DOCKET COPY
Surname:
Anderson
Houk
Kiilsgaard
Martich
Johnson

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

JUN 25 1956

Southern Mineral Development Company, Inc.
Box 847
Spruce Pine, North Carolina

Re: Docket No. DMEA-4134-mica
Southern Mineral Devel. Co., Inc.
Old Susie Mine
(Susie Phillips Mine)
Mitchell County, North Carolina

Gentlemen:

Your application for aid for an exploration project and other reports available to us in Washington relating to the subject property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information indicates to us that the probability of disclosing significant reserves of mica is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

G. O. Mittendorf

Administrator

WCAnderson:ms 6/20/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

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

June 20, 1956

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Subject: Evaluation of application and Field Examination Report
Docket No. DMEA-4134-mica
Southern Mineral Development Company, Inc.
Old Susie(Phillips) Mine
Mitchell County, North Carolina

Previous Action:
This prospect was denied under application DMEA-3529 because most of the mica was badly mineral stained and the previous mining operation was primarily for feldspar.

Mica: Abundant flat scrap mica and a few books of strategic grade. In DMEA-3529 the report states that mica observed is badly mineral-stained and not of strategic grade.

Pegmatite:
Irregular, shapeless, discordant pegmatite, 5 feet thick, enclosed in a biotite-hornblende gneiss. North of the old workings where proposed exploration will take place, the pegmatite is covered by 50 feet of country rock. Pegmatite composed of a mixture of microcline, perthite, sodic plagioclase, abundant quartz and flat scrap and strategic mica, with occasional sericite, garnet, columbite, beryl and uraninite.

Old Workings:
Bowl-shaped open cut, 100 feet long by 70 feet wide by 50 feet deep; and an adit driven 20 feet north from the bottom of the open cut.

Past Production:
It is indicated in DMEA-3529 examination report, that past mining was for feldspar with mica a secondary mineral production. The recent adit produced $194.41 worth of mica. This amounts to $9.70 per foot of adit, or about $1.60 per ton of rock broken, since the adit measured 10 feet wide by 7 feet high.

Economics:
From information obtained in Docket No. DMEA-3529, it appears that past operations, which dated from 1860 and were considerable, were commercial only because of the

feldspar and that the mica content alone would not support an economic operation.

Method of exploring:

1. Proposed by applicant - Bulldoze a shaft site, 100 feet of shaft and 80 feet of drifts, total cost $8,100.00.
2. Recommended by Field Team - Explore the northern extensions of the pegmatite by a 2 stage program, Stage I to consist of 4 diamond drill holes, 25 to 90 feet in depth, estimated cost $2,275.00. Depending on results of Stage I, Stage II to consist of 100 feet of shaft and 80 feet of drifts, estimated at $7,315.00 or a total of $9,705.00 including drilling.
3. Alternate proposed by Nonmetallic Minerals Division - Diamond drilling only at estimated cost of $2,275.00.

Comments:

1. By Field Team
   a) Recent underground work has shown good potential for strategic grade mica.
   b) Continuity of pegmatite for at least 40 feet along one contact.
   c) Extension of adit from bottom end of cut to the north is dangerous because of loose overhead due to cracks.
   d) Therefore, recommend diamond drilling to verify the geological premise that the pegmatite continues northward, to be supplemented by underground work if it does, to determine the mica potential of the pegmatite.
   e) Recommends denial rather than a project for drilling only.
2. By Commodity Members of the Bureau of Mines and Geological Survey
   Concur in Field Team's recommendation for a 2 stage contract.
3. By Nonmetallic Minerals Division
   a) Mica content too low for commercial operation.
   b) Primarily a feldspar producer
   c) It should be assumed that the character of the pegmatite extension will be similar to the exposed pegmatite. This cannot be determined by drilling alone.

Recommendations:

The Nonmetallic Minerals Division agrees with the Field Team that if a two-stage project is not acceptable, the application should be denied. We feel that the geological premise, as outlined above, does not justify a two-stage project and therefore, recommend that the application be denied.

Walter C. Anderson

Walter C. Anderson
Nonmetallic Minerals Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUN - 4 1956

June 1, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4134 (mica) Southern Mineral Development Co.,Inc.

Reference is made to your letter May 24.

According to Mr. Bergman, the applicants would not accept a contract for diamond drilling alone. The reason for drilling would be to determine whether or not the pegmatite extends into the hill to the north; underground work would then be necessary to explore its mica potential.

Bulldozing is not feasible. The plunge of the pegmatite into the hill is such that it would require a cut 50 feet or more in depth to reach it at the sites of holes Nos. 1 and 3 shown on the map. Perhaps it is not clear that the contact of pegmatite and gneiss shown in the adit is at the level of -20 feet, not at 30 feet, and that at the surface at the 30-foot contour, the pegmatite is under country rock. The attached sketch shows a longitudinal section, not to scale, to show these relationships.

If the two-stage program is not acceptable, the application should be denied. The conditions near the adit portal are bad; it is not just an overhang, but rather a large potential slide above the cut.

Robert A. Laurence
Robert A. Laurence
Executive Officer
DMEA-Region V

A. L. Peyton
A. L. Peyton for V. J. Lynch
Member, Bureau of Mines

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

RECEIVED
JUN - 4 1956

June 1, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-h13h (mica) Southern Mineral Development Co.,Inc.

Reference is made to your letter May 24.

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Robert A. Laurence
Executive Officer

A. L. Peyton for V. J. Lynch
Member, Bureau of Mines

DOCKET COPY
Surname:
Anderson
Houk
Martin
Johnson
Mitchell

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

MAY 24 1956

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

Re: Docket No. DMEA-4134-mica
Southern Mineral Development Company, Inc.
Old Susie Mine
(Susie Phillips Mine)
Mitchell County, North Carolina

Dear Mr. Laurence:

Reference is made to your memorandum of May 8, 1956, confirming the Field Team's recommendation for a 2-stage exploration project at the subject property.

We note that the recommendation for a 2-stage project consisting of diamond drilling, to be followed by shaft sinking and drifting, is based in part on the dangerous overhang at the portal. Diamond drilling has been used in the past to determine extensions of pegmatites containing known mica shoots, and we suggest that exploration be confined to diamond drilling only, if the applicant is agreeable.

As an alternative, we would consider the applicant's proposal to bulldoze a cut to establish the pegmatite extension of merit, if feasible.

We will defer further action on the application until we hear from you on the 2 above proposals and the applicant's reaction to a revised program.

Sincerely yours,

W. S. Martin
Acting Chairman, (SHB)
Operating Committee

Approved:
/s/ Robert W. Geehan (SHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (SHB)
Member, Geological Survey

WCAnderson:ms 5/23/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

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

RECEIVED
MAY 11 1956

May 8, 1956

Memorandum

T o: Operating Committee - DMEA - Washington

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

Subject: DMEA-4134-Mica. South Mineral Development Co., Old Susie Mine, Mitchell County, North Carolina

In reply to your letter of April 10, concerning the subject application, we submit the following comments and recommendations -

A two stage exploration project as recommended in the Field Examination Report of February 15, 1956, is based upon results of recent work performed by the applicant. As explained in paragraphs 4 and 5 of the report, an existing incline was extended 20 feet, from which over 400 pounds of strategic mica were recovered, indicating the possible existence of an ore body in the structure outlined for exploration.

Reference to the precarious nature of the underground entry was made to emphasize the impossibility or at least the inadvisability of attempting to start exploration work from that point. Large cracks are evident on the surface parallel to, and about 20 feet back from the north edge of the pit directly over the underground entry, indicating the general instability of that wall of the pit. It was, therefore, proposed to explore along the northern extension of the pegmatite well back from the edge of the pit. The proposed drilling was considered to be a necessary part of this particular program. It was not considered a good economic risk in this case to sink a shaft on extensions of the target pegmatite in country rock without some control as to its position and depth. It is well understood that drilling cannot outline the mica potential of a pegmatite because of the erratic distribution of mica in the pegmatite, however, drilling can be extremely useful in establishing pegmatite structure and continuity. This was the purpose of the proposed drilling at this project.

The Field Team agrees with the recommendations as set forth in the

examination report and we believe that in this case the proposed diamond drilling should be considered a necessary part of the exploration.

Robert A. Laurence

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

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

Docket Copy
Surname:

Hosty
Selfridge
Hefferson
Hatterdorf

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

APR 10 1956

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

Subject: Docket No. DMEA-4134 - Mica
Southern Mineral Development Co., Inc.
Old Susie Mine
(Susie Phillips Mine)
Mitchell County, North Carolina

Dear Mr. Laurence:

Reference is made to the field examination report of February 15, 1956, recommending a two stage unit cost contract. The Susie Phillips Prospect was denied under application DMEA-3529 because most of the mica was badly mineral stained and the previous mining operation had been prosecuted primarily for feldspar.

It would appear that the recommendation is based upon "...the precarious position of the underground entry and the vague structural environment...". These reasons hardly justify a diamond drilling program preliminary to shaft sinking in the country rock. It has been our practice to confine the exploration work to the pegmatite. Do you have any information on the past production? Inasmuch as this prospect has been previously denied because of the poor quality of mica it is not felt that the expenditure for diamond drilling and shaft sinking is justified. Diamond drilling in the past has been used as a tool to prove extensions on pegmatites that have had a substantial production. That does not seem to be the case here. Where diamond drilling has been successful in proving extension of known shoots, it has not been our general practice to provide funds to open up the ground for the operators. Is it feasible to carry on the underground mica exploration from the inclined adit? Will it be possible to supply this office with a section through the pit and adit tunnel? Is it possible to locate the English 70 foot adit tunnel?

We would appreciate having your comments on our suggestions and your recommendations on mica exploration on the pegmatite at this mine.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (S/S)

Approved:

J. W. Pennington
Member, Bureau of Mines (S/S)

N. E. Nelson
Member, Geological Survey (S/S)

LGHouk:gad 4/5/56

Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.S.L.

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

RECEIVED
APR 3 - 1956

April 2, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4134 (mica)

Applicant: Southern Mineral Development Co., Inc.

Name and Location of Property: Old Susie Mine, Mitchell Co., N. C.

Date of Field Team Report: 2/15/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 3/30/56

Field Team Recommendation: Recommend a unit cost 2-stage contract.

Comments:

1. Recent work has proved a strike length of 40 feet and depth of 40 feet of a potential mica bearing pegmatite.
2. Over 400 pounds of mica was recovered during recent work.
3. This deposit appears to have possibilities for the development of strategic mica.
4. Total estimated costs are in the amount of $9,705.00.

Recommendation: I concur with the field team's recommendation for a unit cost 2-stage contract.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

March 29, 1956

Re: DMEA 4134
Southern Mineral Devel. Co. Inc.
Susie Phillips mine
Mitchell Co., N. C.
Applied for: $8,100.00 Mica
Recommended: 9,705.00

Memorandum

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

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

Subject: Review of Field Team report

The applicant requested assistance in exploring at an estimated cost of $8,100.00 a discordant, irregular pegmatite on which considerable work had been done and which was the subject of an earlier application, 3529. The application was denied. New work by the applicant disclosed pegmatite from which 13.61 pounds of mica, worth $194.41 was sold. The pegmatite is composed of a mixture of microcline, perthite, sodic plagioclase, abundant disseminated quartz, and flat scrap and strategic mica. Sericite, garnet, columbite, beryl and pyrite are associateed minerals and uranianite has been reported.

The examiners and Field Team recommend a 2 stage work program consisting of:

State I	
Diamond drilling, 400 feet	$2,275.00
Stage II	
Sinking 100 feet (max.)	4,520.00
Drifting and/or cross cutting or raising 80 feet	2,795.00
Tool house and magazines	115.00
Total	$9,705.00

I concur with the recommendation of the examiners and Field Team.

N. E. Nelson

N. E. Nelson

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

RECEIVED
MAR 26 1956

March 22, 1956

Memorandum

To: Operating Committee - DMEA - Washington

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

Subject: DMEA-4134, Old Susie Mine, Field Team Report.

Transmitted are the original and ~~four~~ 3 copies of the Field Team reports, the original ~~and original~~ and three copies of two bids, and nine extra copies of the map on the subject mine.

The Field Team concurs with the recommendations set forth in the report for a two staged unit cost contract.

V. J. Lynch

V. J. Lynch, Acting
Executive Officer, DMEA
Region V

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
3-30-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM
REGION V

DMEA-4134, OLD SUSIE(Phillips)MINE
Mica
Mitchell County, N. C.

By

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

and

A. L. Peyton, Mining Engineer
U. S. Bureau of Mines

February 15, 1956

Reviewed by
DMEA OPERATING COMMITTEE
3-30-56
(date)

FIELD EXAMINATION REPORT
On

DMEA-4134, OLD SUSIE (Phillips) MINE
Mitchell County, N. C.

A large irregular discordant mica bearing pegmatite is exposed in the bottom of a 50 foot deep open cut. Recent underground work has shown a good potential for strategic sheet muscovite and proved at least 40 feet of straight line continuity along one contact. Due to the precarious position of the underground entry and the vague structural environment, the examiners recommend a two stage exploration program, consisting of diamond drilling to prove extensions of the structure and subsequent shaft and drift exploration, well away from the present open cut.

The Old Susie (Phillips) Mine lies roughly 2000 feet southeast of the R. B. Phillips Mine on the southeast slopes of Burns Mountain at an elevation of 2,850 feet. The mine is 1.10 airline miles N 60° W of Ledger, Mitchell County, North Carolina (Micaville, N. C. Quadrangle, TVA, 1934 Ed., 1:24000). The open cut is adjacent to the access road to the R. B. Phillips Mine, and can be reached from Highway No. 26, in almost any weather. No equipment or buildings are presently at the mine site.

The field examiners were accompanied by Mr. Arthur Wells, a representative of the Southern Mineral Development Company, Inc., and Mr. R. B. Phillips, the LAND owner. The examination took place on Wednesday, February 15, 1956, and required an interval of 2 1/2 hours.

Previous work has been conducted by open cut methods, resulting in a 100 x 70 foot by 50 foot deep pit, which exposed an irregular shapeless, discordant pegmatite, roughly 5 feet thick, exposed along the east wall of the cut, for a distance of 40 feet. There is a thin vague connection at the NE corner of the cut with a large pegmatite body whose exposed semi-circular crosssection tapers and plunges 30° to the south (see map). The applicants have extended an existing short inclined adit 20 feet to a N 27° E striking contact which shows continuity of at least 40 feet. Dip of this contract is 50 - 60° SE and the plunge of numerous dragfolds on the contract is 30°, N 55° E. The pegmatite at this point, is disconformably enclosed in a fine grain to well banded biotite-hornblende gneiss which locally has an attitude of N 40° W 60° NE.

Over 400 pounds of block muscovite was recovered from the 20 feet of new adit. Two small sales were made totaling 13.61 pounds valued at $194.41, or an average of $14.21 per pound. Of the 13.61 pounds, 7.55 pounds went as good stained or better, 5.76 pounds sold as stained, and 0.30 pounds sold as heavy stained. Recovery was 3.4% of the total. One 20 pound block was held for a sample. It measured roughly 8 x 12 inches by 5 inches thick and was greenish-brown in color. There was some edge-cracking, ruling and minor

mineral stain present. Abundant flat scrap size muscovite and a few books of strategic grade were left in place in the new adit.

The pegmatite itself, is composed of a mixture of microcline, perthite, sodic plagioclase, abundant disseminated quartz and flat scrap size and strategic muscovite, with occasional to rare serecite, garnet, columbite, beryl, reported uraninite and pyrite.

An exploration program is suggested which would explore the northern extensions of the pegmatite. The visible continuity is too vague to justify sinking shaft in country rock on projection so that a two stage program is recommended.

Four - 100 foot vertical EX or AX size diamond drill holes are recommended to establish continuity under Stage I. Holes Nos. 1 and 2 to be drilled 25 and 75 feet respectively beyond the vertical projection of the new adit and on the strike-projection of the east wall of the pegmatite. Holes Nos. 3 and 4 to be drilled 40 and 90 feet respectively beyond the northern rim of the open cut and on the projection of the axial trace of the pegmatite. All holes should be drilled in numerical sequence and not more than 100 feet in depth.

Depending on the results of Stage I drilling, it is suggested that Stage II consist of a maximum of 100 feet of shaft and 80 feet of exploratory drift and/or crosscut.

The applicant was requested to obtain additional lease area on the north side of the open cut. Five copies of a new lease have been received as well as two bids for 400 feet of contract diamond drilling by Joy Manufacturing and Southeastern Diamond Drilling. Lease copies and drill bids are being forwarded with this report.

Estimated Costs:

Stage I - Drill 4 vertical diamond drill holes (EX size) as outlined on the report map, a maximum of 100 feet per hole.

(As bid by Southeastern Diamond Drilling Co)

400 feet EX core @ $4.30/linear ft.	$1720.00
Mobilization and Demolition	150.00

Contingencies-

Drill in casing @ $2.25/ft. additional 25 ft/hole to collar in deeply weathered material - 100 ft @ $2.25/ft.	225.00
Drill in chert (quartz) @ $8.00/ft. 20 ft @ $3.70/ft. additional	75.00
Core boxes (5' long, 6-5' rows EX core) 13 boxes @ $8.00/box	105.00
Total estimated cost of 400 ft. EX drilling or $5.68/ft.	$2,275.00

Stage II - Sink a maximum of 100 ft of 5x7 ft, 2-compartment shaft on location and to depth determined by Stage I diamond drilling (55 shifts).

Toolhouse	$75.00	
Powder and Cap Magazines	40.00	$115.00

Labor:

1 - Miner @ $1.50/hr.	660.00
1 - Hoistman @ $1.25/hr.	550.00
2 - Laborers @ $1.00/hr.	880.00

Equipment rental:

Compressor and drill @ $230/Mo.	632.50
Hoist @ $50/Mo.	137.50
Pump @ $20/Mo.	55.00

Supplies:

Explosives	330.00
Drill steel	170.00
Gasoline and Oil	200.00
Small tools and pipe	200.00
Timber, 3000 b.f. @ $65/M	195.00
Miscellaneous	220.00
Liability Insurance	209.00
Social Security	41.80
Sales Tax	39.20

Total estimated cost of 100 ft. of shaft - sinking $4,520.00

2795

7315

Drive 80 feet of exploratory drift and/or crosscut and/or raise (35 shifts)

Labor:

1 - Miner @ $1.50/hr.	420.00
1 - Hoistman @ $1.25/hr.	350.00
2 - Laborers @ $1.00/hr.	560.00

Equipment rental:

Compressor, drill and Jackleg @ $250/Mo.	437.50
Hoist @ $50/Mo.	87.50
Pump @ $20/Mo.	35.00

Supplies:

Explosives	$245.00	
Drill steel	120.00	
Gasoline and Oil	150.00	
Small tools and pipe	90.00	
Miscellaneous	120.00	
Liability Insurance	133.00	
Social Security	26.60	
Sales Tax	20.40	
Estimated cost of drifting		$2,795.00
Total Estimated Cost of Project		$9,705.00

(based on Southeastern Diamond Drilling Co. bid).

Examined: February 15, 1956

S. C. Bergman

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

A. L. Peyton

A. L. Peyton, Mining Engineer
U. S. Bureau of Mines

MF-203
Revised March 24, 1955

RECEIVED
JAN 19 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake at the center of what is known as the Old Susie Mine which is located 235' S.W. of another iron stake and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property lying approximately 1½ miles West of Ledger, in Mitchell County, N. C.,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 14th day of January, 1956.

R. B. Phillips [Seal] Bakersville, N. C.

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

RECEIVED

JAN 19 1956

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake at the center of what is known as the Old Susie Mine which is located 235' S. W. of another iron stake and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property lying approximately 1½ miles West of Ledger, in Mitchell County, N. C.,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

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_____

_____

Dated this 24th day of January, 1956.

P. B. Phillips [Seal] Bolivia, N. C.

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

MF-203
Revised March 24, 1955

RECEIVED
JAN 19 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake at the center of what is known as the Old Susie Mine which is located 235' S. W. of another iron stake and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property lying approximately 1½ miles West of Ledger, in Mitchell County, N. C.,

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1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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.

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3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

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_____

_____

_____

Dated this 14th day of January, 1956.

P. R. Phillips [Seal] Bakersville, N. C.

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

RECEIVED

JAN 19 1956

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake at the center of what is known as the Old Susie Mine which is located 235' S.W. of another iron stake and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property lying approximately 1½ miles West of Ledger, in Mitchell County, N. C.,

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None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 14th day of January, 1956.

R. D. Phillips [Seal] Bakersville, N. C.

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

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[Corporate Seal]

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EXPLORATION PROJECT CONTRACT
Operator
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Contract Date

CONSENT TO LIEN

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5. Added provision: _____

_____

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_____

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_____

_____

Dated this 14th day of January, 1956.

W. B. Phillips [Seal] Bakersville, N. C.

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

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[Corporate Seal]

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JAN 19 1956

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Operator
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CONSENT TO LIEN

To the United States of America:

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5. Added provision: _____

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_____

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_____

_____

Dated this 14th day of January, 1956.

P. M. Phillips [Seal] Bakersville, N. C.

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

Southeastern Diamond Drilling Co.

POST OFFICE BOX 2626
ASHEVILLE, NORTH CAROLINA
TELEPHONE 65-3441

DIAMOND CORE DRILLING
FOUNDATION BORINGS
SOIL SAMPLING
GEOPHYSICAL SURVEYS
CONSULT'G GEOLOGISTS
& MINING ENGINEERS

February17, 1956

RECEIVED
MAR 26 1956

Mr. A. M. Wells
Southern Mineral Development Company
Box 847
Spruce Pine, N. C.

Dear Mr. Wells:

In accordance with your telephone conversation yesterday with our Mr. J. P. Jennings, Jr. we are pleased to submit our diamond drilling proposal number 256 covering the drilling you contemplate on a property near Bakersville, North Carolina.

We understand the location of the drilling will be on a property known as the R. B. Phillips property located in the vicinity of Ledger, North Carolina near Bakersville, N. C.

Thank you for the opportunity of quoting you on this work.

Respectfully Submitted,

SOUTHEASTERN DIAMOND DRILLING COMPANY

Frank Hutchins

By: Frank Hutchins

Encls.

Southeastern Diamond Drilling Co.

DIAMOND CORE DRILLING
FOUNDATION BORINGS
SOIL SAMPLING
GEOPHYSICAL SURVEYS
CONSULT'G GEOLOGISTS
& MINING ENGINEERS

POST OFFICE BOX 2626
ASHEVILLE, NORTH CAROLINA
TELEPHONE 65-3441

February 17, 1956

RECEIVED
MAR 26 1956

DIAMOND DRILLING PROPOSAL
NUMBER 256

We, the Southeastern Diamond Drilling Company, Inc. of Asheville, North Carolina, submit this proposal to you, the Southern Mineral Development Company, Inc. of Spruce Pine, North Carolina, covering the diamond core drilling, a minimum of four hundred (400) linear feet to be drilled on a property near Bakersville, North Carolina, and in accordance with the following:

We Propose That We:

1. Furnish one complete diamond core drilling unit having a capacity of drilling size "EX" (7/8" Core) and/or "AX" (1-1/8" Core) drill holes to a depth of approximately 150 feet.

2. Furnish drill operator and helper for this work.

3. Do this drilling at the following rates:
(The program to embrace four drill holes 90 degrees to a depth of approximately 100 feet each).

   A. Drilling size "EX" (7/8" Core) @$4.30 per linear foot drilled.

   A1. Drilling size "AX" (1-1/8" Core) @$4.40 per linear foot drilled.

   B. Mobilization and Demobilization - - $150.00

   C. Drilling in casing with a diamond casing shoe bit as necessary to cut off blocky, seamy, sandy or any subsurface condition which might prevent successful drilling @$2.25 per linear foot drilled. (This applies while using casing shoe bits only).

   D. Casing unable to be retrieved from drill holes or left in drill holes at your request @COST

   E. Down time at your request @$6.00 per hour

Diamond Drilling Proposal Number 256 - Continued:

F. Drilling of Chert if encountered in any drill hole in thicknessess on one inch (1") or over @$8.00 per linear foot drilled, measurements to be taken from core in core boxes.

G. Furnish core boxes at Cost.

H. Cementing at Cost plus 10%.

4. Submit invoices in accordance with the unit schedule under item number 3 (three) above at the completion of each drill hole and/or at the completion of the job.

5. Cannot be responsible for any delays such as failure of the U. S. Mails delivering bits to the job on schedule, strikes, breakdowns, or acts of God.

6. Will cover our work with insurance such as Workman's Compensation and Public Liability for personal injury and property damage.

7. Will expedite work and carry same out in a workmanlike manner.

8. In the event The Southern Mineral Development Company, Inc. should want to drill less than four hundred (400) feet the contract can be terminated by paying a pro-rata portion of the moving in and out expense consisting of freight charges on the drilling equipment and traveling expenses of the crew.

We Propose That You:

1. Locate and layout the drill holes.

2. Pick up the core and take charge of same at the drilling sites.

3. Honor invoices (infull) submitted by us covering this work promptly.

Acceptance is made of this proposal this _____ day of _____ 1956, and hereby transfer it into a core drilling agreement.

FOR SOUTHERN MINERAL DEVELOPMENT COMPANY, INC.

_____

_____

_____

SOUTHEASTERN DIAMOND DRILLING COMPANY

_____

_____

Frank Hutchins
Treasurer

POST OFFICE BOX 2626
ASHEVILLE, NORTH CAROLINA
TELEPHONE 65 3441

DIAMOND CORE DRILLING
FOUNDATION BORINGS
SOIL SAMPLING
GEOPHYSICAL SURVEYS
CONSULTING GEOLOGISTS
& MINING ENGINEERS

February 17, 1956

DIAMOND DRILLING PROPOSAL NUMBER 256

We, the Southeastern Diamond Drilling Company, Inc. of Asheville, North Carolina, submit this proposal to you, the Southern Mineral Development Company, Inc. of Spruce Pine, North Carolina, covering the diamond core drilling, a minimum of four hundred (400) linear feet to be drilled on a property near Bakersville, North Carolina, and in accordance with the following:

We Propose That We:

1. Furnish one complete diamond core drilling unit having a capacity of drilling size "EX" (7/8" Core) and/or "AX" (1-1/8" Core) drill holes to a depth of approximately 150 feet.

2. Furnish drill operator and helper for this work.

3. Do this drilling at the following rates:
(The program to embrace four drill holes 90 degrees to a depth of approximately 100 feet each).

   A. Drilling size "EX" (7/8" Core) @$4.30 per linear foot drilled.

   A1. Drilling size "AX" (1-1/8" Core) @$4.40 per linear foot drilled.

   B. Mobilization and Demobilization - - $150.00

   C. Drilling in casing with a diamond casing shoe bit as necessary to cut off blocky, seamy, sandy or any subsurface condition which might prevent successful drilling @$2.25 per linear foot drilled. (This applies while using casing shoe bits only).

   D. Casing unable to be retrieved from drill holes or left in drill holes at your request @COST

   E. Down time at your request @$6.00 per hour

F. Drilling of Chert if encountered in any drill hole in thickness on one inch (1") or over $38.00 per linear foot drilled, measurements to be taken from core in core boxes.

G. Furnish core boxes at Cost.

H. Cementing at Cost plus 10%.

4. Submit invoices in accordance with the unit schedule under item number 3 (three) above at the completion of each drill hole and/or at the completion of the job.

5. Cannot be responsible for any delays such as failure of the U. S. Mails delivering bits to the job on schedule, strikes, breakdowns, or acts of God.

6. Will cover our work with insurance such as Workman's Compensation and Public Liability for personal injury and property damage.

7. Will expedite work and carry same out in a workmanlike manner.

8. In the event The Southern Mineral Development Company, Inc. should want to drill less than four hundred (400) feet the contract can be terminated by paying a pro-rata portion of the moving in and out expense consisting of freight charges on the drilling equipment and traveling expenses of the crew.

We Propose That You:

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2. Pick up the core and take charge of same at the drilling sites.

3. Honor invoices (infull) submitted by us covering this work promptly.

Acceptance is made of this proposal this _____ day of _____ 1956, and hereby transfer it into a core drilling agreement.

FOR: SOUTHERN MINERAL DEVELOPMENT COMPANY, INC.

_____

_____

_____

SOUTHEASTERN DIAMOND DRILLING COMPANY

_____

_____

Frank Hutchins
Treasurer

DIAMOND CORE DRILLING
FOUNDATION BORINGS
SOIL SAMPLING
GEOPHYSICAL SURVEYS
CONSULTING GEOLOGISTS
& MINING ENGINEERS

POST OFFICE BOX 2626
ASHEVILLE, NORTH CAROLINA
TELEPHONE [illegible]

February 17, 1956

DIAMOND DRILLING PROPOSAL
NUMBER 256

We, the Southeastern Diamond Drilling Company, Inc. of Asheville, North Carolina, submit this proposal to you, the Southern Mineral Development Company, Inc. of Spruce Pine, North Carolina, covering the diamond core drilling, a minimum of four hundred (400) linear feet to be drilled on a property near Bakersville, North Carolina, and in accordance with the following:

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   C. Drilling in casing with a diamond casing shoe bit as necessary to cut off blocky, seamy, sandy or any subsurface condition which might prevent successful drilling @$2.25 per linear foot drilled. (This applies while using casing shoe bits only).

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Diamond Drilling Proposal Number 256 - Continued:

F. Drilling of Chert if encountered in any drill hole in thicknesses of one inch (1") or over @$8.00 per linear foot drilled, measurements to be taken from core in core boxes.

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SOUTHERN MINERAL DEVELOPMENT COMPANY, INC.

_____

_____

SOUTHEASTERN DIAMOND DRILLING COMPANY

_____

Frank Hutchins
Treasurer

JOY MANUFACTURING COMPANY
900 WOODLAND AVENUE
MICHIGAN CITY, INDIANA
TELEPHONE 7-7231

EXECUTIVE OFFICES
HENRY W. OLIVER BUILDING
PITTSBURGH 22, PA.

February 17, 1956

RECEIVED
MAR 26 1956

Southern Minerals Development Co., Inc.
P. O. Box 847
Spruce Pine, N. C.

Attention: Mr. Arthur Wells

Gentlemen:

We understand that you have contacted our Drill Superintendent, Mr. W. B. Smith at Jefferson City, Tennessee, and have requested a price on drilling four 100 foot holes with "EX" or "AX" fittings near Spruce Pine, North Carolina, but that you could not guarantee any minimum footage.

We will undertake the proposed drilling on the following basis:

Mobilization of drilling equipment and crew	@	$375.00
Demobilization of drilling equipment and crew	@	375.00
AX Drilling	@	$4.50 per ft.
EX Drilling	@	$4.25 " "

The above arrangement will give you the privilege of discontinuing the drilling at any time. If it is your desire to save cores of the drilling, then it will be necessary that you furnish the proper containers for same.

We understand that water for drilling purposes will be located not more than 500 feet from any one drill hole, and we will arrange to pump the water from the source to the drill holes at our expense.

We will furnish for this proposed drilling one of our modern Joy #12-B gasoline driven core drills complete with operating equipment, and will conduct the drilling operations on the basis of one 8-hour shift per day and six days per week. We can ship the drilling equipment within fifteen days after notice to proceed with the drilling.

In the event the above proposition should be approved by D.M.E.A., we will then forward our formal agreement to cover.

Thanking you for giving us an opportunity of quoting on your requirements.

Yours very truly,
JOY MANUFACTURING COMPANY

W. J. Pilarski, Mgr.
Contract Drill Division

WJP/et

Southern Minerals Development Co., Inc.
P. O. Box [illegible]
Spruce Pine, N. C.

Attention: Mr. Arthur Wells

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Thanking you for giving us an opportunity of quoting on your requirements.

Yours very truly,
JOY MANUFACTURING COMPANY

[illegible] Leonard, Jr.
Contract Drill Division

MBB/OS

JOY MANUFACTURING COMPANY
900 WOODLAND AVENUE
MICHIGAN CITY, INDIANA
TELEPHONE [illegible]

SPECIAL OFFICES
HENRY W. OLIVER BUILDING
PITTSBURGH 22, PA

February 17, 1956

Southern Minerals Development Co., Inc.
P. O. Box 847
Spruce Pine, N. C.

Attention: Mr. Arthur Wells

Gentlemen:

We understand that you have contacted our Drill Superintendent, Mr. W. B. Smith at Johnson City, Tennessee, and have requested a price on drilling four 1[illegible] foot holes with "EX" or "AX" fittings near Spruce Pine, North Carolina, but that you could not guarantee any minimum footage.

We will undertake the proposed drilling on the following basis:

Mobilization of drilling equipment and crew	@	$375.00
Demobilization of drilling equipment and crew	@	375.00
AX Drilling	@	$4.50 per ft.
EX Drilling	@	$4.25 " "

The above arrangement will give you the privilege of discontinuing the drilling at any time. If it is your desire to save cores of the drilling, then it will be necessary that you furnish the proper containers for same.

We understand that water for drilling purposes will be located not more than 500 feet from any one drill hole, and we will arrange to pump the water from the source to the drill holes at our expense.

We will furnish for this proposed drilling one of our modern Joy #12-B gasoline driven core drills complete with operating equipment, and will conduct the drilling operations on the basis of one 8-hour shift per day and [illegible] days per week. We can ship the drilling equipment within fifteen days after notice to proceed with the drilling.

In the event the above proposition should be approved by D.M.E.A., we will then forward our formal agreement to cover.

Thanking you for giving us an opportunity of quoting on your requirements.

Yours very truly,
JOY MANUFACTURING COMPANY

W. J. P[illegible], Mgr.
Contract Drill Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 9037 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON 25, D.C.

RECEIVED
MAR 26 1956

March 23, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4134, Old Susie Mine, Southern Minerals Development Co.
Mitchell County, N. C.

Transmitted are four copies of the Mining Lease on the subject application. The Field Examination report and other pertinent data was mailed your office March 22, but this lease was omitted through an oversight by this office.

V. J. Lynch

V. J. Lynch

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

RECEIVED
MAR 26 1956

March 23, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-413h, Old Susie Mine, Southern Minerals Development Co.
Mitchell County, N. C.

Transmitted are four copies of the Mining Lease on the subject application. The Field Examination report and other pertinent data was mailed your office March 22, but this lease was omitted through an oversight by this office.

V. J. Lynch

ZM.

cc:
Lynch Laurence
Shirley

Docket Copy
Surname:
Anderson
Houk
Geehan
Kiilsgaard
Selfridge
Johnson

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

600

FEB - 1 1956

Southern Mineral Development Company, Inc.
Box 847
Spruce Pine, North Carolina

Re: Docket No. DMEA-4134-Mica
Southern Mineral Devel. Co., Inc.
Old Susie Mine
(Susie Phillips Mine)
Mitchell County, North Carolina

Gentlemen:

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

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:ms 1/30/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Kietrich, 3061
Mr. Houk
Mr. Anderson
Region V

R.C.K.

Docket Copy
Surname:
Anderson
Houk
Selfridge
H. Johnson

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

600

FEB - 1 1956

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

Re: Docket No. DMEA-4134-Mica
Southern Mineral Devel. Co., Inc.
Old Susie Mine(Susie Phillips Mine)
Mitchell County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated January 23 and 25, 1956 by Mr. N. E. Nelson, USGS and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

This is the same mine at which exploration assistance was denied under DMEA-3529. The applicant has not submitted sufficient data to justify reconsideration of this application. Rather than attempt to secure further information from the applicant, we feel that a field examination would be a more expeditious method to check the new information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GHB)

Approved:

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

Thor H. Kiilsgaard (GHB)
Member, Geological Survey

Enclosures: 4

WCAnderson:ms 1/30/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

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

RECEIVED
JAN 25 1956

January 25, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 4134 (mica)

Applicant: Southern Mineral Development Co. Inc.

Name and Location of Property: Old Susie Mine (Susie Phillips Mine)
Mitchell Co., N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 1/20/56

Comments:

1. Exploration assistance under DMEA 3529 was denied on December 2, 1954.

2. Applicant states recent work has disclosed favorable indications of mica occurrences.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
JAN 24 1956

January 23, 1956

Re: DMEA 4134
Southern Mineral Devel. Co., Inc.
Susie Phillips Mine
Mitchell Co., N. C.
$8,100.00 - Mica

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in bulldozing, shaft sinking and drifting on a pegmatite which was the subject of application DMEA 3529. The application was denied December 2, 1954, largely because "All of the mica observed by the examiners is "A"-type and most is badly mineral-stained and mottled. Only a small percent would be classified as strategic by present Government specifications. Beryl is also reported to have been recovered from past mining operations but none was observed." (Field Team report, December 1954, DMEA 3529.)

Subsequently a drift was driven 20 feet, but its relationship to the exposures examined in 1954 is not given. "Old muck" is said to have been cleaned out preparatory to driving the drift, so the work probably is near the old workings. However, the strike of the vein, according to the sketch maps of the applications, has changed in the interim from N. 10° E. to N. 12° W.

Mica is reported uncovered by the new work and "the vein material looks very good," but no mica is reported as having been stocked or sold.

Unless a wholly new discovery has been made and the outlook changed much more than the application suggests, denial of this application is in order. Perhaps the Field Team, by interview or letter, can check the new information without examination.

Referral to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

January 19, 1956

Subject: DMEA-4134
Re: Exploration Assistance
Old Susie Mine &
Susie Phillips Mine

Southern Mineral Development Company, Inc.
Box 847
Spruce Pine, North Carolina

Gentlemen:

The receipt of your application dated January 14, 1956, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4134 and referred to the Nonmetallic 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.

RECEIVED
JAN 19 1956

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

Not to be filled in by applicant

Docket No. DMEA-4134
Metal or Mineral Mica
Date Received 1-19-56
Estimated Cost $8,100.00
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Southern Mineral Development Company, Inc.
Box 847, Spruce Pine, N. C.

Corporation - Tennessee

(*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. See sheet.

(*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. Old Susie Mine - Susie Phillips Mine

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

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

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

(*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. See sheet.

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated January 14, 1956

Southern Mineral Development Co., Inc.
(Applicant)

By Arthur M. Wells
Sec.-Treas.

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

RECEIVED
JAN 19 1956

MF-103 (continuation sheet)

1. (c) John H. Ledbetter, Pres.
Buford B. Ledbetter, Vice-Pres. & General Manager
Arthur M. Wells, Secretary-Treasurer and Supt.

4. (a) This mine was operated approximately 85 or 90 years ago, and produced some high quality mica, as well as some Beryl. Application was filed for loan on this mine some time ago and was turned down. However, since that time considerable work has been done here by the Southern Mineral Development Co. Inc. Old muck has been cleaned out, and an adit driven about 20'. In our estimation, enough mica has been uncovered to warrant further exploration and assistance by the DMEA.

(b) See (a). No official records of past production.

(c) In the 20' adit that has been opened recently, mica shows in several places and the vein material looks very good.

(d) Project is accessible to roads and shipping and needs only about 10 hours bulldozing work done on road at mine.

(e) Manpower, materials, supplies and equipment available; power is within 100 yards.

6. (b) We propose to bulldoze 10 hrs. on access road, bulldoze off overburden, lower a 5 x 7 ft. shaft 100'; then drift 80 feet with vein.

6. Estimate of costs:

10 hrs. Bulldozing access road @ 10.00 hr. . . .	$ 100.00
20 hrs. Bulldozing overburden at site	200.00
100' 5x7 shaft @ $50.00 per ft.	5000.00
80' 5x7 drift @ $35.00 per ft.	2800.00
Total estimated cost of project	$ 8100.00

RECEIVED
JAN 19 1956

Mr. Arthur M. Wells, Sec.-Treas. for the Southern Mineral Development Company, Inc. is their superintendent as well. He will supervise the work on the Old Susie Mine. Below is a personal sketch on Mr. Wells.

Born: 1924, in New York.[1]

Attended High School and graduated: Chattanooga, Tenn. 1941

Honorable Discharge from U.S. Army - Served 1943 to 1946.

Received B.S. Degree from University of Tennessee in 1951.

Did Post grad. work at University of Tenn. 1951-1952.

Since completing college, Mr. Wells has been employed by Gateway Engineering Company, Beneficial Standard Life Insurance Company, Combined Insurance Co. and is at present with Southern Mineral Development Co. Inc.

Mr. Wells has been in this area since October, 1955 and has done work at the Old Susie Mine, Buzzard Roost Mine and is at present contemplating work at several others. He has gained considerable knowledge about mining, and is a reliable and respected man. He lists the following references:

Mr. C. E. Boone
Explosives Supply Co.
Spruce Pine, N. C.

Mr. Sam L. Phillips, Pres.
Domestic Mica Miners Assn.
Spruce Pine, N. C.

R. B. Phillips
Bakersville, N. C.

MINING LEASE

RECEIVED
JAN 19 1956

State of North Carolina Mitchell County:

This indenture made this 2nd day of December, 1955, ~~1955~~,

between R. B. Phillips

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Southern Mineral Development Company, Inc.

of Montgomery County and State of ~~North Carolina~~ Tennessee, 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 on an iron stake at the center of what is known as the Old Susie Mine which is located 235' S.W. of another iron stake; and running North 250'; thence West 250'; thence South 500'; thence East 500'; thence North 500'; thence West 250' to a point of closing. This property lying approximately 1½ miles West of Ledger, 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 (One-eighth)

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:

Kenneth R McKinney
Notary Public
My comm Exp 8/17/57

R B Phillips (Seal)

(Seal)

(Seal)

MINING LEASE

RECEIVED
MAR 26 1956

State of North Carolina Mitchell County:

This indenture made this 2nd day of December, 1955, 195~~3~~,

between R. B. Phillips

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Southern Mineral Development Company, Inc.

of Montgomery County and State of ~~North Carolina~~ Tennessee, party of the second part and known as lessee.

WITNESSETH, That the part Y 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 on an iron stake at the center of what is known as the Old Susie Mine which is located 235' S.W. of another iron stake; and running 450' North; thence 250' West; thence 700' South; thence 500' East; thence 700' North; thence 250' West to a point of closing. This property lying approximately 1½ miles West of Ledger, 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:

Kenneth R McKinney
Notary Public
My Comm Exp 8/17/57

R B Phillips (Seal)

_____ (Seal)

_____ (Seal)

RECEIVED
MAR 2 6 1956

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 2nd day of December, 1955, 1955,

between R. B. Phillips

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Southern Mineral Development Company, Inc.

of Montgomery County and State of ~~North Carolina~~ Tennessee, party of the second part and known as lessee.

WITNESSETH, That the part Y 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 on an iron stake at the center of what is known as the Old Custe Mine which is located 235' S.W. of another iron stake; and running 450' North; thence 250' West; thence 700' South; thence 500' East; thence 700' North; thence 250' East to a point of closing. This property lying approximately 1½ miles East of Ledger, 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:

R B Phillips (Seal)

(Seal) Signed Kenneth R. McKinney
Notary Public

(Seal)

(Seal)

MINING LEASE

RECEIVED
MAR 26 1956

State of North Carolina Mitchell County:

This indenture made this 2nd day of December, 1955, ~~1953~~,

between R. B. Phillips

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Southern Mineral Development Company, Inc.

of Montgomery County and State of ~~North Carolina~~ Tennessee, 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 on an iron stake at the center of what is known as the Old Susie Mine which is located 235' S.W. of another iron stake; and running 450' North; thence 250' West; thence 700' South; thence 500' East; thence 700' North; thence 250' West to a point of closing. This property lying approximately 1½ miles West of Ledger, 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

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

Witness:

R B Phillips (Seal)

(Seal) (Signed) Kenneth R. McKinney
Notary Public

_____ (Seal)

_____ (Seal)

MINING LEASE

RECEIVED
MAR 26 1956

State of North Carolina Mitchell County:

This indenture made this 2nd day of December, 1955, 195~~5~~,

between R. B. Phillips

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Southern Mineral Development Company, Inc.

of Montgomery County and State of ~~North Carolina~~ Tennessee, party of the second part and known as lessee.

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Witness:

R B Phillips (Seal)

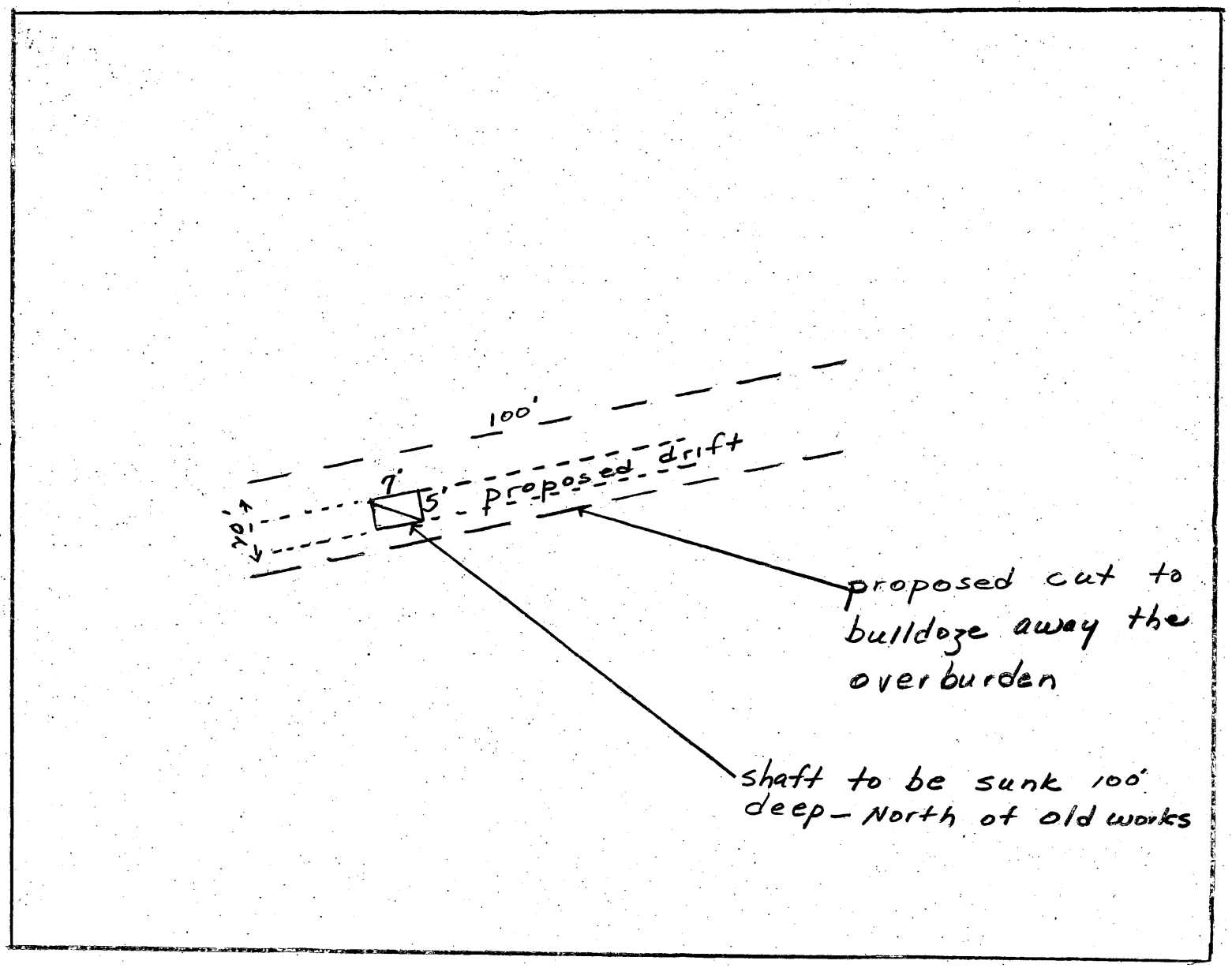
(Seal) (Signed) Kenneth R. McKinney
Notary Public

(Seal)

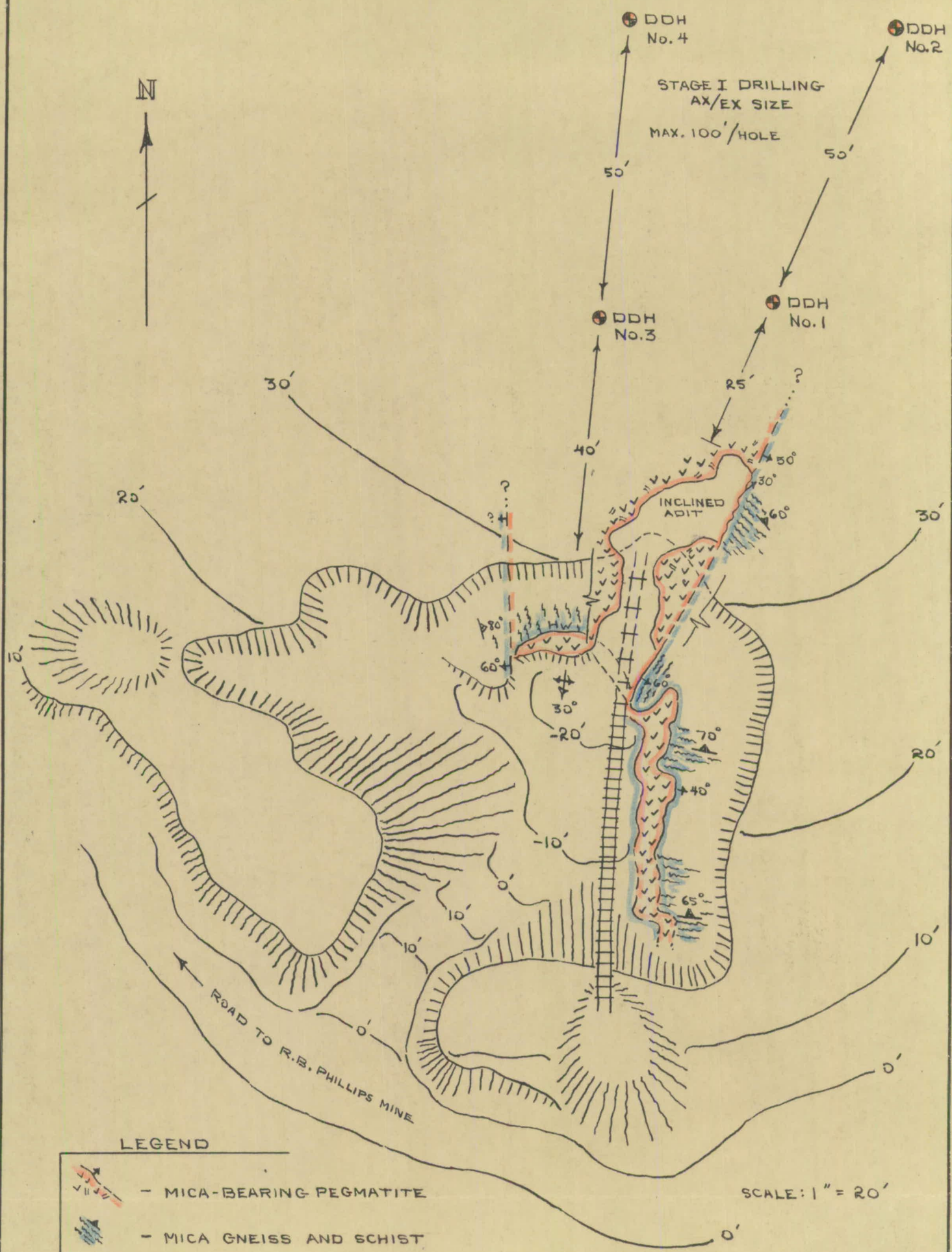
(Seal)

OLD SUSIE MINE

Mitchell Co., N.C.



RECEIVED
JAN 19 1956

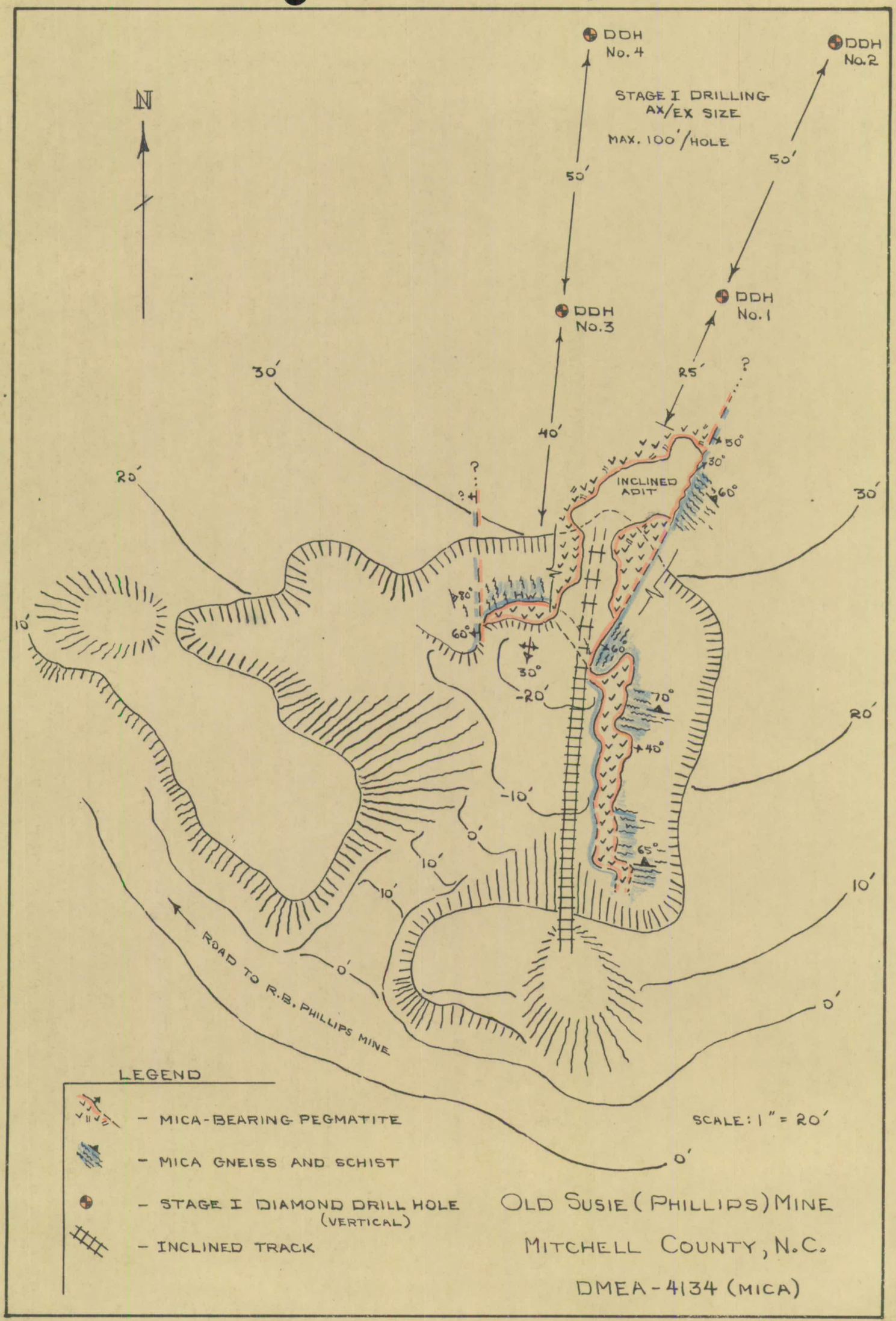


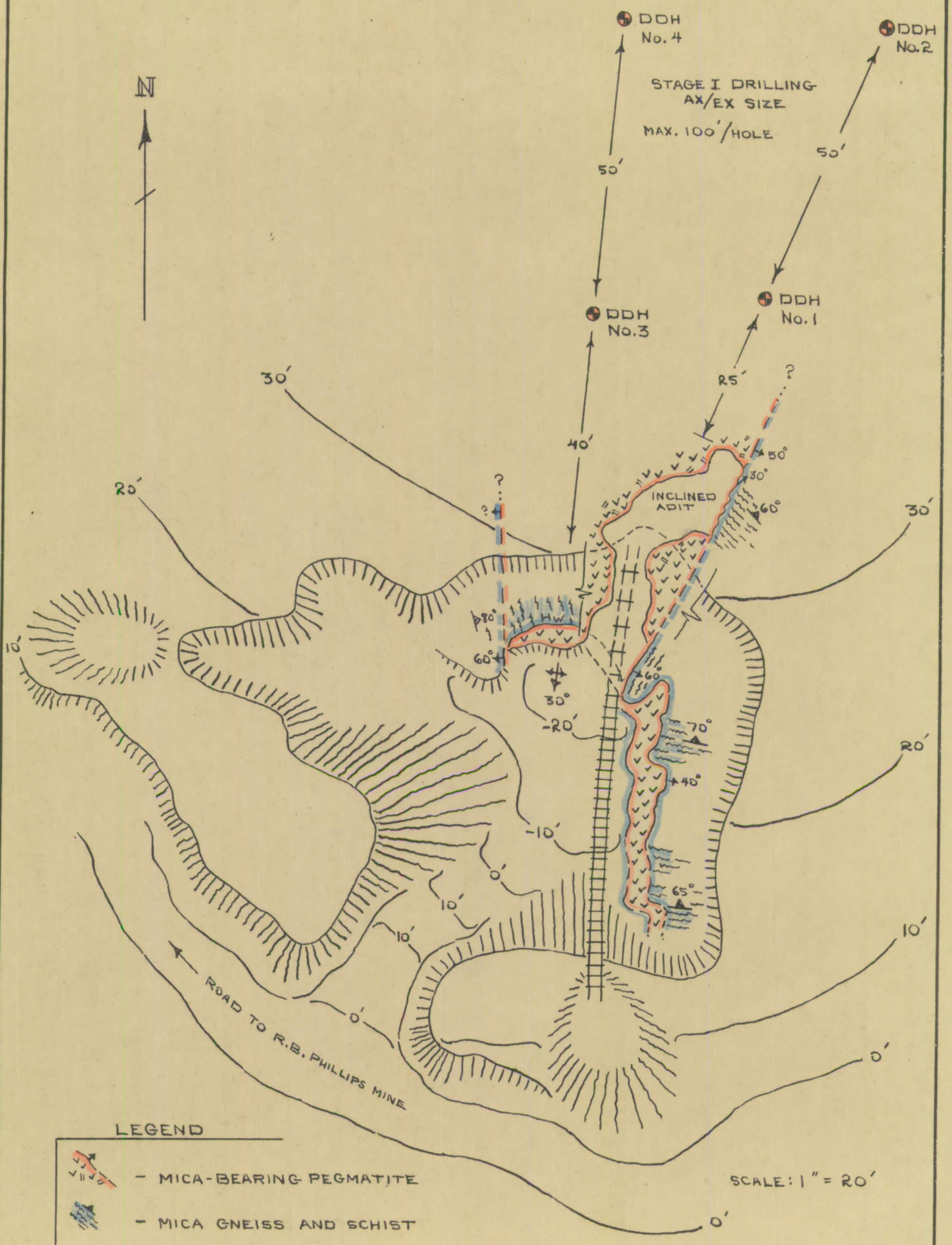
OLD SUSIE (PHILLIPS) MINE

MITCHELL COUNTY, N.C.

DMEA-4134 (MICA)

SCB 3/56


N
DDH No. 4
DDH No. 2
STAGE I DRILLING
AX/EX SIZE
MAX. 100'/HOLE
50'
50'
DDH No. 3
DDH No. 1
30'
25'
40'
20'
30'
INCLINED ADIT
HW
80°
60°
30°
-20'
-10'
0'
10'
20'
30'
10'
0'
ROAD TO R.B. PHILLIPS MINE
LEGEND
- MICA-BEARING PEGMATITE
- MICA GNEISS AND SCHIST
- STAGE I DIAMOND DRILL HOLE (VERTICAL)
- INCLINED TRACK
SCALE: 1" = 20'
OLD SUSIE (PHILLIPS) MINE
MITCHELL COUNTY, N.C.
DMEA-4134 (MICA)
SCB 3/56



LEGEND

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- STAGE I DIAMOND DRILL HOLE (VERTICAL)
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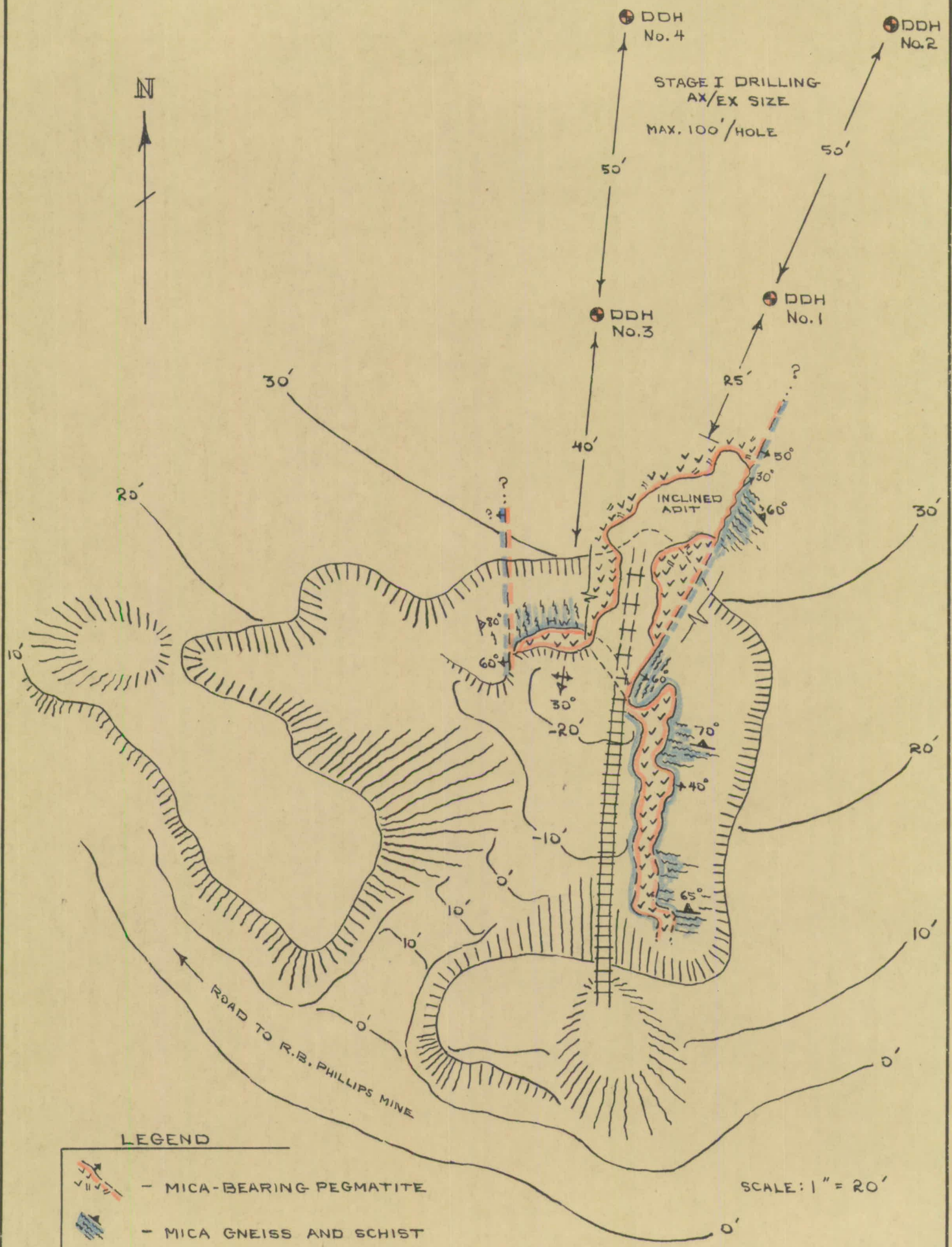
SCALE: 1" = 20'

OLD SUSIE (PHILLIPS) MINE

MITCHELL COUNTY, N.C.

DMEA-4134 (MICA)

SCB 3/56



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MITCHELL COUNTY, N.C.

DMEA-4134 (MICA)

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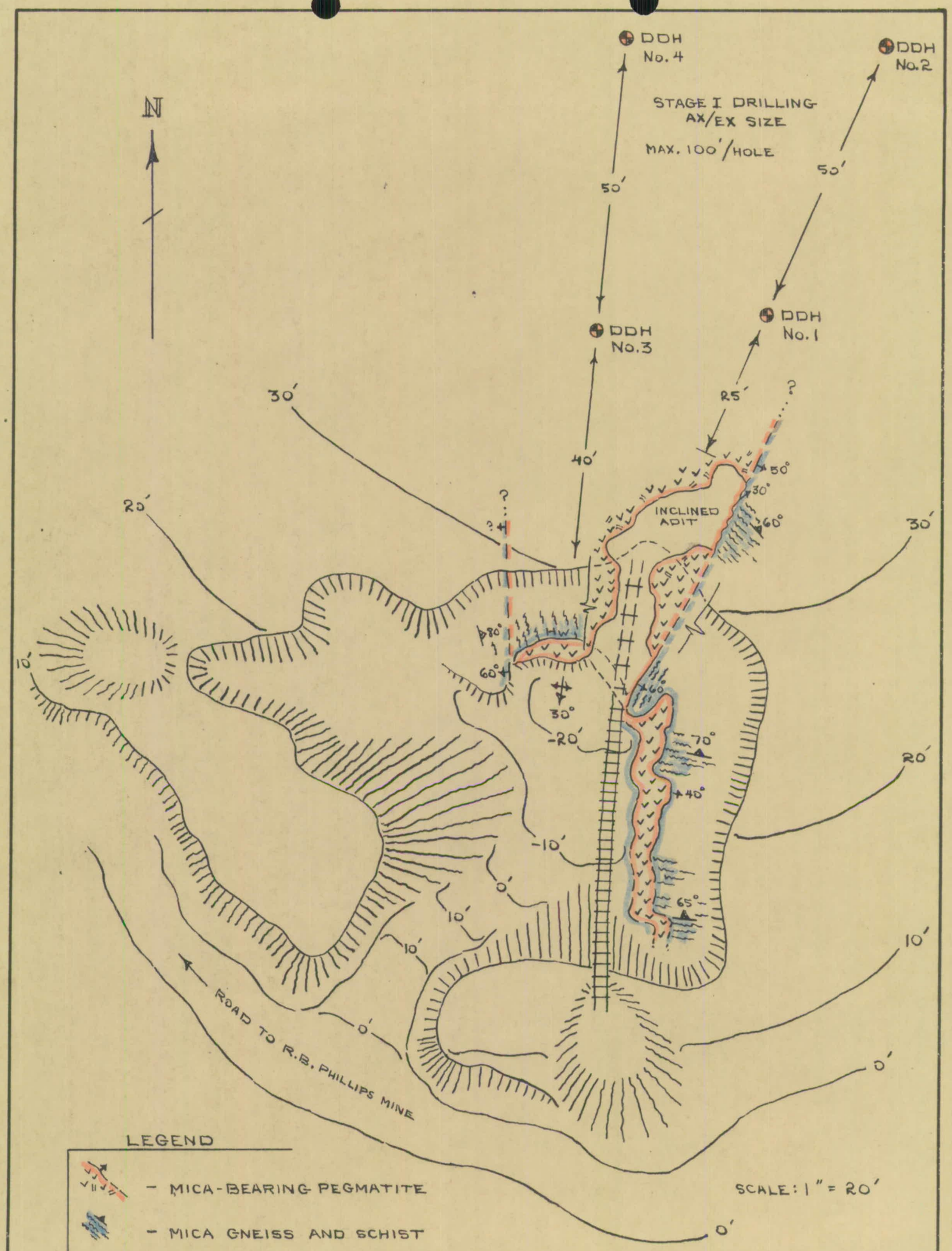
N
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DDH No. 1
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INCLINED ADIT
HW
80°
60°
30°
-20'
-10'
0'
10'
20'
30'
10'
0'
0'
10'
0'
70°
40°
65°
50°
30°
60°
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SCALE: 1" = 20'
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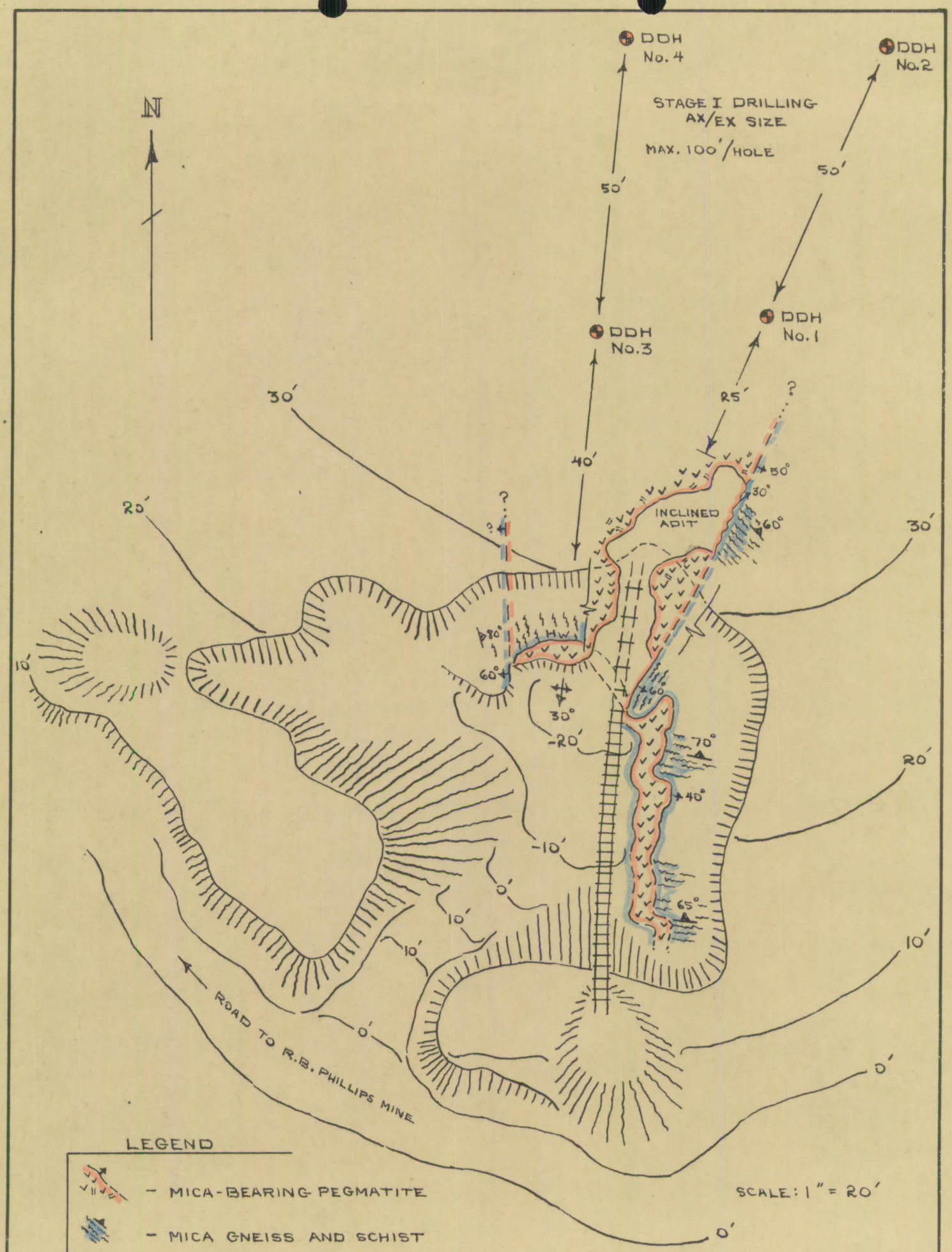
MITCHELL COUNTY, N.C.
DMEA-4134 (MICA)
SCB 3/56

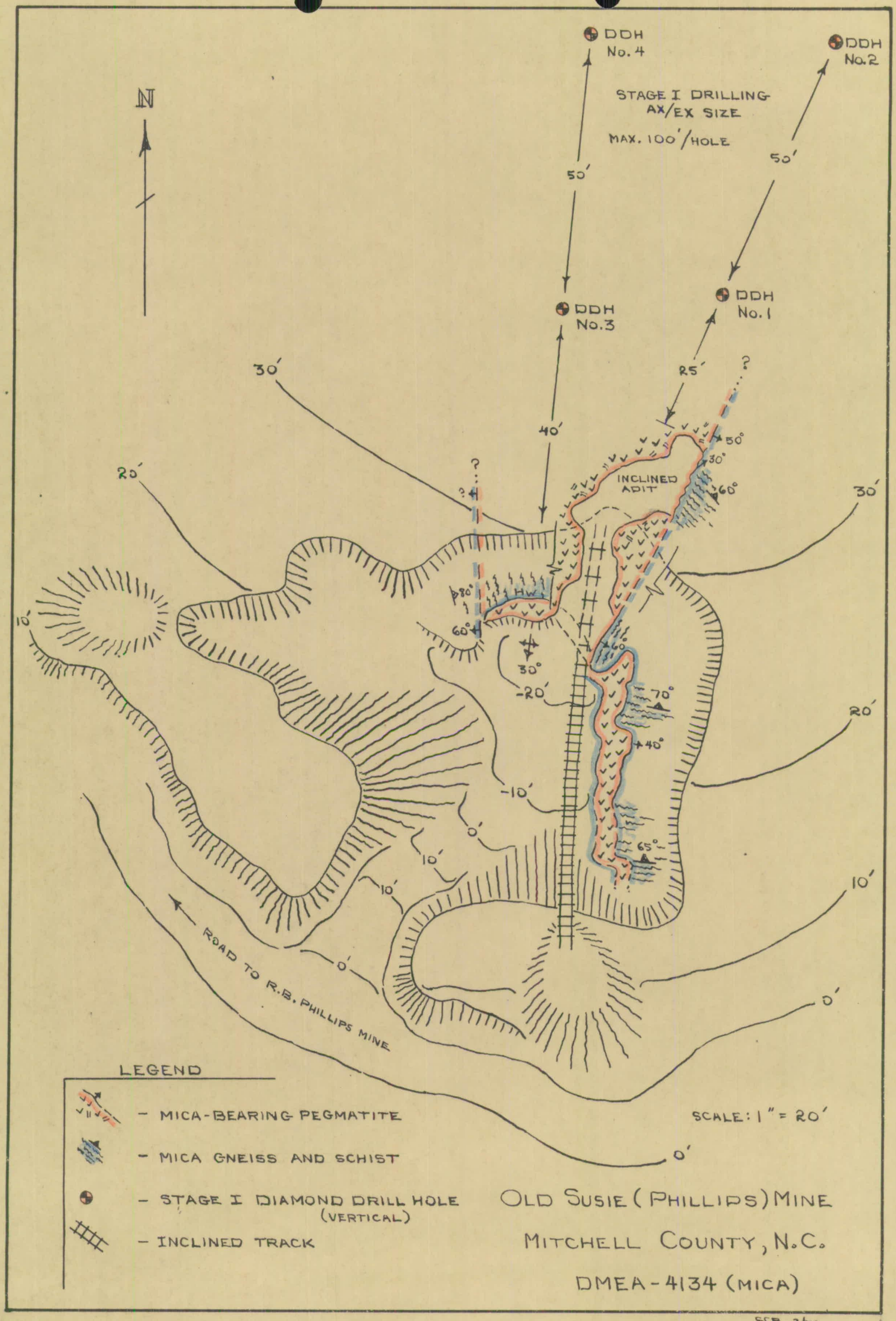


OLD SUSIE (PHILLIPS) MINE

MITCHELL COUNTY, N.C.

DMEA-4134 (MICA)

SCB 3/56



OLD SUSIE (PHILLIPS) MINE

MITCHELL COUNTY, N.C.

DMEA-4134 (MICA)

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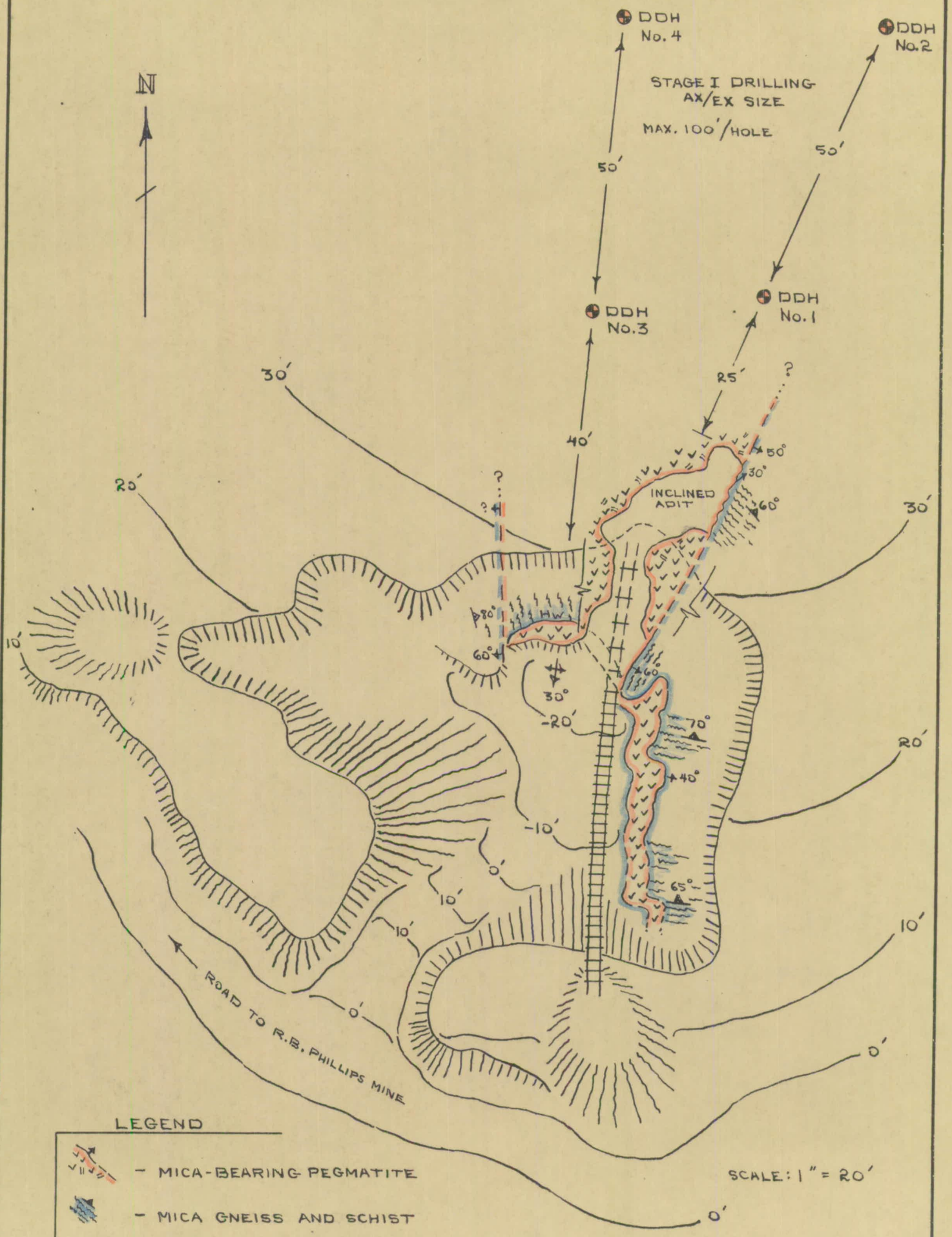

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MITCHELL COUNTY, N.C.

DMEA-4134 (MICA)

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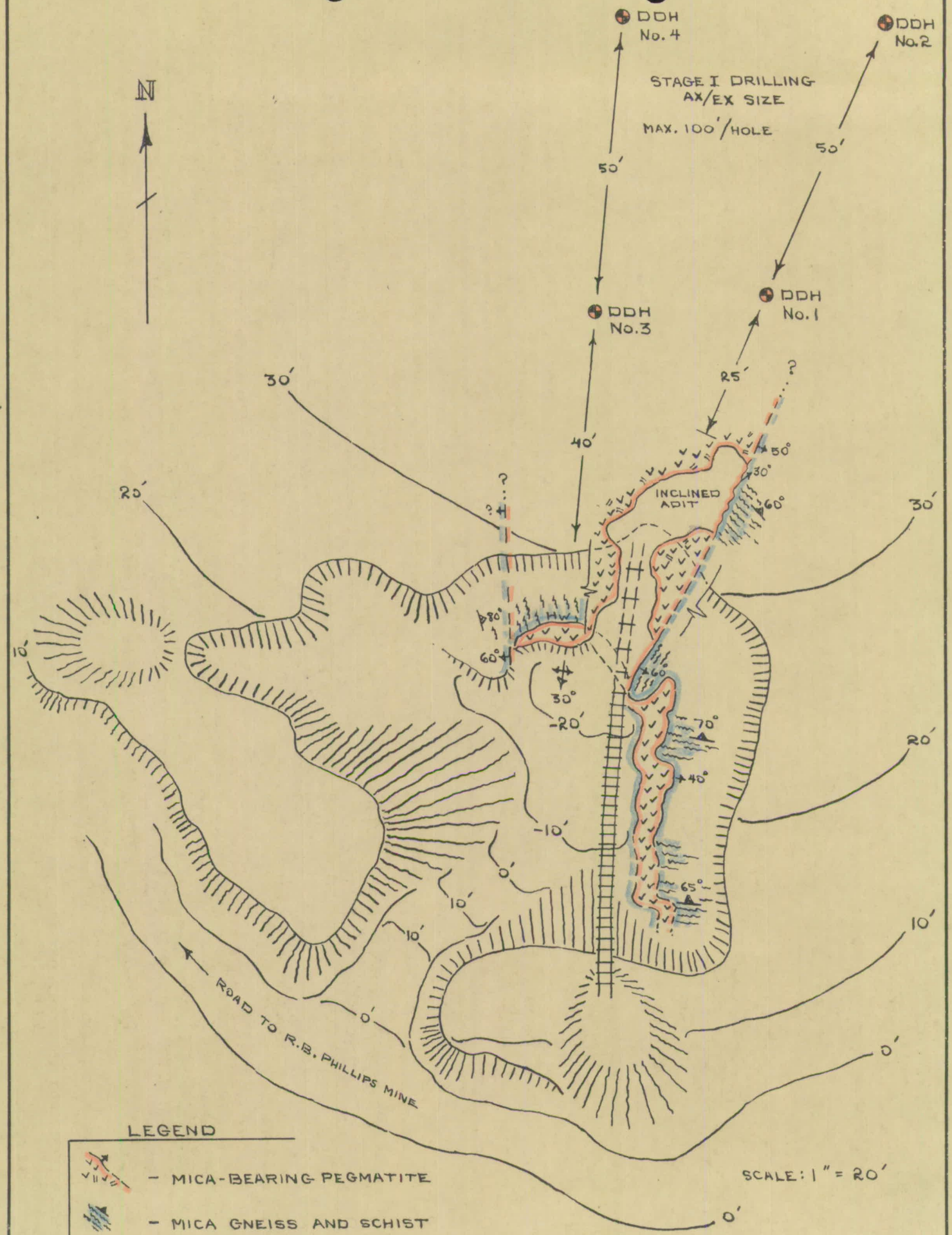

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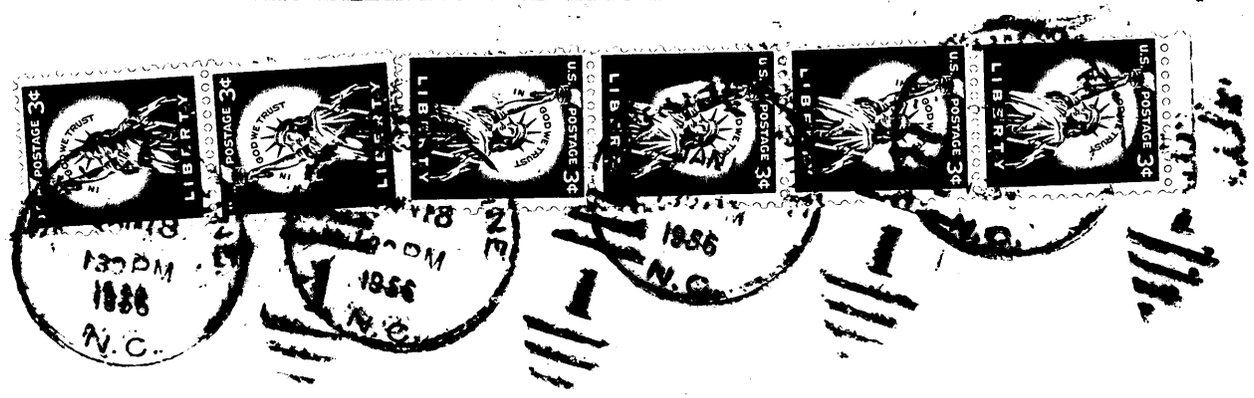
OLD SUSIE (PHILLIPS) MINE

MITCHELL COUNTY, N.C.

DMEA-4134 (MICA)

SCB 3/56

CARROLLTON KLASP—10 x 13
MADE BY
THE AMERICAN ENVELOPE CO.
WEST CARROLLTON, OHIO



Mr. Lawrence G. Hoult, Chief
Nonmetallic Minerals Division
U. S. Dept. of the Interior, O.M.E.A.
Washington 25, D.C.