DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Carolina Mining Company
P. O. Box 314
Franklin, North Carolina

pertaining to Exploration Project Contract No. Idm-E952, Docket No. DMEA-4205, for the months of June 1956 and July 1956, inclusive, covering a project for the exploration of mica on property, known as the Hall Mine located in Jackson County, North Carolina.

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

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

all of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed.

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

Total cost as billed by Contractor		$1,144.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$1,144.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Eight hundred fifty-eight and No/100 Dollars

"$858.00"

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

E. D. Talbert

E. D. Talbert, Auditor

August 30, 1956

Division copy

TERMINATION AGREEMENT

It is agreed this 13th day of August, 1956, between the United States of America, acting through the Department of the Interior, Bureau Minerals Exploration Administration, hereinafter called the "Government," and Carolina Mining Company, hereinafter called the "Operator," parties to Exploration Project Contract Idm-2952 (Docket No. BMEA-4205), dated May 18, 1956, hereinafter called the "Contract," that:

1. Effective July 25, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government provided for in the Contract with respect to a certification of discovery or development, percentage royalty and lien for its payment, records, audit, and recovery of any overpayment, are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

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

THE UNITED STATES OF AMERICA

Indirtz 8/6/56
Dungan
"Appr. Ex. Off."

By Robert A. Lawrence
Executive Officer
BMEA Field Team, Region V

Hopkins
Hook
Chandler
Martin

CAROLINA MINING COMPANY

By Roy H. Feuts
Roy H. Feuts (Partner)

By William Dimmes
William Dimmes (Partner)

Division copy

RECEIVED
MAY 28 1956

MF-200A
(Revised June 1954)

Docket No. DMEA - [redacted]

Commodity [redacted]

Contract No. Idm-E 952

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

It is agreed this MAY 18 1956 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] [redacted],
whose mailing address is [redacted],
hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

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

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

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of [redacted]. The work to be performed is described in Exhibit "A." The Operator on or before JUN 30 1956 shall commence the work, and on or before [redacted] (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

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

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

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

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

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

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

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

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

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

[redacted]

(Operator)

By [redacted] (Partner)

[redacted] (Partner)

THE UNITED STATES OF AMERICA

By [redacted]

[redacted]

Appd. Sol. Off.

Selfridge

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ..... who signed this contract on behalf of the Operator, was then ..... of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
CAROLINA MINING COMPANY
DOCKET NO. DMA-4205

RECEIVED
MAY 28 1956

ANNEX I

The land referred to in Article 2 of the contract is a portion of land owned by R. L. Hall and his wife, Drusciller (Drusilla) Hall, conveyed by a deed from Arthur Quilliams and Lillie Quilliams, dated March 23, 1928, and recorded in the Office of the Register of Deeds for Jackson County, North Carolina, in Book 132, page 34, the boundaries of which portion are more specifically described as follows:

Beginning at a stake in the Branch; thence S. 21° W. 22 poles to a stake on top of ridge; thence S. 37° E. 22 poles to a stake; thence S. 30° E. to the Branch, then with said branch S. 45° W. and with its meanders to the Beginning; containing 10 acres more or less.

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1 - 952
Contract Date MAY 18 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Jackson, State of North Carolina, described as follows:1/
Being a parcel of land carved out of the deed to R. L. Hall and wife Ddruesillar Hall, dated March 23, 1938, and recorded in the office of The Register of Deeds for Jackson County, N. C. in Book 132, Page 36, and boundries as follows: BEGINNING at a stake in the Branch thence S-21-W 32 poles to a stake on top of ridge thence S-37-E 32 poles to a stake, thence N-50-E to the Branch, then with said branch N-45-W and with its meanders to the BEGINNING; containing 10 acres more or less.

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/

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 1st day of March, 1956.

/s/ Robert Hall [Seal]

/s/ Druscilla Hall [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
MAY 28 1956

EXPLORATION PROJECT CONTRACT
CAROLINA MINING COMPANY
DOCKET NO. DMRA-4203

EXHIBIT "A"

Description of the Work

The location of the work is shown generally on the map entitled "Location Map No. 1, DMRA-4203," and specifically on the map entitled "Hall Mine, DMRA-4203-Mica, Jackson Co., N.C. Map No. 2," both of which are attached hereto and made a part hereof. The work shall consist of the following:

1. Lower existing cut. Approximate dimensions of new construction will be 23 feet by 5 feet by 2 feet.

2. Construct:

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

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

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

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

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

3. Drive 80 feet of adit on the pegmatite having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All work shall be timbered as necessary.

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

Fixed Unit Costs

1. Excavate floor of cut having approximate dimensions 15 feet by 5 feet by 2 feet 10 cubic yards @ $10.00/cu. yd.		$ 100.00	
2. Construct:			
Toolhouse	$76.00 1/		
Exploder Magazine	15.00 1/		
Powder Magazine	25.00 1/	116.00	
3. Drive 80 feet of adit @ $22.00/ft.		1,760.00	
Estimated Total Cost of Project			$3,776.00
Government Participation @ 75%			$2,832.00

1/ The completed work constitutes the unit.

DMEA-4205 CLOSING LETTER TO OPERATOR 3/13/57

Letter to Mr. R. A. Laurence, Reg. V enclosing a copy of closing letter to be forwarded to Mr. and Mrs. Robert Hall, signers of Consent to Lien.

Project Summary Report

March 8, 1957

By: Walter C. Anderson

1. Docket No. DMEA-4205-mica
Contract No. Idm-E952
Hall Mine
Jackson County, North Carolina

Application: Form MF-103 (April, 1952) received March 6, 1956

Work proposed by applicant:

60 feet of shaft @ $50/ft.	$3,000.00
100 feet of drifts @ $35/ft.	3,500.00
Total amount requested	$6,500.00

Operator: Roy H. Fouts and William Dinnes
d/b/a Carolina Mining Company
Box 314, Franklin, North Carolina

Operator's Property Rights:
Mining lease continuing until January 1, 1957 on the Hall property, consisting of 100 acres more or less, dated February 21, 1956.
Consent to Lien of Owner - dated March 1, 1956

2. Contract: Form MF-200A (June, 1954) dated May 18, 1956

Work Authorized:

Surface excavation	$ 100.00
Construction - toolhouse, powder and exploder magazines	116.00
80 feet of adit @ $32.00/ft.	2,560.00
Estimated total cost of project	$2,776.00
Government participation @ 75%	$2,082.00

Amendments - none

Work Completed:

Surface excavation	$ 100.00
Construction - toolhouse, powder and exploder magazines	116.00
29 feet of adit @ $32.00/ft.	928.00
Total accepted cost	$1,144.00
Government participation	$ 858.00

Work began on June 9, 1956 and was termined by mutual agreement, effective July 25, 1956.

Field Team Final Report received September 4, 1956

Operator's Final Report received August 13, 1956

Royalty received amounts to $1.45 which accounts for all the mica produced during operations.

The Field Team estimated the value of production to be $18.49. It can be assumed that no more mica has been produced subsequently, since the Operator indicated in his final report that this is not a mica producer.

No equipment purchased under contract.

3. Audit:

Report of Review issued August 30, 1956

Total accepted cost	$1,144.00
Government participation	$ 858.00

4. Certification of Discovery - none issued

5. Comments:

How Conducted:

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

Operation:

Good

Engineering:

Reporting by the Operator was acceptable

Geological Premise:

The outcrop indicated a good mineralogical environment, but the pegmatite pinched out a short distance from the adit portal. The largest and most productive part of the body had

apparently been eroded away.

Geological criteria upon which work was based:

1. Pegmatite - unweathered, conformable mica-bearing pegmatite exposed in heading, 2½ feet thick, composed of massive quartz (1-foot thick), sodic-plagioclase feldspar, muscovite, and sericite.
   Country rock - hard, garnetiferous-biotite gneiss.
2. Mica - ruby, flat, free-splitting, 3 to 6 inches wide, very little staining, some bent and ruled.
3. Past Production - A small amount

Criteria developed during project:

1. Pegmatite - zoned, 2 feet thick, pinching out at the 24-foot point in the adit. Two horizontal holes were drilled from the end of the adit (29 feet) entirely in gneiss.
2. Mica - Only 50 pounds were recovered, coming from near the portal of the adit.

Future possibilities:

None

Recommendations:

Since very little pegmatite was found, the major portion apparently having been eroded away down the hillside, the Field Team recommends that no certification be made. The Nonmetallic Minerals Division and the Commodity Members of the Bureau of Mines and the Geological Survey concur.

WCAnderson:ms 3/11/57
Copy to: Docket
Admr. R. File
Mr. Anderson

Walter C. Anderson

Copy

Mitlendorf

RECEIVED
OCT 17 1956

GENERAL SERVICES ADMINISTRATION FINAL SETTLEMENT Mica Purchasing Depot, Spruce Pine, N. C.				Date Purchased 8-9-56 Acceptance No. 252 (a)	
Certificate Authorization No. 18724	LOT No. 252(a) SP-			VOUCHER No.	
	TOTAL Wt. Lb	Lbs-G.S	Lbs-Stained	Lbs-Hy-Stained	Total Value
Processed for Payment	2.59	1.04	.43	1.12	29.04
No Processed Pay't					
THINS					
BLACK Dots Spots Stains					
Undersized					
Process- Gain ~~Loss~~	.03				
Total Lbs Purchased	2.56				
Less: Initial Payment - Voucher No.			Sch. No.		18.49
Balance Due	Government		Seller		10.55

Seller's Name: Carolina Mining Co
Franklin, N.C

Address:

NAME OF MINE: Hale

DMEA No. 4205 Idm-E 952

Approved

Date:

IN REPLY REFER TO:

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

RECEIVED
SEP 27 1956

September 26, 1956

Re: DMEA 4205, Idm-E952
Carolina Mining Co.
Hall Mine
Jackson Co., N. C.
Approved - $2,776.00 - Mica
Expended - $1,144.00

Memorandum

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

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

Subject: Review of Field Team Final report.

The contract approved the expenditure of $2,776.00 on a work program consisting of bulldozing and drifting on a narrow quartz cored pegmatite. Good mica had been recovered from a 10-foot pit.

The bulldozing was done and the adit was driven 29 feet. The composition and strike of the pegmatite changed at the 20-foot point. The pegmatite changed to a quartz dike and pinched out at the 24-foot point. Fifty pounds of ruby block mica was recovered most of which came from near the portal.

Because of the unfavorable development the contract was terminated, $1,144.00 having been expended. The examiners and the Field Team recommend that no certification be made.

I concur with that recommendation.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-9/26/56
cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061

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

September 20, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: W. F. Dietrich, Chief
Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4205 (mica)

Applicant: Carolina Mining Co.

Name and Location of Property: Hall Mine, Jackson County, N. C.

Contract Number: Idm-X 952

Date of Field Team Report: 8/30/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/6/56

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. The contract was terminated by mutual agreement because the pegmatite pinched out.

2. Possibility for discovery of a worthwhile deposit of strategic mica is considered poor.

3. Expenditures -

Total approved	$2,776.00
Total cost	1,144.09
Gov't. share of the cost	858.06
Value of production during operation	18.49

Recommendation:

I concur with the field team's recommendation for no discovery.

Signed
W. F. Dietrich

H

RECEIVED
SEP - 4 1956

August 30, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Final Report, DMEA-4205, Idm-E952 (mica)
Carolina Mining Company, Franklin, North Carolina
Hall Mine, Jackson County, North Carolina

Enclosed are four copies of the subject final report.

Certification is not recommended.

Robert A. Laurence

/mg
Enclosures 4
cc
Oper. Comm (3)
Lynch
Shirley
File

Reviewed by
DMEA OPERATING COMMITTEE
9-7-56
(date)

RECEIVED
SEP - 4 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-4205, Idm-E952 (mica) HALL MINE
Jackson County, North Carolina

By

A. R. Taylor, Geologist
U. S. Geological Survey

and

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

August 30, 1956

Reviewed by
DMEA PROGRAMS COMMITTEE
9-7-56
(date)

EXPLORATION PROJECT

FIELD TEAM FINAL REPORT, REGION V

RECEIVED
SEP - 4 1956

On

DMEA-4205, Idm-E952 (mica) HALL MINE

Operator: Carolina Mining Company, Box 314, Franklin, North Carolina

Summary

Work completed under the contract consisted of lowering the existing open cut and driving 28 ft of adit. The project was terminated by mutual agreement and did not result in a discovery of strategic mica. It is recommended that no certificate of discovery be issued.

Introduction

The Hall mine is 1.1 airline miles N. 40° W. of Jones Knob in the SE 1/3 of the Greens Creek Quadrangle, N. C., TVA, 166-SE, Jackson County, North Carolina.

Work under the contract began on June 9, 1956 and was terminated effective July 25, 1956, by mutual agreement because the pegmatite pinched out.

The Operator made a substantially larger open cut in hard rock (at his own expense) than called for in the contract. The contract called for a cut 25 ft long, 5 ft wide, and 2 ft deep, but the cut made was 33 ft long, 5 ft wide, and 4 ft deep. The lowering of the cut required drilling and blasting.

An adit was driven for 29 ft from the eastern end of the cut; 12 ft was driven S. 80° E, thence 17 ft N. 20° E.

Facilities built included a tool house, and powder and exploder magazines.

The Operator used a new Atlas Copco 109 c.f.m. diesel-powered air compressor, a rock drill, a jackleg, and small tools.

Geology

The 2-ft thick zoned pegmatite changed in composition and attitude from a plagioclase-quartz-muscovite dike striking N. 75° E. and dipping 67° SE at the portal to a quartz dike at the 20-ft point in the adit with a strike of N. 20° E. and a dip of 65° SE. The pegmatite pinched out at the 24-ft point, but stringers of feldspar and quartz were followed to the 29-ft station. Stringers of quartz and feldspar fill fractures in the country rock, garnet- biotite gneiss, and crosscut the foliation normal to the dike, These stringers pinch and swell from 1 inch to 4 inches in thickness.

Pyrite is associated with both the conformable dike and the stringers.

Two horizontal 5-ft percussion drill holes (one trending N. 80° E. on the footwall side of the adit at the 25 ft point, and the other trending N. 5° W. on the hanging wall side at 29 ft), were drilled entirely in gneiss. Two other holes normal to the walls, cut through gneiss.

A total of approximately 50 lb. of ruby block muscovite was recovered, most of which came from near the portal in the plagioclase zone of the pegmatite. One five pound block of excellent ruby muscovite at the 8-ft point, measuring 3" x 5", represented the largest and best recovered.

Conclusions

The target as presented in the examination report afforded a good mineralogic environment, but apparently, as the dike pinches out into the hillside, the largest and most productive part of that body has been eroded off to the southwest.

The Operator conducted the project in a safe, efficient, and workmanlike manner.

It is recommended that the project not be certified as a discovery.

Expenditures

(a.)	Total amount of Contract	$2,776.00
(b)	Total spent	1,144.00
(c)	Government's participation	2,082.00
(d)	Government's share unexpended	1,224.00
(e)	Value of production	18.49
(f)	Royalty to date	0.92

August 30, 1956

A. R. Taylor, Geologist
U. S. Geological Survey

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

August 20, 1956

Memorandum

To: Helen Miller, Ass't Administrative Officer,

From: Executive Officer, DMEA - Region V

Subject: Royalty Payments: Carolina Mining Co.
Franklin, N.C.

Transmitted are bills-of-sale and checks on the following:

Idm-E952, DMEA-4205, - Total sales-$18.49 - Royalty $0.92

Idm-E954, DMEA-4224 - Total Sales $46.91 - Royalty - $2.35

Robert A. Laurence

ZM.
cc
Lynch
Mittendorf
Shirley
Files

copy

DMEA-4205, Ib-952

GENERAL SERVICES ADMINISTRATION WARRANTY, ACCEPTANCE AND INVOICE MICA PURCHASING DEPOT, SPRUCE PINE, N. C.		DATE PURCHASED 8-9-56 ACCEPTANCE No.
CERTIFICATE AUTHORIZATION No. 1872A	LOT No.	VOUCHER No. ✓
RUBY X NON-RUBY	TOTAL LBS. PURHCASED	VALUE - INITIAL PAYMENT
PRELIMINARY PAYMENT	2.56	18.49
GENERAL SERVICES ADMINISTRATION		
By:	NAME OF MINE Hall	COUNTY - STATE 952 N.C
	DMEA No. 4205 Idm-E	
	Seller: Carolina Mining Co	
	Address: Franklin, N. C	
	Title: Wm Dinnes, partner	

RECEIVED
AUG 22 1975

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

August 17, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Termination Agreement - Idm-E952, DMEA-4205 (mica)
Carolina Mining Co. Hall Mine

Transmitted are three signed copies of the subject termination agreement. The usual distribution of the other copies has been made.

Robert A. Laurence

zm.
cc

Finance Office
Lynch
Files
Shirley

RECEIVED
AUG 20 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON OFFICE
ROOM 15 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
AUG 13 1956

August 9, 1956

Memorandum

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

From: Field Team - DMEA - Region V - Knoxville

Subject: Operator's Final Report, DMEA-4205, Idm-E952 (mica)
Carolina Mining Company, Franklin, N. C.
Hall Mine, Macon County, North Carolina

Enclosed are four copies of the Operator's final report. Work on the project has stopped, pending approval of the termination agreement, as requested in our memorandum of July 31.

Robert A. Laurence
Executive Officer

Wm. A. Beck for V. J. Lynch
Member, Bureau of Mines

RAL/mg
Enclosures 4
cc
Operating Committee (3)
Lynch
Shirley
files

RECEIVED AUG 23 1956

ENGINEERING AND GEOLOGIC REPORT

Carolina Mining Company
P. O. Box 314
Franklin, North Carolina

Contract No. IDM-E-952
DMEA - 4205 - Jackson
County, N. C. - Mica

This contract byaand between Carolina Mining Company and the Government was signed May 18, 1956 and on June 9, 1956 work got under way.

Subject contract called for lowering existing cut 25 feet by 5 feet by 2 feet, construct toolhouse, powder storage magazine, and exploder storage magazine. Then drive 80 feet of adit on the pegmatite. This was to be done under standard mining specification and safety rules.

The existing cut was lowered and the operator moved twice the amount of rock which contract called for, but was advantageous to operator in future operations had this mine been a mica producer, even though the operator did this at his own expense.

A tool house, powder storage magazine and exploder storage magazine was built all to the specifications of the standard approved method.

An adit was drove 28 feet, which runs S. 80° E for the first 12' thence N 30° E the remaining 17'. This was in solid material which necessitated blasting every foot of the way, and was an opening 5' & 7' in the clear.

The pegmatite completely pinched out at 24' but we followed stringers the remaining 5'. The country rock was garnetite Biolite gneiss, containing stringers of quartz. The pegmatite contained white sugar quartz flanked by inches of feldspar. It had a 65° dip along the folation.

The mica was Ruby, and total production was 50 lbs of mine run block.

RECEIVED
AUG 8 - 1956
U. S.
Geological Survey
Knoxville, Tenn.

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

Re: Docket No. DMEA-4205-mica
Carolina Mining Company
Hall Mine
Jackson County, North Carolina
Contract No. Idm-8952

Dear Mr. Laurence:

Reference is made to the Field Team memorandum of July 31, 1956, recommending termination of the subject contract by mutual agreement.

We have prepared and enclose the original and five copies of a Termination Agreement, with effective date as shown, for your signature. If it meets with your approval, please sign it in behalf of the Government and present it to the operator for approval and signature.

If any part of this agreement does not have either your approval or that of the operator, and cannot be amended within your delegated authority, then the original and all copies are to be returned to this office, together with the proposed changes, for consideration.

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

Sincerely yours,

Approved:

FRANK D. LAMB
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey

W. S. Martin
ACTING Chairman, Operating Committee

JHopkins:ms 8/8/56
Copy to: Docket
Operating Committee
Mr. Killagaard, 5222
Mr. Dietrich, 3061
Mr. Hawk
Admr. R. File

Enclosures: 6

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Final

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
AUG 13 1956

Month of [illegible], 1956 Docket No. DMEA 4203 Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $2,776.00 Government Participation: 75% Amount, $2,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	[illegible]	[illegible]	[illegible]			
[illegible]		[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	[illegible]	[illegible]	[illegible]			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	[illegible]		[illegible]	1044.00	100.00	1144.00

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

Date [illegible] *Payee [illegible]

Per Roy H. Fouts Title Partner

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

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

(Instructions on reverse)

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

$ 783.00

Signature Peter R. Mueller
(Authorized Certifying Officer)

Date AUG 9 1956 Vou. No. 25
(See other side)

261.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-952 in accordance with the terms of the contract.

Signature T. J. Lynch Title Mining Eng. Date 8-8-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date AUG 9 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG 13 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1956 Docket No. DMEA 4205 Contract No. IDM-E-952
Operator's Name CAROLINA MINING COMPANY Minerals MICA
Address P.O. BOX 314, Franklin, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft	928.00	29	928.00	29	$32.00		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Excavate Floor	Cu. Yd.	None	None	100.00				
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		116.00		116.00				
Total Costs		1,044.00		1,144.00				

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

Date 8/13/56 Operator CAROLINA MINING COMPANY

Per Ray H. Faults Title Partner

Remarks:

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

(Instructions on reverse)

(For Government use only)

V. J. Lynch
Bureau of Mines
8-8-56

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
AUG 13 1956

Narrative

Monthly Report for

July - 1956

CAROLINA MINING COMPANY
P. O. Box 314
Franklin, North Carolina

Contract No. IDM-E-952
DMEA - 4205 Jackson
County, N. C. Mica

1956

July 2, - Drilled, Blasted
3, - Mucked
4, - Drilled Blasted and mucked
5, - Drilled, & Blasted
6, - Mucked

July 9, - Drilled and blasted, mucked
10, - re-located aircompressor water line.
11 -- Completed tool house, exploder magazine and powder magazine. The reason this was not completed before was we were blasting in open cut and if it had neeb located near the portal we would have destroyed it, therefore we provided temporary tool house and magazines.
12, - Drilled & blasted
13, - Mucked

16, - Drilled Blasted & Mucked
17, - Drilled & Blasted
18, - Mucked
19, - Drilled & Blasted
20, - Mucked

23, - Drilled, blasted, and mucked. was visited by field team and mutually agreed to stop operation as immediate indication of mica was not present.

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

RECEIVED
AUG - 1 1956

July 31, 1956

Memorandum

To: Operating Committee, DMEA- Washington

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

Subject: DMEA-4205, Idm-E952 (mica) Carolina Mining Co., Franklin, N.C.
Hall Mine, Jackson County, N. C.

Enclosed are four copies of the latest interim report on the subject contract. Further work seems inadvisable, and we request termination agreement be prepared effective July 25, 1956. Certification will not be recommended.

Robert A. Lourence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

RAL/xm

cc:
Lynch
Shirley

Files

INTERIM REPORT

RECEIVED
AUG 4 1953

DMEA-4205, Idm-E952 (Mica) HALL MINE

Operator: Carolina Mining Company, P. O. Box 314, Franklin, North Carolina

Location: 1.1 Airline miles N40°W of Jones Knob in the SE 1/3 of the Greens, North Carolina, TVA Quadrangle, 166 SE, Jackson County, North Carolina

Drifting has been in progress on this contract since completion of open cut excavation. Twenty-nine feet of total drift has been completed; 12 feet was driven S80°E and the remaining 17 feet was driven N20°E. At the 24 foot point in the drift the pegmatite began thinning and cut out completely at 29 feet. The operator drilled 5 foot test holes in both walls at near right angles to the drift direction and placed two similar holes in the face, none of which encountered pegmatite. The Field Examiners recommend that this contract be terminated, and the operator is in agreement, by mutual consent of both parties.

The drift work followed a pegmatite body 2 to 2.5 feet thick containing a quartz core, feldspar and medium sized blocks of good quality muscovite mica. About 50 pounds of mine-run block was produced from all of the drift work.

The operator conduetdd this work in a very efficient manner and is to be commended for setting up a good operation. It is unfortunate that the pegmatite did not persist along strike.

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

A. R. Taylor, Geologist
U. S. Geological Survey

July 23, 1956

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

Budget Bureau No. 42-R1036.5

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

Month of June, 1956 Docket No. DMEA 4205 RECEIVED Contract No. IDM-E 952
Operator's Name CAROLINA MINING COMPANY JUL 20 1956 Minerals Mica
Address P. O. Box 314, Franklin, N. C.
Contract Amount, $ 2,002.00 Government Participation: 75% Amount, $ 2,776.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Excavate Floor	100.00	None	100.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	100.00		100.00	100.00	—	100.00

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

Date 7/13/56 *Payee CAROLINA MINING COMPANY

Per William Grimes Title Roy H. Fonts

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

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

(Instructions on reverse)

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

$ 75.00

Signature Helen R. Mellin
(Authorized Certifying Officer)

Date JUL 18 1956 Vou. No.

(See other side)

2500

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-952 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist Date July 16, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA REGION V Date JUL 16 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-134A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 20 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1956 Docket No. DMEA-205 Contract No. IDM-H 952
Operator's Name CAROLINA MINING COMPANY Minerals Mica
Address P.O. Box 314, Franklin, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Excavate Floor	cu yd	100.00	10	100.00				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		100.00		100.00				

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

Date 7/13/56 Operator CAROLINA MINING COMPANY
Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Alfred R. Taylor
Geologist, USGS

INSTRUCTIONS

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

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

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

GPO 872894

NARRATIVE
MONTHLY REPORT FOR
June - 1956

CAROLINA MINING COMPANY
P. O. Box 314
Franklin, N. C.

Contract No. IDM-E 952
DMEA - 4205- Jackson
County, N. C. - Mica

1956
June 4 - - Starting date moved in wheel barrow, saw, axe, picks, lumber and other hand tools.
5 - - Constructed temporary powder magazine and exploder magazine.
6 - - Did some mine clearing, consturoted temporary tool shed.
7 - - Hauled rails to mine for mine car, more mine clearing.
8 - - Put in pipe line for air compressor & water line . In the begining all of our installations are temporary as the first thing the contract calls for is excavating the floor of open cut, and since the cut is solid rock it must be blasted. In doing this all buildings, tools, com ressors must be backed out of the way as the flying rock form the blasting will damage everything whthin several hundred feet.

11 - -Set up compressor only temporary, back away from the blasting area. Drilled one round and blasted.
12 - - Mucked, and cleared away from around mine
13 - - Drilled, Blasted and mucked.
14 - - Since the contract called for excavating floor of cut having approximate 25 feet by 5 feet by 2 feet, and it being three feet above the level of road we decided to lower the floor of cut to the level of road since the road has to be kept open. This however is at the expense of the operator as it will be more convenient to portal from road, Drilled, blasted and Mucked.
15 - - Drilled, Blasted & Mucked.
18 - - Finished mucking, Drilled & Blasted
19 - - mucked
20 - - Drilled, Blasted & Mucked
21 - - Mucked
22 - - Drilled, Blasted & Mucked
25 - - Our water supply went dry and had to grade a water line around the mountain by gravity from another streem.
26 - - Drilled, Blasted and mucked
27 - - mucked
28 - - Drilled, Blasted, mucked and ut in rails for mine car.
29 - - Drilled and blasted.

INTERIM REPORT

RECEIVED
JUL 20 1956

DMEA-4205, Idm-E952 (Mica) HALL MINE

Operator: Carolina Mining Company, P. O. Box 314, Franklin, North Carolina

Location: 1.1 Airline miles N40°W of Jones Knob in the SE 1/3 of the Greens, North Carolina, TVA Quadrangle, 166 SE, Jackson County, North Carolina

The excavation of an existing open cut from an existing roadway to the original drift face has been completed. This work required the removal of approximately 24.5 cubic yards of hard rock. Dimensions of the cut was actually 33 feet long, 5 feet wide and 4 feet deep. The operator was advised that his claim could not exceed the maximum figure as provided in the contract. Drifting is now underway and has advanced 8 feet. Approximately 25 pounds of mine-run book mica has been recovered to date, most of which is of good quality. One book of excellent quality mica, weighing approximately 5 pounds and measuring 3 inches x 5 inches was recovered from the last heading pulled.

Progress on this contract has been good. The mine is using good equipment and is working steadily. The operator was advised to timber underneath a vertical overhang at the drift portal as soon as practical.

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

A. R. Taylor, Geologist
U. S. Geological Survey

July 9, 1956

INTERIM REPORT

DMEA-4205, Idm-E952 (Mica) HALL MINE

Operator: Carolina Mining Company, P. O. Box 314, Franklin, North Carolina

Location: 1.1 Airline miles N40°W of Jones Knob in the SE 1/3 of the Greens, North Carolina, TVA Quadrangle, 166 SE, Jackson County, North Carolina

Excavation of an existing open cut by benching methods is underway on this contract. The work has begun at a point near the existing roadway and will be driven to the present face, partially at the operators own expense. This will facilitate mucking operations and will keep the roadway clear. The operator was advised that the government payments could not exceed the ten cubic yards set up in the contract originally. An area 15 feet long, 5 feet wide and 6 feet deep has been benched to date.

Equipment on the job consists of a new 105 C.f.m. Copco Diesel-powered compressor with new rock hammer and Swedish Chisel-bit drill steel as accessory items, and necessary hand tools.

Progress on this contract is satisfactory.

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

A. R. Taylor, Geologist
U. S. Geological Survey

June 18, 1956

RECEIVED
JUN 1 8 1956

INTERIM REPORT

DMEA-4205, Idm-E952 (mica) HALL MINE

OPERATOR: Carolina Mining Co., P. O. Box 314, Franklin, N. C.

LOCATION: 1.1 airline miles N40°W of Jones Knob in the SE 1/3 of the Greens N. C., T.V.A. Quadrangle, 166 SE, Jackson Co., N. C.

The starting date on this contract is June 4, 1956. Necessary tools, timber and pipe have been moved to the mine site. A powder and exploder magazine have been built but have not been placed in acceptable locations. Open cut work by benching to lower the floor of an existing cut is expected to begin within the coming week. Discussion of the contract was held with the Operator. Another visit will be made in the near future.

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

A. R. Taylor, Geologist
U. S. Geological Survey

June 4, 1956

RECEIVED
MAY 28 1956

May 24, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract - Ion-8952, DMEA-4205 (mica)
Carolina Mining Company, Franklin, N. C.

Transmitted are three signed copies of the subject contract.

The usual distribution of the other copies has been made by this office.

V. J. Lynch

ZM.
cc:
Lynch
Finance Office
Shirley
Files

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

MAY 1 1956

Re: Docket No. DMEA-4205-nion
Carolina Mining Company
Hall Mine
Jackson County, North Carolina

Dear Mr. Lawrence:

Enclosed are the original and five copies of a proposed contract which have been signed by the Administrator for the Government with effective date as shown. Attachments to the contract are Annex I, Consent to Lien, Exhibit "A"(2 pages) and two maps of the Hall Mine. Two extra copies of Annex I, Exhibit "A", and maps are enclosed for the use of the Field Team.

If the proposed contract meets with your approval, present it to the Applicant for execution. Please explain to the Applicant that the contract is a firm commitment to complete the work outlined at the agreed cost. Copies of the executed contract are to be distributed in the usual manner.

If any part of this proposed contract does not have either your approval or that of the Applicant and cannot be amended within your delegated authority, then the original and all copies of the contract and the two extra copies of Annex I, Exhibit "A" and maps are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated April 27 and May 2, 1956 by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures: 12

JHopkins:ms 5/2/56

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

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

May 2, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: W. F. Dietrich, Chief
Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4205 (mica)

Applicant: Carolina Mining Co., (R. H. Fouts)

Name and Location of Property: Ball Mine, Jackson Co., N. C.

Date of Field Team Report: 4/19/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 4/30/56

Field Team Recommendation: Recommend exploration program at an estimated cost of $2,928.00.

Comments:

1. This deposit appears to have possibilities for the development of strategic mica.
2. Proposed exploration outlined by the field team is consistent with good engineering practices and estimated costs are in line with other DMEA projects.

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

Signed
W. F. Dietrich

RECEIVED
MAY 3 - 1956

IN REPLY REFER TO:

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

April 27, 1956

Re: DMEA 4805 (Mica)
Carolina Mining Co.
Hall Mine
Mason Co., N. C.
Estimated - $6,300.00
Recommended - $2,988.60

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in exploring a 3- to 4½-foot pegmatite in which a 10-foot pit had been dug, from which 10.51 pounds of good stained mica was recovered. The mica was sold for $236.19.

The examiners recommend that a drift adit 80 feet long be driven into the hill, after the floor of the cut has been lowered. The estimated cost of the recommended work is:--

Lowering cut 9.86 yards at $10.00	$ 98.60
Buildings, magazines, etc.	114.00
Drifting 80 feet	2,788.00
	$2,988.60

The pegmatite has a quartz core and six crystals of 2"x2"x6" flat ruby mica are exposed.

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

N. E. Nelson

N. E. Nelson

NENelson:iml
G-4/27/56
cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061

RECEIVED
APR 30 1956

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

RECEIVED
APR 23 1956

April 20, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report - DMEA-4205, Hall Mine (mica)
Carolina Mining Co., c/o Roy H. Fouts, Franklin, N. C.

Transmitted are the original and three copies of the subject examination report and nine extra copies of the map.

The Field Team concurs with the recommendation set forth in this report for the exploration outlined.

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

S. C. Bergman, Geologist
U. S. Geological Survey

EM.
cc:
Lynch
Shirley
Files

Reviewed by
DMEA OPERATING COMMITTEE
4-25-56
(date)

RECEIVED
APR 23 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM
REGION V

On

DMEA-4205 (mica) HALL MINE
Jackson County, N. C.

By

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

A. L. Peyton, Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE

April 19, 1956

(date)

RECEIVED
APR 23 1956

EXAMINATION REPORT

On

DMEA-4205 (mica) HALL MINE
Jackson County, N. C.

Applicant: Carolina Mining Co., c/o Roy H. Fouts , Box 314, Franklin, N.C.

Summary

A mica-bearing pegmatite, 2 ft in thickness is exposed in an open cut in hard, unweathered rock. This is a relatively new prospect that warrants exploration for strategic mica. It is recommended that the application be approved.

General

T he Hall Mine is 1.1 airline miles N 40° W of Jones Knob in the SE 1/3 of the Greens Creek, N. C., TVA, Quadrangle, 166-SE, 1/24,000, edition of 1941.

It was examined in the company of Mr. R. L. Hall and Mr. Roy Fouts March 16, 1956. One hour was spent on the examination.

The mine is accessible by jeep access road. No buildings or facilities exist near the prospect.

Mr. Fouts and Mr. Dinnes have been associated with DMEA contracts in the past and are competent and responsible miners.

Geology

Present workings consist of a 6 ft wide, 0-6 ft deep cut, trending S 65° E for 25 ft, thence N 80° E for 18 ft (20 ft in depth - see map). All workings are in extremely hard, unweathered material. The floor of the cut is about 6 ft higher than the road.

An unweathered undulating, essentially conformable mica-bearing pegmatite dike is exposed in the heading, wall, and floor of the N 80° E trending cut. It is 2 - 2 1/2 ft in thickness and is composed mainly of a continuous massive quartz core (1 ft thick) with a 6-inch zone of sodic-

plagioclase feldspar, muscovite, and sercite on each side of the quartz. Biotite is rare in the feldspar zone. The dike intrudes a highly foliated, hard, garnetiferous-biotite gneiss which strikes N 20° E to N 80° E and dips 57° SE to 67° SE (see map).

Flat ruby muscovite, 3-6 inches wide, exhibits some rare mineral stains on the crystal edges. It is free splitting, but is occasionally bent and ruled. Six crystals exist, in place (sect. A-A'). They are 2" x 2" x 6", and are grouped in the feldspar zone, adjacent to, and penetrating the quartz core.

Mineralogically, the environment for the occurrence of strategic muscovite is good. The applicant states that....."17.68 lbs of mica, of which 10.51 lbs was good stained," was sold recently for $236.19.

Conclusions and Recommendations

It is recommended that the application be approved, and that the exploration be undertaken on this relatively new and unexplored prospect. The pegmatite exhibits zoning and strategic muscovite in place.

It is recommended that the existing floor of the cut be lowered 2 ft to facilitate drainage and the removal of muck. A cut 25' x 5' x 2' in depth is recommended.

A total of 80 feet of adit should be driven into the hillside following the dike.

Cost Estimate:

25

Lower existing cut (25' x 5' x 2') in hard rock.

10.00

9.26 cu. yds. @ $10/cu. yd $92.60

(In hard rock-will require blasting) 100.00

10.00

Toolhouse	$76.00	
Exploder Magazine	~~13.00~~	115.00
Powder Magazine	25.00	$114.00

Drive 80 feet of adit in extremely hard and unweathered garnetiferous biotite gneiss. Allowing 1.75 ft per shift time will be ~~45~~ 40 shifts

Labor:	1 - Miner @ $1.50/hr.	~~$540.00~~	480.00	1120.00
	2 - Laborers @ $1.00/hr	~~720.00~~	640.00	~~1,260.00~~

Equipment:

Owned by Operator-total value $8,401.00		500.00
~~Depreciation for 3 months~~		~~622.00~~
Rental 250.00 @ 2 mos		

Supplies:

Drill steel + Small Tools	~~120.00~~ 150.00	
Gas and oil	160.00	
Explosives	~~250.00~~ 300.00	
Timber-1000 b.f. @ $65/M	65.00	
Miscellaneous Pipe etc.	~~100.00~~ 120.00	
Liability Ins.	90.00	
Social Sec., and Unemployment Ins.	36.00	940.00
Sales tax	19.00	~~$10.00~~
Estimated Total cost of Project.....		~~$2,928.00~~ $2776.00
80 ft of adit @ $34.02/ft.		2082.00

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

A. L. Peyton, Mining Engineer
Bureau of Mines

April 19, 1956

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

RECEIVED
APR 1 0 1956

April 10, 1956

Memorandum

To: Operating Committee - DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: DMEA-4205, (mica) Carolina Mining Co., Franklin, N. C.
Hall Mine, Macon County, N. C.

Enclosed is a copy of a list of equipment and values* submitted by the Applicant in connection with the subject application.

*(SEE OFFICIAL DOCKET FOR LIST OF EQUIPMENT)

Robert A. Laurence

RAL/ma
cc:
Lynch
Shirley
Files

600

MAR 28 1956

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

Re: Docket No. EMEA-4205-Mica
Carolina Mining Company
Hall Mine
Jackson County, North Carolina

Dear Mr. Lawrence:

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

Copies of memoranda dated March 9 and 14, 1956, by Mr. H. E. Nelson, USGS and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures: 4

JHopkins:mm 3/20/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File

MAR 23 1956

Carolina Mining Company
Box 334
Franklin, North Carolina

Re: Docket No. DMEA-4305-Mica
Carolina Mining Company
Hall Mine
Jackson 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. Lawrence, 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. Mitscherlich

Administrator

JHopkins:mm 3/20/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Killingsord, 3222
Mr. Bisterich, 3261
Mr. Hank
Mr. Hopkins
Admr. R. File

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

RECEIVED
MAR 14 1956

March 14, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4205 (mica)

Applicant: Carolina Mining Co., (Roy H. Fouts)

Name and Location of Property: Hall Mine, Jackson Co., N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 3/8/56

Comments:

1. Recent surface operations produced 17.68 pounds of mica which was sold to Spruce Pine.
2. This deposit appears to have possibilities for the development of strategic mica.
3. It appears a field examination is necessary to determine the feasibility of a project.

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.

Signed
W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
MAR 12 1956

March 9, 1956

Re: DMEA 4805
Carolina Mining Co.
(Roy Foute & Wm. Dinnes)
Hall Mine
Jackson Co., N. C.
$6,500.00 - Mica

Memorandum

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

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

Subject: Review of application.

The applicant requests Government participation in shaft sinking, drifting and/or crosscutting a pegmatite on which a cut 10 feet deep has been made and from which 10.51 pounds of good stained mica was recovered. The pegmatite is widening 'going down' according to the application.

The work proposed consists of:--

Shaft sinking, 60 feet	$3,000.00
Drifting or crosscutting, 100 feet	3,500.00
Total	$6,500.00

Perhaps bulldozing would uncover more of the pegmatite and afford a look at another place.

Referral to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-3/9/56
cc: Director's reading, 4212
Branch ~~xxxxxx~~ reading, 4212
DMEA (3); Docket file
W. F. Dietrich, 3061

Memorandum April 26, 1956

To Files

From James Hopkins

Subject Evaluation of Application and Field Team Report

Docket No DMEA 4205

Carolina Mining Company

Hall Mine

Jackson County North Carolina

The applicant proposes to explore a pegmatite that is exposed in an old cut by sinking a shaft on it for 60 feet and then drift 100 feet from shaft.

Field Report

Mica

Mica observed in face of old cut is flat, ruby, 3" to 6" wide and exhibits some rare mineral stains on the crystal edges. It is free splitting, but is occasionally bent and twisted. Six crystals still in place in the face of the cut. They are 2"x3"x6" and are grouped in a feldspar zone adjacent to and penetrating the Quartz core.

Pegmatite:

Is unweathered undulating and essentially conformable to a highly foliated, garnetiferous-biotite gneiss. It is 2' to 2½' thick and composed mainly of continuous massive quartz core (1 foot thick) with

a 6-inch zone of sodic plagioclase feldspar, muscovite and sericite on one side of the pegmatite. Biotite is rare in the feldspar zone.

Old Workings

Consist of 6 ft wide, 0 to 6' deep cut into the hillside for 45 feet

Economics:

1768# of mica of which 10.51# was good stained was sold recently for $236.19.

Proposed Program:

The examiners recommend the following work

Lower 25 feet of existing Cut about 2'

Drive 80 feet of adit on pegmatite

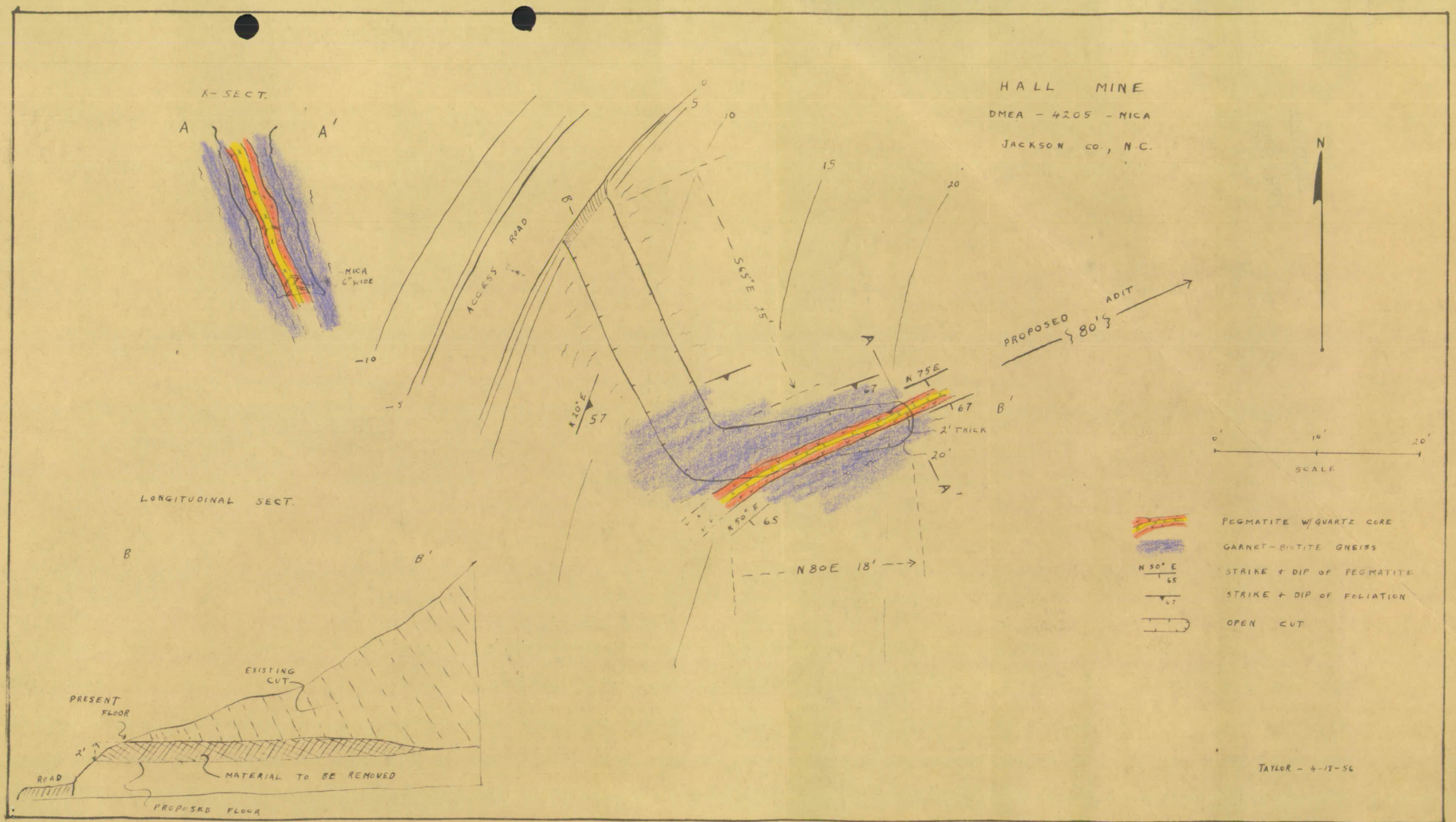
Comments:

This is sound exploration for a relatively new prospect and is recommended by the writer.

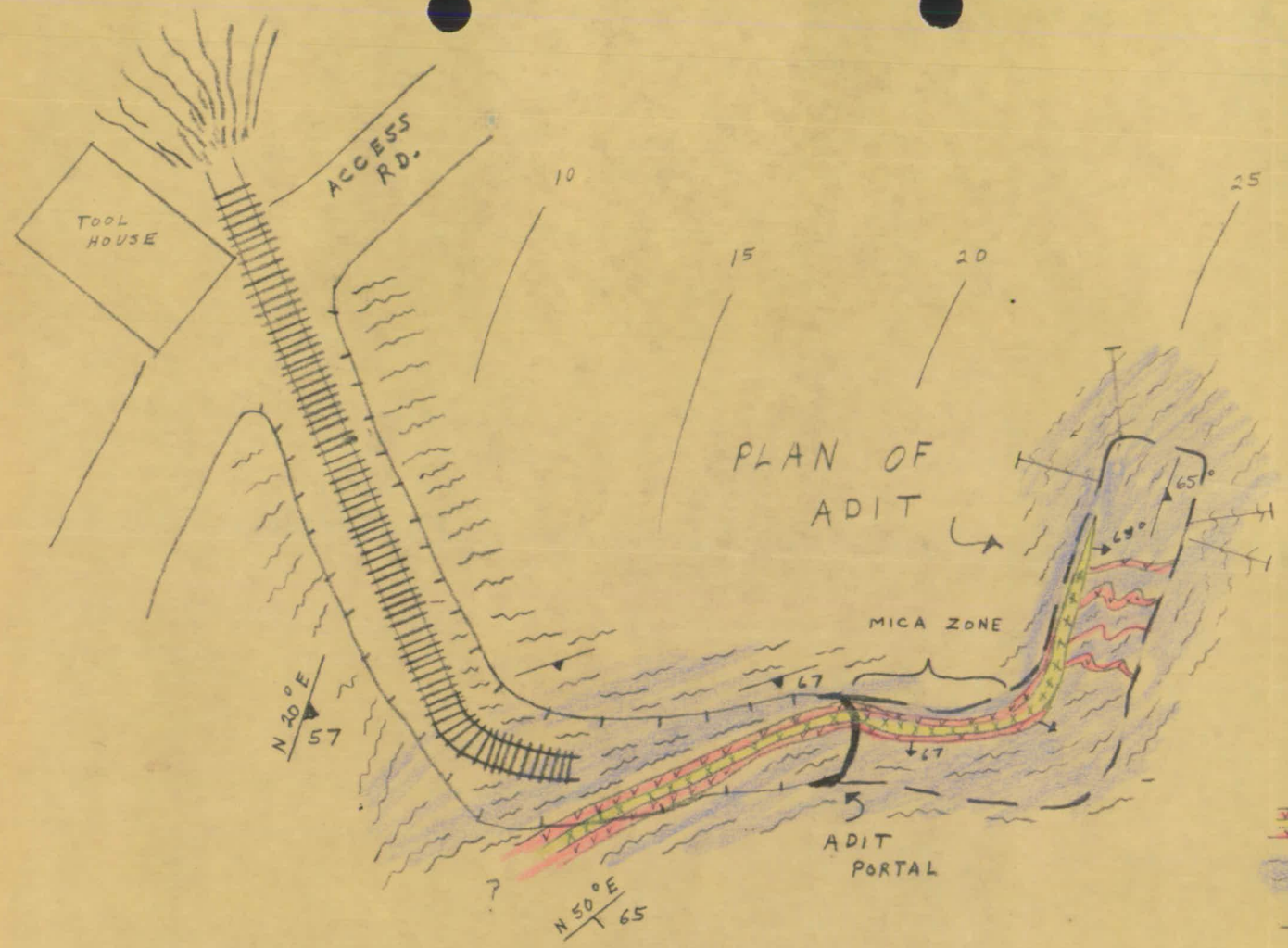
HALL MINE

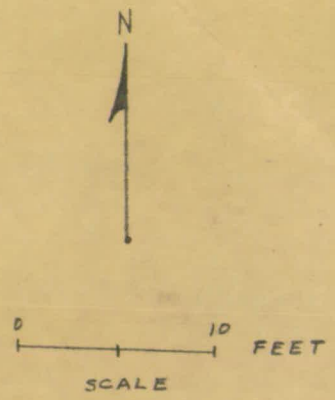
DMEA - 4205 - MICA

JACKSON CO., N.C.



TAYLOR - 4-18-56





PEGMATITE w/ QUARTZ CORE

GARNET - BIOTITE GNEISS

STRIKE + DIP OF PEGMATITE

STRIKE + DIP OF FOLIATION

OPEN CUT

ADIT

DMEA - 4205, IDM - E - 952 (MICA)

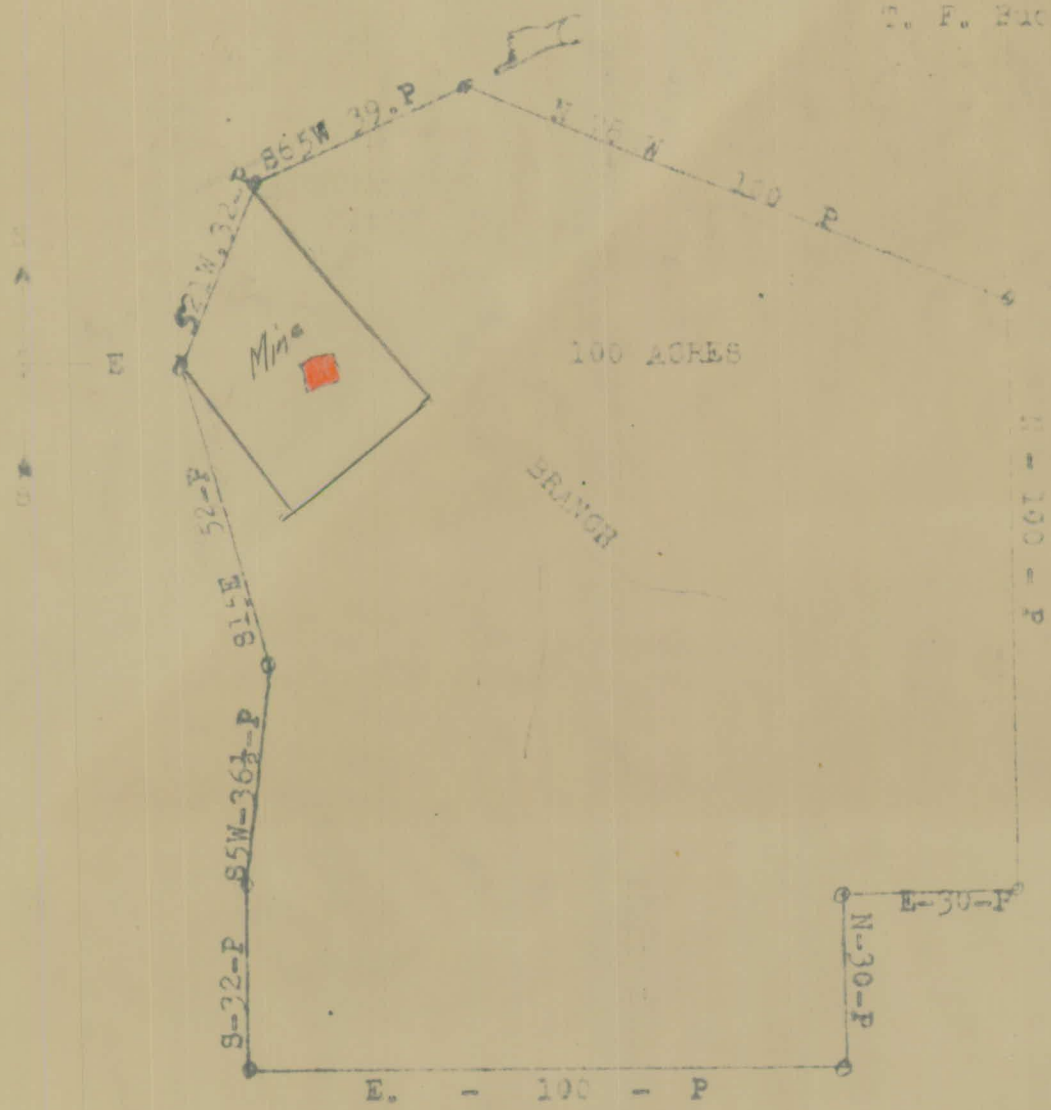
HALL MINE

JACKSON CO., N.C.

TAYLOR 8-28-56

Scale 32 Poles to Inch.

Survey made by
T. F. Buchanan



CAROLINA MINING CO.
HALL MINE
JACKSON COUNTY N.C.

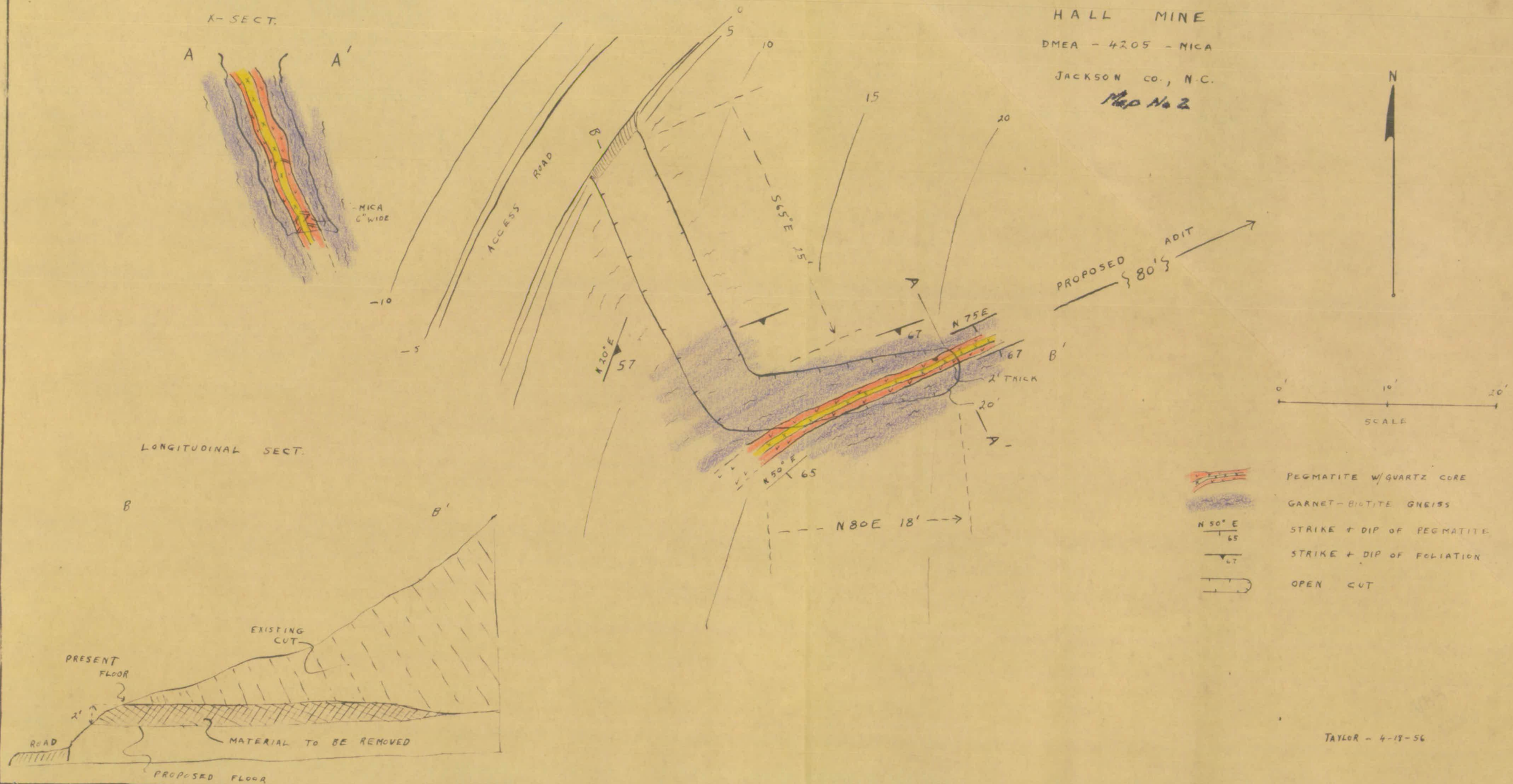
LOCATION MAP NO. 1 OMEA 4205

HALL MINE

DMEA - 4205 - MICA

JACKSON CO., N.C.

Map No 2



TAYLOR - 4-18-56