DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

## CONTROLLED DOCUMENT

DMA Docket No. 4318

## DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

Exploration Project

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

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Routing Slip

Cys to USGS, BM

| | | | |
|---|---|---|---|
| To: | 600 | Date | 5/31/56 |
| To: | Mr. Anderson | Date | 5-31-56 |
| To: | Oper Com | Date | 6-13-56 |
| To: | F. E. Johnson | Date | 6-13-56 |
| To: | CBM | Date | 6-13-56 |
| To: | Oper Com | Date | 8-16-56 |
| To: | F. E. Johnson | Date | 8-17-56 |
| To: | | Date | |
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## DO NOT DETACH

## CONTROLLED DOCUMENT

MF-203
Revised March 24, 1955

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

RECEIVED
MAY 31 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake located at the center of the Peggy Prospect which is located 125% North of another iron stake; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing This property located approximately one-half mile East of Kona, N. C.,

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

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

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

FHA- Farm Loan $5,350.00 (Government has given borrower permission
Case No. 38-61-161,064 to lease property)

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 28 day of May, 195 6

Robert Wilson [Seal]

Francis Wilson [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]

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FHA- Farm Loan 05,[illegible] (Government has given borrower permission
Case No. 33-61-161,064 to lease property.)

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Case No. 36-51-161,064 to lease property)

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5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

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Operator _____
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[Corporate Seal]

Docket Copy
Surname:
Anderson
Houk
Nelson
Lamb
Selfridge
Johnson

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

AUG 17 1956

Mr. Howard Boone
Route #3
Bakersville, North Carolina

Re: Docket No. DMEA-4318 - Mica
Howard Boone
Peggy Prospect
Mitchell County, North Carolina

Dear Mr. Boone:

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

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:gad 8/15/56
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

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

August 15, 1956

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: L. G. Houk, Chief, Nonmetallic Minerals Division

Subject: Evaluation of application and field examination report
Docket No. DMEA-4318 - Mica
Howard Boone
Peggy Prospect
Mitchell County, North Carolina

Denial of application is recommended:

Mica: No mica of any sort.

Pegmatite: No pegmatite or mica-bearing structures are exposed.

Workings: Two extremely old adits and recent bulldozing have not exposed any pegmatite. Nothing on a dump indicates what had been cut by these two caved adits.

Production: No past production.

Method of exploring: Applicant proposed the following:

| | |
|---|---|
| 50 feet of shaft @ $50/ft. | $2,500.00 |
| 80 feet of drifts @ $35/ft. | 2,800.00 |
| Total requested | $5,300.00 |

Recommendation: Because there is a complete absence of any concrete information on a reported mica-bearing structure, the Field Team recommends denial of the application. This is concurred in by the Nonmetallic Minerals Division and the commodity members of the Geological Survey and the Bureau of Mines.

W. C. Anderson
W. C. Anderson
Nonmetallic Minerals Division

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

RECEIVED
AUG 10 1956

August 10, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4318 (mica)

Applicant: H. Boone

Name and Location of Property: Peggy Prospect, Mitchell County, N. C.

Date of Field Team Report: 7/30/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/2/56

Field Team Recommendation: Recommend denial of the application.

Comments:

1. No mica or pegmatite was disclosed by recent bulldozing.

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

Recommendation:

I concur with the field team's recommendation for denial.

W F Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
AUG - 3 1956

August 2, 1956

Re: DMEA 4318
Howard Boone
Peggy Prospect
Mitchell Co., N. C.
$5,300.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in exploring a pegmatite by shaft and drifting.

The dumps of old time adits showed no signs of mica-bearing pegmatite and recent bulldozing failed to uncover pegmatite. The work was prompted by pieces of float but no pegmatite appears to have been found in place.

In view of the lack of concrete evidence of the presence of strategic mica-bearing pegmatite, the examiners and the Field Team recommend denial of the application.

I concur with that recommendation.

N. E. Nelson

N. E. Nelson

RECEIVED
AUG 1 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

# EXAMINATION REPORT
# FIELD TEAM, REGION V

On

DMEA-4318, PEGGY PROSPECT (mica)
Mitchell County, N. C.

By

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

and

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

Reviewed by
DMEA Geologic Committee
8/3/56
(Date)

July 30, 1956

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

COPY

ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

July 30, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Team Reports - DMEA-4267, L. W. Cain, Applicant
Mica and
(North Carolina) DMEA-4318, Howard Boone, Applicant

Transmitted are four copies each of the subject reports.

The Field Team agrees with the Examiners that both applications should be denied.

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

V. J. Lynch, Member
Bureau of Mines

ZM.

cc:
Lynch
Shirley
Files

Opr. Com.

APPROVED BY
DMEA OPERATING COMMITTEE
8/3/56
(date)

FIELD EXAMINATION REPORT

RECEIVED
AUG - 1 1956

On

DMEA-4318, PEGGY PROSPECT (mica)

Applicant: Howard Boone, R#3, Bakersville, N. C.

Summary: A sequence of extremely old adits and recent bulldozing have not exposed any pegmatite or mica-bearing structures. No mica of any sort has been recovered. The Examiners recommend that the application be denied.

Location: The Prospect is 1200 feet N 66° E from the bench mark at Bandana Station and approximately 150 to 300 feet south of State Highway 104 (80), Mitchell County, N. C. (Micaville, N. C. Quad., TVA Ed 1934, 1/24,000).

Introduction: On July 11, the Examiners and Mr. Howard Boone, examined the subject Prospect. The examination took approximately 1/2 hour. There are at least two old caved adits on the slope of the hill immediately south of the highway. Nothing on the dump indicated what had been cut in these adits. Near the bottom of the hill is a north-south trending bulldozer cut approximately 300 ft south of the highway. This work was done by the applicant about a year ago with no positive results of any kind. About 550 yds., of material had been removed in an effort to uncover a reported mica -bearing "vein." A little scrap mica and pegmatite float on the hillside indicated there might be or have been a mica-bearing structure at the site.

Conclusions:

The complete absence of any concrete information on a reported mica-bearing structure leads the Examiners to recommend denial of the application.

July 30, 1956

S. C. Bergman, Geologist
Geological Survey

A. L. Peyton, Mining Engineer, USBM

DOCKET COPY
Surname:
Anderson
Houk
Martin
Jackson

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

JUN 13 1956

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

Re: Docket No. DMEA-4318-mica
Howard Boone
Peggy Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated June 1 and 6, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Please have the applicant supply the book and page of recording of the tract of land involved. A location map should be prepared showing the outline of the leased area related to the location of the proposed DMEA work. A tie from one of the corners of the leased area to a permanent corner of the tract or to some permanent, immovable object or monument should be made.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures:4

Reviewed by
DMEA OPERATING COMMITTEE
6-13-56
(date)

WCAnderson:ms 6/12/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

R.G.L.

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

DOCKET COPY
Surname:
Anderson
Houk
Kiilsgaard
Geehan
Martin
Fejfar

JUN 13 1956

Mr. Howard Boone
Route #3
Bakersville, North Carolina

Re: Docket No. DMEA-4318-mica
Howard Boone
Peggy Prospect
Mitchell County, North Carolina

Dear Mr. Boone:

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. Mittendorf

Administrator

WCAnderson:ms 6/12/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

P.G.F.

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

RECEIVED
JUN - 7 1956

June 6, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4318 (mica)

Applicant: H. Boone

Name and Location of Property: Peggy Prospect, Mitchell Co., N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 5/31/56

Comments:

1. This is a new prospect and there are no data available in this office on this property.

2. Total estimated costs are in the amount of $5,300.00.

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.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
JUN - 4 1956

June 1, 1956

Re: DMEA 4318
Howard Boone
Peggy Prospect
Mitchell Co., N. C.
$5,300 - Mica

Memorandum

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

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

Subject: Review of application

The applicant requests assistance in exploring a pegmatite, by shaft sinking, 50 feet, and drifting, 80 feet.

Little work has been done and no mica appears to have been exposed, but the applicant says that ruby mica may be found. If stripped the applicant's opinion of mica bearing potential of the pegmatite could be checked.

Referral to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

BUREAU OF MINES
WASHINGTON, D. C.

JUN 1 3 29 PM '56

May 31, 1956

Mr. Howard Boone
Bakersville, Route 3
North Carolina

Subject: DMEA-4318
Re: Exploration Assistance
Peggy Prospect

Dear Mr. Boone

The receipt of your application dated May 29, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4318 and referred to the Nonmetallic Minerals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
MAY 31 1956

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

*Not to be filled in by applicant*

Docket No. DMEA-4318
Metal or Mineral MICA
Date Received 5/31/56
Estimated Cost $5,300.00
Participation (Government %)

## INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Howard Boone
Bakersville, Route 3
North Carolina

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

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

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

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

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

(*b*) State any mine name by which the property is known. Peggy Prospect, 1/2 mile E. of Kona, N.C.

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

## CERTIFICATION

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

Dated 5-29-56, 195...

Howard Boone
Howard Boone (Applicant)

By .....

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

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

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MAY 3 1 1956

MF-103 Continuation Sheet

4. (a) No previous work done except small scale prospecting.

(b) No past production.

(c) From vein materials uncovered with prospecting, it appears that ruby mica may be found by exploration work.

(d) Project is accessible by truck or jeep.

(e) Manpower, supplies and equipment available. Power is already at site.

5. (b) We propose to lower a 5'x7' shaft fifty feet deep, then drift with vein forty feet each way, making a total of 80 feet of drift.

6. Estimate of costs:

| | | |
|---|---|---|
| 50' Shaft @ $50.00 per foot. . . . . | $ | 2,500.00 |
| 80' Drift @ $35.00 per foot. . . . . | | 2,800.00 |
| Total estimated cost of project | $ | 5,300.00 |

# MINING LEASE

RECEIVED
MAY 31 1956

State of North Carolina Mitchell County:

This indenture made this 11th day of April, 1956, 1953,

between Robert Wilson

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Howard Boone

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

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

Beginning on an iron stake located at the center of the Peggy Prospect which is located 125' North of another iron stake; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located approximately one-half mile East of Kona, N.C.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 1/8 (One-eighth) gross sales on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

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

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of No Option, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

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

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

Witness: Kenneth R. Mackey
Notary Public
My Com Exp 8/17/57

Robert Wilson (Seal)
Francis Wilson (Seal)
(Seal)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION
[redacted]

OFFICIAL BUSINESS
U. S. GEOLOGICAL SURVEY
SOUTH 157 HOWARD ST.
SPOKANE 4, WASHINGTON

30 CENTS 30

Mr. George C. Soltridge
Chairman, Operating Committee
Defense Minerals Explor. Admin.
Department of the Interior
Washington 25, D. C.

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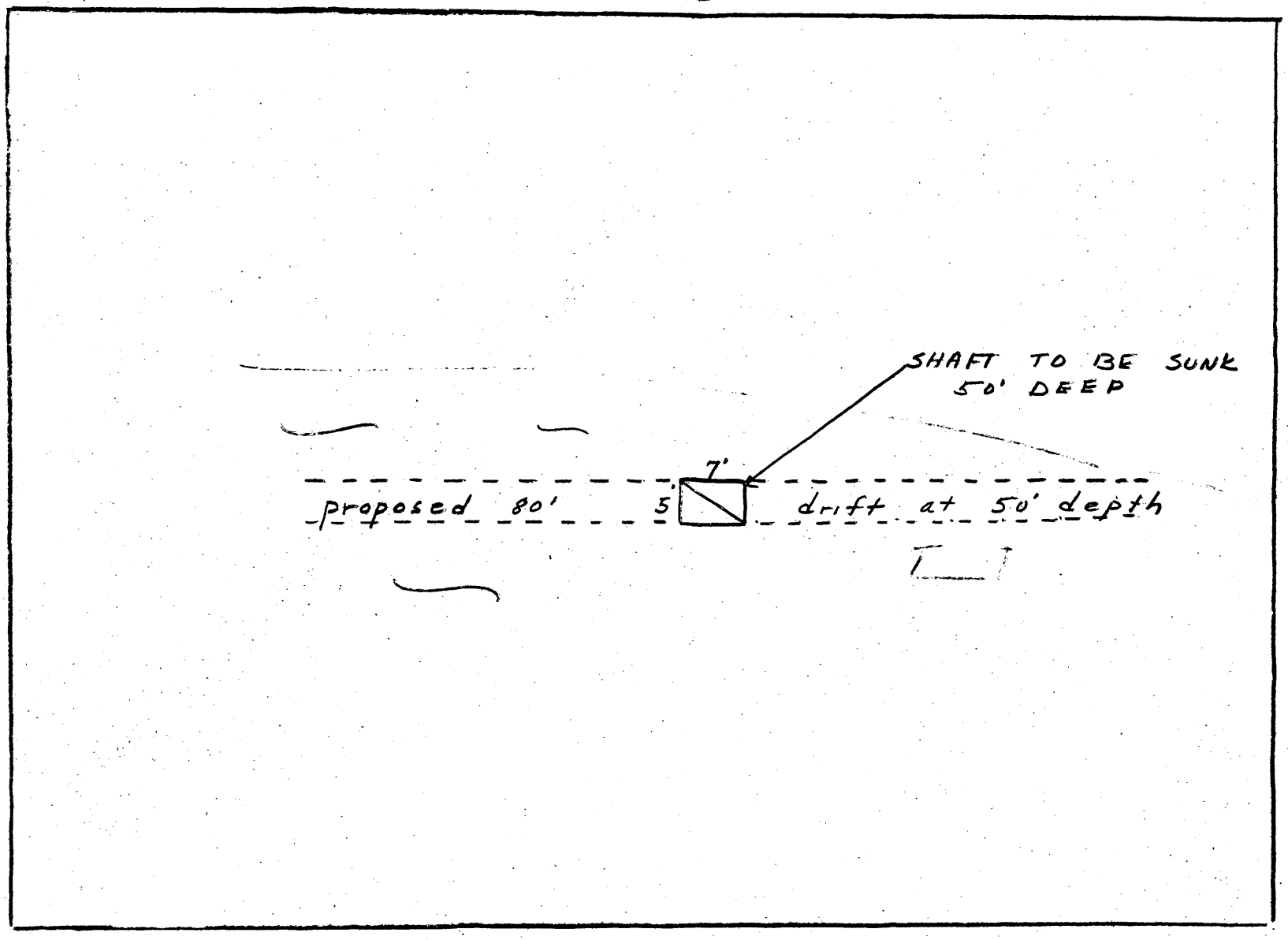
MAY 31 1956

# PEGGY PROSPECT

MITCHELL COUNTY
N.C.