Docket Copy

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS AND JIM McKINNEY, JR.
DOCKET NO. DMEA-3611

AMENDMENT NO. 1

It is agreed the 28th day of October, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and John Phillips and Jim McKinney, Jr., that Contract Idm-E785 (Docket No. DMEA-3611) dated April 21, 1955, is amended as of April 21, 1955 as follows:

1. In Exhibit "A" under "Description of the Work": Under Stage II, paragraph A, delete "Drive 75 feet of drift on the pegmatite from the winze.", and add, "Drive 75 feet of drift and/or crosscut on the pegmatite, from the winze."

2. In Exhibit "A" under "Fixed Unit Costs": Under Stage II, Item 1, delete "Drive 75 feet of drift @ $35.00/ft. - $2,625.00.", and add "Drive 75 feet of drift and/or crosscut @ $35.00/ft. - $2,625.00."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator Defense Minerals Exploration Administration

John Phillips and
Jim McKinney, Jr. (partners)

By John Phillips

By Jim McKinney Jr.

Portin
Lawyer
Appd. Sol. Off.
Dorin
Fleming
Taffet
Selfridge

Docket Co

Defense Minerals Administration
RECEIVED
APR 4 1955

MF-200A
(Revised June 1954)

Docket No. DMEA [illegible]

Commodity [illegible]

Contract No. Idm-E 785

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 21st day of April, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] [illegible],

whose mailing address is [illegible],

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and [illegible]

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of [illegible], County of [illegible], and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] [illegible] of [5] [illegible] in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] [illegible], [7] [illegible] recorded in Book [illegible], page [illegible], official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: [illegible]

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: [illegible]

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of [illegible] The work to be performed is described in Exhibit "A." The Operator on or before JUN 1 1955 shall commence the work, and on or before DEC 21 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $[illegible] The Government will contribute [illegible] percent of the fixed unit costs as work is performed, in a total sum not in excess of $[illegible]: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (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, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten 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.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

.....

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.....

.....

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.....

Executed in sextuplicate the day and year first above written.

[illegible]

(Operator) [illegible]

By [illegible]

[illegible]

THE UNITED STATES OF AMERICA

By [illegible]

ACTING [illegible]

[illegible]

Robert Hoffman

Hopkins

Chapman

Selfridge

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—70618-1

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS AND JIM MCKINNEY JR.
DOCKET NO. DMEA-3611

ANNEX I

The mineral rights in the land referred to in Article 2 of the Contract were leased by Land and Mineral Company to the Operator by an instrument dated November 16, 1954, for a period of 5 years from said date, renewable for a like period. The land is described as follows:

Beginning at the center of the shaft of the Little Hawk Mine located 300' N.E. of a large Hickory tree marked with an "X" and running 600' North; thence 600' West; thence 1200' South; thence 1200' East; thence 1200' North; thence 600' West to beginning.

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS AND JIM MCKINNEY JR.
DOCKET NO. DMEA-3611

Minerals Management
RECEIVED
MAR 4 1957

EXHIBIT "A"

Description of the Work

The work shall be performed in two successive stages, as follows:

Stage I

1. Construct the following:

A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.

An exploder magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

A toolhouse, minimum dimensions 8 feet by 10 feet by 7 feet.

The toolhouse may be unfloored; shall be made from unfinished lumber, with protective roof covering; and shall be equipped with lock and key.

The powder and exploder magazines shall be boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood; and shall be braced at the corners. No metal shall be exposed, and the lids shall be securely locked with the equivalent of a 5-tumbler jarproof lock.

2. Rehabilitate 75 feet of Adit No. 6. This work requires cleaning out muck from portal and floor of Adit, widening at two places, timbering as necessary, and installation of track.

3. Establish hoisting station for winze. This work requires enlarging a 5-foot by 5-foot adit to provide a room with minimum dimensions of 10 feet by 10 feet by 8 feet in the clear of timber.

4. Sink a 50-foot winze, minimum dimensions 5 feet by 7 feet in the clear of timber. The winze shall be collared in the hanging wall, shall be sunk vertically until pegmatite is encountered, and then shall be continued in the pegmatite.

If the Government is of the opinion that the results of Stage I warrant further work the Operator shall perform such Stage II work as is approved in advance by the Government.

The approximate location of the winze is shown on the sketch map entitled, "Sketch of Little Hawk Mine, DMEA-3611 Mica," attached hereto and made a part hereof.

Stage II

Drive 75 feet of drift on the pegmatite from the winze.

All project work shall be timbered as necessary.

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

Fixed Unit Costs

Stage I

Construct:

Toolhouse 1/	$ 75.00	
Powder Magazine 1/	26.00	
Exploder Magazine 1/	14.00	
Rehabilitate 75 feet of Adit No. 6 1/	150.00	
Establish hoisting station for winze 1/	200.00	
Sink 50-foot winze @ $45.00/ft.	2,250.00	
Total Cost Stage I		$2,715.00

Stage II

Drive 75 feet of Drift @ $35.00/ft.	2,625.00	
Estimated Total Cost of Project		$5,340.00
Government participation @ 75%		$4,005.00

1/ The completed work constitutes the unit.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 4 - 1955

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Avery, described as follows:1/

Beginning at the center of the dam of the Hollo Dam Mine located 300' N.E. of a large Hickory tree marked with an "X" and running 600' North; thence 600' West; thence 1200' South; thence 1200' East; thence 1200' North; thence 600' West to the beginning. This property located on Hanson's Creek, 6 miles N.E. of Linville, N. C.

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

2/ Johnson Mining and Sales Company, Inc.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

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

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

(OVER)

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

4. Changes and added provisions_____

_____

_____

_____

Dated this 26th day of December, 1954.

Lead and Minerals Company [Seal]

By (Signed) J. Dalton Brown, Pres. [Seal]

_____ [Seal]

DOCKET COPY
Surname:
Hope
Chambers
Selfridge
Johnson

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

MAY 11 1956

Messrs. John Phillips and
Jim McKinney, Jr.
c/o Mr. John Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-9611-mica
John Phillips and Jim McKinney, Jr.
Little Hank Mine -
Little Hank Prospect
Mitchell County, North Carolina
Contract No. Idm-4785

Gentlemen:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:ms 5/10/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File
J. Fuller Brown, President) land owners (Copy to Field Team
Land and Minerals Company) for forwarding)

R.C.S.

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

May 10, 1956

Project Summary Report

By: James Hopkins

1. Docket No. DMEA-3611-mica
Contract No. Idm-E785
Little Hawk Mine
Mitchell County, North Carolina

Operators: John Phillips and Jim McKinney, Jr.
Spruce Pine, North Carolina
Operators' Property Rights:
Lessees of the mineral rights owned by Land and Minerals Company.

2. Contract: dated April 21, 1955
a) Work Authorized:

Stage I	
Buildings	$ 115.00
Rehabilitate 75' of Adit	150.00
Establish hoisting station	200.00
Sink Winze 50' @ $45.00	2,250.00
Stage II	
Drift 75' @ $35.00	$2,625.00
Estimated Total Cost	$5,340.00

b) Amendments: No. 1 authorizes crosscutting in Stage No. II
c) Work Completed:

Buildings	$ 115.00
Rehabilitation	$ 150.00
Cut Station	$ 200.00
Winze Sinking	$2,025.00
Drifting	$2,625.00
Total Cost of Project	$5,115.00

Work began May 9, 1955.
Work completed September 3, 1955.
The Final Field Team Report was dated October 28, 1955.
The Operators' Final Report was dated October 4, 1955.

3. Audit: Report of Review dated October 18, 1955

Total Cost as billed by Operator	$5,115.00
Exceptions	-0-
Total Accepted Cost	$5,115.00
Government participation @ 75%	$3,836.25

4. Certification of Discovery - none issued

5. Comments:

This property had been extensively worked and undoubtedly had been a large producer.

The project was established to explore at depth a pegmatite that had been extensively worked on 6 levels between elevations of 4416 feet and 4275 feet.

The pegmatite is a tabular body about 200 feet long and averages about 6 ft. wide conformably emplaced in hornblende gneiss.

Evidence revealed by the project indicated that the pegmatite explored has bottomed and that little mica-bearing pegmatite occurs below the 4300 level.

On the new drift level the pegmatite strike length was found to be considerably less than that exposed on the upper levels. The mineralization has changed somewhat. On the lower level it contains much coarse plagioclase, scattered quartz, a little muscovite, biotite, scattered red garnet and apatite. Most of the muscovite occurs associated with the small quartz. The wall rock has changed from a hornblende gneiss to a biotite gneiss.

Approximately 800 pounds of mine-run mica was recovered during the project. It was in small sizes, somewhat ruled, flat, clear ruby colored and of excellent quality. - (Field Team Report)

A later report says that the mica recovered was a few hundred pounds of scrap. None was sold.

There are no reserves of mica.

The Field Team concludes that a significant discovery was not made and therefore recommends that no certification of discovery be issued.

The project was conducted in an efficient and satisfactory manner. No equipment was purchased.

The Nonmetallic Minerals Division concurs in the recommendation of the Field Team.

The Commodity Divisions of the Bureau of Mines and Geological Survey also concur.

James Hopkins
Nonmetallic Minerals Division

May 10, 1956

Project Summary Report

By: James Hopkins

1. Docket No. DMEA-3611-mica
Contract No. Idm-X785
Little Hawk Mine
Mitchell County, North Carolina

Operators: John Phillips and Jim McKinney, Jr.
Spruce Pine, North Carolina

Operators' Property Rights:
Lessees of the mineral rights owned by Land and Minerals Company.

2. Contract: dated April 21, 1955

a) Work Authorized:

Stage I	
Buildings	$ 115.00
Rehabilitate 75' of Adit	150.00
Establish hoisting station	200.00
Sink Winze 50' @ $45.00	2,250.00
Stage II	
Drift 75' @ $35.00	$2,625.00
Estimated Total Cost	$5,340.00

b) Amendments: No. 1 authorizes crosscutting in Stage No. II

c) Work Completed:

Buildings	$ 115.00
Rehabilitation	$ 150.00
Cut Station	$ 200.00
Winze Sinking	$2,025.00
Drifting	$2,625.00
Total Cost of Project	$5,115.00

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4. Certification of Discovery - none issued

5. Comments:

This property had been extensively worked and undoubtedly had been a large producer.

The project was established to explore at depth a pegmatite that had been extensively worked on 6 levels between elevations of 4416 feet and 4275 feet.

The pegmatite is a tabular body about 200 feet long and averages about 6 ft. wide conformably emplaced in hornblende gneiss.

Evidence revealed by the project indicated that the pegmatite explored has bottomed and that little mica-bearing pegmatite occurs below the 4300 level.

On the new drift level the pegmatite strike length was found to be considerably less than that exposed on the upper levels. The mineralization has changed somewhat. On the lower level it contains much coarse plagioclase, scattered quartz, a little muscovite, biotite, scattered red garnet and apatite. Most of the muscovite occurs associated with the small quartz. The wall rock has changed from a hornblende gneiss to a biotite gneiss.

Approximately 800 pounds of mica-run mica was recovered during the project. It was in small sizes, somewhat ruled, flat, clear ruby colored and of excellent quality. - (Field Team Report)

A later report says that the mica recovered was a few hundred pounds of scrap. None was sold.

There are no reserves of mica.

The Field Team concludes that a significant discovery was not made and therefore recommends that no certification of discovery be issued.

The project was conducted in an efficient and satisfactory manner. No equipment was purchased.

The Nonmetallic Minerals Division concurs in the recommendation of the Field Team.

The Commodity Divisions of the Bureau of Mines and Geological Survey also concur.

JHopkins:ms 5/10/56
Copy to: Mr. Houk
Mr. Hopkins
Admr. R. File

James Hopkins
Nonmetallic Minerals Division

DOCKET COPY
Surname:

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

Hyden
Zinn
Clampitt
Selfridge
Mottendorf

MAR 23 1956

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

Dear Mr. Lawrence

Reference is made to the following uncertified projects which have been completed or terminated, but no closing letters can be written because of incomplete information on the production and the royalties which may be due the Government:

Docket No. DMEA-	Contract No. 16m-	Production during Project	Value of Production	Royalties Due	Royalties Paid	End of Certification Period (6 mos. from date Final Report)
3383	2778	1000 lbs.	$539.86	$26.98	$26.98	Feb. 8, 1956
3482	2806	few hundred pounds	?	?	None	Mar. 26, 1956
3748	2824	100 lbs.	$150.00	$ 7.50	$ 7.50	Mar. 26, 1956
3611	2785	about 800 lbs.	?	?	None	Apr. 4, 1956
3677	2864	approx. 790 lbs.	$241.66	$12.08	$12.08	Apr. 31, 1956
3731	2835	about 300 lbs.	$156.20	$ 7.81	$ 7.81	May 17, 1956

In order to close out these contracts it will be appreciated if you will take whatever action you deem necessary for collection of the unpaid royalties. On those projects where royalties have been paid, please ascertain whether there has been, or whether there is likely to be, any production made between the time of the last royalty payment and the end of the period in which certification may be made.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

/s/ Robert W. Geehan (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

Mr. Hinkrich, 3061
Mr. Hunt (6)
Mr. Hopkins
Adm. R. File

Mr. Clampitt
Mr. Kiilsgaard, 5022
Operating Committee
Copy to: Hunt (6)
Hopkins/mm 3/21/56

R.C.G.

IN REPLY REFER TO:

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

RECEIVED
MAR 12 1956

March 9, 1956

Re: DMEA 3611, Idm-E785
John Phillips and Jim McKinney
Little Hawk Mine
Mitchell Co., N. C.
$5,340.00 - Mica

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Final Field Team report

The contract authorized the spending of $5,340.00 in a search for the downward extension of the Little Hawk pegmatite from which a past production of good ruby mica is reported to have been obtained. The work provided for consisted of rehabilitation of No. 6 adit, a winze, a drift from the winze and crosscuts. Most of the work was done, $5,115.00 was expended and little mica-bearing pegmatite was found.

Unfortunately no information is given as to the attitude of the pegmatite where it was mined in a relatively large stope below No. 3 adit, but, if the stope outline (as interpreted) is correct, the southerly limit of the mica-bearing pegmatite is south of the steep and poddy pegmatite followed in the lifting inclined drift from the foot of the winze, probably at a lower elevation than the lowest point in the stope. If the interpretation is correct, the pegmatite worked in is not the mine pegmatite.

A drift 130 feet long from the inner end of the No. 6 adit (at the winze) would have provided a better place for crosscuts or long drill holes aimed at finding the downward extension of the fat pod stoped probably from below 5 to 3 levels at least. Diamond drilling is indicated as the best way to prod for the extension, but the pod may have been mined to the bottom.

The examiners and the Field Team recommend that no certification be made. I concur with that recommendation.

N. E. Nelson

N. E. Nelson

DOCKET FILE
Surname:
Hope
Hoyt
Selfridge

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

NOV 18 1955

Mr. Robert A. Lawrence
Executive Officer, DMEA
Field Team, Region V
Room 19, Post Office Bldg.
Knoxville 2, Tennessee

Subject: Docket No. DMEA-3611 - Mine
John Phillips and Jim McKinney, Jr.
Little Hank Mine and
Little Hank Prospect
Avery County, North Carolina
Contract No. Idm-8785

Dear Mr. Lawrence:

Reference is made to your memorandum dated November 1, 1955, recommending an amendment to the subject contract to allow the following work at the Little Hank Prospect:

1.	Construct 500 yards access road @ 40¢/yd.	$200.00
2.	Recondition 30 feet of incline through old workings @$15.00/ft.	450.00
3.	Sink 80 feet of incline and/or drift @ $40.00/ft.	3,200.00
Estimated total cost		$3,850.00

The final Field Team Report on the Little Hank Mine and the original Field Team report on the Little Hank Prospect dated February 16, 1955, have been carefully reviewed in connection with your recommendation. We regret being unable to find any new or old criteria in either report that would be a basis to justify work on the Little Hank Prospect.

The exploration project at the Little Hank Mine involved probing below old workings for extension of the pegmatite that was reported to be very productive near the surface. Because this work was unsuccessful it appears reasonable to believe that similar work on the westward continuation of the Little Hank pegmatite could not be expected to meet with any greater success. We are inclined to believe that the recommended work on the Little Hank Prospect would only reveal that the former operators had extracted all commercial mica in the old workings and had practically exhausted all possibilities as they had done in the Little Hank Mine.

Sincerely yours,

George C. Selfridge
by ESZ

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan by ESZ
Member, Bureau of Mines

N. E. Nelson by ESZ
Member, Geological Survey

JHopkins:ad 11/16/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Killsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

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

November 7, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer - DMEA - Region V

Subject: Signed Amendments: Idm-E832, DMEA-3793, Beam & Phillips, Ptners
and
Idm-E785, DMEA-3611, Phillips & McKinney

Transmitted are three signed copies each of the subject Amendments. The usual distribution of the other copies has been made by this office.

V J. Lynch

V J. Lynch

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

November 14, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3611 (mica)

Applicant: J. McKinney and J. Phillips

Name and Location of Property: Little Hawk Mine, Avery Co., N. C.

Contract Number: Idm-E 785

Date of Field Team Report: 10/28/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 11/8/55

Field Team Recommendation: Recommend no certification of discovery for Little Hawk mine. Action on Little Hawk Prospect is still pending.

Comments:

1. The exploration did not disclose any worthwhile deposits of mica and the pegmatitie had bottomed.

2. Value of mica recovered during project and royalty due should be determined.

3. Expenditures -

Total approved	$5,340.00
Total cost	5,115.00
Gov't share of the cost	3,836.25
Value of production during operation	unknown

Recommendation: I concur with the field team's recommendation.

W. F. Dietrich

W. F. Dietrich

RECEIVED
NOV 14 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

November 1, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, Region V - Knoxville

Subject: Final Reports, DMEA-3611, Idm-E785 (mica) John Phillips and Jim McKinney, Jr. Spruce Pine, N. C. Little Hawk Mine, Mitchell County, North Carolina

Enclosed are four copies each of the Operator's and Field Team final reports on the subject project. We do not recommend a certification.

Please note that a request for an amendment to authorize crosscutting is still pending. Completion of this report would ordinarily have been delayed until the amendment has been executed, but this report was prepared this week to avoid a heavy load of report writing during Mr. Teague's last week with us, in early November.

A separate memorandum is being written on the Little Hawk Prospect recommendation. If approved, this would extend the subject contract for an additional period.

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

/s/ V. J. Lynch, Member
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
11-7-55
(date)

RECEIVED
NOV - 3 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-3611, LITTLE HAWK MINE (mica)
Mitchell County, N. C.

By

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

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

Reviewed by
DMEA OPERATING COMMITTEE
11-7-55
(date)

October 28, 1955

RECEIVED
NOV - 3 1955

FINAL REPORT
On
DMEA-3611, Idm-E785 (mica) Little Hawk or
Little Ridge Mine.

Operators: John Phillips and Jim McKinney, Mr. Spruce Pine, N. C.

Location : On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N. 62° W. of Plumtree, Mitchell Co.,N.C.

Except for 5 feet of incline, all work provided in this contract was completed without making a whorthwhile discovery. Evidence revealed by this project indicates the pegmatite explored has bottomed and that little mica-bearing pegmatite occurs below the 4300-foot level. No certification of a discovery is recommended for that part of the deposit explored. Additional work on the northeast pegmatite is not warranted.

In the original application, a pegmatite which was termed "Little Hawk Prospect" was included. In a report covering the "Prospect", dated February 16, 1955, the Field Examiners recommended that no work be done on the "Prospect" at that time. We feel now that the "Prospect" may warrant additional consideration. There views are expressed in the transmittal memorandum.

Work accomplished consisted of the construction of a toolhouse, two magazines, reconditioning an existing 75-foot adit, enlarging adit at one point for a hoisting station, sinking 45 feet of winze, driving 63 feet of drift and + 25° raise and driving 12 feet of crosscut. The Operator at his own expense drilled a 16-foot test hole from the face of the crosscut into the footwall and a 16-foot hole opposite the crosscut into the hanging wall without finding pegmatite.

The winze was collared in hornblende gneiss and sunk in hornblende ~~and sunk in hornblende~~ gneiss to the 22-foot level. From the 22-foot level to the 40-foot level, the winze is in pegmatite. At this point the pegmatite bottoms. The winze was continued to 45 feet in wall rock, and test holes drilled in the bottom and foot and hanging walls. No pegmatite was encountered in any of the test holes. The pegmatite in the winze is about 3 feet thick, strikes N. 70° E and dips from 60° SE to vertical. It is conformable on strike, but crossuctting on dip to the bornblende gneiss wall rock.

The drift was started in about 3 feet of pegmatite. This pegmatite gradually thinned, and at the 25-foot point disappeared in the roof of the drift. At this point, a + 25° raise was driven following the pegmatite up the rake along the strike to the 40-foot point where the pegmatite thickens to 3 feet. The heading from the 40-foot point to the 63-foot point, the drift

is level and followed pegmatite to the 57-foot point. Beyond that point the level was driven in the zone, but no pegmatite was encountered. At the 63-foot point a 12-foot crosscut was driven due north in the footwall without encountering pegmatite. The drift is in a S. 80° W. direction.

Pegmatite encountered in these openings range up to about three feet in thickness; it thickens and thins along strike, and apparently bottoms about 40 feet below the collar of the winze. Also, it appears that the strike length has become considerably less on the new drift level than that exposed in the higher levels. The exposed pegmatite contains much coarse plagioclase, scattered quartz, a little muscovite, biotite, scattered red garnet, and apatite. Most of the muscovite occurs associated with the small quartz. The pegmatite trends N. 80° E. and dips from 60° SE to vertical. The rock adjacent to the pegmatite is biotite gneiss, although a foot or more away from it the wall rock is biotite gneiss.

Approximately 800 pounds of mine-run mica was recovered during this project. This mica is in small sizes, somewhat ruled, flat, clear, ruby-colored, and of excellent quality.

Expenditures:

(a)	Total approved	$5340.00
(b)	Total cost of project	5115.00
(c)	Government's participation	3836.25
(d)	Government's share unexpended	168.75
(e)	Value of production during opr..	Unknown

This project was conducted in a satisfactory manner. No equipment was purchased for the project.

October 28, 1955

K. H. Teague, Geologist
U. S. G. S.

L. E. Shirley, Mining Engineer
U. S. B. M.

z

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1031 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
NOV - 3 1955

November 1, 1955

Memorandum

To: Operating Committee DMEA - Washington

From: DMEA Field Team, Region V - Knoxville

Subject: DMEA-3611, Idm-E785 (mica) Little Hawk Mine and Little Hawk Prospect, Mitchell County, N. C.

The original application on this project requested work at both the Little Hawk Mine and the Little Hawk Prospect. These are both on the same property.

Reports by the Field Examiners, dated February 2, 1955, recommended work at the "mine" but did not recommend work at the "prospect" at that time, it being their opinion that the work at the "mine" would prove the property sufficiently. However, work at the "mine" indicated that the pegmatite there bottomed at about the 4300-foot level.

However, in their final report, they suggest that some exploration at the "prospect" is now worth while. The sketch map prepared, last February, 13 copies of which are attached, shows only the existing work at the prospect. The cut at the upper right corner, just below the 4500 foot contour, gives a tie-in to the map in the Little Hawk Mine final report.

Mr. Teague and Mr. Shirley have recommended that the following work be done at the "prospect," at the site indicated on the sketch:

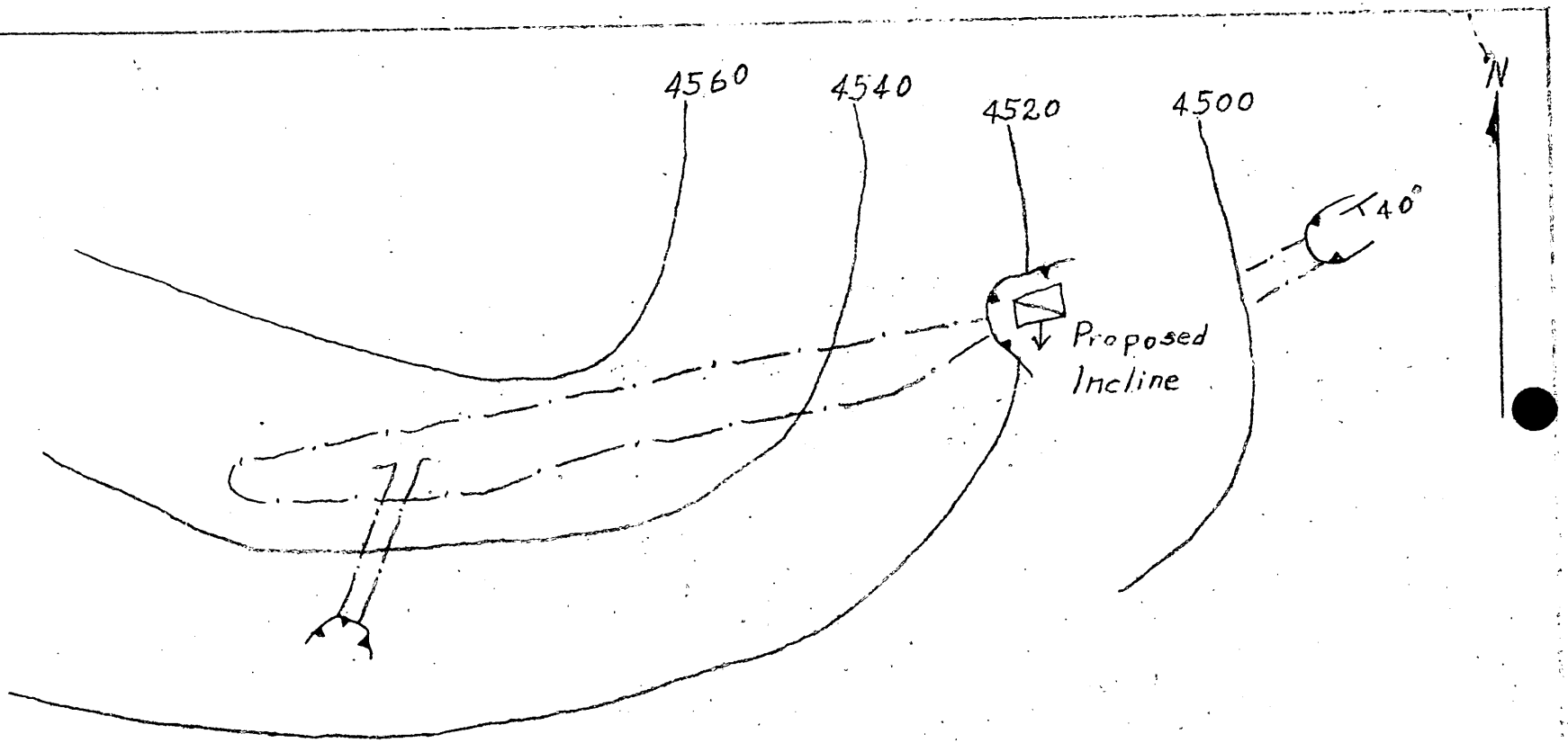
Estimated Cost:

Construct 500 yds. of access road at 40¢ per yd.	$200.00
Recondition 30 ft. of incline through old works at $15/ft.	450.00
Sink 80 ft. of incline and/or drift at $40/ft.	3200.00
Estimated Total cost.....	$3850.00

We believe the "prospect" shows sufficient promise to warrant the suggested work, and recommend approval of an amendment to the contract as outlined above. Completion date should be extended to March 31, 1956.

V. J. Lynch
V. J. Lynch, Member
U. S. Bureau of Mines

Robert A. Laurence
R. A. Laurence, Exec. Officer
DMEA Field Team.



Sketch of the
Little Hawk Prospect
Mitchell Co., N.C.

0 40' 80'
Scale

DMEA-3611 (mica)
2-16-55

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1-OST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
NOV - 3 1955

November 1, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, Region V - Knoxville

Subject: Final Reports, DMEA-3611, Idm-E785 (mica) John Phillips and Jim McKinney, Jr. Spruce Pine, N. C. Little Hawk Mine, Mitchell County, North Carolina

Enclosed are four copies each of the Operator's and Field Team final reports on the subject project. We do not recommend a certification.

Please note that a request for an amendment to authorize crosscutting is still pending. Completion of this report would ordinarily have been delayed until the amendment has been executed, but this report was prepared this week to avoid a heavy load of report writing during Mr. Teague's last week with us, in early November.

A separate memorandum is being written on the Little Hawk Prospect recommendation. If approved, this would extend the subject contract for an additional period.

Robert A. Laurence
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch
V. J. Lynch, Member
U. S. Bureau of Mines

RECEIVED
NOV - 3 1955

Spruce Pine, North Carolina
October 4, 1955

Mr. Robert A. Laurence
Executive Officer, DMEA, Region 7
Room 13, Post Office Building
Knoxville, Tennessee

Re: DMEA-3611, Idm-E 785 (Mica)
Little Hawk Mine, Mitchell Co., N.C.

Dear Mr. Laurence:

Work began on the Little Hawk project on May 2, 1955, and was completed on September 30, 1955.

We moved in and set up equipment, built hoisting station, tool house, powder and exploder magazines. We rehabilitated an old adit, then lowered a winze to a depth of forty-five feet. Except for a few pieces scattered in the vein, no mica was found in this operation.

From the forty-five foot depth, we drifted North for a total of sixty-three feet, shooting in vein about twenty-five feet of this distance. No mica was recovered.

At the sixty-three foot point in the drift, after running out of vein, we ran a cross-cut of twelve feet. No mica was encountered in the crosscut, and the work of the contract was then complete.

Satisfactory progress was made throughout the operations, although the material was extremely hard to work through in some places.

We wish to thank the DMEA Field Team for their assistance on the Little Hawk project. If further details of this operation are necessary, please contact us.

Very truly yours,

John Phillips

John Phillips

P/b

RECEIVED
NOV - 3 1955

Spruce Pine, North Carolina
October 4, 1955

Mr. Robert A. Laurence
Executive Officer, DMEA, Region 7
Room 13, Post Office Building
Knoxville, Tennessee

Re: DMEA-3611, Idm-E 785 (Mica)
Little Hawk Mine, Mitchell Co., N.C.

Dear Mr. Laurence:

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We wish to thank the DMEA Field Team for their assistance on the Little Hawk project. If further details of this operation are necessary, please contact us.

Very truly yours,

John Phillips

John Phillips

P/b

RECEIVED
NOV - 2 1955

Spruce Pine, North Carolina
October 4, 1955

Mr. Robert A. Laurence
Executive Officer, DMEA, Region 7
Room 13, Post Office Building
Knoxville, Tennessee

Re: DMEA-3611, Idm-E 785 (Mica)
Little Hawk Mine, Mitchell Co., N.C.

Dear Mr. Laurence:

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We wish to thank the DMEA Field Team for their assistance on the Little Hawk project. If further details of this operation are necessary, please contact us.

Very truly yours,

John Phillips

John Phillips

p/b

Docket Copy
Surname:

Hopkins
Falkenborg
Talbert
Selfridge
Feghan

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

OCT 31 1955

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

Subject: Docket No. DMEA-3611 - Mica
John Phillips and Jim McKinney, Jr.
Little Hawk Mine
Avery County, North Carolina
Contract No. Idm-E785

Dear Mr. Laurence:

Reference is made to the Field Team memorandum of September 30, 1955, concerning the proposed amendment to the subject contract.

There are transmitted herewith the original and five copies of Amendment No. 1 which have been signed by the Administrator for the Government. If the amendment meets with your approval present it to the Operator for approval and signature. If any part of this amendment does not have either your approval or that of the Operator and cannot be amended within your delegated authority, then the original and all copies are to be returned to this office, together with the proposed changes for consideration.

After execution of the amendment, the copies are to be distributed in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

Approved:

/s/ Robert W. Geehan (JB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JB)
Member, Geological Survey

Enclosures 8

JHopkins:gad 10/26/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

P.S. We are also enclosing two extra copies of the amendment.

RCH

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1050 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
OCT 1 9 1955

October 17, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region V - Knoxville

Subject: DMEA-3611, Idm-E785 (mica) John Phillips & Jim McKinney, Jr. Little Hawk Mine, Avery County, N. C.

Reference is made to your letter of October 13, 1955, commenting on our memorandum of September 30.

We do not wonder that you were puzzled by this apparently meaningless request, and we hasten to explain, with our faces colored an appropriate shade of bright red, that we signed the memorandum without noticing that an entire line was omitted between "words" and "pegmatite."

What we requested was an Amendment that would authorize the cross-cutting in the footwall by adding the words "and/or crosscut" in the two appropriate places. As the interim report of September 20 indicates, this work was authorized verbally by the field examiners with our approval, and we want to approve it formally with an Amendment. If you agree, please authorize us to draft the amendment, or send us one already drafted for transmittal to the Operator.

Robert A. Laurence
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch
V. J. Lynch, Member
U. S. Bureau of Mines

Docket Copy
Surname:
F L Knouse
Selfridge
H Johnson

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

600

OCT 13 1955

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

Subject: Docket No. DMEA-3611 - Mica
John Phillips and Jim McKinney, Jr.
Little Hawk Mine
Avery County, North Carolina
Contract No. Idm-E785

Dear Mr. Laurence:

This is with reference to the Field Team memorandum of September 30, 1955, in which you state "We approve the examiners' recommendations, and request permission to prepare an amendment authorizing addition of the words 'pegmatite' in the first sentence under Stage II, and after the word 'drift' in the fixed unit costs under Stage II".

The contract states in the first sentence under Stage II, "Drive 75 feet of drift on the pegmatite from the winze", and under Fixed Unit Costs, Stage II, "Drive 75 feet of drift @ $35.00/ft." Since the word pegmatite is already in the sentence under the narrative Stage II, and the reason for adding the word pegmatite after the word drift under Fixed Unit Costs, Stage II, is not clear, we are unable to understand the proposed changes. Therefore, please clarify this matter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/B)

Approved:

/s/ Robert W. Geehan (2/B)

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey (2/B)

FLKnouse:gad 10/10/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Knouse

RGH.

INTERIM REPORT

RECEIVED
OCT 17 1955

DMEA-3611, Idm-7785 (mica) LITTLE HAWK MINE

OPERATOR: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

LOCATION: On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N62°W of Plumtree, N. C.

Crosscutting work directed into the footwall from the drift level has been finished, and test holes have been drilled in both the hanging wall and foot wall area. This completes this contract, without having made a worthwhile discovery of strategic mica.

Exploration conducted consisted of sinking a winze from an existing adit to a total depth of 45 feet, driving 63 feet of drift from the winze bottom in a S80°W direction and driving 12 feet of crosscut in the foot wall area to the northwest. Sixteen foot test holes were placed in both walls in an effort to locate pegmatite, but none of minable thickness was encountered. A negligible amount of mica was recovered from exploration attempted. Material encountered in addition to hornblende gneiss country rock, was pegmatite composed of feldspar, quartz, biotite mica and scattered muscovite mica of very good quality. Most of the work was conducted in hard rock which required a minimum of timber. A ladderway and bucket skidway was installed in the winze. In addition to exploration, a toolhouse, powder magazine, and cap magazine was built. A 75-foot existing adit was rehabilitated, and a hoisting station for the winze was established. The winze was not sunk to the total depth authorized by contract, and 5 feet remains. All work was completed satisfactorily.

L. E. Shirley

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

K. H. Teague

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

October 5, 1955

Jim Hopkins

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

September 30, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V

Subject: DMEA-3611, Idn-E785 (mica) John Phillips & Jim McKinney, Jr.
Little Hawk Mine, Avery County, N. C.

Attached is the latest interim report on the subject project.

We approve the examiners' recommendations, and request permission to prepare an amendment authorizing addition of the words "pegmatite" in the first sentence under Stage II, and after the word "drift" in the fixed unit costs under Stage II.

The field examiners authorized this work verbally, before it was begun, in order to avoid a long delay, and this should be formally approved by the amendment.

Robert A. Laurence

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

INTERIM REPORT

DMEA-3611, Idn-E785 (mica) LITTLE HAWK MINE

OPERATOR: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

LOCATION: On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N62°W of Plumtree, N. C.

Drifting has been underway on this contract, but due to the recent absence of pegmatite in the heading, no additional advance in the present direction is recommended. Sixty-three feet of level work was completed to the southwest and followed pegmatite for 57 feet; the remaining 6 feet was driven along the zone in country rock in an effort to pick up the body. Twelve feet of drift and/or crosscut remains to be driven under contract. The operator was advised to start a crosscut into the footwall and to drive test holes in both walls for exploration purposes. Progress on this contract has been satisfactory.

Mr. V. J. Lynch, Bureau Member of the Field Team, Region V, accompanied the Field Examiners on this visit to the mine.

L. E. Shirley

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

K. H. Teague

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

September 20, 1955

RECEIVED
SEP 16 1955

INTERIM REPORT

DMEA-3611, Idm-E785 (mica) LITTLE HAWK MINE

OPERATOR: John Phillips and Jim McKinney, Jr., Spruce Pine, North Carolina

LOCATION: On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N62°W of Plumtree, North Carolina

Drifting continues to the west on this contract, and is now at 40 feet. Level work was stopped at a point 25 feet from the shaft, and a +30° incline has been driven for 15 feet. This inclined raise intercepted pegmatite, which has gradually thickened and is now about 3 feet thick in the present face. The body is composed of feldspar, quartz, and medium-sized blocks of good quality muscovite mica. The mica is flat and clear of stain, and ruling was the worst defect observed. The operator was advised to continue the drift from this point on a level. Progress on this contract is satisfactory.

L. E. Shirley

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

K. H. Teague

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

SEP 6 1955

~~August~~ 6, 1955

RECEIVED
SEP - 2 1955

INTERIM REPORT

DMEA-3611, 1dm-E785 (mica) LITTLE HAWK MINE

OPERATOR: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

LOCATION: On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N62°W of Plumtree, N. C.

Drifting continues on this contract and has advanced to 25 feet in a S80°W direction. A narrow pegmatite has been followed which is primarily feldspathic and contains occasional small blocks of mica. The present face shows about 12 inches of pegmatite near the roof area which is underlain by biotite gneiss to the floor. The operator was advised to begin inclining up from this face at an angle of +30° for at least a distance of 15 feet, in an effort to intercept a thicker portion of the mica-bearing pegmatite. Another visit will be made in the near future to ascertain if additional exploration is warranted. Progress on this contract is satisfactory.

L. E. Shirley

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

K. H. Teague D. H. Amos

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

August 23, 1955

INTERIM REPORT

DMEA-3611, Idm-E785 (mica) LITTLE HAWK MINE

OPERATOR: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

LOCATION: On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N62°W of Plumtree, N. C.

Winze sinking has been completed to a total depth of 42 feet, and drifting is now underway to the southwest, with a total advance of 6 feet. Pegmatite in the present heading is about 3 feet in thickness, and is composed of feldspar, quartz, partially altered biotite and scattered blocks of badly ruled but clear muscovite mica. Drifting will continue in the present direction until another visit can be made.

The operator was advised to provide safe ladder ways in the winze as soon as possible. Progress on this contract is satisfactory.

L. E. Shirley

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

K. H. Teague D. H. Amos

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

August 9, 1955

RECEIVED
AUG 22 1955

RECEIVED
JUL 25 1955

INTERIM REPORT

DMEA-3611 Idm-E785 (mica) LITTLE HAWK MINE

OPERATOR: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

LOCATION: On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N62°W of Plumtree, N. C.

Winze sinking continues on this contract and is now at 23 feet. The winze bottom was not examined because it contained 2 feet of water, but pegmatite has been encountered and was visible from the opening. Only a few pieces of excellent quality mica has been produced to date, but recent contact with the operator discloses substantial production.

Progress has been hampered recently by installation of an electric powered hoist. A small air hoist had been used previously and was unsatisfactory.

Mr. R. A. Laurence, Executive Officer of DMEA, Region V, accompanied the examiners on this visit to the mine.

L. E. Shirley

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

K. H. Teague D. H. Amos

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

July 13, 1955

RECEIVED
JUL - 5 1955

INTERIM REPORT

DMEA-3611, Idm-E785, (mica) LITTLE HAWK MINE

Operator: John Phillips and Jim KcKinney, Jr. Spruce Pine, N. C.

Location: 3.8 airline miles N. 62° W. of Plumtree, Mitchell County, N. C., on the southeast side of Hawk Mountain at the head of Henson Creek.

Winze sinking continues on this contract and now totals 19 feet. The present bottom is in hornblende gneiss whose foliation strikes N. 70° E. and dips 45° SE. Drill holes have encountered the pegmatite 3 feet below the present bottom.

The work completed to date is satisfactory.

Date of Exam: June 28, 1955

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

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INTERIM REPORT

DMEA-3611, Idm-E785 (mica) LITTLE HAWK MINE

RECEIVED
JUN 23 1955

Operator: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

Location: 3.8 airline miles N. 62° W. of Plumtree, Mitchell County, N. C., on the southeast side of Hawk Mountain at the head of Henson Creek.

Winze sinking continues on this contract and now totals 14 feet. Material encountered to date is hornblende gneiss.

The Operator has installed a power generator.

Progress and the work completed to date are satisfactory.

Date of Examination: June 15, 1955

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

L. E. Shirley and J. F. O'Neill, Mining Engineers
U. S. Bureau of Mines

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RECEIVED
JUN - 9 1955

INTERIM REPORT

DMEA-3611, Idm-E785 (mica) LITTLE HAWK MINE

Operator: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

Location: 3.8 airline miles N. 62° W. of Plumtree, Mitchell County, N.C., on the southeast side of Hawk Mountain at the head of Henson Creek.

Rehabilitation of Adit No. 6, and establishment of a hoisting station has been completed. Winze sinking has begun and now totals 5 feet. Work is temporarily suspended while a power line is being installed.

Progress and the work completed to date is satisfactory.

Date of Examination: June 1, 1955

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

z

Minerals Management Service
RECEIVED

INTERIM REPORT
DMEA-3611, Idm-E785, LITTLE HAWK MINE

Operators: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

Location: 3.8 airline miles N. 62° W. of Plumtree, Mitchell County, N. C. on the southeast side of Hawk Mountain at the head of Henson Creek.

Work under the contract at the subject mine began May 9, 1955. A toolhouse, powder magazine and exploder magazine have been constructed. Rehabilitation of Adit No. 6 is now underway and is about three-fourths completed. Some timbering and widening remains to be done. Instructions were given for establishing a hoisting station.

Work completed to date is satisfactory.

Date of Examination: May 18, 1955.

K. H. Teague and D.H. Amos, Geologists
U. S. Geological Survey

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1055 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

May 2, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region 5 - Knoxville

Subject: Signed Contract: Idm-E785, DMEA-3611, John Phillips and Jim McKinney, Jr. Partners, Spruce Pine, N. C.

Transmitted are three signed copies of the subject contract. The usual distribution of the other copies has been made by this office.

V. J. Lynch

V. J. Lynch

DOCKET FILE
Surname:

Hopkins
Houk
Chamberlin
Selfridge
F.E. Johnson

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

APR 21 1955

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

Subject: Docket No. DMEA-3611 - Mica
John Phillips and Jim McKinney, Jr.
Little Hawk Mine
Avery County, North Carolina

Dear Mr. Laurence:

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

If the contract meets with your approval insert the time for starting and completing the work in Article 3 of the contract and present it to the Operators for their approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operators and cannot be amended within your delegated authority, then original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from E. L. Newcomb of the Geological Survey, dated February 18, 1955, and April 4, 1955, and from W. F. Dietrich of the Bureau of Mines, dated February 24, 1955, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

JHopkins:ad 4/18/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 12

R.C.S.

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
APR - 5 1955

April 4, 1955

Re: DMEA-3611
Phillips & McKinney
(Little Hawk Prospect)
Mitchell Co., N. C.
$5,338 - Mica

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of Field Team report

The Field Team has recommended that DMEA assistance be limited to the Little Hawk mine. It is their opinion that exploration of the mine is more advantageous and will permit subsequent work on the prospect which can be done at the operator's expense.

I concur with the Field Team's conclusions, and recommend a contract be limited to the Little Hawk mine.

E. L. Newcomb
E. L. Newcomb

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

MAR 28 1955

March 24, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region 5, Knoxville, Tennessee

Subject: Summary of Field Examination Report on DMEA-3611 (mica)
Little Hawk Prospect, Mitchell County, N.C.

Transmitted are four copies of the above subject summary.

The Field Team concurs with the examiners that a contract should be withheld if a contract is to be issued on the Little Hawk Mine.

V. J. Lynch
V. J. Lynch, Acting
EXECUTIVE OFFICER
DMEA REGION V -

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

Received
DMEA OPERATING COMMITTEE
4-1-55
(Geo)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM EXAMINATION REPORT, REGION V

On

DMEA-3611, LITTLE HAWK PROSPECT (mica)
Mitchell County, N. C.

By

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

and

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

February 16, 1955

Released by
DMEA OPERATIONS CENTER
4-1-55

FIELD EXAMINATION REPORT
ON
DMEA-3611, LITTLE HAWK PROSPECT (mica)

A report on the Little Hawk Mine, dated February 2, 1955, has been prepared previously. The subject prospect is on the same leased area as the mine and represents the westward continuation of the Little Hawk, pegmatite. At only one place (the 4500-foot level) has an opening been made to connect the Little Hawk Mine and the Little Hawk Prospect. At this place the pinchout between the two pegmatites is 14 feet. No effort has been made to connect the two pegmatites at lower elevations, although it probably could be accomplished. Although the Little Hawk Prospect appears to offer possibilities for the discovery of a worthwhile mica deposit, the examiners are of the opinion that any action on a contract for the Prospect should be deferred, pending a contract on the mine. If a contract is granted on the mine similar to that outlined in the examination report dated February 2, 1955, the level from the winze could be extended southwest beyond the point of pinchout to test the probable occurrence of pegmatite beyond this point. If pegmatite is discovered beyond this pinchout, approximately 250 feet of unstoped pegmatite would be above the level.

The pegmatite at the Prospect is similar to the one mined at the Little Hawk Mine. It has the same mineral composition, thickness, quality and quantity of mica, and attitude.

Two adits have been driven on the pegmatite and one crosscut intersects the upper most adit about 100 feet from the portal. All are now somewhat caved.

The examiners cannot recommend exploration assistance at both locations on this property. We believe that a successful project can be conducted from the lowest adit at the Little Hawk Mine which will eliminate any need for a project on the Prospect. Furthermore, if a project on the mine is suffessful, the Operator should be in a position to conduct any additional exploration at his own expense.

We strongly recommend exploration on the Little Hawk Mine, but no assistance on the Prospect at this time.

February 16, 1955

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

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

DOCKET COPY
Surname:

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

MAR 21 1955

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

Subject: Docket No. DMEA-3611 - Mica
John Phillips and Jim McKinney, Jr.
Little Hawk Mine and Little
Hawk Prospect
Avery County, North Carolina

Dear Mr. Laurence:

Reference is made to the Field Team's examination report dated February 2, 1955, on the Little Hawk Mine in which it was stated that the Little Hawk Prospect could not be examined because of snow but it would be examined at the first opportunity.

We are deferring action on this application until we receive the complete report. Kindly advise when we may expect it.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

JHopkins:ad 3/16/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

February 24, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3611 (mica)

Applicant: Phillips & McKinney

Name and Location of Property: Little Hawk (Little Hawk Ridge) Mine
Mitchell County, North Carolina

Date of Field Team Report: February 11, 1955

Date Rec'd. by Br. of Ceram. & Fert. Mat.: February 17, 1955

Field Team Recommendation:

1. Approval of contract.

Comments:

1. Proposed exploration outlined by the field team is consistent with good engineering practices and estimated costs are in line with other DMEA projects.

2. Total estimated costs are in the amount of $5,338.

Recommendation:

I concur in the field team's recommendation for an exploration project in the amount of $5,338.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 18 1955

February 18, 1955

Re: DMEA-3611
Phillips & McKinney
(Little Hawk Mine)
Mitchell Co., N. C.
$5,338 - Mica

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of Field Examination report

The Field Team has proposed the following exploration project be approved:

1) 50-foot winze.
2) 75 feet of drifting.

The old workings, which consist of 6 adit levels, have produced substantial amounts of mica. The development of these adits has indicated that the pegmatite body rakes about 60° to the northeast. The average thickness of the pegmatite is about 6 feet and the length of the body appears to increase with depth. The deposit is unzoned, but mica is reported to be concentrated mainly in the hanging wall. The good quality and the large size of the individual mica books indicate that further exploration downdip is warranted.

The location of the property line requires exploration to be done by sinking from the No. 6 adit. If the line were farther east, a lower adit level would be a better approach to exploration. Under the circumstances, the Field Team's proposal is an acceptable method to explore below the No. 6 level.

I recommend the proposed project be approved.

E. L. Newcomb

E. L. Newcomb

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

DEPARTMENT OF THE INTERIOR
Library
FEB 14 1955

February 11, 1955

Memorandum

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

From: Field Team, DMEA - Region V - Knoxville, Tenn.

Subject: Field Team Report on DMEA-3611, Phillips & McKinney, Applicants

Transmitted are 4 copies of the subject report with six extra copies of the map attached. The Field Team concurs with the recommendations set forth in the subject report.

Wm. A. Beck, Acting
EXECUTIVE OFFICER
DMEA REGION V

Dewey H. Amos, Geologist
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
2-18-55
(date)

FEB 14 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT

ON

DMEA-3611, LITTLE HAWK or LITTE HAWK RIDGE MINE
(mica) Mitchell County, N. C.

By

K. H. Teague and Dewey H. Amos, Geologists
U. S. Geological Survey

February 2, 1955

Reviewed by
DMEA OPERATING COMMITTEE
2-18-55
(date)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT
ON

DMEA-3611, LITTLE HAWK or LITTLE HAWK RIDGE MINE (mica)

Applicant: John Phillips and Jim McKinney, Jr. c/o John Phillips, Spruce Pine, North Carolina

Although no reports or maps are available on the deposit, it has been extensively worked and undoubtly has been a large producer. Apparently all mineable pegmatite above the 4275-foot level has been removed. Any future production must come from a lower level. Size of pegmatite, mineral association and quality of mica suggests that this deposit offers good possibilities for the discovery of a worthwhile deposit of ~~the discovery of~~ strategic mica.

The deposit was examined on February 2, 1955. Messrs. John Phillips, Jim McKinney, Jr., and Mr. Dillinger accompanied the examiners on the inspection which required two hours. At the time the mine was examined the ground was covered with about 8 inches of snow, thus no attempt was made to examine the Little Hawk prospect. This prospect will be examined at the first opportunity.

The Little Hawk Mine is on the southeast side of Hawk Mountain, at the head of Henson Creek, in Mitchell County near the Mitchell-Avery county line 3.8 airline miles N. 62° W. of Plumtree, North Carolina. The mine is at an elevation between 4275 and 4400 feet. Access is possible at most times by jeep.

Both applicants have had mica mining experience and are competent to conduct the proposed work. Area covered by their lease is adequate for the proposed work.

There are no surface facilities on the property. A jeep road, in good condition, extends to the mine. A toolhouse and magazines will be needed.

Six adits have been driven southwestward into the hillside. The lowest adit is at an elevation of about 4275 feet and the highest at 4416 feet. Information available indicates that all mineable pegmatite has been removed between the upper and lower levels. The adits are numbered from upper to lower, with adits Nos. 5 and 6 being accessible. Adit No. 5 is approximately 200 feet long and extends southwestward to the end of the pegmatite. Adit No. 6 is 90 feet in length and is in the hanging wall. At points 75 and 85 feet from the portal short crosscuts have been driven northward which intersected pegmatite. A stope of unknown size and shape between Adits 5 and 6 is filled with muck.

The pegmatite at this deposit is a tabular sill-like body whose exposed length is approximately 200 feet and whose average thickness is 6 feet. It has been mined down dip for a distance of approximately 250 feet. Apparently the length of the pegmatite increases down dip, as adit No. 5 exposes a pegmatite length about twice that worked in adit 1.

The pegmatite is emplaced conformable in hornblende gneiss. Mica schist occurs along both contacts. This band of mica schist ranges in thickness from 1 to 3 inches. The pegmatite trends from N. 55° W to almost due east and dips 45-60° SE. It appears to rake at about 60° to the N.E. as evidenced by the southwest end of the pegmatite in adit 5, and by numerous minor rolls exposed in the stope above Adit 5.

Minerals observed in the pegmatite include, in order of abundance, plagioclase, quartz, perthite, muscovite, and scattered red garnet. No zoning is apparent, although more mica is exposed in the hanging wall half of the pegmatite. The pegmatite is coarse and many of the exposed mica books are larger than 8 inches in diameter.

The mica is hard, flat, clear, ruby-colored, and of strategic quality. Some of the books are somewhat cracked and a few contain reeves.

There is little information available as to the past history of this mine. It is reported to have been worked before World War II and during World War II is supposed to have produced about $50,000 worth of mica. The microfilm records of purchases of the Colonial Mica Corporation do not show the Little Hawk Mine, although there is no question about its having been operated and having been a large producer.

The examiners believe that the deposit merits exploration. There is good reason to believe that additional mica-bearing pegmatite occurs below Adit No. 6. To explore this down-dip extension of the pegmatite the following program of exploration is recommended:

1. Construct toolhouse and magazines.

2. Rehabilitate 75 feet of Adit No. 6. This will involve cleaning out accumulated muck at the portal and on the floor, widening at two places, timbering where necessary and installation of track.

3. Establish hoisting station for winze. This will involve enlarging a 5' x 5' adit to provide a room 10' x 10' x 8'.

4. Sink 50-foot 5' x 7' winze. The winze will be collared in the hanging wall and will intercept the pegmatite about 15 feet below the collar. After the pegmatite is intersected, the winze will be sunk in pegmatite. By beginning the winze in the hanging

wall, sufficient undisturbed pegmatite will be left in place to support the muck in the stope between Adits 5 and 6.

5. Drive 75 feet of drift on the pegmatite from the winze.

Estimated Costs:

Toolhouse		$75.00
Powder Magazine		~~25.00~~ 26.00
Exploder "		~~13.00~~ 14.00
Rehibilitate 75 feet of Adit No. 6.....		150.00
Establish hoisting station 10' x 10' x 8'		200.00
Sink 50-foot, 5' x 7' winze (30 shifts)		
Labor:		
1 - miner @ $1.50/hr.	$360.00	
1 - hoistman @ $1.25/hr	300.00	
1 - laborer @ $1.00/hr.	240.00	
Equipment (rental)		
Compressor, drill & pump @ $240/Mo.	360.00	
Hoist @ $50/Mo.	75.00	
Supplies:		
Explosives	150.00	
Gasoline and oil	100.00	
Drill steel	100.00	
Timber, 2000 b.f. @ $65/M	130.00	
Small tools and pipe	175.00	$45.00/ft.
Miscellaneous	125.00	
Social Security and Insurance	135.00	$2,250.00
Drive 75 feet of drift on pegmatite (30 shifts)		
Labor:		
1 - miner @ $1.50/hr.	360.00	
1 - hoistman @ $1.25/hr.	300.00	
2 - Laborers @ $1.00/hr.	480.00	
Equipment(rental)		
Compressor, drill, pump, and jackleg @ $250/Mo.	375.00	
Hoist @ $50/Mo.	75.00	

Supplies

Explosives	$250.00	
Gasoline and oil	175.00	
Drill steel	125.00	
Small tools and pipe	175.00	
Miscellaneous	160.00	$35 ea/ft.
Insurance and Social Security	150.00	$2,625.00

Estimated Total cost..... $5,338.00

5340.00

February 2, 1955

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

z

DOCKET FILE
Surname:

Hopkins
Houk
Selfridge
Hedges

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

JAN 17 1955

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

Subject: Docket No. DMEA-3611 - Mica
John Phillips and Jim McKinney, Jr.
Little Hawk Mine &
Little Hawk Prospect
Avery County, North Carolina

Dear Mr. Laurence:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda from the Geological Survey, dated December 28, 1954, and from the Bureau of Mines, dated January 11, 1955, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey (JHB)

Enclosures 4

JHopkins:ad 1/13/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

DOCKET FILE
Surname:

Hopkins
Houk
Kiilsgaard
Hedges
Selfridge
Johnson

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

JAN 17 1955

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-3611 - Mica
John Phillips and Jim McKinney, Jr.
Little Hawk Mine & Little Hawk Prospect
Avery County, North Carolina

Dear Mr. Phillips:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:ad 1/13/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
JAN 11 1955

January 11, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3611 (mica)

Applicant: John and Jim Phillips

Name and Location of Property: Little Hawk Mine and
Little Hawk Prospect
Avery County, North Carolina

Date Application Rec'd. by Br. of Ceram. & Fert. Mat.: Dec. 22, 1954

Comments:

1. From information presented, it is difficult to determine if an exploration project is justified on one site or on both.

2. Proposed exploration is in line with other DMEA projects.

3. If both sites warrant exploration, one should be worked and completed before second plan is begun.

Recommendation:

It is recommended that the field team visit this mine when in that vicinity to ascertain if an exploration project is justified. If so, the field team and applicant should agree on a definite plan of exploration on a unit-cost basis.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
DEC 29 1954

December 28, 1954

Re: DMEA-3611
J. Phillips & J. McKinney, Jr.
(Little Hawk Mine & Prospect)
Avery Co., N. C.
$13,100 - Mica

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of application

The applicant has proposed two projects for the Little Hawk property.

Little Hawk mine--
1) Drive 100 foot incline under old workings.
2) Crosscut 60 feet in pegmatite.

Little Hawk prospect--
1) Bulldoze 100 foot trench.
2) Sink 60 foot shaft.
3) Drift 100 feet in pegmatite

We do not have any available data on this property in our files.

A staged project would be required for the Little Hawk prospect. The geologic merit of either of these projects cannot be determined from the application material.

I recommend the application be referred to the Field Team for their review and recommendations. An on-site examination probably will be required.

E. L. Newcomb

E. L. Newcomb

December 22, 1954
Subject: DMEA-3611
Re: Exploration Assistance
Little Hawk Mine

Messrs. John Phillips
& Jim McKinney
c/o John Phillips
Spruce Pine, N. C.

Gentlemen:

The receipt of your application dated December 16, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3611 and referred to the Non-Metallic Minerals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. 3611
Metal or Mineral MICA
Date Received
Estimated Cost $13,100
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: John Phillips and Jim McKinney, Jr., both of Spruce Pine, N. C.
c/o John Phillips
Spruce Pine, N. C. Partners

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Legal description given on attached lease.

(*b*) State any mine name by which the property is known. Little Hawk Mine & Little Hawk Prospect

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

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

(*e*) If you own the land, describe any liens or encumbrances on it Not owner.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. None.

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

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

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

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

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

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Mica

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

(*c*) The work will start within 30 days and be completed within ..... months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

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

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

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes. Will furnish required 25%.

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

[x] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated November 16, 1954

John Phillips & Jim McKinney, Jr.
(Applicant)

By John Phillips

Partner

John Phillips

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MF-103 (Continuation Sheet)

4. (a) There is an old shaft and some old workings in the area from which some high grade ruby mica has been sold in the past. The vein is reported to have been lost.

(b) No production records available but large quantities of high quality mica has been produced here.

(c) It is believed that with some assistance the vein can be picked up under the old works.

(d) Project is accessible to roads, etc.

(e) Manpower, supplies and equipment available. Power is within one-half mile.

5. (b) It is proposed to run an incline drift 100' below the old works, then drift or cross cut 60' with vein, on the Little Hawk Mine, and to

Bulldoze cut 100' long, sink shaft 60' deep, then drift 100' with vein on the Little Hawk Prospect.

Estimate of Costs:

Little Hawk Mine

Run incline drift 100' @ $40.00 ft.	$ 4,000.00
Cross cut with vein 60' @ $40.00 ft.	2,400.00
	$ 6,400.00

Little Hawk Prospect

Bulldoze cut 100' long, 20 hrs. @ $10.00 hr. . .	$ 200.00
Sink Shaft 60' @ $50.00 ft.	3,000.00
Drift with vein 100' @ $35.00 ft.	3,500.00
	$ 6,700.00
Total estimated cost of project	$ 13,100.00

NORTH CAROLINA
BUNCOMBE COUNTY

THIS AGREEMENT made the 16th day of November, 19 54, between the LAND & MINERAL COMPANY, a corporation organized pursuant to the laws of the State of Delaware, hereinafter sometimes designated as "Lessor," party of the first part; and,

John Phillips & Jim McKinney, Jr.

of Spruce Pine, N. C.

hereinafter sometimes designated as "Lessee,"
(This designation shall include the respective parties, whether one or more, individual or corporate, and their respective successors in interest or assigns), party of the second part:

W I T N E S S E T H

That the said Lessor, for and in consideration of the premises and of the sum of One Dollar paid said Lessor by Lessee, the receipt of which is hereby acknowledged, and of the undertakings and agreements hereinafter set forth and stated to be kept and performed by the Lessee, has leased and granted, and by these presents does lease and grant unto the Lessee the sole and exclusive right and privilege of digging, boring and otherwise prospecting for, and mining mica, including scrap, sheet and punch mica, and feldspar, and all other minerals excepted, and to remove the same from the following described tract or tracts of land situate in the State of North Carolina, County of Avery, and bounded and more particularly described as follows:

Beginning at the center of the shaft of the Little Hawk Mine located 300' N.E. of a large Hickory tree marked with an "X" and running 600' North; thence 600' West; thence 1200' South; thence 1200' East; thence 1200' North; thence 600' West to beginning.

TO HAVE AND TO HOLD the said premises for the purposes aforesaid only, unto the said Lessee for and during the term of one (~~1~~) Five years next ensuing from the 16th day of November, 19 54.

1. The Lessee covenants and agrees to pay to the Lessor on the 10th day of each month, the following royalties:
   (a) Scrap mica—a sum equal to 1/8 of the then prevailing market price.
   (b) Sheet and punch mica—a sum equal to 1/8 of the then prevailing market price.
   (c) Feldspar—a sum equal to 60¢ per ton of 2240 pounds.
   (d) All other minerals—a sum equal to _____ of the then prevailing market price,
   (e) No mica to be sold in block form.

mined and removed from said premises pursuant to the provisions of this lease during the month immediately preceding said dates of payments, which payments shall be made to the Lessor at its office in Biltmore, North Carolina, or to its duly designated agent, for that purpose, Arthur Buchanan, Jr., in complete settlement of any and all royalties due the Lessor for minerals mined and removed during the preceding month and each remittance of royalty payments herein specified shall be accompanied by an accurate statement or invoice and/or weight ticket, showing the amount, grade, qualification and weight of the mica and other minerals upon which said payments are based, together with such other information as may be incident to the mining, sale and shipment of said mica.

2. The Lessee agrees to pay to the Lessor a minimum royalty of $ None per year during the term hereof, without regard to the mica, feldspar or other minerals produced from said land; for any period less than a year the minimum royalty payable hereunder shall be ratably ascertained, providing that nothing in this paragraph contained shall release the Lessee from the obligation to prosecute mining operations with a reasonable degree of efficiency and to pay the royalties provided upon the mica and other minerals actually produced. The annual royalties received pursuant to paragraph 1, hereof, shall apply against said minimum royalties but said sums received under paragraph 1, hereof, shall not be considered as advance and cumulative royalties against said minimum royalties.

3. The Lessee covenants and agrees to keep adequate, accurate and complete records, books and accounts of all mica and other minerals mined within the boundaries of the premises above described, and the same shall be open to inspection of the Lessor at all reasonable times.

4. The said Lessee will classify, segregate and keep separate and separately marked, all mica and other minerals mined upon and taken from the premises hereinabove described and in no event will store, ship, mix or confuse the same with mica and other minerals mined or taken from any other land or premises.

5. The Lessor hereby grants to the Lessee the right to mine, prospect, search, dig, bore and excavate for mica and other minerals in as many places on the premises above described as the said Lessee may deem proper, and to extract and remove the same from said premises.

6. The Lessor hereby grants to the Lessee the same right that it has to construct ditches, drains, aerial tramways, tramways, railroads, truck roads, to and across said premises and any adjoining tracts of land belonging to the Lessor, but subject to any obligation of the Lessor in connection therewith which Lessee assumes.

7. The Lessor hereby grants to the Lessee such rights as it has in the premises above, to cut and use such timber located upon the said premises as may be necessary for the construction of buildings and/or for other usual purposes of such mining operations, upon paying for the merchantable timber the reasonable market stumpage value thereof at and upon the aforesaid land and premises, but subject to any obligation of the Lessor in connection therewith, which the Lessee assumes.

8. The Lessor hereby grants to the Lessee such rights as it has to use any stone or gravel located on the aforesaid premises for the purpose of constructing roads necessary and suitable for the full enjoyment of the mining rights hereby leased by the Lessee, as well as such right as it has to use or secure water on said premises and to dump waste material and water arising through the mining operations upon said premises, but subject to any obligation of the Lessor in connection therewith, which Lessee assumes.

9. The Lessor hereby grants to the Lessee the right to remove his mining machinery and equipment at any time within ninety (90) days after the termination or expiration of this lease, provided the time for the removal of said machinery and equipment may be enlarged only by written permission of the Lessor. No mining machinery and equipment belonging to the Lessee shall be removed from said premises until all of the indebtedness and obligations which may be owing to the Lessor by the Lessee shall have been paid in full.

10. The Lessor reserves unto the Lessor the right to use so much of the premises as shall not be required by the Lessee for the mining operations of the Lessee.

11. The Lessee agrees to pay all taxes which may be levied solely upon the mining operations conducted upon the said premises by the Lessee.

12. The Lessee shall have the right to terminate this lease at any time during the term aforesaid upon giving written notice to Lessor of such intention, at least sixty (60) days prior to the date of termination, and upon payment of all sums due Lessor by Lessee to said date of termination. Said notice shall be sent by Registered Mail to last known address of Lessor.

13. The Lessee agrees to conduct his mining operations in a businesslike and workmanlike manner with due regard to Lessor's rights in the mines, minerals and mineral deposits, and to that end the Lessee agrees to keep and maintain the mines and all parts thereof in good and sufficient repair and to work and operate said mines in a good and skillful manner not removing the rich parts of the mines at the expense of the other part thereof, and as the work progresses to keep the mines as clean as reasonably practicable, and all parts thereof securely and properly timbered and supported; and in case of open work to properly slope the walls and banks so as to prevent the same from slipping or falling in; that no waste, rubbish or refuse will be dumped, thrown or placed in any mine, mine tunnel, cut shaft or other improper place, and no waste will be permitted upon said premises nor avoidable damage done to mine thereunder. Lessee further agrees not to interfere with, dislocate, remove, damage or misplace any surface monuments, marker stake or other evidence as presently set defining the boundaries of said premises.

14. The Lessor reserves the right to terminate and cancel this lease in the event of a default on the part of the Lessee in complying with any of the terms and conditions of this lease, provided said default shall continue for a period of sixty days after the Lessor has forwarded written notice thereof to the Lessee. Said notice shall be sent by registered mail to the last known address of the Lessee.

15. The Lessee shall have the right to renew this lease for an additional period of five years _____, upon the terms and conditions hereinbefore set forth, provided that 30 days prior to the expiration of this lease the Lessee shall forward to the Lessor written notice thereof in the manner hereinbefore provided for sending notices to Lessee.

16. The Lessee will within a period of 60 days from the signing of this lease begin active work in prosecuting the mining operations for scrap mica, sheet and punch mica, feldspar and other minerals and will continue the prosecution of said mining operations in good faith and with due diligence and activity in order to produce the maximum output from the mines located on the above described premises. In the event Lessee fails to operate actively and continuously any mine or mines within said boundary for the production of scrap mica, sheet and punch mica, feldspar and other minerals for a period of 30 days days, except for causes absolutely beyond Lessee's control, then the Lessor, at its option, may declare this lease void and of no further force and effect.

17. It is agreed that during the continuation this lease, or any extension thereof, the Lessor or its assigns shall have the refusal of and the right and option to purchase all mica mined and produced by the Lessee from the land and premises hereinabove described. Such purchase to be at the prevailing market price.

18. It is agreed that the acceptance of royalty by the Lessor under the provisions of this lease is to to be a credit in behalf of the Lessee but is not to be taken or considered as a waiver for any damages Lessor may be entitled to recover from Lessee for any breach or breaches that Lessee may make in any duty or covenant expressed or reasonably implied in this lease or as an estoppel against Lessor in this respect. Nothing contained in this lease is intended to, nor shall it abridge or in any way modify the Lessor's right or rights in or to any action for the non-performance of the covenants of this lease.

19. It is agreed that this lease shall not be transferred, assigned or sub-let either in whole or in part by the Lessee without the prior written consent of the Lessor and no right or privilege of the Lessee hereunder can be transferred, assigned or sub-let by Lessee without such written consent of Lessor first had and obtained.

20. Lessee agrees that the Lessor shall in no sense or in any way be held liable for any operations under this lease, and in no event and under no circumstances shall Lessor be held liable for any debt, tort or other liability of the Lessee, his agents, workmen or employees and Lessee further agrees to at all times indemnify and save harmless said Lessor of any claim and demand of whatsoever kind and nature predicated in any manner on such operations under this lease and Lessee further agrees to carry adequate insurance of all kinds to so indemnify said Lessor.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly and properly executed as of the day and year first above written.

LAND AND MINERAL COMPANY
By: Arthur Buchanan Jr agt
~~President~~

ATTEST:

_____
Secretary

_____ (SEAL)

_____ (SEAL)

NORTH CAROLINA
BUNCOMBE COUNTY

I, a Notary Public of said State and County, certify that Arthur Buchanan, Jr personally came before me this day and acknowledged that he is agent ~~Secretary of~~ LAND AND MINERAL COMPANY, a corporation, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its agent ~~President,~~ sealed with its corporate seal, and attested by himself as its agent ~~Secretary.~~

WITNESS my hand and Notarial Seal, this the 17 day of Dec, 1954.

Kenneth McKinney
NOTARY PUBLIC

My commission expires:
8/11/55

NORTH CAROLINA
BUNCOMBE COUNTY

I, _____, a Notary Public of said State and County, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Seal, this _____ day of _____, 19____.

_____
NOTARY PUBLIC

My commission expires:

_____

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

LAND AND MINERAL COMPANY
To

LEASE

Filed for registration on the_____
day of_____,
19____, at_____o'clock _____M., and
registered in the Office of The Register of
Deeds for_____
County, North Carolina in Book_____
Page_____.

Register of Deeds for

Jim McKinney, Jr.

Mr. Jim McKinney is thirty-four years old and has lived all his life in Mitchell County. He attended grammar and high school in Spruce Pine, and was graduated from Harris High School.

Mr. McKinney has worked at mica mines in Mitchell and Avery Counties at intervals since he grew up. He has also trimmed and sheeted mica for several mica houses.

He worked four years as Superintendent of Kalmia Braids, Inc. in Kalmia, N. C.

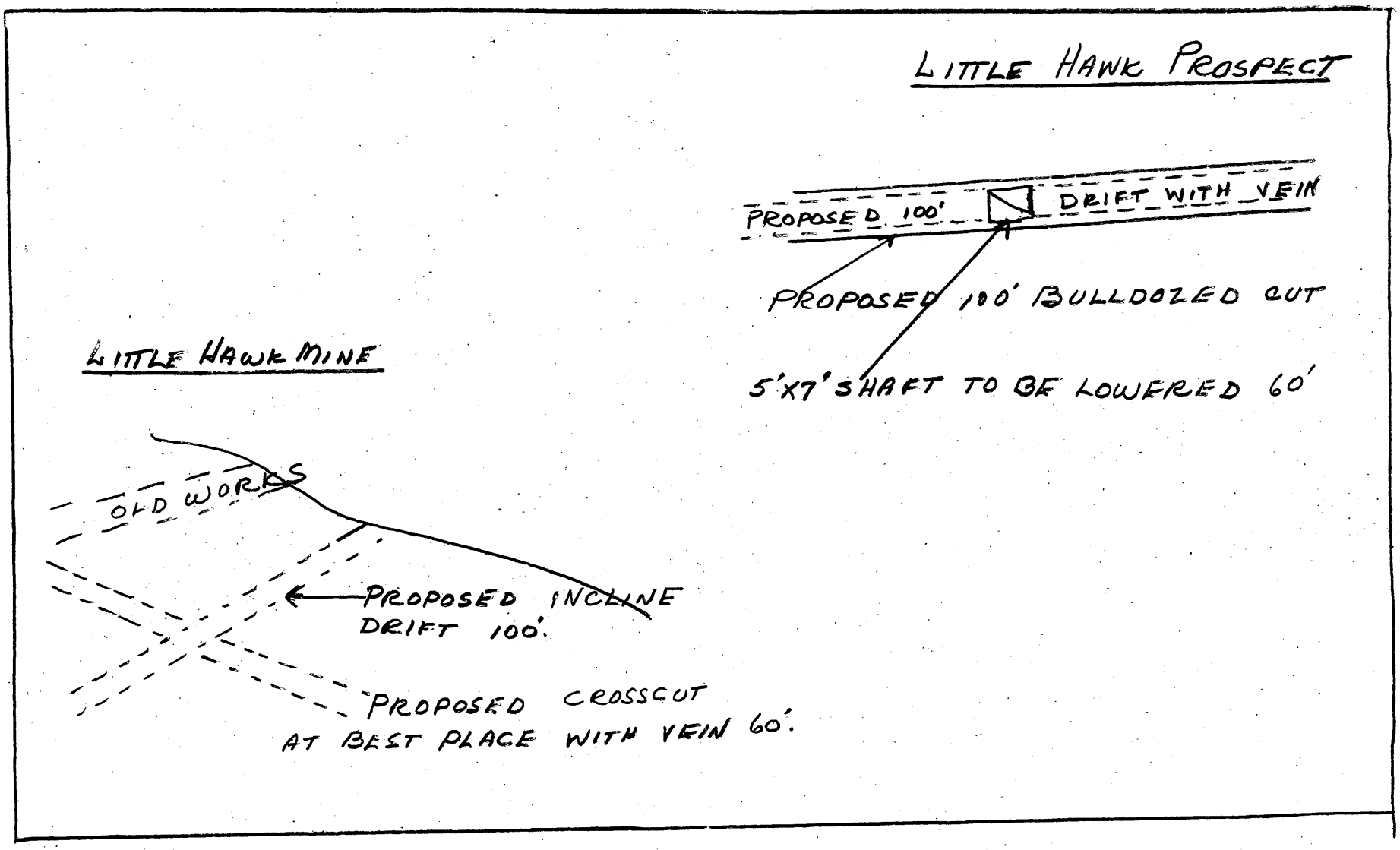
He worked approximately two years at Vaughn Knitting Mills in Spruce Pine, N. C.

He served two years in the U. S. Army and received an honorable discharge.

Mr. McKinney is highly respected and considered a good citizen by people in his community.

LITTLE HAWK MINE AND PROSPECT

AVERY COUNTY, N.C.



OFFICIAL BUSINESS

SPOKANE, WASH.
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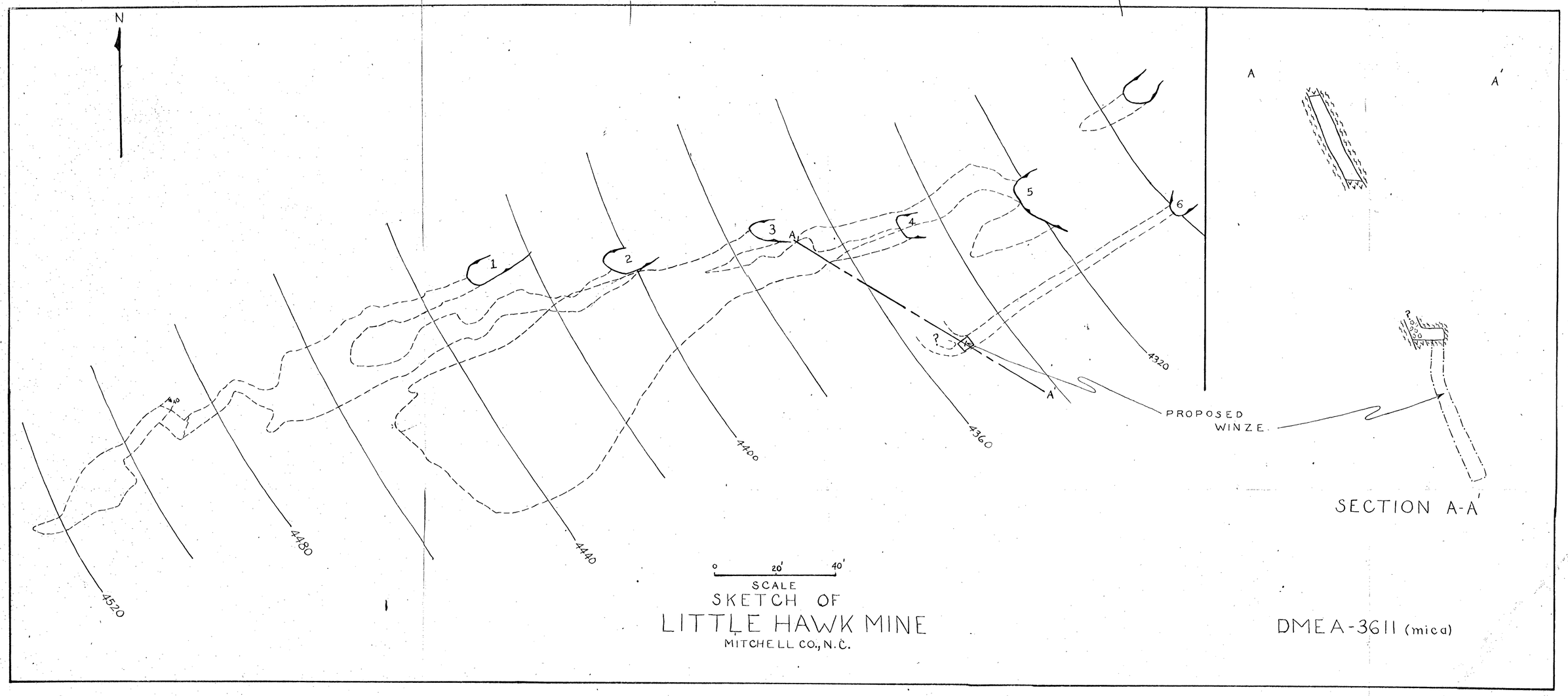
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.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PROPOSED WINZE
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SKETCH OF
LITTLE HAWK MINE
MITCHELL CO., N.C.
DMEA-3611 (mica)