overburden from the various outcrops, supplimented by a few "pop-shots" with holes drilled with hand steel. The following descriptions of three prospects refer to what appears to be the most promising exposures.

Applicant's No. 1 Location.

At this place a trench 12 feet long, 3 feet wide, and 3-5 feet deep has been dug. It exposes a 2-foot pegmatite which strikes N 17° E, dipping 45-60° NW. This pegmatite is hard and composed of granular milky quartz, potash feldspar, muscovite and biotite. The muscovite obtained is all small, hard clear, and light ruby colored. Almost all of the mica is bent, cracked, and contains "A" structure. Most of the mica in this deposit seems to be only of scrap quality.

Applicant's No. 2 Location:

Three shallow pits have been made up a small draw at this place. The draw is partly choaked with large boulders and the pegmatite is poorly exposed. The pegmatite body is composed of glassy to milky quartz, potash feldspar and mica. One book of mica which weighed approximately 22 pounds has been obtained from this place. This book was about 8 x 10 inches in diameter and six inches thick. Pattern mica 3 x 4 inches could be cut from this book.

The mica is hard, clear, splits well, and ruby colored. Almost all of it is slightly bent; some books contain cracks and "A" structure. Occasionally biotite is intergrown parallel with the muscovite clevage.

Applicant's No. 6 Location:

A pegmatite body has been exposed which trends N. 30° E and dips to the southeast. The pegmatite is 4 feet thick and has been exposed along the strike for 25 feet. It is composed of plagioclase feldspar, mikly quartz, and mica. No zoning is apparent, although there seems to be a concentration of mica along a zone in the central portion of the pegmatite.

Work to date at this place has consisted of stripping about one foot of overburden from the pegmatite and breaking a little of the pegmatite by hand drill holes. The deepest penetration of the pegmatite is probably less than two feet.

Mica recovered is hard, clear, splits well, and is ruby colored. Many of the books are bent and some "A" is present. Mica books are fairly abundant in the pegmatite, some of which are at least 6 inches in diameter.

Conclusions:

Applicant's locations Nos. 1,3,4, and 5 are of the same general nature. At these locations, the pegmatite bodies appear to be too small to justify additional work. At locations Nos. 2 and 6 mica in sizes large enough to produce pattern occurs; however, at both of these locations most of the mica is somewhat bent and cracked and some "A" is present. At only location No.6 is the pegmatite body sufficiently exposed to permit determination of size.

Recommendations:

The following recommendations are to be based on the results of appraisal by G. S. A. of the mica sample submitted by the applicant. If this sample is classified as strategic, the following recommendations are made:

Location No. 2: It is suggested that this area be explored in two stages: Stage I to consist of cutting three bulldozer trenches about 50 feet long and 8 feet deep across the probable projection of the pegmatite. If sufficient pegmatite is uncovered then two test pits 25-feet deep with short drifts from their bottom should be sunk on the pegmatite as Stage 2.

It will be necessary to build an access road approximately 3,000 feet long as part of Stage 2. A bulldozer can be taken to the deposit for Stage I without a road, but to move in other equipment a road will be required.

Location No.6: It is suggested that this deposit be explored in two stages: Stage I to consist of stripping the overburden from the pegmatite for 75 feet and an open cut 4 feet deep made along the pegmatite. Mica obtained from this work should be processed and graded. If this material is acceptable to G.S.A. then Stage 2 should be set up. Stage 2 should consist of a shaft 30 feet deep and 30 feet of drifting.

Estimated Cost: Location 2

STAGE 1 : To consist of 3 bulldozer cuts approximately 50 x 8 feet.

1 - Bulldozer, with operator, fuel, reparis, etc., @ $10.00/hr. for 40 hrs.	$400.00
1 - Working foreman-supervisor, 5 da. @ $1.50/da.	60.00
Stage I, Total estimated cost.....	$460.00

STAGE 2: To consist of 2 - 25-foot test pits and 30 feet of drifting.

Bulldozing approximately 3,000 ft. of access road	$1,000.00

Fixtures and Improvements

10 x 12 foot tool house	150.00

Operating Equipment

To be rented:

1 - 105 cu.ft. compressor, 2½ mo. @ $200/mo.	500.00
1 - Sump pump, 2½ mo. @ $50/mo.	125.00
1 - Jackhammer, 2½ mos. @ $60/mo.	150.00

To be purchased:

200' of 1" pipe @ 30¢ per foot	60.00
Dynamite and exploders	200.00
Gasoline, oil	150.00
Hand tools	100.00
Miscellaneous supplies, drill steel, etc.	350.00

Labor and Supervision

1 - Working foreman, 60 shifts @ $1.50/hr	720.00
1 - Miner, 60 shifts @ $1.50/hr.	720.00
2 - Laborers, 60 shifts @ $1/hr	960.00
Insurance, social security, etc.	250.00

Rehabilitation and Repairs

None

Stage 2, Total estimated cost.....	$5,435.00
Total Estimated Cost of Stages 1 and 2	$5,895.00

Estimated Cost: Location 6

STAGE I, to consist of stripping pegmatite for 50 feet and shooting cut 4 feet wide by 4 feet deep, by 50 feet long.

Fixtures and Improvements

10 x 12 foot tool house	$150.00

Operating Equipment

To be rented:

1 - 105 cu. ft. Compressor, 1/2 mo. @ $200/mo.	100.00
1 - Jackhammer, 1/2 mo. @ $60/mo.	30.00

To be purchased:

Dynamite and explorders	100.00
Gasoline and oil	75.00
Hand tools	50.00
Drill steel, bits, miscellaneous supplies	100.00

Labor and Supervision

1 - Working foreman, 15 das. @ $1.50/hr.	180.00
1 - Miner, 15 das. @ $1.50/hr.	180.00
1 - Laborer, 15 das. @ $1.00/hr	120.00
Insurance, Social Security, etc.	50.00

Rehabilitation and Repairs

None

Stage 1, Total Estimated Cost.....	$1,135.00

STAGE 2, to consist of a 30-foot shaft and 30 feet of drifts.

Fixtures and Improvements

None

Operating Equipment

To be rented:

1 - 105 cu. ft. compressor, 1½ mos. @ $200 per month	$300.00
1 - Jackhammer, 1½ mo. @ $60/mo.	90.00

To be purchased:

Dynamite and explorders	$175.00
Gasoline, oil	150.00
Miscellaneous Supplies, bits, etc.	200.00

Labor and Supervision

1 - Working foreman, 40 shifts @ $1.50/hr.	480.00
1 - Miner, 40 shifts @ $1.50/hr.	480.00
2 - Laborers, 40 shifts @ $1.00/hr	640.00
Insurance, Social Security, etc.	150.00

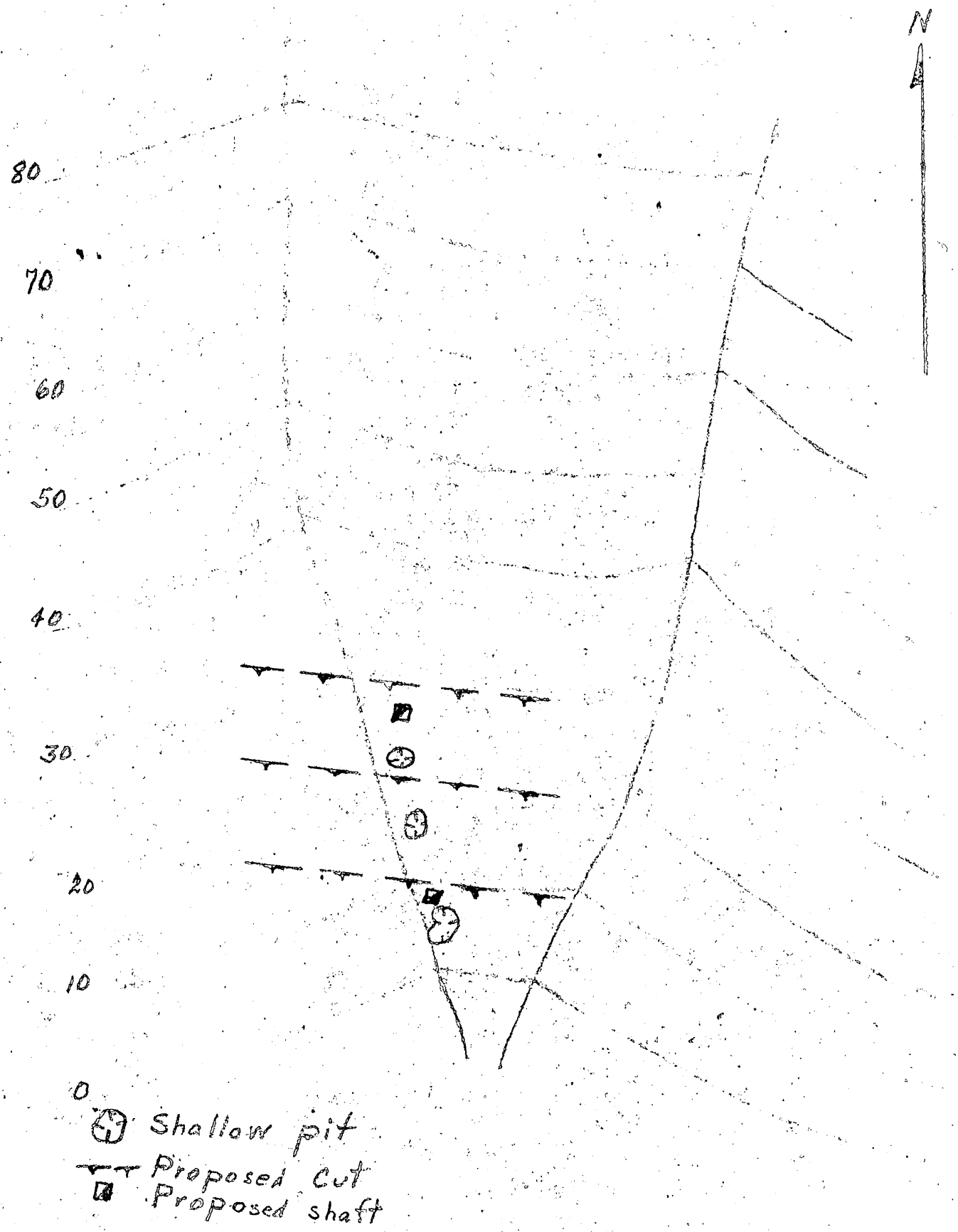
Rehabilitation and Repairs
None

Stage 2: Total estimated cost.....	$2,665.00
Total estimated Cost of Stages 1 and 2	$3,800.00

For the proposed work at Location No.2 ($5,895.00) and Location No. 6 ($3800.00) the total estimated cost is $9,695.00

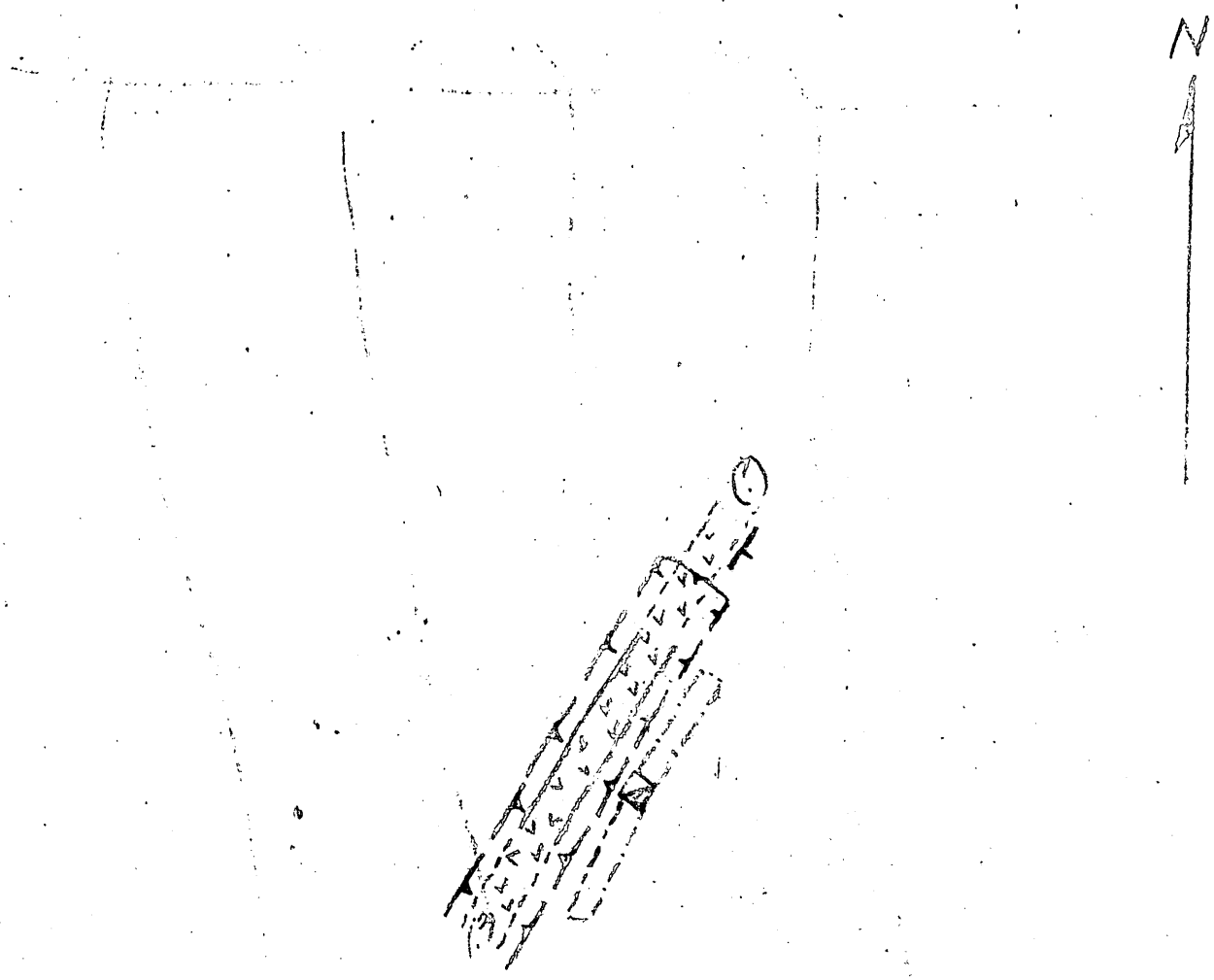
July 3, 1952

K.H. Teague, USGS



POSTON PROSPECT
Location No. 2
Haywood Co., N.C.

DMER-2561



0 5 10 15 20

Pegmatite

Proposed Open Cut - Stage 1

Proposed Shaft - Stage 2

Proposed Drift - Stage 2

POSTON PROSPECT
Location No. 6

Haywood Co., N. C.

DMEA-2561

FILE COPY
SURNAME:

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

600
JUN 24 1952

SFeitler
Mrk

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 01, Tennessee

Subject: Docket No. DMEA-2561 - Mica
Poston Prospect
Rocky Face Mountain
Haywood County, North Carolina

Dear Mr. Laurence:

This is in reference to the above application, a copy of which is in your files, for assistance in exploring for mica on Rocky Face Mountain near Springdale School.

Please arrange to have the Field Team examine this property and if exploration is warranted, work out a suitable program with the applicants. The approximate length of the access road should be stated.

It will be well to tell the applicants that they can fill only such necessary jobs as they are qualified for, and about DMEA procedure for determining allowable depreciation. The estimated cost of buildings appears to be high and a storage shed should not be necessary for an exploration program.

Copies of pertinent memoranda from the U. S. Geological Survey and Bureau of Mines are enclosed.

Sincerely yours,

cc 6/24

(signed) FRANK E. JOHNSON
(JHB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

K. H. Hedges
Member, Bureau of Mines (JHB)

T. P. Thayer
Member, Geological Survey (JHB)

SAFeitler:gad 6/23/52
Copy to: Admin. Reading File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Docket File
Mr. Houk

Enclosures 2

FILE COPY

FILE COPY
SURNAME:

600

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

JUN 24 1952

Feitler
Hedges
Thayer
JJ Johnson

Mr. Everett L. Poston
Route 2
Canton, North Carolina

Subject: Docket No. DMEA-2501 - Mica
Poston Prospect
Rocky Face Mountain
Haywood County, North Carolina

Dear Mr. Poston:

Your application is being referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 01, Tennessee, for further information.

Enclosed are eight copies of Form MF-203, Owner's Consent to Lien. Kindly have six copies signed by Richard T. Alexander, Jr., and Margaret Alexander, and return to this office. In paragraph 2 of the Consent to Lien the amount of the Government's contribution must be left blank as the correct amount will not be known until a contract has been completed and approved.

Sincerely yours,

6/24

Acting Administrator
Defense Minerals Exploration
Administration

Enclosures 8

SAFeitler:gad 6/23/52

Copy to: Admin. Reading File
Operating Committee (2)
Field Team, Region VII (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk
Docket File

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

June 17, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2561, Everett L. Poston and R. W. Poston
Route 2, North Carolina

On the basis of the applicant's description of existing out-crops and samples indicating ruby mica within the limits of the color specifications, a field team investigation is recommended. Geographic location in proximity to productive ruby mica mines supports possibility of obtaining ruby mica.

W. F. Dietrich

W. F. Dietrich

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 18 1952

IN REPLY REFER TO:

G-MD-PLW

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 11 1952

June 10, 1952

Memorandum

REVIEW OF APPLICATION DMEA-2561 (?) (Mica).

To: L. G. Houk, Non-Metallic Minerals Division, DMEA.
From: P. L. Weis, U. S. Geological Survey.
Applicant: E. L. Poston and R. W. Poston.
Commodity: Mica.
Name of property: E. L. Poston and R. L. Poston Mica Prospect.
Location of property: 10½ miles NE of Waynesville, Haywood County, North Carolina.
Estimated cost of project: $8,880.00.
Summary of applicants' poposal:

(1) Bulldozing access road for 3/4 mile.
(2) Bulldoze surface to expose pegmatite.
(3) Shafts and drifts to outline mica-bearing parts of pegmatite.

Sources of information on applicants' property: None.

Comments: (1) This is apparently a newly discovered pegmatite. Our files contain no data on it. Applicants have provided an unusually good map showing its location.

(2) Field examination should be made if applicant's sample of mica appears to be of strategic grade and quality.

RECOMMENDATIONS:

Refer to field team.

Paul L. Weis

Paul L. Weis

EXPLORATION

Subject: DMEA-2561
Re: Exploration Loan
Poston Mica Prospect
June 2, 1952

Mr. Everett L. Poston
Route 2
Canton, North Carolina

My dear Mr. Poston:

This will acknowledge receipt of your application dated May 21, 1952 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2561 and referred to the Non-Metallic Minerals Division.

Kindly refer to DMEA-2561 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Administrative Officer

7862

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. DMEA2561
Metal or Mineral
Date Received
Amount $
Participation (Government %)

Name and address of applicant

Everett L. Poston
and
R. W. Poston
Route 2
Canton, North Carolina

Date 21 May, 1952

If you have already filed MF-100, give date filed _____, type of assistance requested _____,

DMA Docket Number (if available) _____

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*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.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) 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 (*c*) 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.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

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

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.

(Name of company)	By R. W. Poston (Signature of authorized official)
	Everett L. Foster
(Date)	Operators (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—64067-2

Everett L. Poston
and
R. W. Poston
Route 2
Canton, North Carolina

Date May 21, 1952

1. (a) Overlay from Geological Survey Map (Ed. 1946) showing location of property attached. See 1. (b) and 1. (c) for legal description of plot or area upon which exploration is to be conducted.

(b) Copy of lease attached.

(c) Legal description same as description contained in lease, copies of which are attached and referred to as in 1. (b) above.

2. (a) Mica, sheet or pattern, and scrap; feldspar, and associated minerals.

(b) The prospect area is in the horseshoe shaped cove on the South side of Rocky Face Mountain (Haywood County, N. C.) between the 4000 foot and 4500 foot level in elevation at the head of Long Branch which runs off of the East Fork of the Pigeon River near what is known as Springdale School. There are eight out-croppings of mica known to applicants; a sample taken from point designated No. 2 on attached overlay is submitted herewith. Extensive and massive rock formations are of the pegmatite type consistent with deposits of mica. Frequency of out-crops in the immediate area described and circled on overlay, together with good samples picked up and worked out have led applicants to believe mica exists in commercial quantity.

3. (a) The proposed work will consist of the following: Bulldozing road from head of cove to area of prospects near 4000 foot level. Next the applicant plans to do such bulldozer work as is necessary to uncover the pegmatite at each out-cropping and grade off working space connecting each with the road to be graded up into the cove. Three-quarters of a mile of road work will be necessary in all. After opening and exposing pegmatite applicant proposes drill through "Capping", to tunnel to extent necessary to open up prospects for purpose of ascertaining course, size, and type of vein ~~eliminating those~~

which do not contain prospects of mica in commercial quantities. This is more of a probing operation. At the present time it is deemed that out-crop marked on overlay as No. 1 is the most likely prospect.

(b) It is estimated that it will require two months after project is approved and assistance granted to get roads built, necessary equipment and facilities delivered and installed to commence operations. Thereafter, from six to eight months to completely probe and explore out-croppings satisfactory to a positive determination of relative value.

4. Sketch or overlay of property involved is attached, being same previously referred to. Present mine working have consisted of no more than hand tool diggings (ground-hog operations) with very little and small openings. Rock is of type as to discourage and practically prohibit hand tool operations except at surface. Machine tools must be used to accomplish any worth while result so far as opening of mines is concerned. Location of main proposed exploration shall center around out-crop marked No. 2.

5. There are no existing facilities on site.

6. A minimum of building facilities is necessary as follows:

Compressor house and tool shed -	$500.00
Powder Bunker - - - - - - - - - -	200.00
Storage Shed - - - - - - - - - - -	200.00
	$900.00

7. (a) Items to be rented:

Compressor - at	$200. per month- 6 months	$1200.00

(b) Items to be purchased:

Jack hammer -	$500. - - - - -	500.00
Hose	100. - - - - -	100.00
Steel	500. - - - - -	500.00
Powder and TNT	500. - - - - - (Initial Supply)	500.00
Tools (hand)	150. - - - - -	150.00

(c) Items to be furnished by applicant:

1 - Truck - depreciation $200. per month - $1200.00

2 - Services of both of applicants in the form of supervision and personal labor of applicants at $300. per month each - (2 x 300 = 600 x 6) $3600.00

8. Inasmuch as applicants will furnish themselves their own labor and supervision to job, it is considered that with help of two additional men they will be able to proceed satisfactorily in exploration, therefore only services of two additional laborers will be required.

1 miner - at $12.00 per day - - - - - - - - - $2160.00
1 mucker and handy man at $8.00 per day - 1440.00

9. Water available at no cost other than some piping near projects. Gas and oil for operation of compressor will cost approximately $6.00 per day or $1080.00.

10.(a) Our personal services and labor equal in value to $600. per month for a total of ($600. x 6 = $3600) - - - - - - - - - - - - - - - - $3600.00

plus a truck - the use of which on basis of depreciation will equal ($200. x 6 = $1200.) 1200.00

$4800.00

(b) If it be deemed necessary applicants will contribute by cash to operation $888.00 or ten percent of total estimated direct costs.

11.It is felt that a personal view by a Government mineralogist in connection with this application can convey to your office more information than we could put into words of technical nature. Your attention is directed to specimens of mica taken from this project and in particular specimen marked as coming from out-crop No. 2. Several specimens are herewith submitted for your examination.

Summary of Estimated Cost:

(a) Bulldozer and road work (contracted)	$600.00
(b) Building facilities	900.00
(c) Rental	
Compressor - 6 mos.	1200.00
Purchased items	1500.00
Labor	2600.00
Fuel supplies for compressor	1080.00
Total direct estimated costs - - -	$8880.00
Estimated value of applicants labor and services	3600.00
Rental value of applicants truck	1200.00
Total value of contribution of services and truck contemplated by applicants - -	$4800.00

STATE OF NORTH CAROLINA

COUNTY OF HAYWOOD

THIS INDENTURE, CONTRACT AND AGREEMENT OF LEASE made and entered into this 24 day of March, 1958 by and between RICHARD THOMAS ALEXANDER, Jr. and wife MARGARET ALEXANDER, of Haywood County, North Carolina hereinafter designated Lessor, and E. L. POSTON AND R. W. POSTON of Haywood County, North Carolina, hereinafter designated Lessee:

WITNESSETH:

WHEREAS the Lessor is sole owner and seized in fee of the real property hereinafter described, and has and does hereby lease and let unto Lessee for the consideration appearing and expressly for the Royalties hereinafter set forth sold and exclusive mining and mineral rights in and to said real property; and

WHEREAS the Royalties agreed upon and to be paid by Lessee unto Lessor upon mineral extracted from said lands and premises are as follows:

Mica	A Royalty of	8% of gross sales price
Feldspar	A Royalty of	.50¢ per ton
Beryl	A Royalty of	$10.00 per ton
Uranium	A Royalty of	10% of gross sales price
Galena	A Royalty of	5% of gross sales price
Silver	A Royalty of	20% of gross sales price
Gold	A Royalty of	10% of gross sales price

WHEREAS Lessee desires to prospect for minerals on the hereinafter described property and if minerals are found thereon in commercial quantities does desire, intend and bind themselves their heirs, representatives and assigns to mine, extract, process and sell the same.

NOW THEREFORE, for and in consideration of the sum of ONE DOLLAR paid by Lessee to Lessor, receipt of which is hereby fully acknowledged, and in further consideration of the promises, agreements, terms and stipulations hereinafter set forth, Lessor and Lessee do contract and agree as follows:

1. Lessor does hereby grant, demise and lease to the Lessee the property hereinafter described, including the mines, minerals, and ore bodies therein contained and such part of the surface of said property as may be necessary for efficient mining, for the purpose of prospecting for, mining, milling, reducing, treating and preparing all mineral if any be found in commercial quantities therein.

2. The property subject to this lease is located near the SPRINGDALE SCHOOL in Haywood County, North Carolina and is more particularly bounded and described as follows:

1st Tract: BEGINNING on a chestnut on top of a ridge, J. M. Gwyn's corner, and runs a South course with the top of said ridge and with Gwyn's line 122 poles to a hickory, Gwyn's corner; thence N. 65 deg. E. 109 poles to a chestnut oak; thence N. 8 deg. E. 150 poles to a locust on top of Big Rocky Face; thence southwest with the top of said mountain to the point of the BEGINNING, containing 115 acres, more or less.

2nd Tract: Lying and being on the East side of the East Fork of Pigeon River, and BEGINNING at a hickory on the point of a ridge J. M. Gwyn corner, and runs thence with the Gwyn line 1 deg. 30' E. 42 poles to a stake on a ridge; thence S. 76 deg. E. 67 poles to a Spanish oak on top of Horse Ridge; and running thence according to a survey made by W. H. Hargrove, surveyor, July 30-31, 1896, and containing 155 acres, more or less.

3rd Tract: BEGINNING on a hickory, T. L. Gwyn corner, and runs with said Gwyn line S. 28 deg. E. 1320 feet to a stake formerly a hickory; then N. 49 deg. E. 3500 feet to a stake on top of mountain; then with top of mountain as it meanders 17 calls: N. 2 deg. E. 130 feet; N. 8 deg. W. 165 feet; N. 5 deg. W. 140 feet; N. 18 deg. W. 255 feet; N. 51 deg. 30' W. 250 feet; N. 11 deg. W. 190 feet; N. 28 deg. W. 193 feet; N. 3 deg. E. 120 feet; N. 12 deg. W. 178 feet; N. 18 deg. W. 178 feet; N. 23 deg. 30' W. 135 feet; N. 40 deg. 30' W. 140 feet; N. 55 deg. W. 185 feet; N. 82 deg. 30' W. 113 feet; N. 88 deg. W. 105 feet; S. 84 deg. W. 120 feet; N. 51 deg. W. 182 feet to a locust on Big Rocky Face, Jess Garnes' corner; then with said Garnes line S. 8 deg. W. 2475 feet to a chestnut oak, Garnes corner;

then with Garnes line S. 65 deg. W. 1798 feet to the BEGINNING, containing 114 acres, more or less.

3. The terms of this lease shall exist and continue so long as Lessee works and operates said lands with reasonable regularity and the total royalties, for every period of six months after the termination of the prospecting period, shall amount to a sum of at least fifty dollars.

4. The Lessee shall have a period not exceeding three months from and after the date hereof in which to prosepct for minerals upon leased premises, during which period Lessee shall pay no rent or Royalties to Lessor. During said prospecting period, Lessee shall extract and remove only such quantities of minerals as are absolutely necessary for prospecting, exploring, testing and analysis, and said prospecting period shall automatically and immediately terminate on the date Lessee commences extracting and removing from leased premises minerals in commercial quantities. The Lessee will notify the Lessor on the day the prospecting period ends. The Lessee will also notify the Lessor the day commercial operations commence, and at the end of every period of six months after the beginning of commercial operations, the Lessee will notify the Lessor that the Lessee intends to continue for another period of six months.

In event that both Lessee and Lessor come to a joint agreement that this lease shall be terminated unconditionally, then at that time, this lease may be terminated without the aforementioned conditions of termination.

5. Lessor does hereby grant at all times the right of ingress and egress to Lessee where it concerns the aforementioned purposes of this lease.

6. Lessee agrees that at all times the discretion of the Lessor shall be followed in matters pertaining to any activity which might be detrimental to any timber or pasture on said leasehold.

7. Lessee agrees to maintain an accurate record of the sales and prices of all minerals which shall be removed from said leasehold and to allow the inspection of these records by the Lessor at any time.

8. On the first day of each month, Lessee shall present to Lessor a detailed account of the dates of sale and the payment received for any minerals which shall be removed from said leasehold during the preceeding month accompanied by payment of the accumulated Royalties of the preceeding month.

9. Prospecting for, and mining and removal of minerals from said leasehold shall, at the discretion of the Lessee, be done intermittently, sporadically or continuously.

10. In case the Lessor desires to sell said tracts to any party other than Springdale Schools, Inc., the Lessee shall have the first option to buy same. Before any sale to Springdale Schools, Inc., it is understood that the Lessee shall have the right to continue said lease with said school.

IN TESTIMONY WHEREOF, said parties of the first part, Lessor and said parties of the second part, Lessee have hereunto set their hands and seals this the 24 day of March, 1952.

E. L. Poston (Seal)
(Sgd.) E. L. Poston

R. W. Poston (Seal)
(Sgd.) R. W. Poston

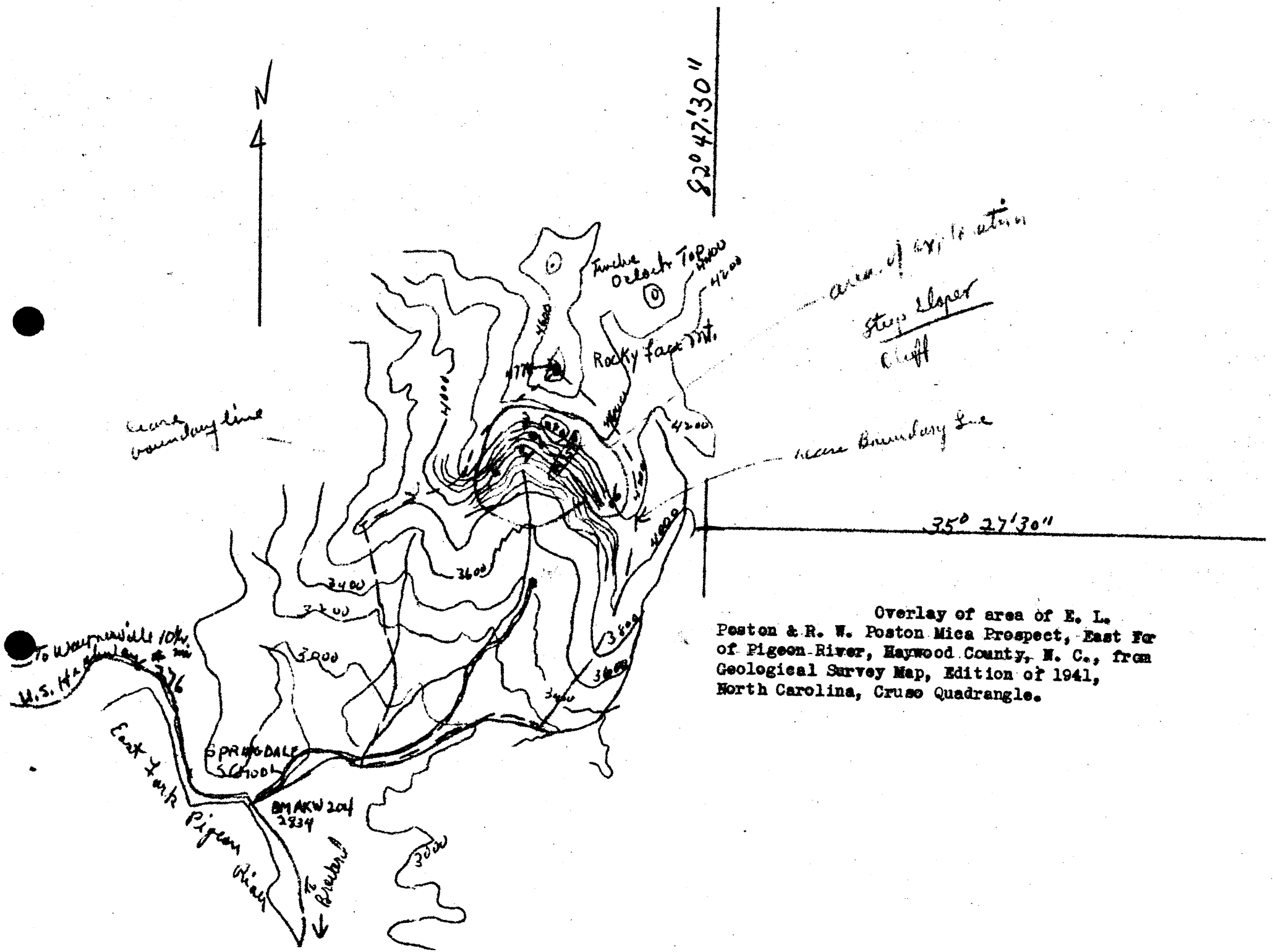
(Sgd.) Richard T. Alexander, Jr. (Seal)

(Sgd.) Margaret Alexander (Seal)

(Sgd.) Gaston Burnette
Notary Public in and for Haywood
North Carolina

My commission expires:

March 22, 1955



Overlay of area of E. L. Poston & R. W. Poston Mica Prospect, East For of Pigeon River, Haywood County, N. C., from Geological Survey Map, Edition of 1941, North Carolina, Cruso Quadrangle.

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Pamlico, State of North Carolina, described in a certain Exploration Project Contract dated _____, 195__, between _____, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated 24th day of March 1952, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 18th day of August, 195[illegible]

Richard T. Alexander, Jr.

Margaret Alexander

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of [illegible], State of [illegible] North Carolina, described in a certain Exploration Project Contract dated _____, 195__, between _____, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated [illegible] day of [illegible], does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this [illegible] day of [illegible], 195[illegible]

Richard T. Alexander Jr.

Margaret Alexander

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MF-202

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NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated 24th day of March 1952, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

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The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 18th day of August, 1952

Richard T. Alexander, Jr.

Margaret Alexander

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

MF-202

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The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 19th day of August, 1952.

Richard T. Alexander, Jr.

Margaret Alexander

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. DMEA-2561
Metal or Mineral
Date Received 6-2-52
Amount $
Participation (Government %)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 2 1952

Everett L. Poston
and
R. W. Poston
Route 2
Canton, North Carolina

Name and address of applicant

Date 21 May, 1952

If you have already filed MF-100, give date filed _____, type of assistance requested _____,

DMA Docket Number (if available) _____

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*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.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) 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 (*c*) 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.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

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

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.

(Name of company)	By R. W. Poston. (Signature of authorized official)
	Everett L. Poston
(Date)	Operators (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—64067-2

Everett L. Poston
and
R. W. Poston
Route 2
Canton, North Carolina

Date May 21, 1952

1. (a) Overlay from Geological Survey Map (Ed. 1946) showing location of property attached. See 1. (b) and 1. (c) for legal description of plot or area upon which exploration is to be conducted.

(b) Copy of lease attached.

(c) Legal description same as description contained in lease, copies of which are attached and referred to as in 1. (b) above.

2. (a) Mica, sheet or pattern, and scrap; feldspar, and associated minerals.

(b) The prospect area is in the horseshoe shaped cove on the South side of Rocky Face Mountain (Haywood County, N. C.) between the 4000 foot and 4500 foot level in elevation at the head of Long Branch which runs off of the East Fork of the Pigeon River near what is known as Springdale School. There are eight out-croppings of mica known to applicants; a sample taken from point designated No. 2 on attached overlay is submitted herewith. Extensive and massive rock formations are of the pegmatite type consistent with deposits of mica. Frequency of out-crops in the immediate area described and circled on overlay, together with good samples picked up and worked out have led applicants to believe mica exists in commercial quantity.

3. (a) The proposed work will consist of the following: Bulldozing road from head of cove to area of prospects near 4000 foot level. Next the applicant plans to do such bulldozer work as is necessary to uncover the pegmatite at each out-cropping and grade off working space connecting each with the road to be graded up into the cove. Three-quarters of a mile of road work will be necessary in all. After opening and exposing pegmatite applicant proposes drill through "Capping", to tunnel to extent necessary to open up prospects for purpose of ascertaining course, size, and type of vein, eliminating those

which do not contain prospects of mica in commercial quantities. This is more of a probing operation. At the present time it is deemed that out-crop marked on overlay as No. 1 is the most likely prospect.

(b) It is estimated that it will require two months after project is approved and assistance granted to get roads built, necessary equipment and facilities delivered and installed to commence operations. Thereafter, from six to eight months to completely probe and explore out-croppings satisfactory to a positive determination of relative value.

4. Sketch or overlay of property involved is attached, being same previously referred to. Presemt mine working have consisted of no more than hand tool diggings (ground-hog operations) with very little and small openings. Rock is of type as to discourage and practically prohibit hand tool operations except at surface. Machine tools must be used to accomplish any worth while result so far as opening of mines is concerned. Location of main proposed exploration shall center around out-crop marked No. 2.

5. There are no existing facilities on site.

6. A minimum of building facilities is necessary as follows:

Compressor house and tool shed -	$500.00
Powder Bunker - - - - - - - - - -	200.00
Storage Shed - - - - - - - - - - -	200.00
	$900.00

7. (a) Items to be rented:

Compressor - at	$200. per month- 6 months	$1200.00

(b) Items to be purchased:

Jack hammer -	$300. - - - - -	300.00
Hose	100. - - - - -	100.00
Steel	500. - - - - -	500.00
Powder and TNT	500. - - - - - (Initial Supply)	500.00
Tools (hand)	150. - - - - -	150.00

(c) Items to be furnished by applicant:

1 - Truck - depreciation $200. per month - $1200.00

2 - Services of both of applicants in the form of supervision and personal labor of applicants at $300. per month each - (2 x 300 = 600 x 6) $3600.00

8. Inasmuch as applicants will furnish themselves their own labor and supervision to job, it is considered that with help of two additional men they will be able to proceed satisfactorily in exploration, therefore only services of two additional laborers will be required.

1 miner - at $12.00 per day - - - - - - - - - $2160.00
1 mucker and handy man at $8.00 per day - 1440.00

9. Water available at no cost other than some piping near projects. Gas and oil for operation of compressor will cost approximately $6.00 per day or $1080.00.

10.(a) Our personal services and labor equal in value to $600. per month for a total of ($600. x 6 = $3600) - - - - - - - - - - - - - - - - - $3600.00

plus a truck - the use of which on basis of depreciation will equal ($200. x 6 = $1200.) 1200.00

$4800.00

(b) If it be deemed necessary applicants will contribute by cash to operation $888.00 or ten percent of total estimated direct costs.

11.It is felt that a personal view by a Government mineralogist in connection with this application can convey to your office more information than we could put into words of technical nature. Your attention is directed to specimens of mica taken from this project and in particular specimen marked as coming from out-crop No. 2. Several specimens are herewith submitted for your examination.

Summary of Estimated Cost:

(a) Bulldozer and road work (contracted)	$600.00
(b) Building facilities	900.00
(c) Rental	
Compressor - 6 mos.	1200.00
Purchased items	1500.00
Labor	3600.00
Fuel supplies for compressor	1080.00
Total direct estimated costs - - -	$8880.00
Estimated value of applicants labor and services	3600.00
Rental value of applicants truck	1200.00
Total value of contribution of services and truck contemplated by applicants - -	$4800.00

STATE OF NORTH CAROLINA

COUNTY OF HAYWOOD

THIS INDENTURE, CONTRACT AND AGREEMENT OF LEASE made and entered into this 24 day of March, 1952 by and between RICHARD THOMAS ALEXANDER, Jr. and wife MARGARET ALEXANDER, of Haywoood County, North Carolina hereinafter designated Lessor, and E. L. POSTON AND R. W. POSTON of Haywood County, North Carolina, hereinafter designated Lessee:

WITNESSETH:

WHEREAS the Lessor is sole owner and seized in fee of the real property hereinafter described, and has and does hereby lease and let unto Lessee for the consideration appearing and expressly for the Royalties hereinafter set forth sold and exclusive mining and mineral rights in and to said real property; and

WHEREAS the Royalties agreed upon and to be paid by Lessee unto Lessor upon mineral extracted from said lands and premises are as follows:

Mica	A Royalty of	8% of gross sales price
Feldspar	A Royalty of	.50¢ per ton
Beryl	A Royalty of	$10.00 per ton
Uranium	A Royalty of	10% of gross sales price
Galena	A Royalty of	5% of gross sales price
Silver	A Royalty of	20% of gross sales price
Gold	A Royalty of	10% of gross sales price

WHEREAS Lessee desires to prospect for minerals on the hereinafter described property and if minerals are found thereon in commercial quantities does desire, intend and bind themselves their heirs, representatives and assigns to mine, extract, process and sell the same.

NOW THEREFORE, for and in consideration of the sum of ONE DOLLAR paid by Lessee to Lessor, receipt of which is hereby fully acknowledged, and in further consideration of the promises, agreements, terms and stipulations hereinafter set forth, Lessor and Lessee do contract and agree as follows:

1. Lessor does hereby grant, demise and lease to the Lessee the property hereinafter described, including the mines, minerals, and ore bodies therein contained and such part of the surface of said property as may be necessary for efficient mining, for the purpose of prospecting for, mining, milling, reducing, treating and preparing all mineral if any be found in commercial quantities therein.

2. The property subject to this lease is located near the SPRINGDALE SCHOOL in Haywood County, North Carolina and is more particularly bounded and described as follows:

> 1st Tract: BEGINNING on a chestnut on top of a ridge, J. M. Gwyn's corner, and runs a South course with the top of said ridge and with Gwyn's line 122 poles to a hickory, Gwyn's corner; thence N. 65 deg. E. 109 poles to a chestnut oak; thence N. 8 deg. E. 150 poles to a locust on top of Big Rocky Face; thence southwest with the top of said mountain to the point of the BEGINNING, containing 115 acres, more or less.
>
> 2nd Tract: Lying and being on the East side of the East Fork of Pigeon River, and BEGINNING at a hickory on the point of a ridge J. M. Gwyn corner, and runs thence with the Gwyn line 1 deg. 30' E. 42 poles to a stake on a ridge; thence S. 76 deg. E. 67 poles to a Spanish oak on top of Horse Ridge; and running thence according to a survey made by W. H. Hargrove, surveyor, July 30-31, 1896, and containing 155 acres, more or less.
>
> 3rd Tract: BEGINNING on a hickory, T. L. Gwyn corner, and runs with said Gwyn line S. 28 deg. E. 1320 feet to a stake formerly a hickory; then N. 49 deg. E. 3500 feet to a stake on top of mountain; then with top of mountain as it meanders 17 calls: N. 2 deg. E. 130 feet; N. 8 deg. W. 165 feet; N. 5 deg. W. 140 feet; N. 18 deg. W. 235 feet; N. 51 deg. 30' W. 230 feet; N. 11 deg. W. 190 feet; N. 28 deg. W. 193 feet; N. 3 deg. E. 120 feet; N. 12 deg. W. 178 feet; N. 18 deg. W. 178 feet; N. 23 deg. 30' W. 135 feet; N. 40 deg. 30' W. 140 feet; N. 55 deg. W. 185 feet; N. 82 deg. 30' W. 113 feet; N. 88 deg. W. 103 feet; S. 84 deg. W. 120 feet; N. 51 deg. W. 182 feet to a locust on Big Rocky Face, Jess Garnes' corner; then with said Garnes line S. 8 deg. W. 2475 feet to a chestnut oak, Garnes corner;

cont. on next page

then with Garnes line S. 65 deg. W. 1798 feet to the BEGINNING, containing 114 acres, more or less.

3. The terms of this lease shall exist and continue so long as Lessee works and operates said lands with reasonable regularity and the total royalties, for every period of six months after the termination of the prospecting period, shall amount to a sum of at least fifty dollars.

4. The Lessee shall have a period not exceeding three months from and after the date hereof in which to prosepct for minerals upon leased premises, during which period Lessee shall pay no rent or Royalties to Lessor. During said prospecting period, Lessee shall extract and remove only such quantities of minerals as are absolutely necessary for prospecting, exploring, testing and analysis, and said prospecting period shall automatically and immediately terminate on the date Lessee commences extracting and removing from leased premises minerals in commercial quantities. The Lessee will notify the Lessor on the day the prospecting period ends. The Lessee will also notify the Lessor the day commercial operations commence, and at the end of every period of six months after the beginning of commercial operations, the Lessee will notify the Lessor that the Lessee intends to continue for another period of six months.

In event that both Lessee and Lessor come to a joint agreement that this lease shall be terminated unconditionally, then at that time, this lease may be terminated without the aforementioned conditions of termination.

5. Lessor does hereby grant at all times the right of ingress and egress to Lessee where it concerns the aforementioned purposes of this lease.

6. Lessee agrees that at all times the discretion of the Lessor shall be followed in matters pertaining to any activity which might be detrimental to any timber or pasture on said leasehold.

7. Lessee agrees to maintain an accurate record of the sales and prices of all minerals which shall be removed from said leasehold and to allow the inspection of these records by the Lessor at any time.

8. On the first day of each month, Lessee shall present to Lessor a detailed account of the dates of sale and the payment received for any minerals which shall be removed from said leasehold during the preceeding month accompanied by payment of the accumulated Royalties of the preceeding month.

9. Prospecting for, and mining and removal of minerals from said leasehold shall, at the discretion of the Lessee, be done intermittently, sporadically or continuously.

10. In case the Lessor desires to sell said tracts to any party other than Springdale Schools, Inc., the Lessee shall have the first option to buy same. Before any sale to Springdale Schools, Inc., it is understood that the Lessee shall have the right to continue said lease with said school.

IN TESTIMONY WHEREOF, said parties of the first part, Lessor and said parties of the second part, Lessee have hereunto set their hands and seals this the 24 day of March, 1952.

E. L. Poston (Seal)
(Sgd.) E. L. Poston

R. W. Poston (Seal)
(Sgd.) R. W. Poston

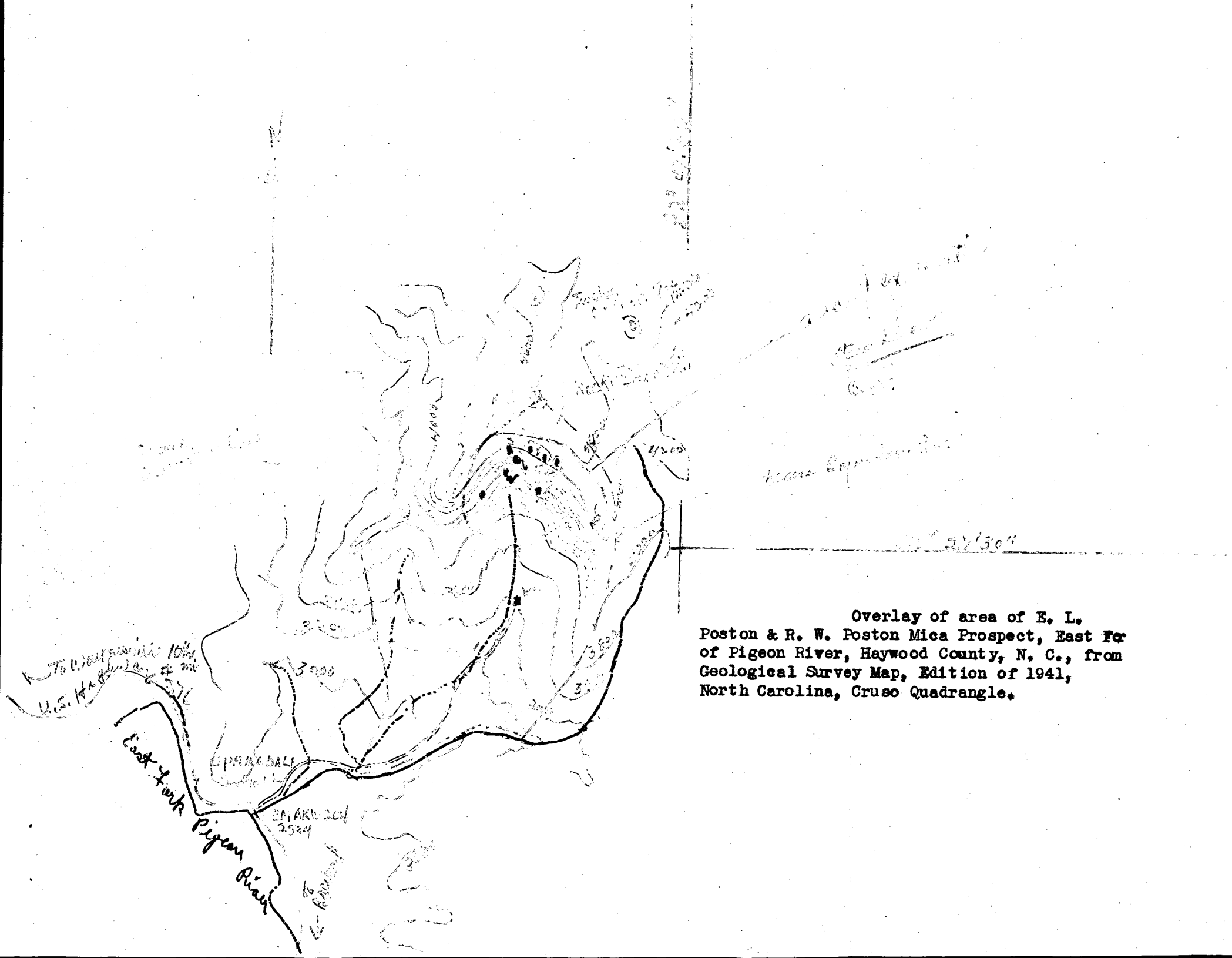
(Sgd.) Richard T. Alexander, Jr. (Seal)

(Sgd.) Margaret Alexander (Seal)

(Sgd.) Gaston Burnette
Notary Public in and for Haywood Co.
North Carolina

My commission expires:

March 22, 1953



Overlay of area of E. L. Poston & R. W. Poston Mica Prospect, East Fork of Pigeon River, Haywood County, N. C., from Geological Survey Map, Edition of 1941, North Carolina, Cruso Quadrangle.

Springdale Mine
Haywood County
N.C.
Big East Fork
of Pigeon River
East Fork Township

Mica Samples
Re: Application of
Everett L. Poston
&
R. W. Poston

KAROLTON KLASP—8¾ X 11¼
"MADE IN U. S. A."
THE AMERICAN ENVELOPE CO.
WEST CARROLLTON, OHIO