DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMEA ~~DMA~~ Docket No. 2625

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	7-25-52
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CONTROLLED DOCUMENT

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

B.W.

February 11, 1953

Memorandum

To: Chief, Operations Control and Statistics Division

From: Chief, Nonmetallic Minerals Division

Subject: Withdrawal - Docket No. DMEA-2625 - Mica
L. O. Smathers
Cannie Fork Mine
Jackson County, North Carolina

A letter dated January 8, 1953, requesting a reply within thirty days has not been answered. The subject docket should, therefore, be closed as a withdrawal because the applicant has lost interest in the project.

If any further action is to be taken on this mine, a new application will be necessary.

Attachment (Docket No. DMEA-2625)

FILE COPY
SURNAME:

Houk

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

February 11, 1953

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To: Chief, Operations Control and Statistics Division

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Attachment (Docket No. DMEA-2625)

SAFeitler:gad 2/11/53

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

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

Memorandum February 11, 1953

To: L. G. Houk, Chief, Nonmetallic Minerals Division

From: Nonmetallic Minerals Division

Subject: Final review - Docket No. DMEA-2625 - Mica
L. O. Smathers
Cannie Fork Mine, Jackson County, N. C.

Action recommended: Close docket

Conclusions: Applicant has not answered letters or communicated with this office since his letter of July 28, 1952. Our "30-day letter", dated January 8, 1953, has not been answered.

Chronology:

7/14/52 Application received. This contained very little information other than a copy of a lease. An Owner's Consent to Lien signed by the applicant himself is included.

7/25/52 Acknowledgment of receipt of application including a request for a detailed estimate of the costs of the work by R. E. Adams.

7/28/52 USGS memo - Request applicant to answer the questions in the application.

7/30/52 Received reply to cost query suggests $940.00 to prepare the mine for examination and $7,550.00 for machinery for production.

7/31/52 USBM memo - Request applicant to supply more complete information.

9/4/52 Letter to applicant requesting more information about the mine, a sample of the mica, and a proper Owner's Consent to Lien.

1/8/53 Letter to applicant requesting reply to our letter of September 4, 1952, within 30 days or "docket will be closed".

1/10/53 Memo to Operations, Control, and Statistics Division, advising that docket is considered to be withdrawn by applicant because of lack of interest.

Stanley A. Feitler

S. A. Feitler
Nonmetallic Minerals Division

FILE COPY
SURNAME:

Feitler
Houk

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

Memorandum February 11, 1953

To: L. G. Houk, Chief, Nonmetallic Minerals Division

From: Nonmetallic Minerals Division

Subject: Final review - Docket No. DMEA-2625 - Mica
L. O. Smathers
Cannie Fork Mine, Jackson County, N. C.

Action recommended: Close docket

Conclusions: Applicant has not answered letters or communicated with this office since his letter of July 23, 1952. Our "30-day letter", dated January 8, 1952, has not been answered.

Chronology:

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SAFeitler:gad 2/11/53
Copy to: Docket File
Mr. Houk

SAF

S. A. Feitler
Nonmetallic Minerals Division

FILE COPY
SURNAME:

Feitler
Houk

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

JAN 8 1953

Mr. L. O. Smathers
Horse Shoe
North Carolina

Subject: Docket No. DMEA-2625 - Mica
Cannie Fork Mine
Jackson County, North Carolina

Dear Mr. Smathers:

Reference is made to the subject application for exploration assistance at the Cannie Fork Mine, Jackson County, North Carolina and our letter dated September 4, 1952 requesting answers to certain questions in the application (Form KF 103) as well as an Owner's Consent to Lien signed by the owners.

We wish to cooperate by allowing adequate time for you to supply the necessary information and agreement but we feel that sufficient time has been allowed. If we do not hear from you by February 6, 1953, we will assume that you are no longer interested in exploration assistance, and the docket will be closed.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

SAFeitler:fls 1/7/53

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

J.C. 1-8-53

FILE COPY
SURNAME:

Feitler
Robertson

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

600

SEP 4 1952

Mr. L. O. Smathers
Horse Shoe
North Carolina

Subject: Docket No. DMEA-2625 - Mica
Cannie Fork Mine
Jackson County, North Carolina

Dear Mr. Smathers:

Reference is made to the subject application for exploration assistance at the Cannie Fork Mine.

Your application does not contain answers to the questions listed below which are also checked on the enclosed application form. Please answer the following questions:

Question No. 3b
" " 4a
" " 4b
" " 4c
" " 5b
" " 5d

You submitted four copies of Form MF-203, Owner's Consent to Lien, signed by yourself. This form should be signed by the owners, G. F. Woods and Betty Woods. Please submit six copies of the enclosed Owner's Consent to Lien signed by Mr. and Mrs. Woods. The book, page, and county of record will be adequate as a description of the property in the space provided near the top of this form. The maximum Government contribution is restricted by you to $1,800.00. It is suggested that this space be left blank until the amount required is determined.

If you need assistance in preparing this material, one of the U. S. Bureau of Mines engineers at Asheville, North Carolina, will be pleased to cooperate.

A one-fourth pound sample of mica from this deposit should be sent to Mr. W. E. Flynt, Purchasing Agent, General Services Administration, Spruce Pine, North Carolina, with a request that he send a report on the quality of the mica to this office.

SAFeitler:gad 9/3/52

Copy to: Admin. Reading File
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk
Field Team, Region VII
Enclosures 9

Sincerely yours,

Signed J. Robertson
for
Lawrence G. Houk, Chief
Nonmetallic Minerals Division

9-4-52

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

July 31, 1952

Memorandum

S.B.F.

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2625, Mica, Cannie Fork Mine,
Jackson County, North Carolina

It is suggested that applicant be requested to furnish further information, with reference to a more detailed plan of proposed exploration, map indicating geological features, and relevant questions not answered adequately in the application.

W. F. Dietrich

W. F. Dietrich

JUL 31 1952

FILE COPY
SURNAME:

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

JUL 31 1952

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

Subject: Docket No. DMEA-262 - Mica
L. O. Smathers
Cannie Fork Mine
Jackson County, North Carolina

Dear Mr. Laurence:

The letter acknowledging receipt of this application included a request for a detailed estimate of the costs of the proposed project.

A copy of Mr. L. O. Smathers' prompt reply is enclosed.

Sincerely yours,

cc 7/31/52

SIGNED

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

Enclosure

SAFeitler:gad 7/31/52

Copy to: Admin. Reading File
Mr. Norton, G-232 GSA Bldg. with enclosure (Attention: Mr. P.L.Weis)
Mr. Dietrich,3526 with enclosure (Attention: Mr.R.A.Thompson)
Docket File
Mr. Houk

*
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849000*

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 30 1952

Horse Shoe, N. C.,
July 28, 1952.

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

Re: DMEA-2625

Gentlemen:-

Receipt is acknowledged of your letter under date of July 25, 1952 and the following information is furnished as requested by your office:

1. DETAILED ESTIMATED COST OF PRELIMINARY WORK.

Bulldozer work for grading and excavation on existing mine land, approximately 20 hours @ 10.00	$ 200.00
Man labor for cleaning out and repairing existing shaft of approximately 20 feet- estimated 240 man hours @ 1.00 per hour: This will include a cut to the bottom of existing shaft for the purpose of draining the accumulation of water and debris which has collected over a period of 25 years in which this mine has not been worked.	240.00
Necessary explosives for opening up old shaft and also to assist in sinking new shaft for drainage. This will include cost of air compressor work in the event rock or extremely hard substance is encountered. Approximate cost	500.00
Total est. cost	940.00

The above preliminary work consist of getting this mine in shape only to the extent of determining the possibilities of installing machinery and going into active production, and for the purpose of inspection by qualified engineers to determine whether the quality of mica is such as to pay to proceed in further installation of equipment and operation of this mine.

2. DETAILED ESTIMATE OF INSTALLATION AND COST OF MACHINERY FOR PRODUCTION.

In the event it is determined that this mine will produce an acceptable quality of mica, the following estimated cost of equipment and machinery is furnished:

Re: DMEA - 2625
Horse Shoe, N.C.,
7-28-52.

Necessary machinery consisting of:

1 - Air Compressor - estimated cost	$3,500.00
1 - Jack Hammer - estimated cost	400.00
Air hose, 100 feet, pipe 500 feet, incl. Nozzles and connections, estimated cost	200.00
Drill steel and cutting bits, est. cost	200.00
2 Drum Hoist for handling carts and raw materials, estimated cost	2,500.00
Miscellaneous small tools, est. cost	100.00
Installation of machinery, est. cost	400.00
Temporary Mica and Tool Buildings, est. cost.	250.00
Total estimated cost	7,550.00

Transportation of workmen and miscellaneous travel and trips in connection with this undergoing project is included in above estimated costs.

Very truly yours,

L O Smathers

L. O. SMATHERS.

IN REPLY REFER TO:

G-MD-CNM

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

July 28, 1952

SA F

Memorandum

REVIEW OF APPLICATION DMEA-2625 (MICA)

To: L. G. Houk, Defense Minerals Exploration Administration
From: P. L. Weis, U. S. Geological Survey
Applicant: L. O. Smathers.
Name of property: Cannie Fork Mine.
Location of property: Jackson County, North Carolina.
Estimated cost of project: Not listed.
Summary of applicant's proposal: Not listed.
Comments: The applicant has not answered all of the questions on form MF-103, hence the application cannot be properly evaluated.
RECOMMENDATION: Return the application to the applicant with a request to provide answers to the rest of the questions.

Paul L. Weis

Paul L. Weis

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

Subject: DMEA-2625
Re: Exploration Loan
Cannie Fork Mine
July 25, 1952

Mr. L. O. Smathers
Horse Shoe
North Carolina

My dear Mr. Smathers:

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

Your application was assigned Docket Number DMEA-2625 and referred to the Non-Metallic Minerals Division.

Kindly refer to DMEA-2625 in any future correspondence relating to your application.

Please furnish this office with a detailed estimate of the costs of the proposed work.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Chief, Operation's Control
and Statistics Division

DHEA-2625

A. A. RICE
ATTORNEY AT LAW
SYLVA, NORTH CAROLINA

July 21st, 1952.

Hon. L.O. SMATHERS,
Horse Shoe, North Carolina

Dear Sir:-

This is to certify that I have examined the title to that tract of land of G.F. Woods, and wife on Cannie Fork of Tuckaseigee River, in Jackson County North Carolina.

That this land is part of the Old Brown estate, and the ninety five (95) acres, was made by the Bworn heirs, which is now oed by G.F. Woods, and wife, and I find no incumbrance and title to be clear as a matter of records of Jackson County, North Carolina.
described in Map Book, 1. page 127, of the map of Jackson County.
This the 21st, day of July 1952.

Attorney at law

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. DMEA-2625
Metal or Mineral
Date Received 7-24-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: L.O. Smathers,
Horse Shoe North Carolina

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract 95 acres, described in Book118 at page 603, of the deed for Jackson County, North Carolina and in Map Book1, at page 127, of the records of Maps for Jackson County North Carolina for complete discription

(*b*) State any mine name by which the property is known. Cannie Fork Mine

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee,

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Lease contract,

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. Near a good Road the Cannie Fork Highway

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

Very Good

JUL 24 1952

16—66551-1

5. *The exploration project.*—(*a*) S[redacted] the mineral or minerals for which you wish [redacted]xplore .....

Mica

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within Now days and be completed within indefinate months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of 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.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? yes

(*b*) How do you propose to furnish your share of the costs?

☐ Money ☒ Use of equipment owned by you ☒ Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated July 21, 1952

L O Smathers
(Applicant)

By .....

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—66551-1

NORTH CAROLINA
JACKSON COUNTY

THIS INDENTURE, made this the 21st. day of July 1952, by G.F. Woods, and wife Betty Woods, of Jackson County North Carolina, parties of the first part, known as Lessers, and Orr Smathers, of Henderson County North Carolina, party of the second part, and known as the Lessee,

W I T T N E S S E T H:

That the parties of the first part, in consideration of the agreement hereinafter contained on the part of the party of the second part to be performed, hereby bargain, lease and grant to the party of the second part, his heirs and assigns, for the period of (10) calender years from and after the date of this agreement the following described real property for the purpose of mining in Jackson County, North Carolina and described as follows: Viz; on Cannie Fork of Tuckaseigee River, being the lands which was conveyed on the 22n day of April 1930, from R.U. Brown, and others to Eva Brown Cannon, and described in meets and bounds in Map Book, 1. at page 127, of the records of Maps of Jackson County, reference to which is hereby made for a complete discription. and consisting of 95 acres.

TO HAVE AND TO HOLD said mineral rights and mining privileges to them, for mining purposes, the said party of the second part his heirs and assigns, for the afroesaid period of (10) canelder years, upon a full compliance of the condition of this instrument, for the purpose and with the rights to dig, quarry, search for and obtain MICA, and any and all other minerals that might be developed, and conduct the same to any extent, that said party of the second part, his heirs or assigns may desire.

That it is also agreed by the party of the secon

part that no unnecessary damage is to be done to the land herein leased during the continuance of said lease or any renewal of the same. and that the party of the second part or his heirs or assigns, is to have such rights of way of ingress and agress to said mines as are owned by the parties of the first part.

The said party of the second part hereby agrees to pay to the said parties of the first part, or their heirs or assigns, a rental or royalty of ten (10) per cent of the groce sale on all Mica, and other minerals except feldspar which is to be fifty cents per long ton, and for all minerals sold the party of the second part, agrees to make settlement with the parties of the first part, on the first day of each and every months, or their heirs or assigns.

It is further understood and agreed that the work of prospecting, mining, searching for and quarrying for said minerals shall begain with in ninety days from the date hereof, and this lease and all right hereunder granted may be terminated at any time at the option of the lessors if the Lessee, or his heirs or assigns, shall cease opperation on said property for the puried of ninety(90) days, consecutive.

Itis further understood and agreed that this lease may be renewed from year to year after the completion of the ten years, term herein granted at the option of the lessee or his heirs or assigns, so long as in his or their opinion the property can be profitably operated

The parties of the first part agrees to furnish timber off of the property described that will be necessary in using for mining pupposes

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

G F Woods (Seal)

Betty [illegible] (Seal)

NORTH CAROLINA

JACKSON COUNTY

I. David S. Stillwell a Notary Public in and for the County of Jackson State of North Carolina, do hereby certify that G.F. Woods, and wife Betty Woods, personally appeared before me this day and acknowledged the due execution by them of the foregoing and annexed insterment in writings for the purpose herein expressed.
Witness my hand and Notarial Seals this the 22 day July 1952.

David S. Stillwell
Notary Public

My commission expires on the 23 day of April 1954

North Carolina

Jackson County

The foregoing and annexed certificate of David S. Stillwell a Notary Public in and for the County of Jackson North Carolina, duly authenticated by his Notarial Seal thereto affixed, is adjudged to be correctand in due form according to Law; and the execution of the foregoing and annexed instrument in writings is adjudged to have been duly proven.

Therefore, let the said instrumant , with the certificates be registered,

Witness my hand this the ____ day of _____ 1952.

_____
Clerk of the Superior Court
Jackson County North Carolina

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 Jackson, described as follows: 1/

Being ninety five (95) acres, Cannie Fork Tuckaseigee River, and being the land which G.F. Woods, lives on and described in Map Book 1. at page 127, of the records of Maps for Jackson County North Carolina

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/ L.O. Smathers, Lessee and operator,

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/$ 1.800.00, 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 _____ day of July, 195 __.

L.O. Smathers [Seal]

_____ [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 118 page 603 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.

$1,800.00

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.

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 Jackson, described as follows: 1/

being ninety five (95) acres, Connie Ford, Sugartree River, and being the land which was made, lines on and recorded in map book, 1. at page 137, of the records of maps for Jackson County, North Carolina.

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/ L.O. Smathers, lessee, and operator,

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/$ _____, 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 21st. day of July, 1958.

L O Smathers [Seal]

_____ [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 110, page 603 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.

1,500.00

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.

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 Jackson, described as follows:1/ Being ninety five (95) acres, Connie Fork Tuckaseigee River, and being the land which W.J. Woods, Jr. and conveyed in Deed Book 1. at page 127, of the records of Maps for Jackson County North Carolina

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/ L.O. Smathers, lessee and operator,

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 production3/ 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/$1,800.00, 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 _____ day of July, 195 8.

L O Smathers [Seal]

_____ [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 118 page 608 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. $1,800.00

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.

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 _____, County of _____, described as follows: 1/

_____

_____

_____

_____

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/ _____

_____

_____

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/$ _____, 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 _____ day of _____, 195 ___.

_____ [Seal]

_____ [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.