DMEA 3816

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED	5/19/55
2	CONTRACT	DATE	7/21/55
3	TERMINATION AGREEMENT	DATE	
4	CERTIFICATION	DATE	
5	AUDIT REPORT	DATE	
6	AMENDMENTS - NUMBERS	DATE	12-5-55

Docket Copy

Rubin Lawson 1/10/56

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DEC 12 1955

EXPLORATION PROJECT CONTRACT

AMENDMENT NO. 1

DMEA-3816, Idm-E844 (mica) WILLIS PROSPECT
(mica)

Contract Idm-E844, DMEA-3816, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration and C. R. Phillips, of Route # 3 Bakersville, North Carolina, dated July 21, 1955, is amended as follows:

1. Article 3 is amended to read...." and shall bring the contract to completion within a period of seven (7) months, instead of five (5) months as written in the original contract.

Dated: December 5, 1955

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the cost which the Government may be obligated to pay, under the provisions of Article 5 of the contract form.

C. R. Phillips, Operator

C R Phillips

UNITED STATES OF AMERICA

BY Robert A. Laurence

Robert A. Laurence,
Executive Officer, DMEA
Field Team, Region V

z

Docket copy

RECEIVED
AUG - 1 1955

MF-200A
(Revised June 1954)

Docket No. DMEA 3316

Commodity Mica

Contract No. Idm-E 844

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

It is agreed this JUL 21 1955 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] C. H. Phillips

whose mailing address is Route 3, Somerville, North Carolina

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 none.

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 North Carolina, County of Mitchell, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease, [7] recorded in Book ....., page ....., 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: none

(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: Consent to Lien of lessor.

[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 [redacted] The work to be performed is described in Exhibit "A." The Operator on or before SEP 1 1955 shall commence the work, and on or before [redacted] (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 $4,504.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,228.00: *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.*—

Executed in sextuplicate the day and year first above written.

C. R. Phillips
(Operator)

By C R Phillips

THE UNITED STATES OF AMERICA

By Administrator, Defense Minerals Exploration Administration

Anderson
Talbot

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
C. R. PHILLIPS
DOCKET NO. DMEA-3816

ANNEX I

The land referred to in Article 2 of the contract form is known as the Willis Prospect. The prospect is located 1.0 airline mile N. 33° W. of Wing, Mitchell County, North Carolina. It is on the southeast side of Big Ridge and is described as follows:

Beginning at a small opening known as the Willis Prospect which is located 150' S.E. of a Poplar tree marked with an "X" and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250 feet West to a point of closing.

EXPLORATION PROJECT CONTRACT
C. R. PHILLIPS
DOCKET NO. DMEA-3816

RECEIVED
1955

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the map entitled "Sketch of Willis Pros. Mitchell Co., N. C. DMEA-3816 (mica) June 16, 1955," attached hereto and made a part hereof, as follows:

1. Construct:

(a) A toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.

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

(c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

The toolhouse may be unfloored; shall be made from rough, 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 lumber; and shall be braced at the corners. No metal shall be exposed; and the lids or doors shall be securely locked with the equivalent of a 5-tumbler jarproof lock.

2. Trim and timber an existing 29-foot shaft to a 2-compartment shaft having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

3. From the bottom of the shaft (item 2), sink the shaft, not more than 40 feet, on the pegmatite.

4. Explore the pegmatite by driving from the shaft not more than 60 feet of drifts and/or crosscuts.

The shaft (item 3) and the drifts and/or crosscuts (item 4) shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

Fixed Unit Costs
(The unit costs include all costs whatsoever necessary to complete the work.)

Constructing	- Toolhouse 1/	$ 76.00	
	Powder magazine 1/	25.00	
	Exploder magazine 1/	13.00	
Rehabilitating	-29 feet of existing shaft @ $10.00/ft.	290.00	
Sinking	- 40 feet of additional shaft @ $45.00/ft.	1,800.00	
Driving	- 60 feet of drifts and/or crosscuts @ $35.00/ft.	2,100.00	
	Estimated Total Cost of Project		$4,304.00
	Government Participation @ 75%		$3,228.00

1/ The completed work constitutes the unit.

RECEIVED
AUG - 1 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 Mitchell, described as follows:1/ Beginning at a small opening known as the Willis Prospect which is located 150' S.E. of a Poplar tree marked with an "F" and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing.

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

2/ _____

hereinafter called the "Operator"; and

WHEREAS, under 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.

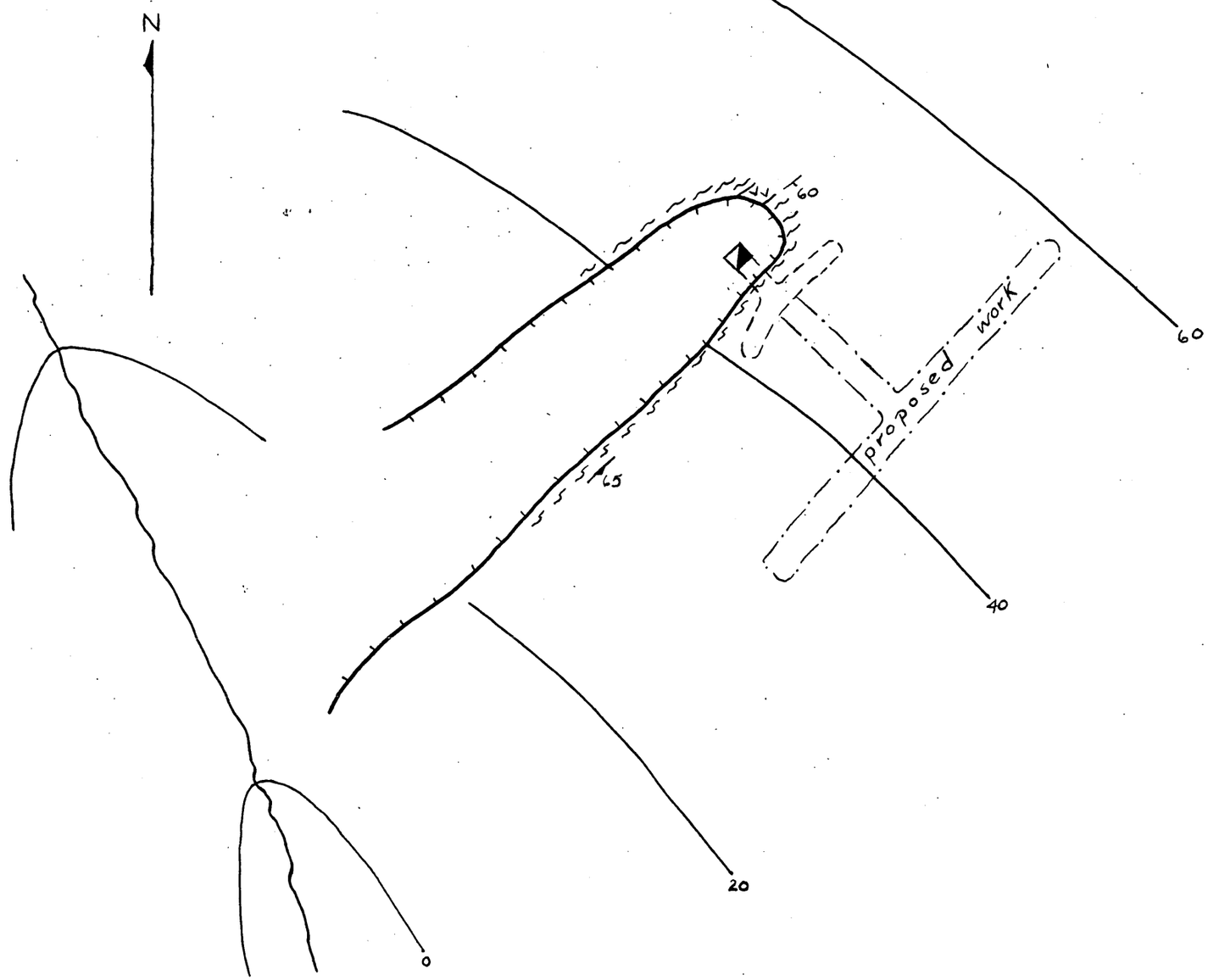
4. Changes and added provisions In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for "ten year have".....

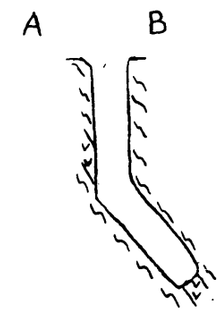
Dated this _____ day of _____, 195___.

/s/ E. T. Willis [Seal]

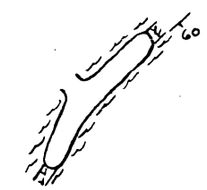
_____ [Seal]

_____ [Seal]





SECTION A-B



PLAN OF LEVEL

0 20' 40'
scale

SKETCH OF
WILLIS PROS.
MITCHELL CO., N. C.

LEGEND

- ~~ hornblende gneiss & mica schist
- v v pegmatite
- strike & dip of contact
- strike & dip of foliation
- cut
- contact
- outline of underground works
- outline of proposed work
- shaft

DMEA-3816 (mica)
June 16, 1955

DOCKET COPY
Surname:
Anderson
Houk
Chambers
Selfridge
Johnson

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

JUL 13 1956

Mr. C. R. Phillips
Route #3
Bakersville, North Carolina

Re: Docket No. DMEA-3816-nica
C. R. Phillips
Willis Prospect
Mitchell County, North Carolina
Contract No. Idm-E344

Dear Mr. Phillips:

Reference is made to your completed 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,

G. E. Mitzendorf

Administrator

WCAnderson:ms 5/31/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File
E. T. Willis(land owner)...copy to Field Team for forwarding

project was completed, the operator did about 100 feet of drifting on the upper (28-foot) level and recovered only scrap mica. Total royalties received from this project amount to $8.44. The Nonmetallic Minerals Division concurs in the Field Team recommendation.

Walter C. Anderson

Walter C. Anderson
Nonmetallic Minerals Division

Cw

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WASHINGTON 25, D. C.
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

July 6, 1956

Memorandum

To: Operating Committee, DMEA, Washington 25, D. C.

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

Subject: DMEA-3816, Idm-E844 (Mica)
C. R. Phillips, Bakersville, N. C.
Willis Prospect, Mitchell County, North Carolina

Reference is made to your letter of July 2:

So far as we know, only the following sales of mica from the Willis mine since completion of the contract:

Sheet mica, to GSA depot	
6/4/56 16.88 lbs.	$99.75
Scrap, to English Mica Co.	
5/17/56 1230 lbs @ $30/ton	18.45
6/12/56 610 lbs @ $30/ton	9.15
Subtotal	$127.35
Previously reported	41.30
Total to date	$168.65

Royalty has been paid on all the above sales. Average value of mica sold to GSA depot was $5.91 per pound. Apparently, recovery of strategic mica was less than ½ of 1% of the mine-run block.

When Mr. Bergman and Mr. Peyton last saw the Willis Mine, on May 9, the mine was obviously abandoned. They were told by Mr. Brown Sparks that the Operator did about 100 feet of drifting on the upper (28-ft.) level, but recovered only scrap mica. Presumably this was the 610 lbs. sold on June 4.

RECEIVED
JUL 9 - 1956

DOCKET COPY
Surname:
Anderson
Houk
Selfridge
Yopes
Kiilsgaard

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

JUL 2 - 1956

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

Re: Docket No. DMEA-3816-mica
C. R. Phillips
Willis Prospect
Mitchell County, North Carolina
Contract No. Idm-E844

Dear Mr. Laurence:

Reference is made to the subject project which was completed on December 22, 1955.

Before we close this docket we would appreciate having a report on mica production and sales since the completion of the contract. Copies of memoranda dated February 7 and June 4, 1956, by Mr. W. F. Dietrich, USBM, and Mr. N. E. Nelson, USGS, respectively, are enclosed. Your comments on these memoranda will be appreciated.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

P. F. Yopes
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

WCAnderson:ms 7/2/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

Enclosures: 4

IN REPLY REFER TO:

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

RECEIVED
JUN - 4 1956

June 4, 1956

Re: DMEA 3816
C. R. Phillips
Willis Prospect
Mitchell Co., N. C.
$4,304.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Final report.

From surface stripping and 37 feet of underground work a reported $1,000 worth of mica was sold. From 40 feet of new shaft and 62 feet of drifting $41.30 worth of mica has so far been recovered and sold.

If the reported sale value is not too exaggerated, one might wonder if the mica-bearing tendency of the pegmatite is related to a near surface condition not met in the lower work, such as the steeper dip, and could the favorable feature plunge one way or the other and influence the mica-making potential of the pegmatite beyond the limits of the work.

A report on activities since the final report was written in January could be informative.

If time permits I recommend that such a report be obtained.

N. E. Nelson

N. E. Nelson

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

RECEIVED
JAN 26 1956

January 24, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3816, Idm-E844 (mica) C. R. Phillips, Bakersville, N. C. Willis Prospect, Mitchell County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject contract.

Although the Operator will probably mine and sell some non-strategic mica from this deposit, it seems unlikely that total sales will amount to more than a few hundred dollars. Therefore, we agree with the recommendation of the field examiners that it should not be certified as a discovery.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

RAL/em
cc:
Lynch
Shirley
Files

Reviewed by
DMEA OPERATING COMMITTEE
1-30-56
(date)

3816

Date 1-31

Referred to:

1. ~~[illegible]~~
2. ~~[illegible]~~
3. ~~[illegible]~~
4. ~~Books, Records, Files and Files~~
5. ~~Mica Marketing Division~~
6. Rocky Creek Mains and Files

Have comments in report regarding:

1. Fine as reports —
2.
3.
4.

and take appropriate action.

- - - - - -

Action taken by Divisions: Mica produced in scrap - Mica sold was scrap. 500# on hand as scrap - No utilization is recommended.

ROBERT E. ADAMS

Initials

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
JAN 26 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
BY
DMEA Field Team, Region V - Knoxville, Tennessee

On
DMEA-3816, Idm-E844 (mica) WILLIS PROSPECT
Mitchell County, North Carolina

BY

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

S. C. Bergman and A. R. Taylor, Geologists
U. S. Geological Survey

January 23, 1956

Reviewed by
DMEA OPERATING COMMITTEE
1-30-56
(date)

RECEIVED
JAN 26 1956

FINAL REPORT

On

DMEA-3816, Idm-E844, (mica) WILLIS PROSPECT

Operator: C. R. Phillips, Route #3, Bakersville, North Carolina

Location: 1.0 airline miles N. 33° W. of Wing, Mitchell County, N. C.

Mica recovered from new incline and drift consisted of poor quality, ruby muscovite. No additional exploration is warranted. The field examiners do not recommend certification.

Work began August 22, 1955, and was completed December 22, 1955. Surface units constructed under the contract include a toolhouse, powder and exploder magazines. Twenty-nine feet of vertical and inclined shaft was rehabilitated, then the incline was extended 40 feet (about -60°). A total of 62 feet (2 ft. at Operator's expense) of drift was driven following the strike of the pegmatite. The drift extends 38 feet N. 55° - 60° E from the shaft bottom, and 24 feet S 15° W from the shaft bottom. It follows the hanging wall contact for its entire length.

All new work was in a conformable, undulating, poorly zoned pegmatite which consisted of soda feldspar, quartz, ruby muscovite, and some scattered small crystals of garnet and apatite. Thickness of the pegmatite varies from 1 to 7.5 feet. It was 7.5 feet thick at the shaft bottom, but thinned in the northeast and southwest directions; it was 3-4 feet thick in the southwest drift, and tapered from 4 feet to 1 foot in the northeast drift. Pinching and swelling along strike is common.

Under a 20-foot layer of brown micaceous soil the country rock is a biotite-hornblende gneiss. A thin zone of biotite schist is developed along the contact with pegmatite.

Flat and wedge "A" 3 to 5 inches wide ruby mica exists with iron oxide and biotite inclusions. Some crystals exhibit small cracks and a brown grid pattern. About 3,500 pounds of "mine-run- block" and scrap mica was recovered during the work of the contract. The Operator reports that he recovered only 1500 pounds of mica from the shaft, but 2950 pounds of scrap was sold for $41.30. This sale was made before the shaft was completed. The Operator states further that from the total production he has "about 1200 pounds of saleable mica." The field examiners saw only 500 pounds of mica, mostly scrap, on the final inspection.

The Operator does not plan to continue work in the new drift; however, he may do some work in the upper drift (28 ft. level).

It appears unlikely that any appreciable inferred reserves of strategic mica are present, because of the thinning of the pegmatite along strike and down-dip. Pegmatite above the new drift may, however, contain some reserves, but the pinching out of the pegmatite would limit production. The mine has an indicated reserve of about 8000 pounds of mostly scrap and some "mine-run" block mica.

No equipment was purchased by the Government. The Operator was negligent in complying with safety measures in regard to his ladderway as recommended by the field examiners.

Further exploration with Government aid is not warranted. The field examiners do not recommend certification as a discovery.

Expenditures:

(a)	Total approved	$4,304.00
(b)	Total cost of project	4,304.00
(c)	Government's share of cost	3,228.00
(d)	Government's share unexpended	none
(e)	Value of sales during operation	41.30
(f)	Royalty received to date	2.07
(g)	Estimated value of unsold mica (500 lbs) on hand.	8.00 scrap ?

January 23, 1956

L. E. Shirley, Mining Engineer
Bureau of Mines

and
S. C. Bergman and A. R. Taylor, Geologists
Geological Survey

z

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

July 12, 1956

Project Summary Report

By: Walter C. Anderson

1. Docket No. DMEA-3816-mica
Contract No. Idm-E844
Willis Prospect
Mitchell County, North Carolina

Application: Form MF-103(April 1952) received May 19, 1955.
Work proposed:

75 feet of shaft @ $50.00/ft.	$3,750.00
100 feet of drifts @ $35.00/ft.	3,500.00
Total amount requested	$7,250.00

Operator: C. R. Phillips
Route #3
Bakersville, North Carolina

Operator's Property rights:
Five year mining lease on the E. T. Willis property, covering 5† acres, dated May 16, 1955.
Owner's Consent to Lien

2. Contract: Form MF-200A(June 1954) dated July 21, 1955
Work authorized:

Construction - toolhouse, powder and exploder magazines	$ 114.00
Rehabilitation - 29 feet of shaft @ $10.00/ft.	290.00
40 feet of shaft @ $45.00/ft.	1,800.00
60 feet of drifts and/or cross-cuts @ $35.00/ft.	2,100.00
Estimated total cost of project	$4,304.00
Government participation @ 75%	$3,228.00

Amendments:
No. 1 (12/5/55) - extends completion date from 5 months to 7 months

Work completed:
Same as authorized

Work began on August 22, 1955 and completed December 22, 1955.
Field Team Final Report received January 26, 1956.
Operator's Final report received January 26, 1956.
Royalty received $8.44 which accounts for all the mica produced during operation. Mine has been abandoned.
No equipment purchased under contract.

3. Audit: Report of Review issued February 8, 1956
Accepted Cost $4,304.00
Government participation $3,228.00

4. Certification of Discovery - none issued
Reserve estimate - 8,000 pounds of mostly scrap and some "mine-run" block mica valued at $2,000.00

5. Comments:

How conducted:

All of the work in which the Government participated was acceptable.

Operation:

Operator was negligent in the matter of safety regulations.

Engineering:

Reporting by the operator was above average.

Geological premise:

The premise that pegmatite exposed in an open cut and 29-foot shaft would contain reserves of strategic mica at a lower depth was not substantiated.

Geological criteria upon which work was based:

1. Poorly zoned, mica rich pegmatite, 3.5 to 4.5 feet thick exposed in an open cut and 29 feet of shaft. Weathered to a depth of 20 feet. Averages 8% mica.
2. Mica - ruby colored, hard, generally flat, and free-splitting. Books averaging 6 inches are abundant, some up to 8 inches.
3. Past production amounts to about $8,000.00.

Criteria developed during project:

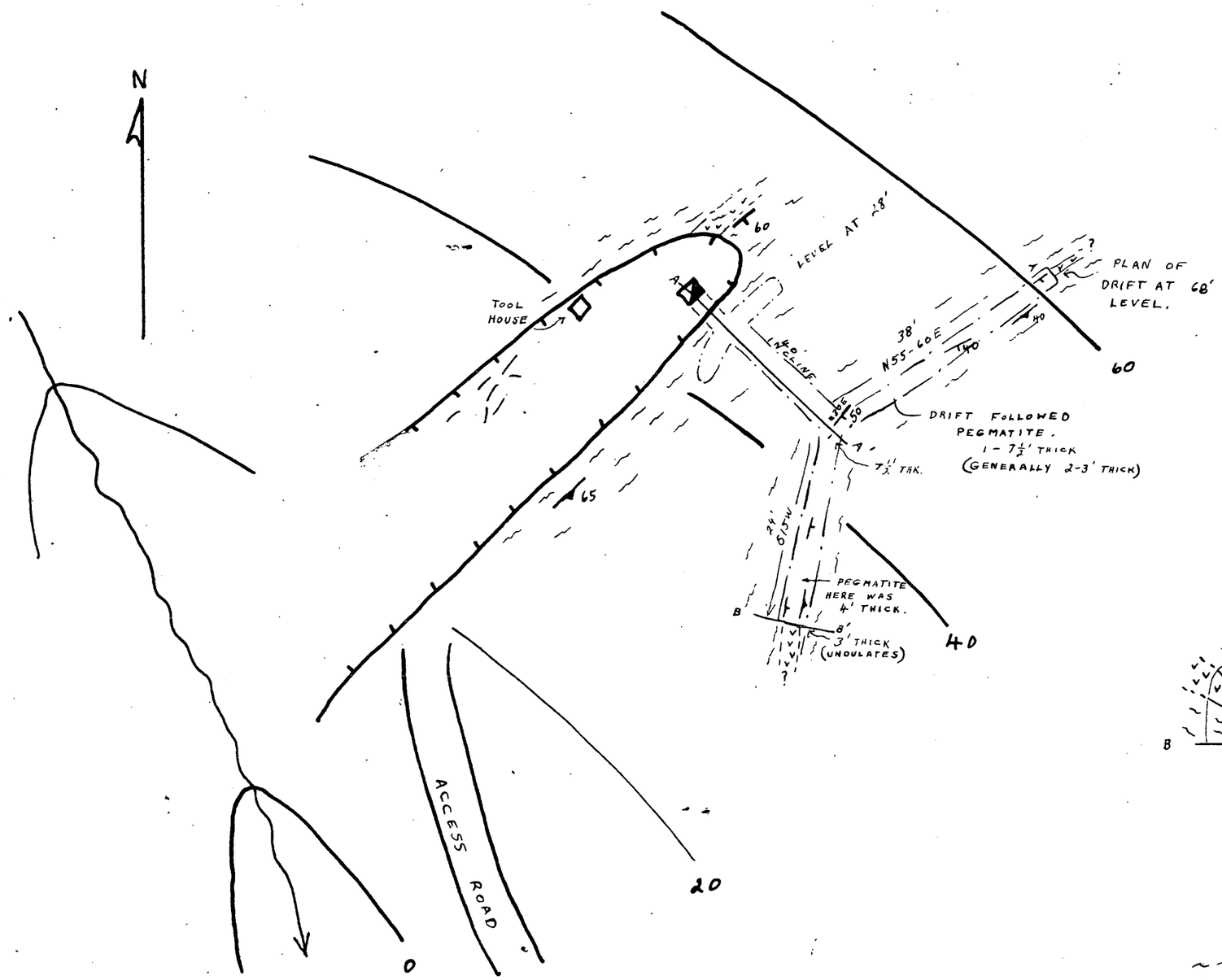
1. Conformable, poorly zoned pegmatite, 1 to 7.5 feet thick, pinching and swelling along strike.
2. Mica - poor quality ruby muscovite, flat and wedge "A", 3 to 5 inches wide, containing iron oxide and biotite inclusions.
3. Other minerals - Feldspar, quartz, garnet and apatite.

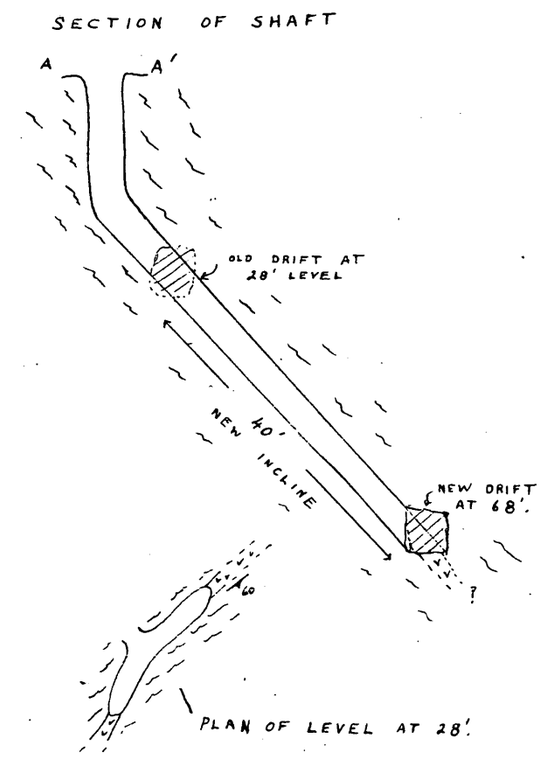
Future possibilities:

None for commercial production of strategic mica.

Recommendations:

The Bureau of Mines Commodity Member in his report of February 7, 1956, recommended certification. In memorandum of June 4, 1956, the Geological Survey Member suggested that a report subsequent to the final report would be informative. Such a report, dated July 6, 1956, has been received. It reaffirms the Field Team's recommendation in the final report of January 23, 1956, that the project should not be certified. Since the





hornblende gneiss + mica schist
pegmatite
strike + dip of contact
foliation
cut
contact
outline of underground works
shaft

0 20' 40'

SKETCH OF WILLIS PROS.

MITCHELL CO., N.C.

DMEA - 3816 (MICA)
JAN. 12, 1956

MAPPED BY: L.E. SHIRLEY, USBM; S.C. BERGMAN + A.R. TAYLOR, USGS ON 1-3-56

TAYLOR, A.R.; JAN. 13, 1956

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

WASHINGTON 25, D. C.

RECEIVED
JAN 26 1956

January 24, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3816, Idm-E844 (mica) C. R. Phillips, Bakersville, N. C. Willis Prospect, Mitchell County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject contract.

Although the Operator will probably mine and sell some non-strategic mica from this deposit, it seems unlikely that total sales will amount to more than a few hundred dollars. Therefore, we agree with the recommendation of the field examiners that it should not be certified as a discovery.

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

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

RECEIVED
JAN 26 1956

Spruce Pine, N. C.
December 28, 1955

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region V
Room 13, P.O. Building
Knoxville, Tennessee

Re: DMEA-3816, Idm-E 844 (Mica)
Willis Prospect, Mitchell Co.,N.C.
Final Report

Dear Mr. Laurence:

Work began on the Willis project on August 22, 1955 and was completed on December 22, 1955.

We rehabilitated 29 feet of old shaft, trimming and timbering and converting to a 2- compartment shaft. From the bottom we then sank the shaft an additional forty feet on the pegmatite. We recovered about 1500# of scrap and poor quality mica in the shaft.

We drifted a distance of 60 feet in a direction recommended by the field team, and stayed in vein all this distance. In the last few feet of the drift, we recovered several bags of mica which was poor quality. From the entire recovery, we have about 1200# of saleable mica.

We do not believe it advisable to continue work at this prospect. We appreciate the cooperation and assistance of the field team and wish to express our thanks. If further details are necessary, please contact me.

Very truly yours,

C. R. Phillips

C. R. Phillips

P/b

RECEIVED
JAN 26 1956

Spruce Pine, N. C.
December 28, 1955

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region V
Room 13, P.O. Building
Knoxville, Tennessee

Re: DEA-3816, Idm-E 844 (Mica)
Willis Prospect, Mitchell Co.,N.C.
Final Report

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We drifted a distance of 60 feet in a direction recommended by the field team, and stayed in vein all this distance. In the last few feet of the drift, we recovered several bags of mica which was poor quality. From the entire recovery, we have about 1200# of saleable mica.

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Very truly yours,

C. R. Phillips

C. R. Phillips

P/b

RECEIVED
JAN 26 1956

Spruce Pine, N. C.
December 28, 1955

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region V
Room 13, P.O. Building
Knoxville, Tennessee

Re: DMEA-3816, Idm-E 344 (Mica)
Willis Prospect, Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

Work began on the Willis project on August 22, 1955 and was completed on December 22, 1955.

We rehabilitated 29 feet of old shaft, trimming and timbering and converting to a 2- compartment shaft. From the bottom we then sank the shaft an additional forty feet on the pegmatite. We recovered about 1500# of scrap and poor quality mica in the shaft.

We drifted a distance of 60 feet in a direction recommended by the field team, and stayed in vein all this distance. In the last few feet of the drift, we recovered several bags of mica which was poor quality. From the entire recovery, we have about 1200# of saleable mica.

We do not believe it advisable to continue work at this prospect. We appreciate the cooperation and assistance of the field team and wish to express our thanks. If further details are necessary, please contact me.

Very truly yours,

C. R. Phillips

C. R. Phillips

P/b

RECEIVED
JAN 13 1959

INTERIM REPORT

DMEA-3816, Idm-E844 (mica) WILLIS PROSPECT

OPERATOR: C. R. Phillips, Rt. #3, Bakersville, North Carolina

LOCATION: 1.0 airline miles N 33°W of Wing, Mitchell County, N. C.

This contract has been completed without making a sizable discovery of strategic mica. The Operator has indicated that some additional areas will be explored at his own expense at higher levels in the most promising locations.

Work completed under contract consisted of: building a tool house and powder and exploder magazines, rehabilitation of 29 feet of existing shaft and incline, sinking 40 feet of additional incline, and driving 60 feet of drifts from the incline bottom. All of the work in new ground was conducted in pegmatite. Incline sinking followed the dip of the body, and drifts were driven from the incline bottom to the northeast and southwest. Thirty-eight feet of drift was driven N30°E and 24 feet was driven S15°W, following the hanging wall contact for the entire distance. Limited mica recovery resulted from the drift work, but considerable mica of poor quality was produced from the new incline work. Much of this mica contained wedge "A" structure and was badly stained with biotite specks. The Operator stated that a small sale of scrap mica had been made, but no recent sales are reported. An estimated 1500 pounds of poor quality mica now on hand will be sold at a later dated.

This project was conducted satisfactorily, but certain safety recommendations made by the Field Examiners were ignored. No additional

exploration with government participation appears warranted, and certification of this contract will not be recommended.

L. E. Shirley

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

S. C. Bergman

S. C. Bergman and A. R. Taylor, Geologists
U. S. Geological Survey

January 3, 1956

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

December 15, 1955

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-3816 - Mica
C. R. Phillips
Willis Prospect
Mitchell County, North Carolina
Contract No. Idm-E844

The Nonmetallic Minerals Division concurs in Amendment No. 1 to the subject contract as written and executed in the field. This amendment extends the completion date from December 7, 1955, to February 7, 1956.

Amendment No. 1 is necessary because the Operator was unable to complete the project in the specified time and it is in the Government's interest to complete this exploration contract.

Walter C. Anderson
Walter C. Anderson
Nonmetallic Minerals Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1850 PO 25, DEC BLDG.
KNOXVILLE 2, TENN.

RECEIVED
DEC 12 1955

December 8, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA- Region V

Subject: DMEA-3816, Idm-E844. C. R. Phillips, Amendment No. 1 (mica)

Transmitted are three signed copies of the subject amendment.

The usual distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

INTERIM REPORT

RECEIVED
DEC 27 1955

DMEA-3816, Idm-E844 (mica) WILLIS PROSPECT

OPERATOR: C. R. Phillips, Rt. #3, Bakersville, N. C.

LOCATION: 1.0 airline miles N33°W of Wing, Mitchell County, N. C.

Drifting continues on this contract, and an advance of 16 feet has been made in the past two weeks' work. Drift completed now totals 52 feet, and last work has been conducted to the northeast, following a pegmatite that has thinned to 18 inches and is barren of mica. The operator was advised to return to the southwest drift and continue driving on the 4-foot thick pegmatite, as described in the last interim report, following the hanging wall contact. Very little mica has been recovered from last work performed. Progress on this contract is satisfactory.

L. E. Shirley

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

SCB

S. C. Bergman and A. R. Taylor, Geologists
U. S. Geological Survey

December 12, 1955

INTERIM REPORT

RECEIVED
DEC 15 1955

DMEA-3816, Idm-E844 (mica) WILLIS PROSPECT

OPERATOR: C. R. Phillips, Route #3, Bakersville, N. C.

LOCATION: 1.0 airline miles N33°W of Wings, Mitchell Co., N. C.

Drifting continues on this contract and now totals 36 feet. Twenty- feet have been driven N35°E and is following a body about 3 feet thick that is striking N25°E and dips 40°SE. Sixteen feet of drift have been driven S10°W from the incline bottom and is following the hanging wall contact which strikes N50°E and dips 34°SE. The body is 4 feet thick in the face, and the footwall is not exposed. In both headings the pegmatite material is primarily feldspathic and contains scattered small mica. Progress on this contract is satisfactory.

L. E. Shirley

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

S. C. Bergman and A. R. Taylor, Geologists
U. S. Geological Survey

November 30, 1955

INTERIM REPORT

DMEA-3816, Idm-E844 (mica) WILLIS PROSPECT

OPERATOR: C. R. Phillips, Route #3, Bakersville, N. C.

LOCATION: 1.0 airline miles N33°W of Wing, Mitchell County, N. C.

Drifting is underway from the inclined shaft bottom and is now at 12 feet. The present drift direction is N55-60°E, and all work has been conducted along the body which strikes N30°E and dips 50°SE. The body was 7.5 feet thick at the point of turnoff, and has narrowed to a thickness of 4 feet in the present heading. Material encountered is pegmatite composed of feldspar, added quartz as a narrow rind zone on the hanging wall, and small muscovite mica of much better quality. The operator was instructed to continue the drift to the northeast, begin a new heading on the southwest end of the body, and to drive both drifts along the hanging wall. Progress on this contract is satisfactory.

L. E. Shirley

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

S. C. Bergman

S. C. Bergman and A. R. Taylor, Geologists
U. S. Geological Survey

November 16, 1955

RECEIVED
NOV 25 1955

INTERIM REPORT

DMEA-3816, Idm-E844 (mica) WILLIS PROSPECT

OPERATOR: C. R. Phillips, Route #3, Bakersville, N. C.

LOCATION: 1.0 airline miles N33°W of Wing, Mitchell County, N. C.

Inclined shaft sinking has been completed to a total depth of 40 feet in new ground. The present bottom is 69 feet from the surface; the first 29 feet was an existing shaft that was rehabilitated. The operator was advised to crosscut the pegmatite from the present foot wall position to the hanging wall before starting actual drifting. No change in material encountered was noted.

Suggestions previously made for inproving the safety of the mine have been complied with. Progress on this contract is satisfactory.

L. E. Shirley

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

K. H. Teague S. C. Bergman A. R. Taylor

K. H. Teague, S. C. Bergman, and A. R. Taylor
Geologists
U. S. Geological Survey

October 31, 1955

RECEIVED
NOV 14 1955

INTERIM REPORT

DMEA-3816, Idm-E844 (mica) WILLIS PROSPECT

OPERATOR: C. R. Phillips, Route #3, Bakersville, N. C.

RECEIVED
OCT 27 1955

LOCATION: 1.0 airline miles N33°W of Wing, Mitchell County, N. C.

Inclined shaft sinking continues on this contract and is now at 36 feet. Upon completion to a total depth of 40 feet, the pegmatite will be crosscut from foot wall to hanging wall. Upon completion of this work, drifting will begin from the most likely place in the body to produce strategic mica. Material encountered in last feet of work is predominantly quartz, large blocks of "A" mica, and minor amounts of feldspar. Much of the mica recovered is of scrap quality.

The operator was advised to replace a 10-foot ladder section at the beginning of the incline portion of the shaft and to continue scaling the working area after shooting. 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, S. C. Bergman, and A. R. Taylor
Geologists, U. S. Geological Survey

October 17, 1955

INTERIM REPORT

DMEA-3816, Idm-E844 (mica) HILLIS PROSPECT

RECEIVED
OCT 17 1955

OPERATOR: C. R. Phillips, Route #3, Bakersville, N. C.

LOCATION: 1.0 airline miles N33°W of Wing, Mitchell Co., N. C.

Incline shaft sinking continues on this contract and is now at 22 feet. Practically all of the sinking in new ground has been in pegmatite, and the footwall contact with country rock has been followed. The thickness of the body is unknown, and the hanging wall material is all pegmatite composed of feldspar, quartz, and large blocks of intergrown, chubby, Wedge "A" muscovite mica. Most of this mica is of scrap quality. Other mica produced is flat, hard, and fairly clear of stain; about 700 pounds of this type has been recovered to date.

A ladderway has been installed in the incline portion of the shaft, and a powder and cap magazine has been built recently. The operator was advised to scale the hanging wall area of the incline after shooting.

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 3, 1955

INTERIM REPORT

DMEA-3816, 1dm-E844 (mica) WILLIS PROSPECT

OPERATOR: C. R. Phillips, Route #3, Bakersville, North Carolina

LOCATION: 1.0 airline mile N33°W of Wings, Mitchell Co., North Carolina

Incline shaft sinking continues from the completed rehabilitated section, and new work is at 12 feet, not including an estimated 3.5 feet of loose muck in the bottom of the incline. The incline work is being conducted in pegmatite composed of feldspar, both fresh and kaolinized, and quartz containing medium to large-sized blocks of muscovite mica containing "A" structure. Dump material examined shows boulders rich in scrap sizes of mica always associated with quartz.

The operator was advised to scale the hanging wall area thoroughly after shooting, and to provide better access to the working area along the inclined portion of the shaft. Progress on this contract is 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 19, 1955

INTERIM REPORT

RECEIVED

DMEA-3816, Idm-E844 (mica) WILLIS PROSPECT

SEP 16 1955

OPERATOR: C. R. Phillips, Route #3, Bakersville, North Carolina

LOCATION: 1.0 airline miles N33°W of Wing, Mitchell County, North Carolina

Rehabilitation of an existing shaft has been completed to a total depth of 29 feet. Incline shaft sinking is underway, and about 5 feet of new work has been accomplished in pegmatite composed of quartz, feldspar, and muscovite mica. Total mica recovered from trimming of the shaft and new work is estimated at about 300 pounds of block. Sinking will continue to a depth of 40 feet from the rehabilitated section.

The workers were advised to wear safety hats while working underground, and to keep the overhead scaled of loose rock. Progress on this contract is satisfactory.

L. E. Shirley

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

Keyton H. Teague

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

SEP 5 1955

, 1955

INTERIM REPORT

RECEIVED
SEP - 2 1955

DMEA-3816, Idm-E844 (mica) WILLIS PROSPECT

OPERATOR: C. R. Phillips, Route #3, Bakersville, N. C.

LOCATION: 1.0 airline miles N33°W of Wings, Mitchell County, N. C.

The starting date on this contract is August 15, 1955. Shaft rehabilitation is underway on this contract but is not complete. An access road to the mine has been completed at the operator's expense, and this should be an asset to future progress. Equipment in use on the job consists of a single-drum gasoline-powered hoist, a 105 c.f.m. air compressor with necessary drilling attachments and hand tools. The sinking of 40 feet of additional shaft will get underway as soon as rehabilitation of the existing 29 feet of shaft is complete. About 50 pounds of block mica has been recovered from work completed. 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 24, 1955

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

RECEIVED
AUG 1 1955

July 29, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA Field Team, Region V

Subject: Signed Contract : Idm-E844, DMEA-3816, C. R. Phillips (mica) Bakersville, N. C.

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

Robert A. Laurence
Robert A. Laurence

Docket Copy
Surname:
Anderson
F L Lawrence
Talbert
Martin
H J Johnson

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

JUL 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-3816 - Mica
C. R. Phillips
Willis Prospect
Mitchell 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 present it to the Operator for his approval and signature. Please explain to the Operator 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 Operator and cannot be amended within your delegated authority, then the 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 N. E. Nelson of the Geological Survey, dated July 8, 1955, and from W. F. Dietrich of the Bureau of Mines, dated July 12, 1955, are enclosed.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (JLB)

Approved:

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

Thor H. Kiilsgaard (JLB)
Member, Geological Survey

Enclosures 10

WCAnderson:gad 7/18/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

RCS.

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

July 18, 1955

Memorandum

To: File

From: Walter C. Anderson, Nonmetallic Minerals Division

Subject: Evaluation of application and field examination report.
Docket No. DMEA-3816 - Mica
C. R. Phillips
Willis Prospect
Mitchell County, North Carolina

A contract is recommended.

Mica - "A" and flat mica occur in equal proportions. Is ruby colored, hard and free splitting, up to 8 inches in diameter. Books up to 6" across are abundant.

Pegmatite - Poorly zoned pegmatite from 3.5 to 4.5 feet thick, and at least 80 feet long according to the map. Has indefinitely defined quartz core with maximum thickness of 18 inches. Mica not concentrated along either walls of quartz core, but occurs throughout the feldspathic pegmatite. Contains an average of 8 per cent mica.

Old Workings - Trenching and underground work has resulted in $1000 worth of mica being sold in the last 3 years.

Method of Exploration - The Field Team plan of exploration is to deepen the existing shaft to an overall depth of 69 feet and drive 60 feet of shaft, all work in pegmatite. Applicant's proposal is about the same except he wanted 100 feet of drift.

Economics and costs - The pegmatite averages 8 per cent of mica. Mining will require breaking about 30 per cent country rock. The costs of $10/ft. rehabilitation of existing 29 foot shaft, $45 per foot for additional sinking and $35 per foot for drifting are in line with costs of similar projects in the area. Applicant's shaft sinking cost of $50 per foot is considered too high. From the appearance of the exposures, chances for discovery of additional reserves of mica seem promising, therefore, a contract is recommended. The commodity specialists of the Geological Survey and the Bureau of Mines concur.

Walter C. Anderson

Walter C. Anderson, Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

JUL 14 1955

Memorandum

To: The Administrator, DMEA
Attention: Mr. F. L. Knouse

From: Acting Assistant Solicitor, Defense Minerals

Subject: C. R. Phillips, Docket No. DMEA-3816 (mica)

There is attached a contract covering the above project in satisfactory legal form for execution subject to the attachment of the Consent to Lien referred to in the contract.

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachment

Rubin

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

JUL 14 1

Memorandum

To: The Administrator, DMEA
Attention: Mr. F. L. Knouse

From: Acting Assistant Solicitor, Defense Minerals

Subject: C. R. Phillips, Docket No. DMEA-3816 (mica)

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J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachment

HCRubin/emd

Copy to: DMEA Docket
Solicitor's Docket
L. G. Houk
J. L. Hofflund
H. C. Rubin
chron.

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

July 12, 1955

RECEIVED
JUL 13 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3816 (mica)

Applicant: C. R. Phillips

Name and Location of Property: Willis Prospect
Mitchell County, North Carolina

Date of Field Team Report: June 24, 1955

Date Rec'd by Br. of Ceramic and Fertilizer Materials: July 6, 1955

Field Team Recommendation: Recommend exploration program at a cost of $4,303

Comments:

1. This deposit appears to have possibilities for the development of strategic mica.

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

Recommendation:

I concur with the field team's recommendation.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

July 8, 1955

Re: DMEA 3816
C. R. Phillips
Willis Mine
Mitchell Co., N. C.
$4,303.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report.

Someone had faith and did work on this pegmatite. Thirty-seven feet of underground work, in pegmatite, and surface trenching yielded a reported $1,000 worth of mica, or roughly $20.00 to the foot. This from a narrow rich pegmatite. To pay out the equivalent of 3,200 feet of drifting (drifting, sinking and stoping) must be done.

I concur with the recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

RECEIVED
JUL 11 1955

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

RECEIVED
JUN 29 1955

June 27, 1955

Memorandum

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

From: Field Team, DMEA, Region V, Knoxville, Tennessee

Subject: Field Examination Report, DMEA-3816 (Mica)
C. R. Phillips, Bakersville, North Carolina
Willis Prospect, Mitchell County, North Carolina

Enclosed are original and three copies of the subject report, and six extra copies of the sketch map.

This pegmatite appears worthy of exploration and we recommend approval of a unit-cost contract as outlined in the report.

Robert A. Laurence
Robert A. Laurence
Executive Officer
DMEA Field Team

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

Enclosures 10

Reviewed by
DMEA OPERATING COMMITTEE
7-6-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
JUN 29 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM, REGION V

On

DMEA-3816, WILLIS 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

June 24, 1955

Reviewed by
DMEA OPERATING COMMITTEE
7-6-55
(date)

FIELD EXAMINATION REPORT

ON THE

WILLIS PROSPECT - DMEA-3816 (mica)

RECEIVED

JUN 29 1955

Applicant: C. R. Phillips, Route 3, Bakersville, North Carolina

The pegmatite has been exposed in an open cut at this place and a 29-foot incline sunk on it. This work has exposed a pegmatite which contains mica of strategic grade, although there is a high percentage of scrap present. Additional reserves of strategic mica appear to be present; therefore, the examiners recommend exploration assistance.

This deposit was examined on June 16, 1955. Messrs. C. R. Phillips and S. L. Phillips accompanied the examiners on the inspection which required two hours.

The Willis prospect is 1.0 airline miles N. 33° W. of Wing, Mitchell County, North Carolina. It is on the southeast side of Big Ridge and is accessible at all times by 0.5 mile of jeep road.

The applicant is competent to conduct the proposed work. Area under lease is adequate for the project.

There are no facilities on the property. Only a toolhouse and two magazines will be needed. Workings consist of a new trench which has been made up the hillside. The trench is 120 feet long, 20 - 30 feet wide, and about 10 feet deep. A vertical and inclined shaft, 29 feet deep has been sunk on the pegmatite from the uphill end of the cut. From the bottom of the shaft short drifts (one 12 feet N. 50° E. and one 8 feet S. 32° W.) have been driven. All of the underground work except for a small portion of the vertical part of the shaft are in pegmatite. All openings are about $4\frac{1}{2}'$ x $4\frac{1}{2}'$ in cross section. About 16 feet (vertical part) of the shaft is timbered.

A mica pegmatite is exposed in the cut as well as in the shaft and drifts. It is from 3.5 to 4.5 feet thick, strikes about N. 40° E., dips 60° SE, conformable, and is rich in mica. Most of the rock in the immediate vicinity of the deposit is hornblende gneiss; however, along both contacts a thin band of biotite schist is developed. Both wall rock and pegmatite are weathered to a depth of about 20 feet.

The pegmatite is poorly zoned. It contains an indefinitely defined quartz core which pinches and swells both on strike and dip. Maximum thickness of the core is 18 inches. The core is bounded on both sides by feldspathic pegmatite composed of soda feldspar, scattered quartz and muscovite. Scattered small crystals of red garnet and green apatite are present. The muscovite occurs throughout the feldspathic pegmatite and doesn't appear to be concentrated along either the walls or the quartz core.

Both "A" and flat mica occur in the deposit, in about equal proportions. The mica is ruby colored, hard, generally flat, and free splitting. Some is lightly mineral stained with scattered biotite inclusions and a brown grid pattern. Many of the books are rather badly cracked. Sizes range up to about 8 inches in diameter, with books averaging 6 inches in diameter abundant. This pegmatite is about average in mica content, perhaps averaging about 8 percent mica.

This pegmatite was discovered about three years ago. It is reported that about $1,000.00 worth of mica has been sold from the deposit as a result of the trenching and underground work.

The examiners believe that additional exploration at the deposit is warranted. We recommend that the existing vertical and inclined shaft be trimmed to 5' x 7', timbered, deepened 40 feet and 60 feet of level driven from the bottom of the shaft. The 40 feet of shaft will be inclined and entirely in pegmatite.

Estimated cost:

Toolhouse	$75.00	
Powder magazine	25.00	
Exploder magazine	13.00	
Trim to 5' x 7' and timber existing 29-foot shaft	290.00	$10/ft.
Total		$403.00

Sink 40-feet of 5' x 7' incline, timbered where necessary (25 shifts)

Labor:		
1 - Miner @ $1.50/hr.	$300.00	
1 - Hoistman @ $1.25/hr.	250.00	
1 - Laborer @ $1.00/hr.	200.00	
Equipment (rental):		
Compressor, drill and pump @ $240/mo.	320.00	
Hoist @ $50/mo.	62.50	
Supplies:		
Explosives	125.00	
Drill steel	75.00	
Timber, 1,000 b.f. @ $65/M	65.00	
Gasoline and oil	80.00	
Small tools and pipe	100.00	
Miscellaneous	72.50	
Insurance and Social Security	150.00	
Total		$1,800.00 45.00/ft.

Drive 60 feet of drift (26 shifts)

Labor:		
1 - Miner @ $1.50/hr.	$312.00	
1 - Hoistman @ $1.25/hr.	260.00	
2 - Laborers @ $1.00/hr.	416.00	
Equipment (rental)		
Compressor, drill, pump and jackleg @ $250/mo.	325.00	
Hoist @ $50/mo.	65.00	
Supplies:		
Explosives	200.00	
Drill steel	100.00	
Gasoline and oil	100.00	
Small tools and pipe	75.00	
Miscellaneous	97.00	
Insurance and Social Security	150.00	
Total		$2,100.00
Estimated Total Cost		$4,303.00

35% / ft.

June 24, 1955

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

and

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

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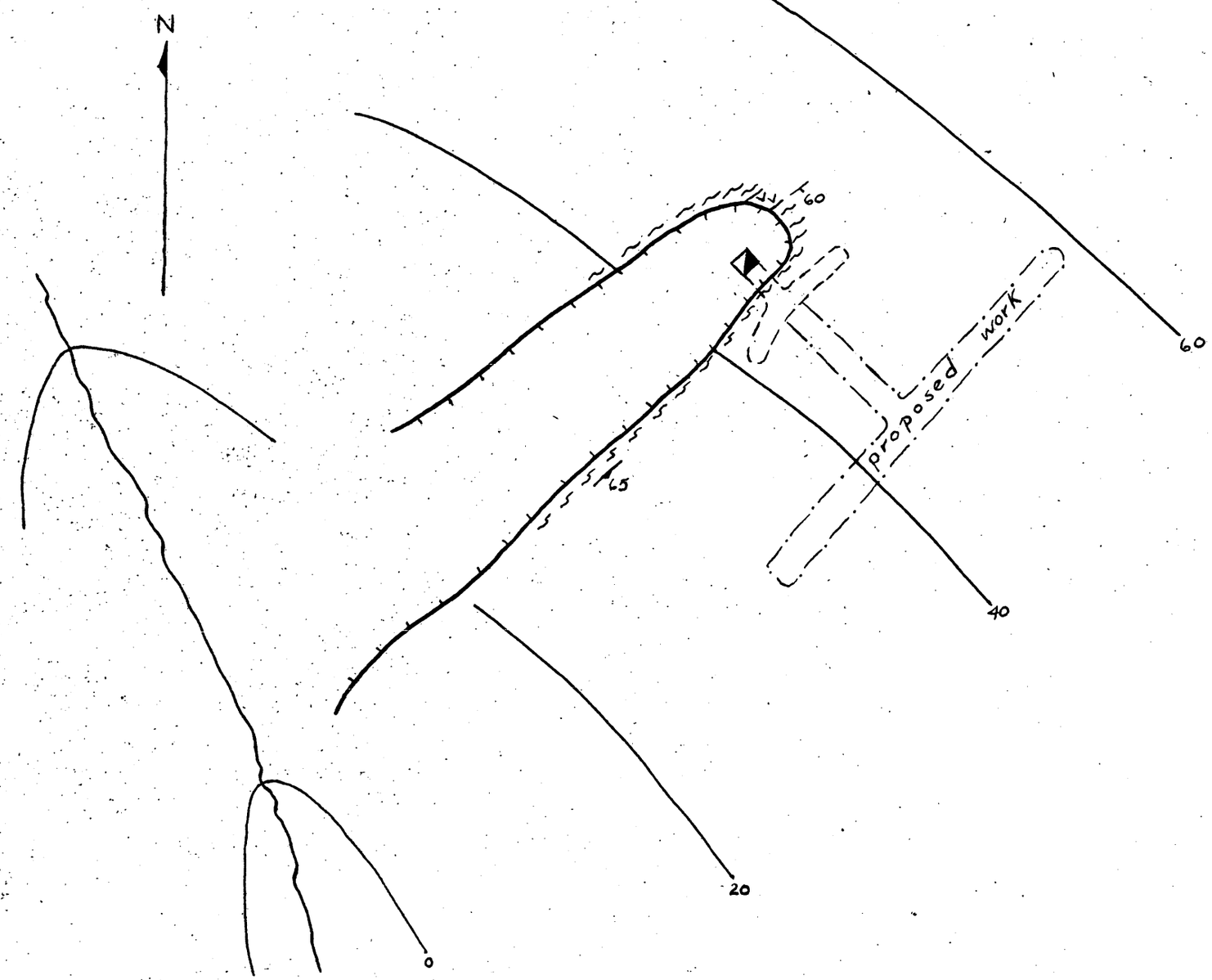
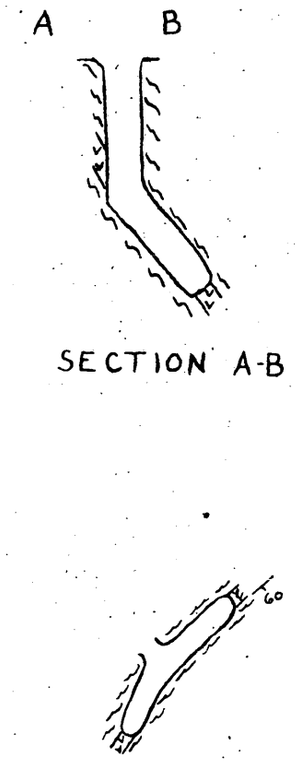




0 20' 40'
scale

SKETCH OF
WILLIS PROS.
MITCHELL CO., N. C.

LEGEND

- ~~ hornblende gneiss & mica schist
- v v pegmatite
- strike & dip of contact
- strike & dip of foliation
- cut
- contact
- outline of underground works
- outline of proposed work
- shaft

DMEA-3816 (mica)
June 16, 1955

DOCKET COPY
Surname:
Anderson
Houk
Mitchendorf

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

MAY 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-3085 - Mica
C. R. Phillips, Henry Grindstaff
and Fred Boyd
J. H. Reynolds Mine
Upson County, Georgia
Contract No. Idm-E635

Docket No. DMEA-3816 - Mica
C. R. Phillips
Willis Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

Reference is made to the subject contract and the application by Mr. C. R. Phillips for exploration assistance at the Willis Prospect which has just been received.

We are reluctant to give any consideration to Mr. C. R. Phillips' new application until the matter in Contract No. Idm-E635 is cleared up. It is assumed that he is a prominent partner in this contract since he signed the Operator's Monthly Reports and Vouchers. There is no record in our files that the termination agreement which you forwarded to the Operators on January 27, 1955, has been executed and returned.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

Approved:

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

Thor H. Kiilsgaard (JB)
Member, Geological Survey

WCAnderson:ad 5/25/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.B.

Cleveland Cliffs Iron Co.
RECEIVED
MAY 19 1955

Mr. Houk:

Copies of the revised Owner's Consent to Lien are being signed by the Landlord and will follow immediately. (One copy of old form is signed and enclosed).

C. R. Phillips

May 19, 1955

Subject: DMEA-3816
Re: Exploration Assistance
Willis Prospect

C.R. Phillips
Route 3
Bakersville, N.C.

Dear Sir:

The receipt of your application dated May 16, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3816 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

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
MAY 19 1955

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. 3816
Metal or Mineral Mica
Date Received May 19, 1955
Estimated Cost 7,250.00
Participation (Government %) 75

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: C. R. Phillips
Bakersville, Rt. 3
N. C.

(*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. Willis 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 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 sheet.

(*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. Now on file with DMEA.

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 5-16-55, 195--

C. R. Phillips
(Applicant)

By C. R. 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) No previous workings except a small opening on the vein. This project is accessible for examination purposes.

   (b) Only a small amount of mica has been recovered here. Reports are that it was high quality ruby mica.

   (c) Applicants believe from looking a vein material around opening that strategic quality ruby mica may be found by exploration.

   (d) Project is accessible to roads and shipping.

   (e) Manpower, equipment and supplies available. Power is within 100 yards.

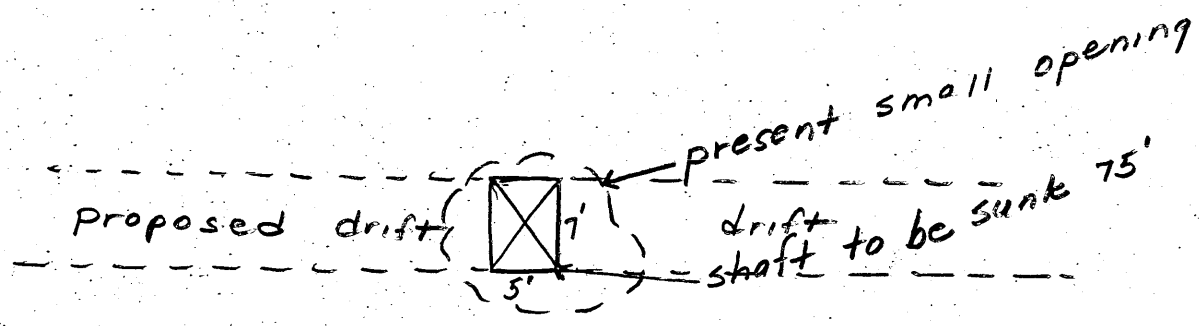
5. (b) We propose to sink a shaft 75', then drift with vein 100'.

6. Estimate of costs:

Sink shaft 75' @ $50.00 per foot	$ 3750.00
Drift 100' @ $35.00 per foot	3500.00
	$ 7250.00

WILLIS PROSPECT

Mitchell Co, N.C.



MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 16th day of May, 1955, ~~19XX~~,

between E. T. Willis

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and C. R. Phillips

of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the party of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessor, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written to wit:

Beginning at a small opening known as the Willis Prospect which is located 150' S.E. of a Poplar tree marked with an "X" and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250 feet West to a point of closing. This property owned by E. T. Willis, lying in Mitchell County, N. C.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operatins during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have the right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 1/8

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of _____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

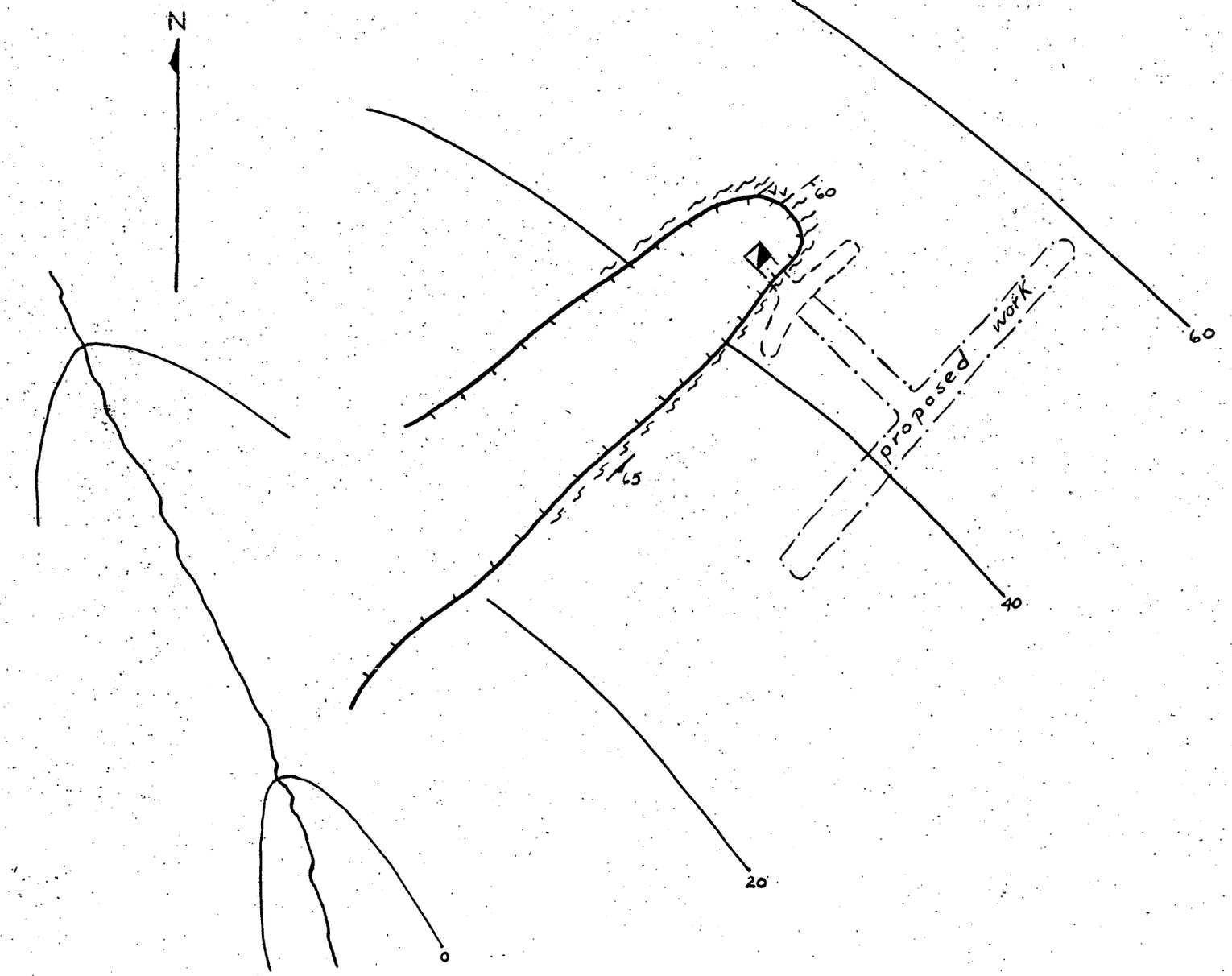
WITNESS our hands and seals the day and year first above written.

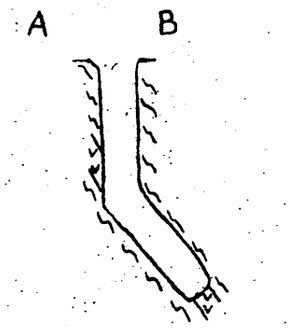
Witness: E. T. Willis (Seal)

_____ _____ (Seal)

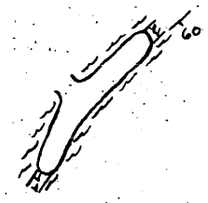
Kenneth R McKinney
Notary Public Mitchell County
My comm Exp. 8/14/55

_____ (Seal)





SECTION A-B



PLAN OF LEVEL

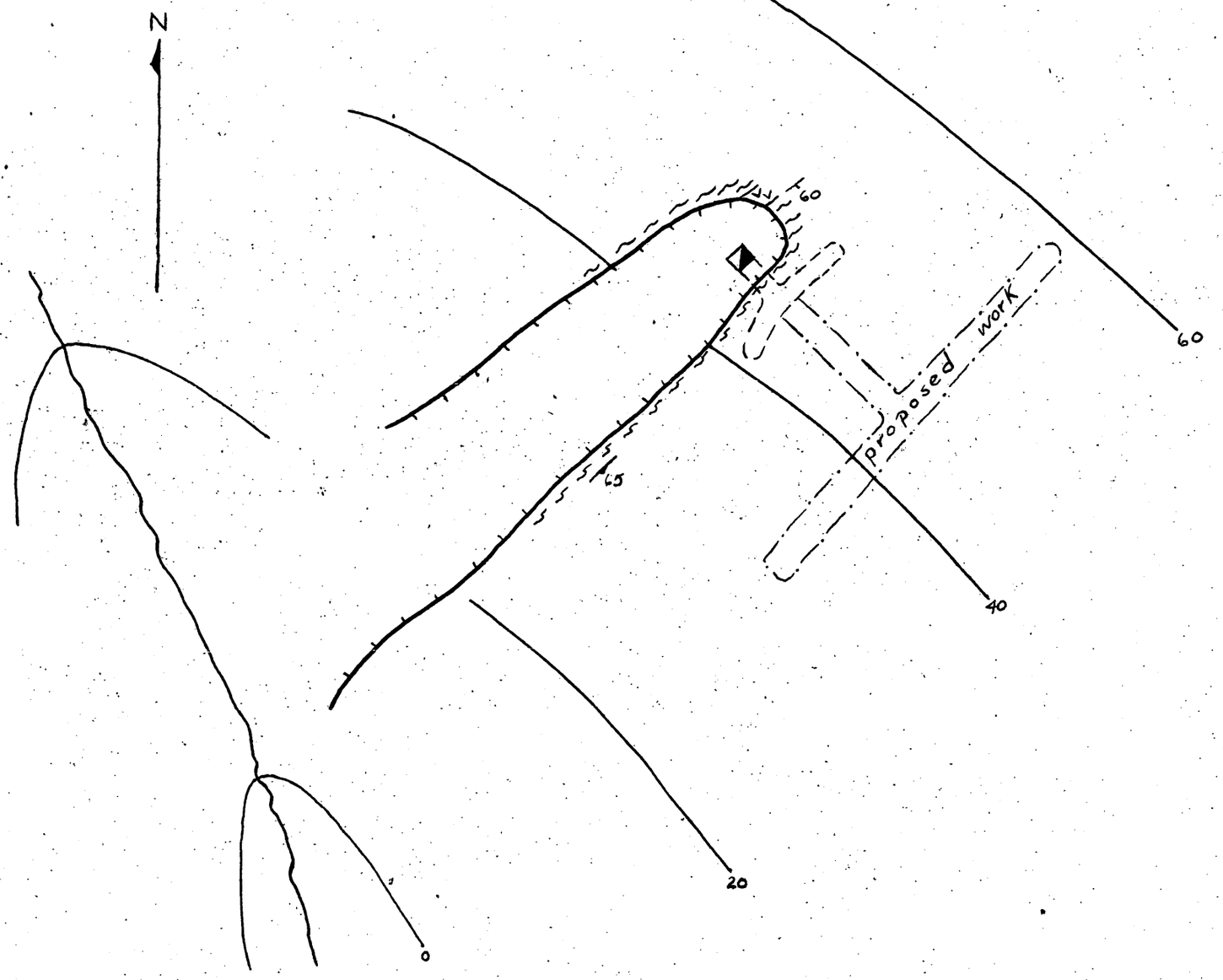
0 20' 40'
scale

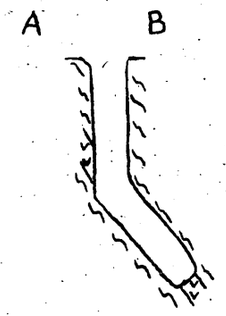
SKETCH OF
WILLIS PROS.
MITCHELL CO., N. C.

LEGEND

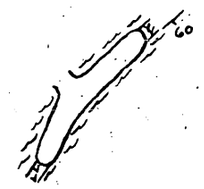
- ~~ hornblende gneiss & mica schist
- v v pegmatite
- strike & dip of contact
- strike & dip of foliation
- cut
- contact
- outline of underground works
- outline of proposed work
- shaft

DMEA-3816 (mica)
June 16, 1955





SECTION A-B



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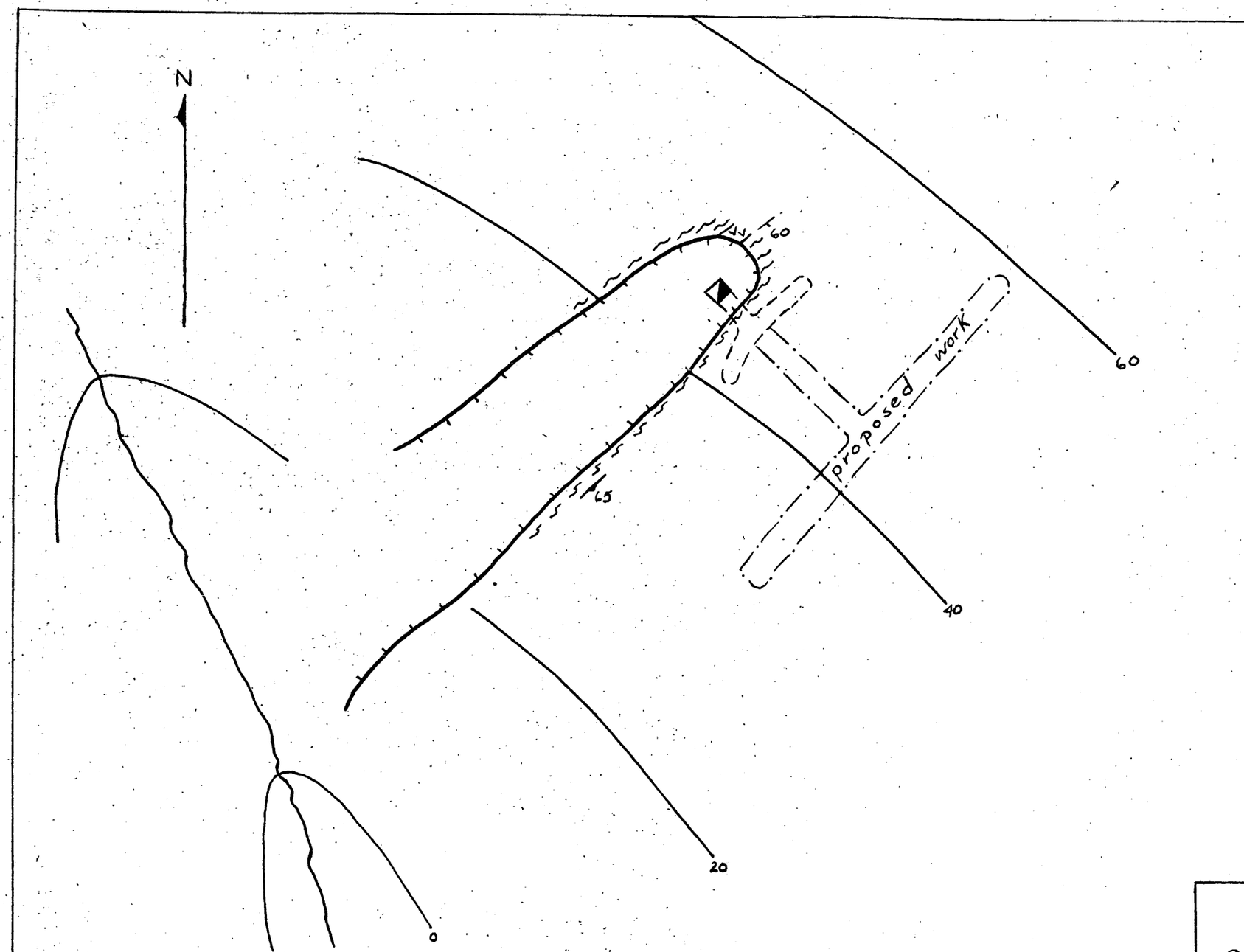

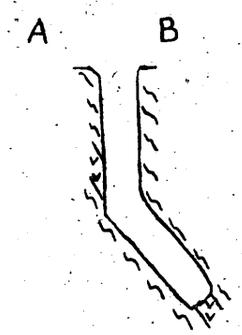

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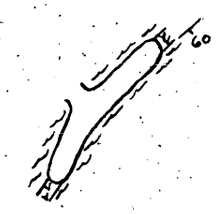

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