OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-R662, Docket DMEA-3235 (mica), dated March 5, 1954, with

Non-Metallic Minerals Corporation
Box 39
Burnsville, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the White Face Mine (Peterson Tract) located in Yancey County, North Carolina, during the period May 8, 1959, through June 22, 1962.

A certification of discovery or development was issued on August 6, 1954, and, in accordance with Annex II of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated July 6, 1954, indicated accepted costs under the exploration contract amounting to $1,980.00 with the Government's contribution on a 75 percent basis being $1,485.00.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review found no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through May 7, 1959, to be $266.70. The royalty account as of May 7, 1959, was:

Total Royalty Payable	$13.34
Total Royalty Paid	13.34
Balance of Royalty Due	$ -0-

As of June 22, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$13.34
Total Royalty Paid	13.34
Balance of Royalty Due	$ -0-

E. D. Talbert

E. D. Talbert, OMR Auditor

January 23, 1963

Idm-E662 Non-Metallic Minerals Corporation DMMA-3255

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator or his successor in interest shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of an 8 acre, more or less, part of the Patterson Tract located between the South Toe River and Bailey Mountain about 1 mile east of Celo. At the time the contract was executed, the land was owned in fee simple by the Operator.

Exploration work under the contract ceased on May 31, 1954, and was terminated by agreement on June 18, 1954. Production during the exploration period resulted in sales on May 29, 1954, and June 11, 1954, to the Spruce Pine Mica Company aggregating as follows:

885.	lbs. Punch Mica	$123.90
39.5	lbs. Sheet Mica	53.55
51.	lbs. Unclassed Mica	89.25
	Total	$266.70

The above sales were made in the name of John Carroll, Spruce Pine, N. C., who advised representatives of the DMMA Field Team and this Division that the mica was given to him for his wages in performing exploration work. The Operator's president, W. Howard Simpson, paid the royalty due thereon of $13.34 by personal check when presented with evidence of the sales.

Subsequent examinations of the property, inquiries, or checks of the G.S.A. Mica Purchase Depot's records by DMMA and OME regional representatives disclosed no further production through June 15, 1960. An examination of the Mica Purchase Depot's records and a check with Lawrence Conley of the Spruce Pine Mica Company by a representative of this Division during the week ending June 18, 1962, disclosed no sales other than those made in 1954 by John Carroll.

A MME Form 63 inquiry addressed on July 27, 1962, to the Spruce Pine address of the Operator was returned by the post office marked "Moved, Left no address". A MME Form 63 inquiry addressed on September 18, 1962, to W. Howard Simpson, Burnsville, N. C., resulted in no reply. A second such form sent to Mr. Simpson by registered mail on November 19, 1962, also brought no reply, although a return receipt indicates that delivery was effected on November 27, 1962, by station 4A of the Houston, Texas, post office.

A prior contract (Idm-E206, DMA-1761X) indicates the Operator's address as 507 Fifth Avenue, New York, N. Y.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate that no production occurred during the period covered by this review;

(2) All sales of prior production have been accounted for and proper royalty thereon paid; and

(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

JAN 25 1963

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary

From: Chief, Division of Field Operations, GGS

Subject: NMMA-3255 (Mica)
Non-Metallic Minerals Corporation
Ubian Mane Mine
Yancey County, North Carolina
Contract Ldm-3661

Enclosed for your files is the original of a Report of Royalty Review on the Subject contract.

George C. Selfridge

Enclosure

GCSelfridge/gla (1-25-63)
cc: Docket NMMA-3255
Director's Reading File
CAAA Division ✓
G. C. Selfridge
R. A. Lawrence, USGS, Reg. IV, w/cy of Report of Royalty Review dtd 1/23/63 and orig. of memo dtd 1/24/63 to Chief, Div. of Field Operations from CAAA Division.
Avery Reed, USBM, Reg. IV, w/cy of enc. item sent to Mr. Lawrence

JAN 24 1963

Memorandum

To: Chief, Division of Field Operations

From: E. D. Talbert, Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: IMBA-3255 (Mica)
Non-Metallic Minerals Corporation
White Face Mine
Yancey County, North Carolina
Contract Idm-E662

Enclosed are the original and two copies of a Report of Royalty Review covering the subject Region IV contract. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary; and

(b) Two copies to Region IV files.

This report is for OMK record purposes only; therefore, no copy has been provided for the Operator.

As evidence of your concurrence, a copy of your memorandum transmitting the original of the report to the Department's Fiscal Section should be furnished this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 1-24-63

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

E 662 3/5/54 DMEA - 3255 Non-Metallic Minerals Corp.

Yancey County, N.C. White Face Mine, Peterson Tract

Last reported Depot sale None

Other known parties of possible interest

W. Howard Simpson President John Carroll Employee

Walter S Simpson

Nell B. Simpson Secy

Note: Check with Spruce Pine Mica Co. as mine contains "considerable" non-strategic mica; sales made in 1954 by John Carroll 5/29/54 and 6/11/54

Certificates "indicate reserves of non-strategic mica"

Berk and S receive $13.34 royalty from W. Howard Simpson 3/16/55 applicable to sales by Carroll to Spruce Pine Mica Co.

A review of the records of the Spruce Pine Mica Purchase Depot failed to disclose any purchases of production from this property.

A visit to the Spruce Pine Mica Co. and discussion with Mr. Lawrence Conley of that company disclosed that no sales, other than those in 1954 by John Carroll, had been made. Mr. Conley also stated that in his opinion the property had not been worked since the time John Carroll was there.

(over)

The Spruce Pine Mica Co. operates a fabricating plant. They depend primarily upon imported mica and this was especially true during the Government purchase program. They do get substantial amounts of their raw material (punch) from local sources, which in recent years has been mica not eligible under the Government purchase program. Mr. Conley stated that some of the local operators had been in to "talk" about the possibility of continuing and are "considering" the matter. He indicated that he expected some of the land-owner farmers would probably bring in punch from time to time as they felt the need for some cash.

B-K Associates sold punch to the company. Mr. Conley hopes they will continue as the Bryson Mine is a good source of supply and they would like to see a North Carolina operator continued. He stated that B-K Associates own a couple of punch presses (presumably in Baltimore) but that so far as he knew they had not operated them on Bryson Mine production.

OME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	Talent	300
		500
		120
		110
		100
		220

June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OME Auditor

Subject: Check of Spruce Pine Mica Purchase Depot Records, June 18 - 22, 1962

During the period of June 18 to 22, 1962, I examined the purchase records of the G.S.A. Mica Purchase Depot at Spruce Pine, North Carolina, for the purpose of ascertaining any unreported production under DMEA exploration project contracts. My examination did not disclose any unreported production subject to royalty under the following contracts:

Contract No.	Docket No.	Operator	Mine Names
E- 87	1140	Pitt Mica Corporation	Mary, Reid, Reid-Mary, Reid Hooker
456	2150	A. W. Reid and W. H. Hooker	Mary, Reid, Reid-Mary, Reid Hooker
393	2293	Dixie Minerals, Inc.	D. H. Stephens (Stevens)
412	2277	Burke John Mica Miners	Burke John, N. L. Barnard
461	2582	Zeb Angel	Kasson
472	2595	Bourne Associates	Liberty, Conley, Turley
686	3375	Dixie Mines, Inc.	" " "
476	2327	Andrew W. Reid	May
516	2926	The Goodmica Mining Co.	Engle Cope
519	2784	H. J. Twiggs & W. S. Glenn	Sam Huskins, Little Sam Huskins
547	2886	Duncan Mining Co.	Connolly
560	3008	Murphy Mining Co.	Red, Bennett
562	2873	Empire Mica Co.	Short-Mitchell
601	3050	M. E. Burleson, et al.	Jones-Boseman
613	2875	Latt Young	Cox
626	3133	Maderic Mica Co.	Saunders (Sanders)
636	3154	Byrd Mica Miners	Byrd
659	3229	Willis & Snyder Mining Co.	Lutz
662	3255	Non-Metallic Minerals	White Face, Peterson Tract
674	3287	Mud Cut Mining Company	Mud Cut, Tallent (Talent)
679	3290	C. C. Burleson	Ruby, Shaft
675	3282	J. R. Beam & Howard Boone	Ingram, Clifton

cc: Docket
Director's Reading File
OA & A Division
Region IV Files (2)

CEFisher/amm
6-26-62

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Division of Nonmetallic Minerals, Office of Minerals Exploration, Washington, D.C., pertaining to Contract No. Idm-E662, Docket No. DMEA-3255 (Mica), dated March 5, 1954, with

Non-Metallic Minerals Corporation
Box 39
Burnsville, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as White Face Mine located in Yancey County, North Carolina, during the period March 17, 1955, through May 7, 1959.

A certification of discovery or development was issued on August 6, 1954, and accordingly royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract. A Report of Review in lieu of final cost audit dated July 6, 1954, indicated accepted costs under the exploration contract amounting to $1,980.00 with the Government's contribution, on a 75 percent basis, being $1,485.00.

Royalty audit report and certificate dated March 21, 1955, indicated total sales subject to Government royalty amounting to $266.70 for the period March 5, 1954, through March 16, 1955, and that the royalty due the Government amounting to $13.34 had been paid. No royalty has been received by the Government applicable to this project since the latter date.

This review was made in lieu of an on-site royalty audit of the Operator's accounts and records for the following reasons:

(1) Periodic inspections by a representative of the Field Team, Region V, have failed to disclose any evidence of production or sales of minerals from this project during the period covered by this review, and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

C. E. Fisher

C. E. Fisher, OME Auditor

May 14, 1959

(Check Sheet of Examining Engineer filed in Docket)

ROYALTY
AUDIT REPORT

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST ROYALTY AUDIT CERTIFICATE

I have examined the records and sales documents pertaining to the sale of mica for the period March 5, 1954 to March 16, 1955, by:

Non-Metallic Minerals Corporation
Box 39
Burnsville, North Carolina

produced from White Face Mine in Yancey County, North Carolina, under terms of Contract Idm-E662, Docket No. DMEA-3255.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit established the total sales of mica for this period to be $266.70. Royalty due the U. S. Government at the contract rate of 5 percent is $13.34. The royalty paid and balance due are as follows:

Total Royalties Due	$13.34
Total Royalties Paid	13.34
Balance of Royalties Due	$ -0-

C. E. Fisher
C. E. Fisher, Auditor

March 21, 1955

FIRST ROYALTY AUDIT REPORT

I INTRODUCTION

On March 16, 1955, an audit was made of the sales and royalty accounts and records of;

Non-Metallic Minerals Corporation
Box 39
Burnsville, North Carolina

pertaining to the sale of mica during the period March 5, 1954 to March 16, 1955, from White Face Mine located in Yancey County, North Carolina, in accordance with Contract Idm-2662, Docket No. DMEA-3255.

Mr. William A. Beck, Mining Engineer, U. S. Bureau of Mines, Knoxville, Tennessee, collaborated in making this audit.

II GENERAL INFORMATION

The exploration project was entered into on March 5, 1954. The exploration work was certified as a discovery by DMEA on August 6, 1954. The total accepted cost of the exploration project is $1,980.00. The approved Government participation in the cost of exploration is $1,485.00. A lien against the property for 10 years after date the contract is held by the Government as a guarantee of repayment of the amount of money advanced to the company. The amount of the Government lien is repayable at a rate of 5 percent on all sales of mica produced in the area covered by this contract.

III SCOPE OF AUDIT AND FINDINGS

Mr. John Carroll, the employee who had performed the actual exploration work under this contract, was interviewed at his home near Spruce Pine, North Carolina. He stated that no strategic mica was recovered during the exploration, but that he had made two sales of non-strategic mica obtained from the property to Spruce Pine Mica Company. That company was then visited and copies of settlement sheets covering the sales were obtained. These settlement sheets indicated that mica had been sold by Mr. Carroll on May 29, 1954 and June 11, 1954, aggregating $266.70.

Mr. W. Howard Simpson, president of Non-Metallic Minerals Corporation, was then visited at his home in Burnsville, North Carolina. He presented his personal check in the amount of $13.34 in settlement of the royalties due the Government. He also stated that there had been no other recoveries of mica from the property to date.

March 21, 1955

C. E. Fisher

C. E. Fisher, Auditor

E-662

For Certificate of Deposit No. 83, dated March 22, 1955, giving royalty repayment of $13.34, see E-311.

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Non-Metallic Minerals Corporation
P. O. Box 39
Burnsville, North Carolina

pertaining to Exploration Project Contract No. Idm-E662, Docket No. DMEA-3255, for the months of April, 1954 to May, 1954, inclusive, covering a project for the exploration of mica on property, known as the White Face Mine, located in Yancey 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, consultation with the Executive Officer of the DMEA Field Team, 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:

all of the costs incurred were under a contract provision 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		$1,980.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$1,980.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One thousand four hundred eighty-five and no/100 Dollars,

$1,485.00

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

B. J. Brekhus
Auditor

July 6, 1954

Form MF-1-1 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1954 Docket No. DMEA 3255 Contract No. IDM-E 662
Operator's Name Non-Metallic Minerals Corp. Minerals Mica
Address Box 39, Burnsville, N. Car.
Contract Amount, $ 3,300.00 Government Participation: 75 % Amount, $ 2,475.00

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 34 Ft.	$1020.00	$660.00	$1680.00			
Portal Prep'r't'n		300.00	300.00			
(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.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1020.00	$960.00	$1980.00	1,020.00	960.00	1,980.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-73

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

Date June 7, 1954 Payee Non-Metallic Minerals Corp.

By [signature] Title President

*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:

$ 765.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date JUN 23 1954 Vou. No. 319
(See other side)

255.00

(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-E662 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date June 10, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION VII Date JUN 21 1954

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 MT-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1954 Docket No. DMEA 3255 Contract No. IDM-E-662
Operator's Name Non-Metallic Minerals Corp. Minerals Mica
Address Box 39, Burnsville, N. Car.

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.	$1020.00	34	$1680.00	56	$30.00	100	$30.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Portal Preparat'n				300.00	1	$300.00	1	$300.00
Total Distributed Costs		$1020.00		$1980.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$1020.00		$1980.00				$3,300.00

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 June 1, 1954 Operator Non-Metallic Minerals Corp.

Per C. Edward Simpson Title President
C. Howard Simpson

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)

Remarks: Daily Progress Report Attached.

(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

NON-METALLIC MINERALS CORP.

~~MICAVILLE~~ NORTH CAROLINA
BURNSVILLE,

OPERATORS
MONTHLY PROGRESS REPORT
FOR THE
MONTH of MAY 1954

Date Work Begun: Apr. 6
DMEA - 3255
IDM - E 662

Work Accomplished

May	3	Drilling - Rock getting harder to drill
"	4	" - Shot Round of 27 Holes in Late Afternoon
"	5	Mucking - Round pulled only 4' on 6' Drilled Holes.
"	6	Drilling
"	7	" - Shot Round in P. M. Pulled 5'
"	8	Mucking and Changing Air and Water Lines
"	10	Drilling
"	11	" Shot in P.M. Pulled 5'
"	12	Mucking and Drilling
"	13	Drilling - Shot at Noon - Pulled badly - Reloaded some and Re-shot
"	14	Mucking - No Mica Rock getting Poorer Looking
"	17	Shut Down Weather.
"	18	Drilling
"	19	" - Shot in P. M. Pulled 5' Mucking
"	20	Drilling
"	21	Shut Down - Weather
"	24	Drilling - Shot in P. M. Pulled 5' "
"	25	Mucking - Shut Down P. M. Weather
"	26	Drilling
"	27	" -
"	28	" - Shot Pulled 5' Rock Poor No Mica
"	31	Mucking - Total Hole to Date 56' : This Month 34'

Prospects Discouraging to Date

Non-Metallic Minerals Corp.,

W. Howard Simpson, Pres.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
SOUTHEASTERN REGION
REGION VII
HAMILTON BANK BUILDING

OFFICE OF
REGIONAL DIRECTOR

POST OFFICE BOX 1909
KNOXVILLE, TENNESSEE

June 24, 1954

Memorandum

To: J. L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Officer, Region Vll, Knoxville, Tennessee

Subject: Monthly report and voucher

We are enclosing two copies of the following monthly report and voucher:

Idm-E-662 Non-metallic Minerals Corp.
DMEA Docket No. 3255
2nd payment-Month of May
Amount $765.00

Cora A. Pique
for Heler R. Miller
Heler R. Miller

JUN 28 1954

Enclosures
Copies to W. A. Beck
R. A. Laurence
Region Files
Day Files

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1954 Docket No. DMEA 3255 Contract No. DMEA-3 662
Operator's Name Non-Metallic Minerals Corp. Minerals Mica
Address Box 39, Turnerville, N. Car.
Contract Amount, $ 3,300.00 Government Participation: 75 % Amount, $ 2475.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting 22 ft.	660.00		660.00			
Portal Preparat'n	300.00		300.00			
(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.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	960.00		960.00	960.00	—	960.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-64

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

Date May 1, 1954 Payee Non-Metallic Minerals Corp.

Per [signature] President

*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:

$ 720.00

Signature [signature]
(Authorized Certifying Officer)

Date MAY 13 1954 Vou. No. 289
(See other side)

240.00

(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 E662 in accordance with the terms of the contract.

Signature W. M. Beck Title Mining Engr. USBM Date MAY 10 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VIII Date MAY 10 1954

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-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 195 4 Docket No. DMEA 5255 Contract No. [illegible] 662
Operator's Name Non-Metallic Minerals Corp. Minerals [illegible]
Address Box 39, Jamesville, N. Y.

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.	$660.00	22	$660.00	22	$30.00	100	$30.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Portal Tenant's		300.00	1	$300.00	1	$300.00	1	$300.00
TOTAL DISTRIBUTED COSTS		$960.00		$960.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		$960.00		$960.00				$3,300.00

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.

REMARKS: Daily Progress Report attached

Date May 1, 1954 Operator Non-Metallic Minerals Corp.
By Edward Simson Title President

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

NON-METALLIC MINERALS CORP.

MICAVILLE, NORTH CAROLINA

~~MICAVILLE~~
BURNSVILLE,

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of April, 1954.

Date Work Began: Apr. 6
DMLA - 3255
IM-E 662

Work Accomplished

April 6 Began clearing entrance to old portal.
" 7 Cont'd " " " " "
" 8 Began clearing for dump site
" 9 Cont'd " " " " and Supporting Portal Overhang
" 12 Assembling Equip.
" 13 Setting up " and continuing Portal Prep.
" 14 " " " " " "
" 15 " " " and testing lines, jack hammer, etc.
" 16 Began Drilling
" 19 Cont'd "
" 20 Fired First Round of Holes (21) and Mucking
" 21 Mucking and Drilling
" 22 Drilling
" 23 Fired Second Round and Mucking
" 26 Mucking and Drilling
" 27 Drilling and Firing 3rd. Round
" 28 Mucking and drilling
" 29 Drilling
" 30 Drilling and Firing 4Th Round and Mucking. Total to date 22'

Fired 1 Box Dynamite per Round. Delayed Fuses. Full good in every case.
Very little Mica and that flat but spotted. Vein beginning to show an substantial form on last shot.

Non-Metallic Minerals Corp.

W. Howard Simpson, Pres.

May 19, 1964

Memorandum

To: The File

From: W. R. Griswold, Chief
Division of Minerals

Subject: DMEA-3255 (Mica)
Non-Metallic Minerals Corporation
White Face Mine
Yancey County, North Carolina
Contract Idm-E662

We have been unable to receive a reply to the Form 63's sent to the Operator-Owner of the property in question. Inquiries sent registered mail have likewise had no reply.

We have checked with Mr. Lesure of the Survey who looked at this area a few years ago and also with Mr. Laurence, and they both advise us that while they have no recent specific knowledge, they feel quite sure that the property is abandoned, with the workings caved in.

In view of the conditions nothing much further could be done unless we ordered a special inspection trip to the Spruce Pine area; this would seem to be a complete waste of Government funds, and therefore it is recommended that this particular docket be closed.

W. R. Griswold

WRGriswold/mm
cc: Director's Reading File
R. A. Laurence
CA&A Division
Code 500

GOVERNMENT COPY

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

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Non-Metallic Minerals Corporation
Box 39
Burnsville, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-2662, dated March 5, 1954 (Docket No. DMA-3255), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

An adit and crosscut explored a conformable unzoned pegmatite in biotite schist and indicated reserves of non-strategic mica.

THE UNITED STATES OF AMERICA

By O. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

Dated: Aug. 6 - 1954

WCAnderson:gad 7/30/54
Copy to: Mr. Irving Gumbel, EPS, GSA
Docket File
Mr. Hedges, 4604
Mr. Thayer, 4207 GSA Bldg.
Mr. Chambers
Mr. Houk
Field Team, Region VII
Admr. R. File
Operating Committee
Finance Office
Mr. Johnson

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

AUG 9 1954

Houk X-2971
Rm. 4637

Interior
Defense Minerals Exploration
Administration
14X4401(01) Revolving Fund,
Defense Production Act,
Interior (Allocated Working Fund to the
Office of the Sec.)

Mr. W. Howard Simpson, President
Non-Metallic Minerals Corporation
Box 39
Burnsville, North Carolina

Re: Docket No. DMFA-3255 - Mica
White Face Mine
Yancey County, North Carolina
Contract No. Idm-E662

Kindly change date of the Certification of Discovery to read August 6, 1954.

C. O. Mittendorf

C. O. Mittendorf
Administrator, Defense Minerals
Exploration Administration

LGHouk:gad 8/9/54
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Hedges, 4604
Mr. Chambers
Field Team, Region VII
Mr. Thayer, 4207 GSA Bldg.
Operating Committee
Mr. Houk

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

AUG 6 1954

Mr. W. Howard Simpson, President
Non-Metallic Minerals Corporation
Box 39
Burnsville, North Carolina

Re: Docket No. DMEA-3255 - Mica
Non-Metallic Minerals Corporation
White Face Mine
Yancey County, North Carolina
Contract No. Idm-E662

Dear Mr. Simpson:

Transmitted herewith is a certification of discovery or development on Contract No. Idm-E662 on the White Face Mine, Yancey County, North Carolina.

By the terms of the Exploration Project Contract and of the certification, all production from the property from the date of the Exploration Project Contract, March 5, 1954, is subject to the Government's percentage royalty as set forth in the contract until the sum of $1,485.00 is paid or until March 5, 1964, whichever occurs first.

Payments should be made to Mr. Robert A. Laurence, Executive Officer, Defense Minerals Exploration Administration Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee. Checks should be drawn payable to the Treasurer of the United States. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check direct to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets showing quantity and grade of ore sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. Laurence of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Laurence at six-month intervals that no production has been made.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

Mr. Chambers
Field Team, Region VII
Mr. Thayer, 4207 GSA Bldg.
Operating Committee
Mr. Houk

WGanderson:gad 7/30/54
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Hedges, 4604

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

AUG 3 1954

Mr. Irving Gambel, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Docket No. DMEA-255 - Mica
Non-Metallic Minerals
Corporation
White Face Mine
Yancey County, North Carolina
Contract No. Idm-2662

Dear Mr. Gambel:

I am enclosing one copy of a certification of discovery or development relating to the subject contract.

The exploration contract was signed on March 5, 1954, with the Government participating to the extent of 75% of $3,300.00 or $2,475.00.

The project was started on April 6, 1954, and completed May 31, 1954, after the expenditure of $1,980.00 which is the total net accepted cost according to the Audit Review. The Government paid 75% of the total accepted cost or $1,485.00.

The work performed on this project consisted of preparation of portal site and driving 50 feet of drift and six feet of crosscut. The pegmatite encountered was five feet thick and pinched out in the drift at 20 feet from the portal. The pegmatite contains an undetermined reserve of non-strategic mica.

The DMEA concurs with the field team evaluation of the work performed and has certified that a discovery or development has resulted from the work under this contract.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:gad 7/30/54
Copy to: Admr. R. File
Mr. Johnson
Mr. Hedges, 4604

Docket File
Mr. Chambers
Mr. Houk

Operating Committee
Field Team, Region VII
Mr. Thayer, 5216 GSA Bldg.

Governm Copy

TERMINATION AGREEMENT

It is agreed this 18th day of June 1954, between the United States of America, acting through the Defense Minerals Exploration Administration (Department of the Interior), hereinafter called the "Government," and Non-Metallic Minerals Corporation, Burnsville, North Carolina, hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-E 662, Docket No. DMEA-3255, dated March 5, 1954, that:

1. All work and operations provided for in said contract shall be terminated as the date first above written.

2. The Operator shall promptly render to the Government a full and final report and a final accounting of the units of work performed under the contract up to and including the date first above written. Any units of work performed after the date first above written shall be for the sole account of the Operator without contribution by the Government.

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

4. All rights of the Government with respect to certification of discovery or development, percentage royalty, and lien for payment, as provided in the contract, are preserved.

IN WITNESS WHEREOF, these parties have executed this Agreement as of the day and year first above mentioned.

NON-METALLIC MINERALS CORP.

By [signature]
President

THE UNITED STATES OF AMERICA

By Robert A. Laurence
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

z

Docket No. [illegible]

Commodity [illegible]

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 668

Date of Contract ~~or Amendment~~: March 5, 1954

Name and Address of Operator:
Non - Metallic Minerals Corp.
Yancey, B. C.

Amount of Government participation ____ $2,475.00

Percent of Government participation 75 %

Region: VII State: B. C.

Note: Please release $ 990.00

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

(Title)

Date Delivered to Bureau of Mines, Washington.

7/22/54

54458

Docket No. DMEA - 3255

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 662

Date of Contract or ~~Amendment~~ March 5, 1954

Name and Address of Operator:
Non - Metallic Minerals Corp.
Yancey, North Carolina

Amount of Government participation $ 2,475.00

Percent of Government participation 75 %

Region: V11 State: North Carolina

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

(Title)

Date Delivered to Bureau of Mines, Washington. 3/5/54

54458

Government's copy

MF-200 (A)
(February 1952)

DEPARTMENT OF THE ... Defense Minerals ... RECEIVED APR 15 1954

DOCKET No. DMEA 3255

COMMODITY Mica

IDM E - 662

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this Ma5ch day of March, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Non-Metallic Minerals Corporation, a North Carolina corporation, Box 39, Burnsville, North Carolina

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II attached hereto and made a part hereof;

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 Yancey, described XXXXXXX[3] set forth in Annex I

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:

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

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

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

in or upon the described land; and shall bring the project to completion within a period of Four (4) 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 75 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 $2,475.00, which is 75 percent of $3,300.00, 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.

16—66329-1

(*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. **See Annex II, substituted for this Article.**

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

NON-METALLIC MINERALS CORPORATION
(Operator)

By W. Howard Simpson PRES

By C. Mitteudorf
Administrator, Defense Minerals Exploration Administration

I, Nell B. Simpson, certify that I am the secretary of the corporation named as Operator herein; that W. HOWARD SIMPSON PRESIDENT, 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
NON-METALLIC MINERALS CORPORATION
DOCKET NO. DMEA-3255

ANNEX I

The land referred to in Article 2 of the contract form is known as the White Face Mine and is owned in fee simple by the applicant. It is located about one mile east of Celo, North Carolina, between the South Toe River and Bailey Mountain, and is a part of the Peterson Tract recorded in Book 80, pages 47-49, Yancey County, North Carolina, and described as follows:

> "Beginning on a stake on the South side of the State road from Celo to South Toe River, thence South 10 degrees West 350 feet to South Toe River, thence up and with the meanders of the South Toe River to a stake in the Theo. Westall line (West line of Peterson tract), thence northerly with said line to a stake Theo Westall et al's corner, thence with the Northwest line of the Peterson tract to a stake on the South side of the State Road, thence East with said road to the beginning; containing 8 acres more or less."

ANNEX II

The following provisions are in lieu of Article 6:

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or 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 final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other amounts realized from the sale or other disposition of any such production (including any bonuses, premiums, allowances, or other benefits), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) percent of any such net amounts, plus one-half ($\frac{1}{2}$) 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 ($1\frac{1}{2}$) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

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

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

EXPLORATION PROJECT CONTRACT
NON-METALLIC MINERALS CORPORATION
DOCKET NO. DMEA-3255

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the attached map entitled "Proposed Prospecting at the White Face Mine, Docket 3255," by the work described below.

1. Prepare a site for portal of a proposed drift.

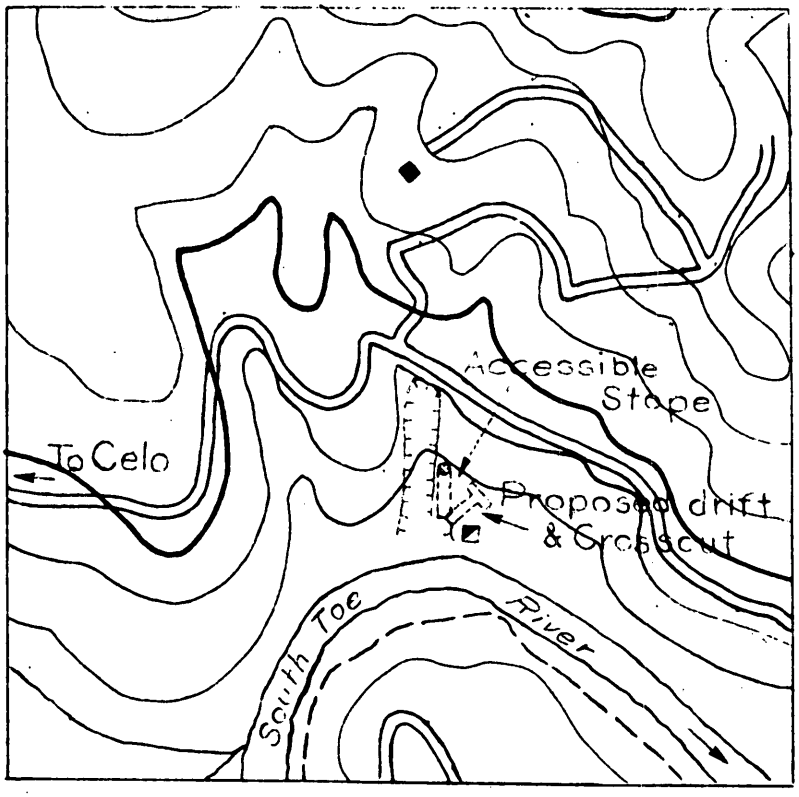
2. Drive not more than 100 feet of drift and/or crosscut, with a cross section of 5 feet by 7 feet in the clear.

The location, direction, and extent of all work is subject to the approval of the Government.

Agreed Unit Costs

Preparation of site for portal of drift[1]	$ 300.00	
Drifting and/or crosscutting--100 feet @ $30/ft.	3,000.00	
Agreed Estimated Total Cost of Project		$3,300.00
Government's participation @ 75%		$2,475.00

[1] The completed work constitutes the unit.



0 250 500 1000 feet

Proposed Prospecting at the
White Face Mine Docket [redacted] 3255

Open Cut

Proposed Underground
drift and Crosscut