DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

N. R. H., Inc.
c/o Vincent J. Holt, President
Route 1, Box 368A
Waynesville, North Carolina

pertaining to Exploration Project Contract No. Idm-E504, Docket No. DMEA-2833, including Amendment No. 1, for the months of August, 1953 to November, 1953, inclusive, covering a project for the exploration of mica on property known as the Holt No. 1 Mine, located in Haywood County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of the work performed by reference to reports of the Government representatives who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

the contract provides for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$5,550.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$5,550.00

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Four thousand nine hundred ninety-five and no/100 Dollars

$4,995.00

is considered valid and proper.

E. D. Talbert

E. D. Talbert, Auditor

Jan. 19, 1954

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

15X

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE
PAYMENTS K-34

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1953 Docket No. DMEA 2833 Contract No. IDME-504
Operator's Name Vincent J. Holt Pres. H.R.H. Inc. Minerals Mica
Address Rt. 1 Box 368-A Waynesville, N. C.
Contract Amount, $ 5550.00 Government Participation: 90 % Amount, $ 4,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	875.00	4375.00	5250.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		200.00	200.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder Magazine		50.00	50.00			
Exploder Magazine		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	875.00	4675.00	5550.00	875.00	4,675.00	5,550.00

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

Date Nov. 27 1953 *Payee Vincent J. Holt
Vincent J. Holt
Per _____ Title Pres. H.R.H. Inc.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 787.50

Signature Cora A. Piper
(Authorized Certifying Officer)

Date DEC 9 1953 Vou. No. 154

(See other side)

4 + Fund

87.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tdm-E504 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Dec. 5, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Beck ACTING Title EXECUTIVE OFFICER DMEA REGION VII Date DEC 7 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MM-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov. 1953 Docket No. DMEA 2833 Contract No. IDMX-504
Operator's Name Vincent J. Holt Pres. H.R.H. Inc. Minerals Mica
Address Rt. 1 Box 368-A Waynesville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.	875.00	25	5250.00	150	35.00	150	35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Sinking T. House	1			200.00	1	200.00	1	200.00
Trenching P. Magaz.	1			50.00	1	50.00	1	50.00
Test Pits Ex. Magaz.	1			50.00	1	50.00	1	50.00
Roads and Trails								
TOTAL DISTRIBUTED COSTS		875.00		5550.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				5550.00				

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

Date Nov. 27, 1953 Operator Vincent J. Holt
Vincent J. Holt
Per Title Pres. H.R.H. Inc.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

OPERATORS MONTHLY PROGRESS REPORT
Month of November
1953

Nov. 3	Drilled and shot a 6 foot head. Seems as though vein is not improving in quality or quantity.
Nov. 4	Mucked and drilled a 6 foot head. Very soft material. Schist vein about 4 foot thick, lying under Mica vein. Have about 9 foot ceiling, trying to pull as much Mica vein as possible and keep the floor on a level. Vein is pitching slightly upward.
Nov. 5	Cleaned up and layed track.
Nov. 6	Drilled and shot a 6 foot head. Also drilled a 4 foot head, got about 8 feet, hit some Flint and quarts, different Pegmatite. Maybe it is going to change.
Nov. 9	Mucked all day. A few small books of Mica, same as before.
Nov. 10	Layed track.
Nov. 12	Drilled and shot a 4 foot head. It sure doesn't look promising. Rotten material.
Nov. 13	Mucked all day. Short crew.
Nov. 14	Drilled and shot a 6 foot head. No change in vein, Mica no better and this is the end of Contract 150 feet. Mr. Shirly and Mr. Teague give the final check on November 17, 1953.

This is the final report on Holt Mine No. 1.

Geological and Engineer Report will follow.

Signed: Vincent J. Holt
Vincent J. Holt
Pres. H.R.H. Inc.

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

119

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 27

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1953 Docket No. DMEA 28 Contract No. IDME-504
Operator's Name Vincent J. Holt, Pres. H.R.H. Inc. Minerals Mica
Address Rt. 1 Box 368-A Waynesville, N. C.
Contract Amount, $ 5,550.00 Government Participation: 90% Amount, $ 4,995.00

DEPARTMENT OF THE INTERIOR Defense Minerals Administration RECEIVED NOV 12 1953

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1400.00	2975.00	4375.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		200.00	200.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder Magazine		50.00	50.00			
Exploder Magazine		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	1400.00	3275.00	4675.00	1400.00	3275.00	4675.00

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

Date Oct. 31, 1953 Payee Vincent J. Holt
Vincent J. Holt
Per Title Pres. H.R.H. Inc.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$1,260.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date NOV 9 1953 Vou. No. 119

(See other side)

MPS 3

140.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E504 in accordance with the terms of the contract.

Signature Lawrence E. Sherley Title Mining Engr. U.S.B.M. Date Nov. 3, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Beck ACTING Title DMEA REGION VII EXECUTIVE OFFICER Date NOV 5 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1953 Docket No. DMEA 2833 Contract No. IDME-504
Operator's Name Vincent J. Holt Pres. H.R.H. Inc. Minerals Mica
Address Rt. 1 Box 368-A Waynesville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.	1400.00	40	4375.00	125	35.00	150	35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping T. House	1			200.00	1	200.00	1	200.00
Trenching P. Magazine	1			50.00	1	50.00	1	50.00
Misc. Ex. Magazine	1			50.00	1	50.00	1	50.00
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1400.00		4675.00				

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

Date Oct. 31, 1953 Operator Vincent J Holt
Vincent J. Holt
Per Title Pres. H.R.H. Inc.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
RECEIVED
NOV 12 1953

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of October 1953

October 5	Removed track, air lines and water lines so we can start new drift. Drift is to start 12 feet from entrance on South wall and go due south following vein.
October 6	Drilled and shot first head on cross section.
October 7	Drilled and shot 6 foot head, material soft. Vein is in top of drift, shows about 3 feet.
October 8	Drilled and shot a 6 foot head. Pulled about 4 foot, some mica. Small books about 3 x 3, average, uneven, wavy. Not of good quality, very hard, mineral specks.
October 9	Cleaned up muck. No drilling today. Have some farm labor must be done, closed mine down for one week.
October 19	Drilled and shot a head. Vein is dipping down. Layed some track.
October 20	Short crew, sickness, moved muck.
October 21	Drilled and shot a head, moved muck and visited by Field Team, Mr. Teague and Mr. Shirley. 18 feet suggested to continue on.
October 22	Moved muck. Compressor trouble, carburator. No drilling today.
October 23	Drilled and shot, mica getting larger, quality no better. Vein is slowly dipping down.
October 26	Short crew, moved muck today.
October 27	Drilled and shot a 6 foot head, mica vein seems to be pinching out. At any rate, it has thinned down to about 2 feet. Fine grain. Schist vein below mica vein has enlarged. I stopped the work and called the Engineer, Mr. Shirley. He said he would be here the 29th.
October 28	Did not work.
October 29	Visited by Mr. Shirley, suggest we use balance of footage on North side, 35 feet, to go due North from present drift. To start at a point directly opposite of the drift going South to make a cross section.

Operators Monthly Progress Report for the
Month of October 1953 (continued)

October 30	Drilled and shot a 6 foot head on North half of cross section.
October 31	Drilled and shot a 6 foot head. Vein in ceiling, a few large books of mica, more Bictiti. Looks better. The end of the month. Making a total of 125 feet with 40 feet this month. 25 feet more to go to complete exploration contract.

Signed: Vincent J Holt.

Vincent J. Holt
Pres. H.R.H. Inc.

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

110

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

ON VOUCHER & SCHEDULE
PAYMENTS K-

Month of September, 1953 Docket No. DMEA 2833 Contract No. IDME 504
Operator's Name Vincent J. Holt, Pres, H.R.H. Inc. Minerals Mica
Address Rt. 1, Box 368 A, Waynesville, N. C.
Contract Amount, $ 5,500.00 Government Participation: 90 % Amount, $ 4,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1120.00	1855.00	2975.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		200.00	200.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder Magazine		50.00	50.00			
Exploder Magazine		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	1120.00	2155.00	3275.00	1120.00	2155.00	3275.00

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

Date October 1, 1953 *Payee Vincent J. Holt
Vincent J. Holt
Per Title Pres., H.R.H. Inc.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1008.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date OCT 19 1953 Vou. No. 110

(See other side)

112.00

2

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E504 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Oct. 12, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Beck ACTING Title EXECUTIVE OFFICER DMEA REGION VII Date OCT 15 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
OCT 2 1953

Month of September 195 3 Docket No. DMEA 2833 Contract No. IDME 504
Operator's Name Vincent J. Holt, Pres. HRH Inc. Minerals Mica
Address Rt. 1, Box 368A, Waynesville, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	ft.	$1,120.	32	$2,975.00	85	$35.00	150	$35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
~~xxxxx~~ Tool House	1			200.00	1	200.00	1	200.00
~~xxxxx~~P. Magazine	1			50.00	1	50.00	1	50.00
~~xxxxx~~Ex. Magazine	1			50.00	1	50.00	1	50.00
Roads and Trails								
Total Distributed Costs		$1,120.						Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs				$3,275.00				

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

Date October 1, 1953 Operator Vincent J. Holt
Vincent J. Holt
Per Title Pres. H.R.H. Inc.

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA No. 2833

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of September 1953

Work Accomplished

Daily Notes

September 9. Removed muck that was shot out the 8th.

September 10. Drilled and shot a 4 foot head. Working a short crew. Just 2 men.

September 11. Did not work, 2 men sick with cold.

September 14. All 3 men back. Removed muck, layed about 20 foot of track, extended air and water lines.

September 15. Drilled and shot a 6 foot head. Removed some of the muck. Drilled 1 hole in ceiling 6 foot, requested by Engineer and Geologist. No real indications that vein is overhead.

September 16. Removed muck and started drilling another 6 foot head. Rock very hard and difficult to drill. It lays in layers pitching slightly downward. Had bad luck with drills today, broke two 6 foot drills.

September 17. Finished drilling and shot 6 foot head. Broke out about 5 foot, very good. If rock layers continue on same pitch, probably will hit vein shortly. It appears this is a rolling vein.

September 18. Removed muck, started drilling. Have Ingersoll, Rand J. 40 Jack Hammer. Sheared the two bolts on side of hammer, it simply exploded. After a long search in the muck I failed to find enough parts to stop up all the holes. So another trip to Spruce Pines.

September 21. Got the Jack Hammer together, works better than ever. Drilled a 6 foot head and had a clean break. Rock seems softer. I feel sure I am getting close to the vein.

September 22. Removed muck and was visited by Mr. Teague, who feels same as I do, we are due to find something soon.

Operators Monthly Progress Report for the
Month of September 1953 (continued)

September 23. Compressor trouble. Put the miners doing some clean up work.

September 24. Compressor fixed, drilled a 6 foot head, did not shoot.

September 25. Shot head that was drilled the 24th. No success using perimed. Had to reload, fair success 2nd shot, got out about 3 foot.

September 28. Am changing my system. If the relievers do not come out, naturally the rest of the shots are useless. So, after drilling I will load the relievers and shoot them. If this is successful then I will load the balance of the holes and shoot them. If not, I will load the relievers again and continue until I get a relief hole, so the trimers and lifters can give a successful break. I find it very successful, a little more time involved but cheaper on explosives and a cleaner break. I can see my mucking crew is not going to like me, for there is lots of muck.

September 29. Cleaned up muck, all day job.

September 30. Layed track, drilled and shot, had a very good break. Had to shoot the reliever 2 times. Better to use 15 sticks of dynamite and find you were not successful than to use about 100. My system consists of approximately 18 holes from 4 to 6 sticks per hole.

The end of the month taped drift - 85 foot. Last month 53 foot, this month 32 foot, worked 16 days, only averaged 2 foot per day.

Vincent J. Holt

Vincent J. Holt
Pres., H.R.H. Inc.

VJH/nr

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

87

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE
OF PAYMENTS
K- 17

OPERATOR'S MONTHLY REPORT AND VOUCHER

Defense Minerals Exploration Administration
RECEIVED
OCT 2 1953

Month of August, 1953 Docket No. DMEA 2833 Contract No. IDME 504
Operator's Name Vincent J. Holt Pres. HRH. Inc. Minerals Mica
Address Rt. 1, Box 368A Waynesville, N. C.
Contract Amount, $ 5550.00 Government Participation: 90 % Amount, $4995.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	1855.00		1855.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	200.00		200.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder -M	50.00		50.00			
Exploder-M	50.00		50.00			
(8) Contingencies (specify):						
TOTALS	2155.00		2155.00	2,155.00		2,155.00

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

Date 9/8/53 *Payee Vincent J Holt
Vincent J. Holt

Per _____ Title Pres. H.R. H. INC.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1,939.50

Signature Cora A. Piper
(Authorized Certifying Officer)

Date SEP 28 1953 Vou. No. 87

(See other side)

1 S-8112 215.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Wm-E504 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Sept. 14, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date SEP 16 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF–104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF–104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF–104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF–104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF–200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF–200; and delete word "Independent" if the contract reported is on Form MF–200 (A). Also, report work paid for on a unit basis under contract Form MF–200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF–104 when submitted for reimbursable expenses incurred under contract Form MF–200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF–200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF–104 is required to be documented. The four copies of Form MF–104 are not to be thus supported.

Form MF–104 submitted for reimbursement under fixed price contracts on Form MF–200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF–104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 2 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 2833 Contract No. IDME 504
Operator's Name Vincent J. Holt Minerals Mica
Address Rt. 1 Box 368 A, Waynesville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft.	1855.00	53	1855.00	53	35.00	150	35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
~~Stripping~~ Tool House	1	200.00	1	200.00	1	200.00	1	200.00
~~Trenching~~ P. Magazine	1	50.00	1	50.00	1	50.00	1	50.00
~~Test Pits~~ Ex. Magazine	1	50.00	1	50.00	1	50.00	1	50.00
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2155.00						TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2155.00						

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

Date 9/8/53 Operator Vincent J. Holt
Vincent J. Holt
Per Title Pres. H.R.H. INC.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA No. 2833

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of August 1953
Holt Mine No. 1.

August 12. Work started. Moved machinery from Bears Pen Mine DMEA 2832 to Holt Mine No.1 DMEA 2833 a distance of about 6 miles spent all day.

August 13. I have a crew of 4 men including myself. We started to erect tool and compressor house.

August 14. Completed compressor house and set up compressor and air lines.

August 15. Built powder magazine and exploder magazine. Worked only 4 hours on Saturday.

August 17. Cut a path to a spring about 100 yards from mine entrance. Spent all day digging a hole. Built rock and concrete wall , very good water, for drinking and supply water for drill.

August 18. Installed water system 55 gallon drum. Have pressure controll. Water must be carried in buckets. Have reserve tank. This job will be done mostly at spare time. Started moving debres from drift sight.

August 19. Started cut to shaft entrance. This cut is about 20' long 4' to 5' deep and about 7' wide. Mostly muck from old workings. Had to do some drilling and shooting to level bottom for track. Drilled ~~entrance to~~ drift.

August 20. Had a demonstration by Copco Estern. Ltd. Swedish Steel very good steel. Did a wonderful job.

August 21. We started on vein. It appears vein is on about 10 degrees pitch, upward. Drift is going on level. Same Nice books of mica.

August 24. Drilled and shot out a 6' head vein is almost out off sight . Can see about 1' in ceiling. Have drift 20'. Have about 100 lbs. mica.

August 25. Drilled and shot 6' head. Rock has changed to very hard. Full of pyrite. Cost me 4 pieces of steel. Stripped the threads in 3 3 new corsit jack bits, 18 holes. 1 case dynamite.

August 26. Bad luck with steel. Broke two, 4' pieces, must go after steel. My men started laying track for mining car.

August 27. Finished laying track and get car on same. Works nice.

August 28. Tryed out new steel. Rock bit steel. It works perfect. No chance of stripping threads. Bit and steel is one piece.

August 31 Change from 6' head to 4' head, does a much better job. Seems impossible to pull a clean 6' head in this rock.

Sept. 1. Far enough back now to install entrance and hang gates. Saves a lot of work. Leave tools in mine. Lock gate to protect same.

Sept. 2. Everything working o.k. Does a good job on 4' heads.

Sept. 3. Tryed 6' head again used burn cut. No good.

Sept. 4. Tryed 6' head used pyrimiad cut. Better but not a clean break.

Sept. 7. Labor Day my men wanted to work. Pleased me very much. I feel we are going to run into this vein very soon. It appears to be just over head. It probably will dip very soon.

Sept. 8. Feild Team Mr. Shirley and Mr. Teague visited me att4 P.M. Suggest I change my course. I am going due east. Change to 30 degrees to the north. Suggest 2 ceiling test holes. The Feild Team appeared to be very well pleased with the progress made and feel as I do that the vein is over head and if it dips we are due to h: hit it very soon. I am very proud of my men and hope I will be able to make as good a progress in September. I averaged a little over 3' per day of the time put in the drift.

Vincent J Holt

C
O
P
Y

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

February 18, 1954

E-504

Mr. Vincent J. Holt, President
H. R. H. Inc.
Route #1 - Box 368A
Waynesville, North Carolina

Re: Docket No. DMEA-2833 - Mica
Holt Mine No. 1
Waynesville Township
Haywood County, North Carolina

Dear Mr. Holt:

We are pleased to advise you that your performance of exploration work under the subject contract has been satisfactory to the Government, and the account relating thereto has been closed. The final audited and settled account shows:

Total claimed for units of work performed	$5,550.00
Total Government contribution at 90 percent	4,995.00

Your attention is called to the provision of the contract which requires you to keep and preserve your records and accounts of this transaction for a period of three years for possible future reference.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the exploration contract. In the absence of such certification, the Government retains no claim or lien against the property or any production therefrom.

The Government is grateful for your participation in the exploration program of the Defense Minerals Exploration Administration.

Sincerely yours,

/s/ C. O. Mittendorf

Administrator

JHopkins:gad 2/15/54
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

A M E N D M E N T No. I

EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2833
Contract No. Idm-E504
(mica)

Contract Idm-E504, Docket No. DMEA-2833, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and H. R. H. Inc., a corporation duly organized and existing under and by virture of the laws of the State of Florida, c/o Vincent J. Holt, President, Route # 1, Box 368A, Waynesville, North Carolina, hereinafter called the "Operator" dated 2nd day of April 1953, is here to amended as follows:

ARTICLE 3. "The Operator, within five (5) months from the date of this contract shall commence work on a project of exploration for strategic mica .....; and shall bring the project to completion within a period of nine (9) months from the date of this contract." Instead of the dates as set forth in the original contract.

This amendment is necessary because the Operator wants to finish DMEA-2832, Idm-E503, then move his machinery and workmen to the above project (DMEA-2833, Idm-E504).

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 costs which the Government may be obligated to pay, under the provisions of Article 4 of the contract form.

June 1, 1953.

THE UNITED STATES OF AMERICA

By W. A. Beck
Acting Executive Officer, DMEA
Region 7

H. R. H. INCORPORATED

By Vincent J. Holt
President.

zm

Docket No. ~~DMEA 2833~~

Commodity ~~Mica~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 504

Date of Contract or Amendment: ~~xxxxxxxxxxxxxx~~ April 2, 1953

Name and Address of Operator:

H. R. H. Inc.
c/o Vincent J. Holt, President
Route # 1, Box 368

Amount of Government participation $ 4,995.00

Percent of Government participation 90 %

Region: VII State: N. C.

(Name)

J. L. Chambers,
Chief, Contract Administration and Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. April 2, 1953 13808

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2833

COMMODITY Mica

Government's Copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

IDM-E 504

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 17 1953

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 2nd day of April, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] H. R. H. Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Florida
c/o Vincent J. Holt, President
Route #1 - Box 368A
Waynesville, North Carolina
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] in Annex I attached hereto and made a part hereof

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: Deed of Trust dated 8th day of October, 1951, to The First National Bank of Waynesville, N. C., recorded in Deed of Trust Book 76 at page 187, Haywood County Register, Waynesville, North Carolina

(*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] strategic mica

in or upon the described land; and shall bring the project to completion within a period of six (6) 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. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. 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 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $4,995.00, which is 90 percent of $5,550.00, 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 check or 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. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed 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 units of work performed 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.

[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*) *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 the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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 and statement of work performed to accompany his final report.

ARTICLE 6. *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 the 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 7. *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 8. *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.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

H. R. H. Inc.
(Operator)

By Vincent J. Holt, Pres.

By O. Mitchell
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]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
H. R. H. INC.
DOCKET NO. DMEA-2833

ANNEX I

The property referred to in Article 2 is known as the Holt Mine No. 1 and is located on the west slope of Lickstone Bald, and is about 5 miles from Hazelwood, Haywood County. It is more particularly described as follows:

"Lying and being in Waynesville Township, Haywood County, North Carolina, and more particularly described as follows: BEGINNING on the pinnacle of Lickstone Bald and running thence with the line of the Haywood Mining Company 7 calls as follows: S. 33° 15' W. 35 ft., thence S. 57° W. 237.6 ft., thence S. 61° 45' W. 207.9 ft., thence S. 68° W. 75.9 ft., thence S. 84° W. 60.7 ft., S. 67° W. 217.8 ft., S. 60° W. 116.1 ft., thence N. 10° E. 1300 ft. to rock cliff on the dividing ridge between property of H. R. H. Inc. and Underwood; thence with the crest of said ridge and Underwood's line 11 calls as follows: S. 71° E. 47 ft. S. 66° 15' E. 62 ft., S. 65° 40' E. 61 ft., S. 59° E. 46 ft., S. 61° 10' E. 64 ft., S. 57° E. 80 ft., S. 64° 40' E. 56 ft., S. 65° 40' E. 94 ft., S. 65° 55' E. 74 ft., to an oak on ridge; thence S. 66° 30' E. 81 ft., S. 40° 15' E. 56.6 ft. to a mountain oak on ridge; thence with the boundary line of Sherwood Forest 5 calls as follows: to the BEGINNING: S. 1° 30' E. 31 ft., S. 4° E. 205.9 ft. S. 7° 45' W. 146.5 ft., S. 14° 30' W. 110.9 ft., S. 3° 30' E. 101.6 ft. to the BEGINNING."

EXPLORATION PROJECT CONTRACT
H. R. H. INC.
DOCKET NO. DMEA-2833

EXHIBIT "A"

Description of the Work

The purpose of the work is to explore by drifts or laterals, a low-dipping,sill-like pegmatite exposed in a hill-side opencut.

The work will consist of 150 feet of combined drifts and laterals 5' x 7' in cross section, as indicated on the map attached hereto and made a part hereof and entitled "Sketch of Holt No. 1 Mine Haywood Co., N.C."

The location and direction of headings are subject to the approval of the Government engineers.

The Operator will erect at the mine a tool-compressor house and magazines for the storage of explosives.

Agreed Unit Costs

150 feet of drifts or laterals @ $35.00/ft.	$5,250.00	
1 - Tool-compressor house1/	200.00	
1 - Powder magazine1/	50.00	
1 - Exploder magazine1/	50.00	
Total Agreed Unit Costs		$5,550.00
Government Participation @ 90%		$4,995.00

1/ The unit is the cost of completed structure.

MF-201
(June 1951)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

SUBORDINATION AGREEMENT

Docket No. DMEA-2833
Holt Mine No. 1
H. R. H. Inc.
Waynesville, N. C.

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the holder of a mortgage, claim, lien, or encumbrance identified and described as follows*:

Deed of Trust dated 8th day of October, 1951, recorded in Deed of Trust Book 76 at page 187, Haywood County Registry, Waynesville, North Carolina.

upon that certain parcel of ground described in a certain Exploration Project Contract dated ....., 195...., between H. R. H. Inc., Route 1, Box 368-A, Waynesville, North Carolina, and the United States of America;

NOW, THEREFORE, the undersigned does by these presents subordinate all of his right, title, and interest in said mortgage, claim, lien, or encumbrance 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 under the provisions of said mortgage, claim, lien, or encumbrance; and

The undersigned agrees to commit no act nor assert any right, title, or interest under said mortgage, claim, lien, or encumbrance that might 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 26th day of February, 1953

THE FIRST NATIONAL BANK OF WAYNESVILLE, N. C.

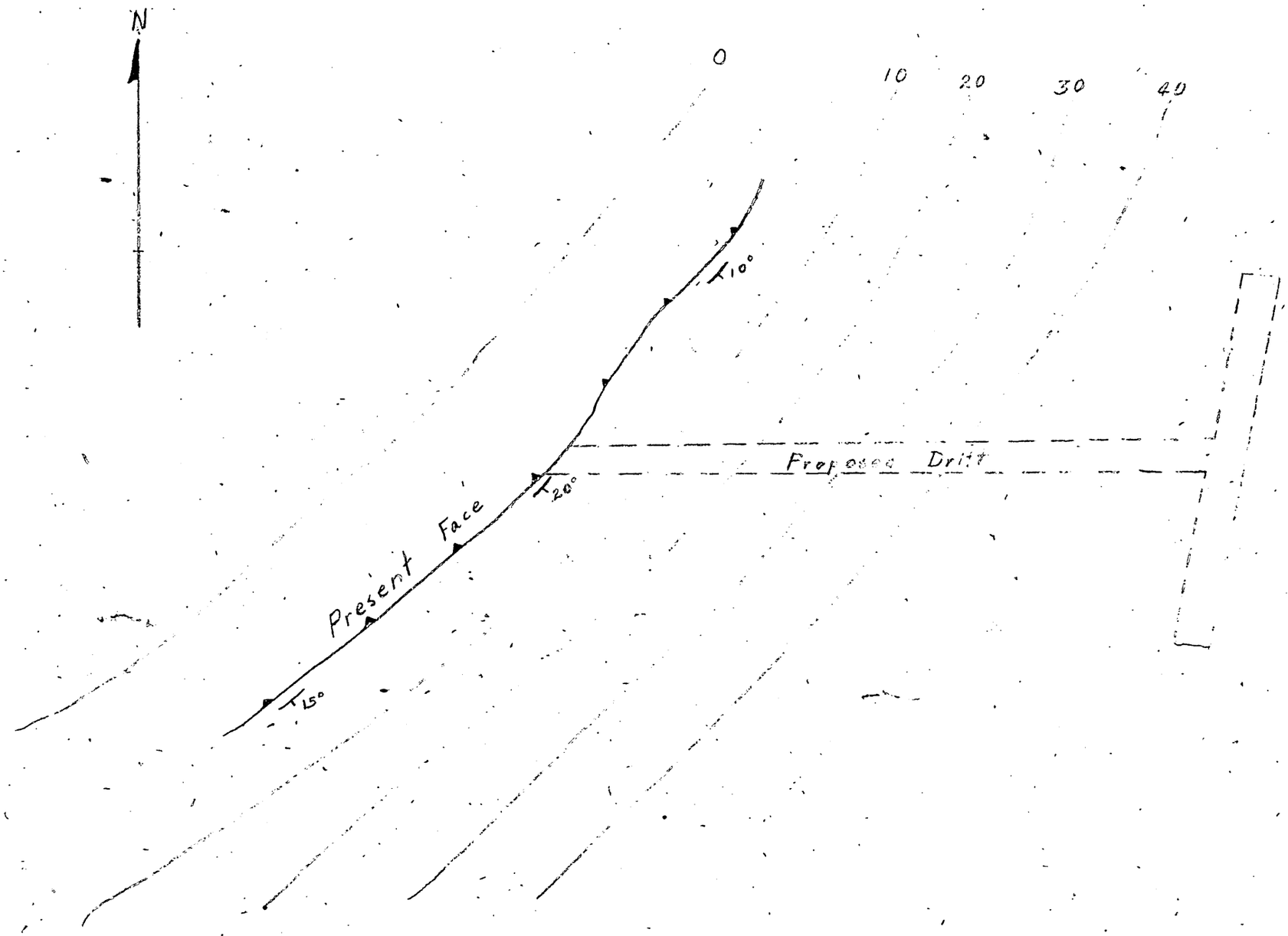
BY: [signature]
President

*Include date of the instrument, and if recorded, book, page, and county of record.

U. S. GOVERNMENT PRINTING OFFICE 16—64581-2

ATTEST:

[signature]
Secretary.



Sketch of
Holt No. 1 Mine
- Haywood Co., N.C.

0 20' 40'
Scale

DMEA-2833 (mica)