DMEA-2596

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Alstead Mica Miners, Inc.
Spruce Pine, North Carolina
and
Franklin, New Hampshire

pertaining to Exploration Project Contract No. Idm-E441, Docket No. DMEA-2596, including Amendment No. 1, for the months of May, 1953 to August, 1953, inclusive, covering a project for the exploration of mica.

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, consultation with the Executive Officer of the Regional Field Team, 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 reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder;
(b) the Monthly Reports were supported by documentary proof of the costs incurred under the portion of the contract on an actual costs basis; and
(c) a major portion ($2,990.00) of the costs were under a contract provision for payment by the Government on the basis of agreed estimated costs of units 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		$3,244.64
Exceptions:		
By DMEA Finance Officer	$ - 0 -	
Herewith	- 0 -	- 0 -
Total Accepted Cost		$3,244.64

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Two thousand nine hundred twenty and 18/100 Dollars,

$2,920.18

is considered valid and proper.

E. D. Talbert, Auditor

September 16, 1953

DMEA-2596
Idm-Ebll
Mica
Region VIII

ALSTEAD MICA MINERS, INC., SPRUCE PINE, NORTH CAROLINA. Fitz-Gibbon Mica Mine, Alstead, New Hampshire.

Letter to the Field authorizing termination of the contract and enclosing copies of a memorandum from the Washington Chief Counsel on the matter of signatures for the agreement.

9/4/53
#264

TERMINATION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT
AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this eighth day of September, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Alstead Mica Miners, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of North Carolina, Spruce Pine, North Carolina, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idu-5444, Docket No. DMEA-2596, dated November 12, 1952, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

UNITED STATES OF AMERICA

By W. T. Millar

W. T. Millar, Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

ALSTEAD MICA MINERS, INC.

By Sam L. Phillips

Sam L. Phillips, President

College Park, Maryland

Amendment No. 2 to Contract Idm-E441
Docket No. DMEA-2596 - (Mica)
Alstead Mica Miners, Inc.
Spruce Pine, North Carolina
Property: Fitzgibbon Mine, Cheshire County, New Hampshire

Amendment No. 2 to the subject contract is necessitated due to unforeseen difficulties encountered during this exploration. The shortage of competent labor caused delays, and fractures in the rock structure caused excessive over-breakage which hindered progress, none of which are due to negligence or the fault of the Operator. It is considered to the advantage of the Government and to the Operator to extend the date for completion of the work specified in the contract to properly explore the deposit for strategic mica.

Contract Idm-E441 is hereby amended to bring the project to completion within a period of 365 days from the date of this contract.

This amendment shall not be construed as authorizing any other change in allowable maximum costs other than those specified, nor shall this amendment be construed as authorizing any increase in the total estimated allowable maximum cost of the project or the amount of the Government's participation.

Alstead Mica Miners, Inc.

By: William J. Alexander
William J. Alexander, Agent

UNITED STATES OF AMERICA

By: W. T. Miller
W. T. Miller, Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

Date: July 20, 1953

STATE OF NORTH CAROLINA,

MITCHELL COUNTY.

NOW ALL MEN BY THESE PRESENTS, That we, John H. Phillips, Lewis Aldridge and Sam L. Phillips, sole stockholders in ALLSTED MICA MINERS, INC., a corporation chartered under and by authority of the laws of the State of North Carolina, with its principal office in the Town of Spruce Pine, Mitchell County, North Carolina, have made, constituted and appointed and by these presents do make, constitute and appoint W. J. ALEXANDER of Merrimac County, State of New Hampshire, our true and lawful attorney-in-fact for us and in our name and stead to do and perform the following matters and things;

To act as our agent and attorney-in-fact in the management, prosecution and performance of our mica mining operations in said County and State, to buy and sell mica and to transact all necessary matters of business in connection with and relating to our mica mining operations, to arrange for the prosecution and transporting of mica and other materials to and from our said mica mining properties, to buy, sell or exchange mica mining equipment and to do everything needful and necessary in the prosecution of our operation mining mica and other minerals hereby ratifying and confirming all things done and performed by our said attorney-in-fact within the power and authority herein given him as fully as if done and performed by us in our names or by our proper corporation officers.

IN TESTIMONY WHEREOF said John H. Phillips, Lewis Aldridge, and Sam L. Phillips have caused this power of attorney to be executed by us.

This 14th day of November, 1952.

_____ (SEAL)

Lewis Aldridge (SEAL)

Sam L. Phillips (SEAL)

Sole Owners of all of the stock of
Allsted Mica Miners, Inc.

NORTH CAROLINA,

MITCHELL COUNTY.

I, Nell Bradshaw, Notary Public in and for the County and State aforesaid, do hereby certify that John H. Phillips, Lewie Aldridge and Sam L. Phillips, this day personally appeared before me and acknowledged the due execution by them of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial Seal, this 18th day of July, 1953.

My comm. expires 10-29-53.

NOTARY PUBLIC

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
FEB 2 1953

College Park, Maryland

Amendment No. 1 to Contract Idm-E441
Docket No. DMEA-2596 - (Mica)
Alstead Mica Miners, Inc.
Spruce Pine, North Carolina
Property: Fitzgibbons Mine, Cheshire County, ~~North Carolina~~ New Hampshire

Amendment No. 1 to the subject contract is necessitated by the severe winter season in New Hampshire which prohibits outside work in the area of the property on which the exploratory work is to be conducted.

It is to the advantage of the Government as well as the operator to extend the starting date specified in this contract, to take advantage of more moderate weather when the property is accessible and the work may be performed more efficiently and economically.

This Amendment No. 1 authorizes the operator to commence work under this contract within 165 days from the date of this contract and shall bring the project to completion within a period of 285 days from the date of this contract.

This amendment shall not be construed as authorizing any other change in allowable maximum costs other than those specified, nor shall this amendment be construed as authorizing any increase in the total estimated allowable maximum cost of the project or the amount of the Government's participation.

Alstead Mica Miners, Inc.

By: Samuel L. Phillips
Samuel L. Phillips, President

UNITED STATES OF AMERICA

By: W. T. Millar
W. T. Millar, Acting Executive Officer, Bureau-Survey Field Team
Defense Minerals Exploration Administration, Region VIII

Date: January 22, 1953

MF-200
(June 1951)
(Revised Feb. 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 24 1952

DOCKET NO. DMEA 25.6

COMMODITY Mica

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Division Copy
IDM-E 441

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 12th day of November, 1952 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Alstead Mica Finers, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of North Carolina, Spruce Pine, North Carolina

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of New Hampshire, County of Cheshire, described as follows:[3] a mica mine known as the Fitzgibbon Mine situated 1.4 miles north of East Alstead village and more fully described in Annex 1 attached hereto and made a part hereof

the Operator represents and undertakes:[4]

(*a*) ~~[illegible]~~ for ~~[illegible]~~: None

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for[5] Strategic mica

in or upon the described land; and shall bring the project to completion within a period of six (6) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—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.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) 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 this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 90 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $5,040.00, which is 90 percent of $5,600.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, 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 ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* The provisions of this contract shall apply only to the parcels of land of the Fitzgibbon Mine described in Annex I and shall not apply to the adjoining Lyman Mine which is to serve for ingress and egress.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. O. Mittendorf
Administrator, Defense Minerals Exploration Administration

Alstead Mica Miners, Inc.
(Operator)

By Sam L. Phillips
President

I, John M. Phillips, certify that I am the ~~secretary~~ Vice Pres of the corporation named as Operator herein; that Sam L. Phillips, who signed this contract on behalf of the Operator, was then President 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.

John M. Phillips

[CORPORATE SEAL]

ALSTEAD MICA MINERS, INC.
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2596

ANNEX I

The property referred to in Article 2 is known as the Fitzgibbon Mine and consists of two parcels of land described in that certain lease dated July 28, 1952, between C. V. Purdy as lessor and the Alstead Mica Miners, Inc., as lessee.

The description of Parcel 1 is as follows:

Beginning at a stake and stones on the westerly side of the road leading from Alstead to Mr. Lyman's place, so-called, and near the northeasterly corner of land now or late of George Mayo; thence northeasterly on the westerly side of said highway about eighty-one rods to a stake and stones at the wall on the westerly side of said highway; thence in a westerly direction in a straight line to a stake and stones at a wall on the easterly side of land of the heirs of the late Samuel Morison; thence in a southerly direction on said wall, as it now runs, to a stake and stones at the corner of the wall near said Mayo's land, thence in an easterly direction in a straight line to the first mentioned bound; containing by estimation ten acres be the same more or less. As recorded in the land records for Cheshire County in Keene, New Hampshire in Volume 533 at page 120.

The description of Parcel 2 is as follows:

Beginning at the Northeasterly corner of said premises at a marked tree on the line of land of the Alstead Mica Co., thence running westerly along the southerly line of said Alstead Mica Co.'s land to the highway leading from the dwelling house of Isaac A. Craig to the dwelling house on above mentioned land of Alstead Mica Co. Thence southwesterly along the southerly side of said highway about twenty-six and two thirds rods to a stake and stones, thence easterly on land of said Craig about sixty rods to a stake and stones thence northerly on land of said Craig about twenty-six and two-thirds rods to the bound first mentioned, containing about ten acres, be the same more or less, as recorded in the land records of Cheshire County in Keene, New Hampshire in Volume 533 at page 120.

As the work is to be carried on from the adjoining property known as the Lyman Mine the Operator represents (1) that the Lyman Mine was leased by Sam L. Phillips by a lease dated July 3, 1952, from Hollis N. Corbin for a period of five years with the privilege of dumping mine waste on the Lyman Mine and of using existing adits, drifts or shafts, and (2) that Mr. Phillips with the consent of the lessor duly assigned all his rights under this lease to the Operator.

In order to conduct the exploration, it is necessary to work under the road dividing the Lyman and Fitzgibbon Mines and since it may become necessary to disturb the surface, sub-surface or ditches of this road, the Operator further represents that under date of August 1, 1952, the Selectmen of the town of Alstead, N. H. have consented to this work being done on and under the said road.

ALSTEAD MICA MINERS, INC.
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2596

EXHIBIT "A"

Description of the Work

As indicated on the map attached hereto and made a part hereof and entitled "Sketch Map of Fitzgibbon Mine Property, East Alstead, N. H.," the exploration project will consist of driving 130 linear feet of 5' x 7' drift from the boundary line of the Lyman Mine into the Fitzgibbon Mine.

The work will be conducted in two stages.

In Stage I, the Lyman Mine's 80 foot working shaft and drift on the 80-foot level will be utilized for the purpose of access, and working the Fitzgibbon Mine. These are first to be unwatered and cleaned out, and it is estimated that this will take about 10-15 days.

After the completion of Stage I and with the approval of the Executive Officer of DMEA Field Team, Region VIII, Stage II will be undertaken.

In Stage II, as indicated in the map attached hereto and made a part hereof and entitled "Proposed Exploration Work, Fitzgibbon Mine Property," an exploratory drift will be extended from the southwest face on the 80-foot level of the Lyman Mine into the Fitzgibbon ground for the purpose of mica exploration. The total length of the drift (plus a possible short crosscut) shall not exceed 130 linear feet. The drift extension shall follow the mica zone along the hanging-wall.

Estimated Cost of the Project
(*Indicates allowable maximum)

Stage I

(1) Independent Contracts

None

(2)	**Labor, Supervision, Consultants**		
	Pumping labor, 48-8 hr. shifts @ $1.00/hr.	$384.00	
	Mucking labor, 30-8 hr. shifts @ $1.00/hr.	240.00	
	Mucking labor, 10-8 hr. shifts @ $1.50/hr.	120.00	$ 744.00
(3)	**Operating Materials and Supplies**		
	Gasoline and oil for pump	76.00	76.00
(4)	**Operating Equipment**		
	Pump rental, 2 weeks @ $50/wk.		100.00
(5)	**Rehabilitation and Repairs**		
	None		
(6)	**New Buildings, Improvements, Installations**		
	None		
(7)	**Miscellaneous**		
	Workmen's Compensation, Employers' Liability Insurance and payroll taxes		130.00
(8)	**Contingencies**		
	None		
	Total Cost of Stage I		$1,050.00*

Stage II

In this stage, the Government will contribute to the costs of drifting and crosscutting on the basis of the following agreed, unit cost per foot for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work of every kind (including pumping and any rental charge for the use of the Lyman Mine Property).

AGREED UNIT COSTS

130 linear feet of drift and crosscut @ $35.00* per foot	$4,550.00*	
Total Cost of Stages I and II		$5,600.00*
Government participation @ 90%		$5,040.00*

MF-203

OWNER'S CONSENT TO LIEN

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

[illegible]

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

2/ [illegible]

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon any production of minerals from the land herein described until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ _____, or ten years have elapsed from the date of the contract.

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

Dated this 28th day of July, 195 2.

/s/ C. V. Purdy [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

HEMAN CHASE

REGISTERED ENGINEER IN NEW HAMPSHIRE AND VERMONT

SURVEYOR

ALSTEAD, NEW HAMPSHIRE

Sketch of

FITZGIBBON MINE PROPERTY

East Alstead, N.H.

September 12, 1953.

Scale Approx. 1"=400 Ft.

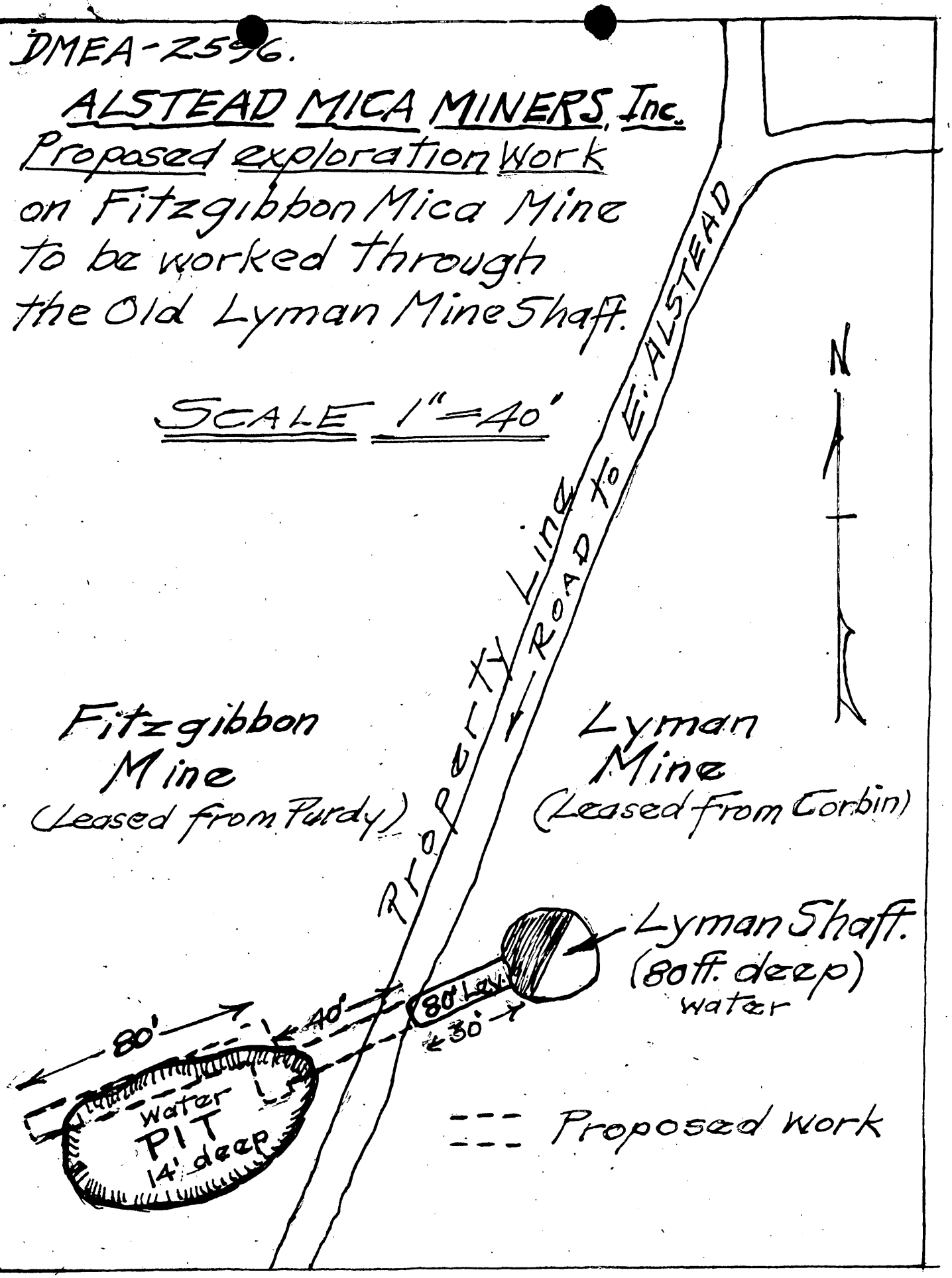
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 23 1952

DMEA-2596.

ALSTEAD MICA MINERS, Inc.

Proposed exploration Work on Fitzgibbon Mica Mine to be worked through the Old Lyman Mine Shaft.

SCALE 1" = 40'



C. BRASWELL COLLINS
ATTORNEY AT LAW
THE ARLINGTON BUILDING
1025 VERMONT AVENUE, N. W.
WASHINGTON 5, D. C.

WASHINGTON, D.C. 24
SEP 22
7 30 PM
1952

Mr. Jasper T. Robertsson
Department of the Interior
Room 4635
Washington 25, D. C.

For Stock

Mica from Lyman Mine -
Mined by George Craig -
Talked with Craig last night -
mentioned your name favorable -
Do some good work for him
and he will pay well.
Field Team was here - Please
and leave to Purdy.

October 28, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing Review - Docket No. DMEA-2596 - Mica
Contract No. Idm-2441
Contract Date: November 12, 1952
Contract Termination Date: September 8, 1953
Property: Fitzgibbon Mine
Cheshire County, New Hampshire
Applicant: Sam L. Phillips, President
Alstead Mica Miners, Inc.
Spruce Pine, North Carolina
Amount approved in contract - $5,600.00
Total accepted cost - $3,244.64
Government's share @ 90% - $2,920.18
Project work started: April 27, 1953
Project work terminated by Field Team:
August 13, 1953.
Certification of discovery or development:
None issued.

Docket Summary:

6/30/52	Application for aid in an exploration project received.
7/2/52	A program of exploration recommended by Paul L. Weis, USGS.
7/10/52	Application referred to Field Team.
7/15/52	A Field Team investigation recommended by W. F. Dietrich, USBM.
7/18/52	Date of Field Team report of examination.
7/18/52	Application for aid revised.
11/12/52	Contract of even date sent to Region VIII for signature.
11/24/52	Signed contract returned by Executive Officer, Region VIII.
1/22/53	Date of Amendment No. 1 extending starting and completion dates to 4/26/53 and 8/24/53, respectively. Delay due to adverse winter weather.
5/15/53	Report of examination by Glenn W. Stewart, USGS.
5/23/53	Report of examination by H. L. Burmeister, USBM. Unwatering.
7/10 & 7/11/53	Interim Report by H. L. Burmeister. Total drifting 51 feet.
7/20/53	Date of Amendment No. 2 extending completion date to 11/12/53.
8/24/53	Interim Report by W. T. Millar. Found termination by mutual agreement justified since results of work not encouraging.
9/8/53	Operating Committee authorizes W. T. Millar to terminate contract.
9/8/53	Date of Termination Agreement.

9/16/53 Report of Review by Auditor.
10/5/53 Received Operator's Monthly Report for August, accepted in lieu of a final report.
10/6/53 Date of Final Report by Field Team.
_____ Date of closing letter to Operator.

Project Summary:

1. The contract provides for conducting the work in two stages. In Stage I the old Lyman shaft and a drift, reported to be on the 80-foot level, were to be unwatered and cleaned preparatory to drifting in Stage II. The estimated cost of Stage I was $1,050.00.

Stage II consisted of driving 130 feet of 5'x7' drift (or crosscut) from the end of the old Lyman drift into the Fitzgibbon Mine property at an agreed unit cost of $35.00 per foot for work actually done in lieu of actual costs.

Total estimated cost of both stages was $5,600.00, of which the Government's share @ 90% would be $5,040.00.

2. The objective of the project was to expose minable deposits of mica in a zone along the hanging wall of a pegmatite trending southwesterly into the Fitzgibbon property from the old Lyman shaft.

3. The Lyman shaft, upon unwatering, was found to be approximately 50 feet deep instead of 80 feet, and the new drifting was carried forward from the old Lyman drift at this level. The preparatory work under Stage I included unwatering and cleaning the old shaft and drift and blasting out a 3-foot toe 16 feet long in the floor of the drift.

The work outlined by the contract and attached map was based on the following two erroneous assumptions: (1) The old drift off the Lyman shaft ended near the property line between the Lyman property and the Fitzgibbon property and was headed for a point directly under the Fitzgibbon pit. (2) The pegmatite followed by the old drift was the only one in the vicinity and trended toward the Fitzgibbon pit.

A Brunton survey by the Field Team indicates that the old drift was following a pegmatite hanging wall in a S. 55° W. direction and was headed for a point well south of the Fitzgibbon pit. The extension of this drift under the DMEA project trended further to the south so that it practically paralleled the property line and the road to East Alstead instead of crossing into the Fitzgibbon property. The new drifting totaled 51 feet and ended about 35 feet south of the Fitzgibbon pit and still on the Lyman property.

From the north or footwall side of the old Lyman drift a 5'x7' crosscut was started at a point about 21 feet from the Lyman shaft. The crosscut trended due north and was driven 23 feet

into and through a second pegmatite which apparently was the one worked by the Fitzgibbon open pit. The second pegmatite was encountered 15.5 feet from the first and was about four feet thick. A nine foot test hole in the crosscut face was entirely in schist. The Brunton survey indicates that the crosscut did not reach the property line between the Lyman and Fitzgibbon properties so that all work under the exploration project was performed on the Lyman property.

Cost of the preparatory work under Stage I was $654.64 and cost of the 74 feet of drifting and crosscutting under Stage II was $2,590.00. Total cost amounted to $3,244.64 and the Government's share @ 90% was $2,920.18.

4. The 51 feet of drifting exposed an 18 inch zone containing some books of good stained grade mica in the floor of the first three feet of advance, but thereafter, the zone was narrow and discontinuous and the mica content was poor in grade.

The crosscut encountered a substantial quantity of mica in penetrating the second pegmatite but a prepared sample tested at the Government Purchase Depot, Franklin, New Hampshire, showed only 15.85% good stained mica. Since Government specifications call for a minimum of 20% good stained, this material was not acceptable. Working the best material recovered resulted in a yield of 37% block mica.

The crosscut was widened in both directions where it cut the pegmatite, but the new faces revealed a diminished mica content. In view of the low quality of the mica exposed and the lack of regularity in its occurrence, Operator concluded that further exploration was not warranted and requested termination of the contract.

It appears that the original purpose of the contract to explore for mica on the Fitzgibbon property, particularly in that section underlying the Fitzgibbon open pit, was not fulfilled. None of the exploratory openings were on the land covered by the contract and described in Article 2. While the Operator was assigned the lease on the Lyman property this lease was primarily for ingress and egress to the Fitzgibbon Mine and for dumping mine waste from the latter on the Lyman property. There was no Owner's Consent to Lien negotiated on the Lyman property, consequently the Government was not fully protected in connection with the exploration work done on such property.

From another viewpoint the purpose of the project was to follow the hanging wall mica zone of the pegmatite by extending the old Lyman drift and this, in fact, was done. When this drift failed to expose commercial deposits of mica a crosscut was driven to the north to cut what appears to be a pegmatite offshoot which trends toward the area originally proposed for exploration.

MChing:gad 10/28/53
Copy to: Admr. R. File
Docket File
Mr. Houk

Michael Ching
Nonmetallic Minerals Division

NOV 5 1953 400

Mr. Ben L. Phillips, President
Alstead Mica Mines, Inc.
Spruce Pine, North Carolina

Re: Docket No. DMEA-2596 - Mica
Fitzgibbon Mine
Cheshire County, New Hampshire
Contract No. Mm-2441

Dear Mr. Phillips:

This is with reference to the subject Exploration Contract between the Alstead Mica Mines, Inc., and the Government.

The final report of review of the contract expenditures and the final report of the Field Team have been received and accepted by this Administration. Operator's monthly report for August, 1953, is hereby accepted in lieu of a final report. Of the total amount of $5,400.00 approved under the contract, the sum of $5,244.44 was expended, 50 percent of which, or $2,622.22, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government. The exploration work was performed in a satisfactory manner.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 7 (d) of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract".

Your interest in the Exploration Program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

MHing:gad 10/30/53
Copy to: Admr. R. File
Docket File
Field Team, Region VIII
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.

Mr. Hook

IN REPLY REFER TO:

G-RD-CNE

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

September 11, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2596 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Alstead Mica Miners.
Name of property: Lyman-Fitzgibbon mines.
Location of property: Alstead, New Hampshire.
Date of field team report: September 3, 1953. Approved.
Authorship of field team report: J. B. Hanley.
Field team's recommendation: Termination without certification.
Comments: Only 15.86 percent of finished product is strategic, and 20 percent is the minimum acceptable to GSA.

ACTION SUGGESTED:
Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
9/11/53
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee

IN REPLY REFER TO:

G-AD-CMK

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

September 11, 1953

Memorandum

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To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Alstead Mica Miners.
Name of property: Lyman-Fitzgibbon mines.
Location of property: Alstead, New Hampshire.
Date of field team report: September 3, 1953.
Authorship of field team report: J. B. Manley.
Field team's recommendation: Termination without certification.
Comments: Only 15.86 percent of finished product is strategic, and 20 percent is the minimum acceptable to GSA.

ACTION SUGGESTED:
Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
9/11/53
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee

Original to Docket

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

RECEIVED
OCT 30 1953

October 29, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Acting Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2596, Mica

Applicant: Alstead Mica Miners
Property: Fitzgibbon Mine, Cheshire County, New Hampshire
Date of Final Field Team Report: October 6, 1953
Contract No.: IDM-E441
Field Team's Recommendation:

1. Termination of contract by request of operator and waive all rights to royalty payments specified in the contract.
2. No certification on the basis that the strategic mica found did not conform to the minimum requirements of 20 percent of the mica sold to the Government Purchasing Depot.

Comments:

1. Certification of discovery or development is made for the benefit of the Government, not the operator, and his wishes in the matter are immaterial. A project should be certified if there is any reasonable likelihood of production within ten years from the date of the contract from which the Government may recover some of its contributions.

2. Under the regulations, mica produced from a mine receiving financial assistance from the Government can be sold to any buyer, Government or private industry. Recommendation of denial on the basis that the mica did not conform to the minimum percent distribution for domestic mica purchasing program does not necessarily indicate that the mica cannot be sold.

Recommendation:

// I do not concur in the field team's recommendation to certify no discovery. //

Signed

Donald R. Irving

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

RECEIVED

October 6, 1953

Memorandum

To: George C. Selfridge, Chairman, DMEA Operating Committee

From: Executive Officer, DMEA Field Team, Region VIII

Subject: Docket No. DMEA-2596 - (Mica)
Alstead Mica Miners, Inc., Spruce Pine, No. Carolina
Property: Fitzgibbon Mine,
Cheshire County, New Hampshire
Contract No. Idm-E441

Transmitted herewith in quadruplicate is the Final Report on Terminated Contract No. Idm-E441, by the DMEA Field Team of Region VIII.

It is recommended that the Operator's Monthly Report for August 1953 be accepted in lieu of a final report and that the Government waive the necessity of the Operator preparing a formal final report.

W. T. Millar

Enclosures - 4

WTM:rwa

copies for GeoCSelfridge - Orig. & 3
QuentinDSingewald, USGS
FRKantner, Fin. Off., Reg. 8
DMEA Files 2

Reviewed by
DMEA OPERATING COMMITTEE
10-16-53
(date)

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 6 1953

FINAL REPORT ON TERMINATED CONTRACT

DMEA Docket No. 2596 - (Mica)

Contract No. Idm-Ehhl

Alstead Mica Miners, Inc., Spruce Pine, North Carolina
Agent: Wm. J. Alexander, 16 Liberty Avenue,
Franklin, New Hampshire
Fitzgibbon Mine, East Alstead, Cheshire County, New Hampshire

by

Defense Minerals Exploration Administration
Field Team, Region VIII

October 6, 1953

Reviewed by
DMEA OPERATING COMMITTEE
10-16-53
(date)

RECEIVED
OCT 6 1953

FINAL REPORT ON TERMINATED CONTRACT

DMEA Docket No. 2596 - (Mica)

Contract No. Idm-Ehhl

Alstead Mica Miners, Inc., Spruce Pine, North Carolina
Agent: Wm. J. Alexander, 16 Liberty Avenue,
Franklin, New Hampshire
Fitzgibbon Mine, East Alstead, Cheshire County, New Hampshire

On August 13, 1953 the Operator made a formal request that exploratory work under this contract, No. Idm-Ehhl, be terminated because this deposit contains an insufficient amount of mica of strategic quality to support an economically successful mining operation at this time.

An examination of the exploratory work under this contract was made on August 24, by John B. Hanley of the Geological Survey and W. T. Millar of the Bureau of Mines, representing the DMEA Field Team, accompanied by Wm. J. Alexander, Mining Engineer and Agent for the Operator.

Summary:

The purpose of this contract was to explore for strategic mica, partially in the Lyman deposit and partially below the Fitzgibbon open pit, by crosscutting from the Lyman to the Fitzgibbon property.

Drifting on the hanging wall of the Lyman mine totals 51 feet. A 23-foot crosscut was driven from the Lyman into and through the Fitzgibbon vein. In the Fitzgibbon, mica was encountered in substantial quantity and was sampled by a Government representative and tested at the Government Mica Purchasing Depot, Franklin, New Hampshire. Results of these tests showed 15.848 percent good stained mica, valued at $8.53 per pound, and therefore does not qualify under the minimum of 20 percent good stained or better required for Government

purchase. Working the best mica recovered, resulted in a yield of 37 percent block mica.

Conclusions:

Although a considerable quantity of mica was encountered in the Fitzgibbon property, it is concluded that the percentage which meets the specifications of the Government Mica Purchasing Depot as being of strategic quality, is insufficient for an economically successful mining operation at this time. No beryl was observed and inferior feldspar in small quantities cannot be considered as a byproduct for defraying operating costs.

Recommendations:

In view of the above conclusions the Field Team recommends that the Government concur with the request of the Operator and terminate this contract as of August 13, 1953, and waive all rights to royalty payments specified in the contract.

Description of Work Completed:

Work under this contract started April 27, 1953 and was recommended for termination as of August 13, 1953 before completion.

Stage I consisted of unwatering the Lyman shaft and cleaning the bottom to the face of the old Lyman southwest drift.

The shaft was found to be only 50 feet deep instead of 80 feet as stated in the application. There is evidence that in places the old workings do extend below the 50-foot level. It was necessary to blast out a 3-foot toe 16 feet long in the floor of the old drift so wheelbarrows could be used.

A measuring plug was set in the hanging wall of the old drift 16 feet northeast of the face and drifting under Stage II was started June 1. Work

under Stage II was on a unit cost basis. The Lyman hanging wall was followed by drifting for a distance of 51 feet (see Fig. 1). In the floor of the first 3 feet of drift, there was exposed an 18 inch mica zone containing some books of good stained grade. The balance of the drifting exposed a poor grade of mica in a narrow and discontinuous zone.

After completion of the drift a crosscut was started into the footwall at a point 8 feet southwest of the drift measuring plug and on a magnetic north bearing. The crosscut was driven 23 feet. At a point 15½ feet from the Lyman drift wall, the Fitzgibbon pegmatite was encountered in the floor of the crosscut; four feet of pegmatite was crossed and the schist footwall penetrated for a distance of 3½ feet. A 9-foot test hole into the crosscut face was entirely in schist. Widening the crosscut on the pegmatite revealed less mica in both directions than was found at the point where the crosscut entered the pegmatite.

Geology:

At the time of the visit the Lyman mine was practically closed down as all equipment, except for a portable compressor and an air-driven water pump, had been removed. The workings had been partly unwatered on the morning of the 24th, but the walls had not been cleaned and were covered with thick, wet dirt, making it difficult to see the geology.

No significant change in the geology from that described in the open-file report on the New England pegmatites by Cameron et al. was noted in the drift that has been made under this contract to the southwest along the pegmatite. When the quality of the mica recovered during the driving of this drift was tested, it was found to yield only 15.85 percent of good-stained-or-better sheet: too low a recovery to qualify under the present purchase program.

The work under the contract was then changed to drive a crosscut to the Fitzgibbon pegmatite, as the operators did not realize that the two properties are on the same pegmatite and that the drift to the southwest, if extended, would pass under a portion of the surface workings on the Fitzgibbon property. This crosscut hit a blind pegmatite at a distance of 15.5 feet westerly from the footwall of the Lyman pegmatite. This blind pegmatite, which is about 2 feet thick, plunges to the northeast at a moderate angle. It contains about as much muscovite of the same quality as the Lyman pegmatite. This blind pegmatite probably is another lens-like offshoot that extends into the footwall schist.

The failure of this exploration contract is entirely caused by the fact that the quality of sheet mica obtained from the mine-run mica is not sufficient to meet the requirements of the mica program. Hence, economic factors, not geologic factors, govern the termination of the contract because of "no discovery."

Expenditures:

Total approved	$5,600.00	
Total cost of project	3,244.64	(subject to audit)
Government's share of cost	2,920.18	" " "
Government's share unexpended	2,119.82	" " "
Value of production during operation	None	
Government's royalty	None	

Efficiency of Operations:

Experienced men were not available and the underground workings are in sloughing ground. Considering the difficulties presented, the work was done at a reasonable cost and was well managed. Mr. Wm. J. Alexander, who is agent for the Alstead Mica Miners, Inc., was in direct charge of the operations.

Equipment:

No equipment was purchased for the project. Pumps for Stage I were

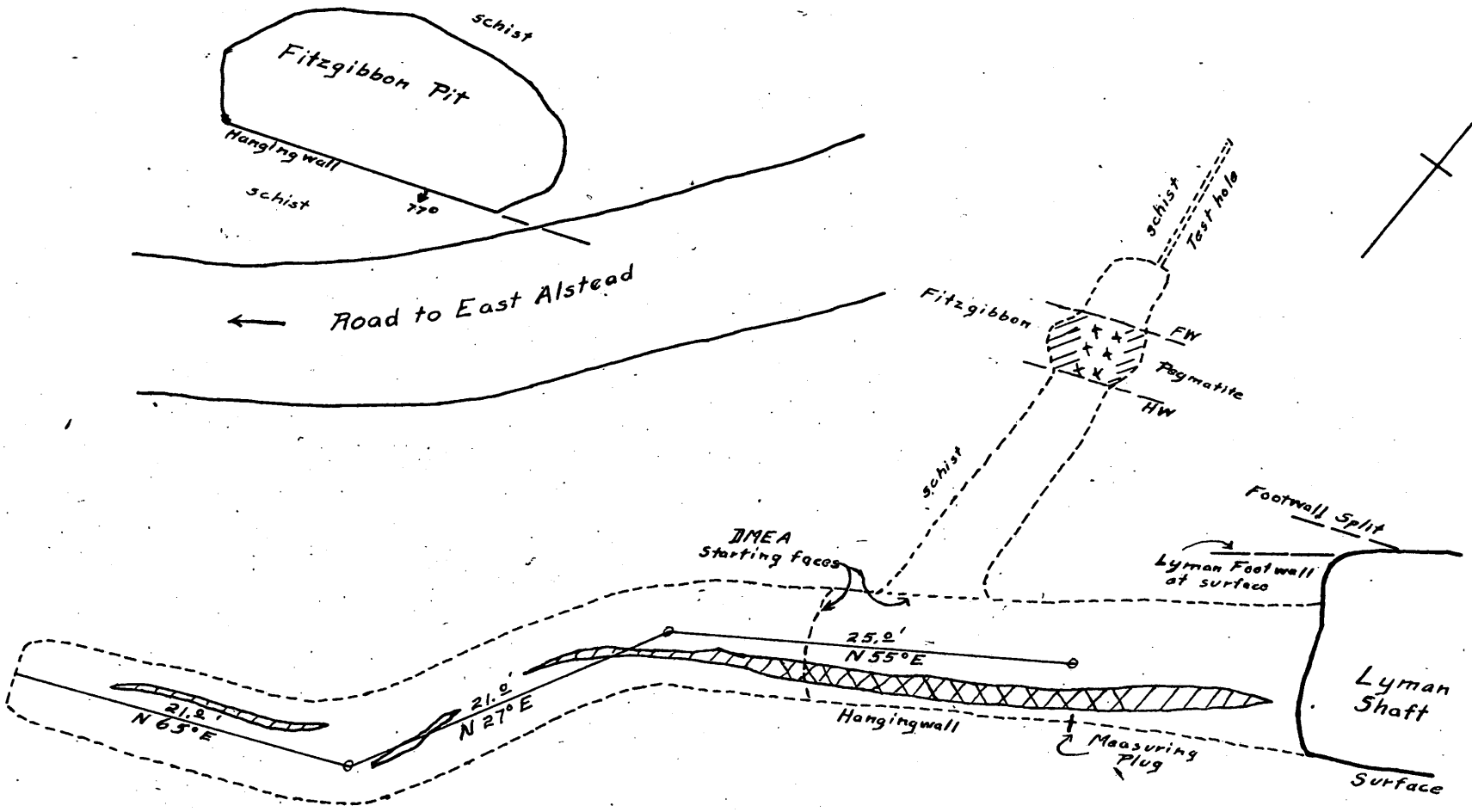
rented and all work under Stage II was on a unit cost basis.

W. T. Millar

W. T. Millar, Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

for Quentin D. Singewald, U.S. Geological Survey
Member, Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

College Park, Md.
October 6, 1953



Scrap mica

Block mica

---- Underground

— — Indicated at Surface

ALSTEAD MICA MINERS, Inc.

EAST ALSTEAD, N.H.

DOCKET DMEA, No. 2596 - CONTRACT Idm-E 441

USBM BRUNTON SURVEY JULY & AUG. 1953

0 inches 1

0 feet 10

FIG. 1

IN REPLY

G-MD-

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

orig. to Docket

September 11, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2596 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Alstead Mica Mineral.
Name of property: Lyman-Fitzgibbon mines.
Location of property: Alstead, New Hampshire.
Date of field team report: September 3, 1953.
Authorship of field team report: J. B. Hanley.
Field team's recommendation: Termination without certification.
Comments: Only 15.86 percent of finished product is strategic, and 20 percent is the minimum acceptable to GSA.
ACTION SUGGESTED:
Follow field team's recommendation.

D. M. Larrabee

Larrabee:jch
9/11/53
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee

R

SEP 8 1953

600

Mr. W. I. Millar
Executive Officer, DMEA
Field Team, Region VIII
Bureau of Mines
Eastern Experiment Station
College Park, Maryland

Subject: Docket No. DMEA-2596 - Mica
Alstead Mica Miners, Inc.
Fitzgibbon Mine
Cheshire County, New Hampshire
Contract No. Idm-2441

Dear Mr. Millar:

Reference is made to Field Inspection Report, August 24, 1953, in which you advise that final mine examination has been made and a termination of the contract is justified.

You are authorized to terminate the contract using form "Termination of Exploration Project Contract by Agreement After Commencement but Before Completion of the Work."

The termination agreement should be executed by an officer of the corporation and not by W. J. Alexander, Agent. On this matter of signatures for the Alstead Mica Miners, Inc., the enclosed copies (2) of memorandum from the Chief Counsel are sent for your information and future guidance.

Sincerely yours,

Ernest Wm. Ellis

ACTING Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. H. Kinkel, Jr.

Member, Geological Survey

Enclosures 2

JTRobertson:gad 9/3/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1953 Docket No. DMEA 2596 Contract No. IDM-Phl

Operator's Name Alstead Mica Miners Inc. Minerals Mica

Address 16 Liberty Ave., Franklin, N. H.

Contract Amount, $ 5600 Government Participation: 90 % Amount, $ 5040.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	455	350.00	805.00			
Drifting		1785.00	1785.00			
(2) Labor and Supervision:						
Labor		475.00	475.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Gas & Oil		48.52	48.52			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes		7.13	7.13			
Liability Insurance		23.99	23.99			
(8) Contingencies (specify):						
TOTALS	455	2789.64	3244.64			

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

Date Aug. 25, 1953 *Payee Alstead Mica Miners, Inc.

Per Wm J Alexander Title Agent

*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:

$ 409.50

Signature E. R. Kantner, Adm. Asst.
(Authorized Certifying Officer)

Date 9/30/53 Vou. No. DMEA-52
(See other side)

(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 44 in accordance with the terms of the contract.

Signature H. L. Burmester Title Mining Eng Date 8/31/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. L. Burmester acting for Title W. T. Millar Exect. Officer Date 8/31/53

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.

GPO 83-38476

Form TF-1RA
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 2596 Contract No. IDM-E441
Operator's Name Alstead Mica Miners Inc. Minerals Mica
Address 16 Liberty Ave., Franklin, N. H.

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	Foot	0	0	1785.	51	35.00	130'	35.00
Crosscutting	Foot	455	13	805.	23	35.00		
Raising								
Shafts								
Winzes								
Drilling: Core Dewatering				654.64				
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		455		3244.64				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		455		3244.64				5600.00

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 August 25, 1953 Operator Alstead Mica Miners Inc.

Per Ira J. Alexander Title Agent

REMARKS: This will be the last report — Project terminated

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)

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 83-38475

SUPPLEMENTARY SHEET

Month of August 1953 Docket No. DMEA 2596 Contract No. IDM-Etal
Operator's Name Alstead Mica Miners, Inc. Minerals Mica
Address 16 Liberty Ave., Franklin, N. H.

The cross cut in the footwall was extended thirteen feet.

At a distance of fifteen and one half feet in from where the cross cut was started pegmatite material was encountered in the bottom of the cross cut. Continuing the cross cut we cut through the pegmatite which was about four feet thick We shot another 3½ feet in the schist foot wall and drove a test hole 9 feet which did not encounter any other pegmatite.

The pegmatite encountered was rather soft and fine grained material. It did not contain any large masses of quartz. As we cut across the pegmatite it was apparent the footwall schist had a much flatter dip than the hanging wall. When first encountered the pegmatite carried an estimated 2½ % mica. Some of the books were as large as 8 inches across the face. We widened the cross cut in a southerly direction preparing to drive a drift in that direction. The mica content in the pegmatite fall off appreciably. We put some pop shots in a northerly direction, on the cross cut and they did not yield as much mica as when first encountered.

We brought some of the best mica to the mica house, rifted and trimmed it and prepared it for sale. The government buyer ran it through as 15.848% Good Stained and could not buy it as it must contain a minimum of 20% Good Stained. Had he been able to purchase it the price would have been $8.53 per lb. The mica was wavy, cracked, and contained many reeves and black spots. On the mica worked which was the best recovered the yield figured about 37% block mica per ton of run of mine.

The drift that was driven along the hanging wall did not show up any good mica.

Due to the appearance of the vein and the low percentage of good stained mica and low recovery of block mica per ton of run of mine, the mine would not be an economical operation under the present program.

Therefore we respectfully request that the contract be ternimated.

Alstead Mica Miners Inc
Wm J Alexander
Agent

September 1, 1953

Memorandum

To: The Administrator

Through: Mr. L. G. Nouk

From: Chief Counsel

Subject: Alstead Mica Mines, Inc., Docket No. DMRA-2596 (Mica), Contract No. Idm-R441

We have reviewed Amendment No. 2 to the above-described contract and have noted that it was signed in behalf of the Operator, a North Carolina Corporation, by "William J. Alexander, Agent."

With the copies of the Amendment No. 2 which were transmitted to us by the Executive Officer, DMRA Field Team, Region VIII, there was also transmitted a photostatic copy of an instrument, signed by all the stockholders of the Corporation, purporting to authorize W. J. Alexander to transact all business of the Corporation.

We have reviewed the copy of the Certificate of Incorporation of the Operator which appears in our files, and we do not find in it any authority for the Operator to act other than through a board of directors and corporate officers. As Amendment No. 2 merely extends the time for the completion of the work and is primarily for the benefit of the Operator, we shall not raise any question in connection with it. However, unless it is demonstrated to us that all the stockholders of the Operator-Corporation may legally authorize an agent to conduct all the business of the Corporation, we will require that all future documents submitted by the Operator to the Government be signed by a proper officer of the Corporation acting pursuant to authority granted by its board of directors.

It is suggested that a copy of this memorandum be sent to Mr. W. T. Miller.

(S) Allane
for J. L. Hoffland
Chief Counsel

HCRubin:ep 9-1-53

Chron.
Copy prepared for Reg. VIII (2)
Admr. Reading File Mr. W. T. Miller
Oper. Comm.

September 1, 1953

Memorandum

To: The Administrator

Through: Mr. L. G. Houk

From: Chief Counsel

Subject: Alstead Mica Mineral, Inc., Docket No. DMEA-2596 (Mica), Contract No. Idm-8441

We have reviewed Amendment No. 2 to the above-described contract and have noted that it was signed in behalf of the Operator, a North Carolina Corporation, by "William J. Alexander, Agent."

With the copies of the Amendment No. 2 which were transmitted to us by the Executive Officer, DMEA Field Team, Region VIII, there was also transmitted a photostatic copy of an instrument, signed by all the stockholders of the Corporation, purporting to authorize W. J. Alexander to transact all business of the Corporation.

We have reviewed the copy of the Certificate of Incorporation of the Operator which appears in our files, and we do not find in it any authority for the Operator to act other than through a board of directors and corporate officers. As Amendment No. 2 merely extends the time for the completion of the work and is primarily for the benefit of the Operator, we shall not raise any question in connection with it. However, unless it is demonstrated to us that all the stockholders of the Operator-Corporation may legally authorize an agent to conduct all the business of the Corporation, we will require that all future documents submitted by the Operator to the Government be signed by a proper officer of the Corporation acting pursuant to authority granted by its board of directors.

It is suggested that a copy of this memorandum be sent to Mr. W. T. Miller.

/s/ Alexander
for J. L. Nofflund
Chief Counsel

HCRubin:ep 9-1-53

Copy to: Mails & Files
Admr. Reading File
Oper. Comm.
Mr. W. F. Dietrich, B/M, Rm. 3526
Mr. D. M. Larrabee, USGS, Rm 0232, GSA
Copy prepared for Reg. VIII (2)
Mr. Nofflund
Mr. Rubin
Chron.

RECEIVED
SEP - 1 1953

DMEA
Field Inspection Report
by
W. T. Millar, Executive Officer
Bureau-Survey Field Team - DMEA
August 24, 1953

Operator:	Alstead Mica Miners, Inc.
	W. J. Alexander, Agent
Address:	16 Liberty Avenue, Franklin, N. H.
Mine & Location:	Fitzgibbon Mine, East Alstead, Cheshire County, N. H.
Docket No.:	DMEA-2596 - (Mica)
Contract No.:	Idm-E441
Total Cost:	$5,600.00
Government Participation:	90% - $5,040.00
Duration of Contract:	Nov. 12, 1952 to Nov. 12, 1953

This property was visited on August 24 by W. T. Millar, USBM, and John B. Hanley, USGS, accompanied by W. J. Alexander, Agent, for the Operator.

On August 13, 1953, Mr. Alexander requested that this contract be terminated by mutual agreement. The exploration completed was very discouraging and the operator had stopped work.

As a result of this examination the Field Team concluded that the request for termination was justified and final examination has been made.

W. T. Millar

mdk

FO[redacted]4 (Rev.)
[redacted]2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 195 3 Docket No. DMEA 2596 Contract No. IDM-[redacted]
Operator's Name Alstead Mica Miners, Inc. Minerals Mica
Address 16 Liberty Ave., Franklin, N. H.
Contract Amount, $ 5,600 Government Participation: 90 % Amount, $ 5040.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	350		350			
Drifting		1785	1785			
(2) Labor and Supervision:						
Labor		475	475			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
GAS & OIL		48.52	48.52			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes		7.13	7.13			
Liability Insurance		23.99	23.99			
(8) Contingencies (specify):						
TOTALS	350	2439.64	2789.64			

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

Date Aug. 4, 1953 *Payee ALSTEAD MICA MINERS INC.

Per Wm J Alexander Title AGENT

*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:

$ 315.00

Signature F. R. Kantner, Adm. Asst.
(Authorized Certifying Officer)

Date 8/28/53 Vou. No. DMEA-50
(See other side)

(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-441 in accordance with the terms of the contract.

Signature [illegible] Title Mining Eng. Date 8/7/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. T. Miller Title Executive Officer Date 8/7/53

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.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1953 Docket No. DMEA 2596 Contract No. IDM-2441
Operator's Name Alstead Mica Miners Inc. Minerals Mica
Address 16 Liberty Ave., Franklin, N.H.

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	Foot	0	0	1785	51	35.00	130	35.00
Crosscutting	Foot	350	10	350	10	35.00		
Raising								
Shafts								
Winzes								
Drilling: Core Diamond				654.64				
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		350		2789.64				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								$5600.00

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 Aug. 4, 1953 Operator Alstead Mica Miners Inc.

Per Wm J Alexander Title Agent

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.

REMARKS:

(Instructions on reverse)

(For Government use only)

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 83-38475

SUPPLEMENTARY SHEET

Month of June 1953 Docket No. DMEA 2596 Contract No. IDM-E441
Operator's Name Alstead Mica Miners, Inc. Minerals Mica
Address 16 Liberty Ave., Franklin, N. H.

A cross cut was driven in the foot wall for a distance of ten feet.

A pin hole and peg was driven in the hanging wall as a measuring point for the cross cut. This point was ten feet from the footwall where the drift was to start. Due to seams in the schist wall and the angle at which it set the schist broke for a long distance each side of the cut holes. The resultant work doesn't look much like a drift but the footwall has been cut back ten feet. All material moved was mica schist. Due to cracks in roof of drift it was necessary to take down several tons of material to make a safe working place before cross cut was started.

Due to fumes the gasolene pump had to be replaced with an air pump.

Ross J. Alexander
Agent.

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

September 1, 1953

Memorandum

To: The Administrator
Through: Mr. L. G. Houk

From: Chief Counsel

Subject: Alstead Mica Miners, Inc., Docket No. DMEA-2596 (Mica), Contract No. Idm-E441

We have reviewed Amendment No. 2 to the above-described contract and have noted that it was signed in behalf of the Operator, a North Carolina Corporation, by "William J. Alexander, Agent."

With the copies of the Amendment No. 2 which were transmitted to us by the Executive Officer, DMEA Field Team, Region VIII, there was also transmitted a photostatic copy of an instrument, signed by all the stockholders of the Corporation, purporting to authorize W. J. Alexander to transact all business of the Corporation.

We have reviewed the copy of the Certificate of Incorporation of the Operator which appears in our files, and we do not find in it any authority for the Operator to act other than through a board of directors and corporate officers. As Amendment No. 2 merely extends the time for the completion of the work and is primarily for the benefit of the Operator, we shall not raise any question in connection with it. However, unless it is demonstrated to us that all the stockholders of the Operator-Corporation may legally authorize an agent to conduct all the business of the Corporation, we will require that all future documents submitted by the Operator to the Government be signed by a proper officer of the Corporation acting pursuant to authority granted by its board of directors.

It is suggested that a copy of this memorandum be sent to Mr. W. T. Millar.

/s/ A E Kane
for J. L. Hofflund
Chief Counsel

Department of the Interior
Defense Minerals Administration
RECEIVED
AUG 18 1953

College Park, Maryland

August 14, 1953

Mr. William J. Alexander, Agent
Alstead Mica Miners, Inc.
16 Liberty Avenue
Franklin, New Hampshire

Subject: Docket DMEA-2596 - (Mica)
Fitzgibbon Mine
Cheshire County, N. H.
Contract Idm-Ehl1

Dear Mr. Alexander:

Your letter of August 13, recommending that the subject contract be canceled is appreciated.

It is planned for the Field Team to examine the project on Monday, August 24. You will be contacted at the Mica Purchasing Depot, Franklin, New Hampshire in the morning on that date.

Very truly yours,

W. T. Millar, Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

WTM:rwa

copy for GeoCSelfridge, Chm., Oper. Comm.
DMEA Files 2

August 6, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Docket No. DMRA-2596 - Mica, Alstead Mica Miners, Inc.
Fitzgibbon Mine
Cheshire County, New Hampshire

Re: Amendment No. 1

Comment and concurrence:

The purpose of the amendment is to extend the completion date under the original contract.

The Nonmetallic Minerals Division concurs in the amendment as made but subject to legal review with respect to the signature made by an agent for the corporation as was done in this case.

Jasper T. Robertson
Nonmetallic Minerals Division

JTRobertson:gad

Copy to: Admr. R. File
Docket File
Mr. Houk

College Park, Maryland

July 29, 1953

Memorandum

To: George C. Selfridge, Chairman, DMEA Operating Committee

From: Executive Officer, DMEA Field Team, Region VIII

Subject: Docket No. DMEA-2596 - (Mica)
Alstead Mica Miners, Inc.,
Fitzgibbon Mine, Cheshire County, N. H.
Contract No. Ida-Ehld

Transmitted herewith are two copies of the June progress report from the Alstead Mica Miners, Inc., for subject contract, which has been certified for payment by the DMEA Finance Officer, Region VIII.

W. T. Millar

Enclosures 2

WTM:rwa

copy for GeoCSelfridge
DMEA Files 2

Form M[redacted]4 (Rev.)
(April [redacted]2)

UNITED STATES
[redacted]EPARTMENT OF THE INTERIO[redacted]
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [redacted], 195[redacted] Docket No. DMEA [redacted] Contract No. [redacted]
Operator's Name [redacted] Minerals [redacted]
Address [redacted]
Contract Amount, $[redacted] Government Participation: [redacted] % Amount, $[redacted]

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

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

Date [redacted] Payee [redacted]

Per Sam L. Phillips Title [redacted]

*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:

$ 6606.50

Signature F. R. Kantner, Adm. Asst.
(Authorized Certifying Officer)

Date 7/28/53 Vou. No. DMEA-48
(See other side)

(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 441 in accordance with the terms of the contract.

Signature T. L. Burmester Title Mining Eng. Date 7/24/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. P. Miller Title Executive Officer Date 7/24/53

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.

GPO 83-38476

Form Min-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 20 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 3 Docket No. DMEA 2596 Contract No. [illegible]
Operator's Name Alstead Mica Mines, Inc. Minerals Mica
Address 16 Liberty Ave., Franklin, N. H.

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	foot	1785	51	1785.00	51	35.00	130	35.00
Crosscutting								
Raising								
Shafts								
Unwatering				654.64				
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1785		2439.64				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								5,000.00

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 July 15, 1953 Operator Alstead Mica Mines, Inc.

Per Sam L. Phillips Jr. Title Pres.

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)

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 83-38475

SUPPLEMENTARY SHEET

Month of June 1953 Docket No. DMEA 2884 Contract No. DMA-8411
Operator's Name Richard Mine Miners, Inc. Minerals Mica
Address 16 Liberty Ave., Franklin, N. H.

Drifted along hanging wall a distance of 51 ft.

The vein looks poor at the head of the drift.

There is some mica showing in the walls along the drift and there is mica in the floor of the drift.

There is a shortage of mine labor in this area which is causing some difficulty.

We are starting our cross cut and contemplate picking up another vein within fifteen or twenty feet.

A new hoist has been installed at the mine.

Sam L. Phillips

DMEA
Field Inspection Report
by
H. L. Burmeister, Engineer
July 10 & 11, 1953

Operator:	Alstead Mica Miners, Inc.
Address:	W. J. Alexander, Agent 16 Liberty St., Franklin, New Hampshire
Mine & Location:	Fitzgibbon Mine, East Alstead, Cheshire County, New Hampshire
Docket No.:	DMEA-2596
Contract No.:	Icm-Ehbl
Total Cost:	$5,600.00
Government Participation:	90% - $5,040.00
Duration of Contract:	April 26, 1953 to August 24, 1953

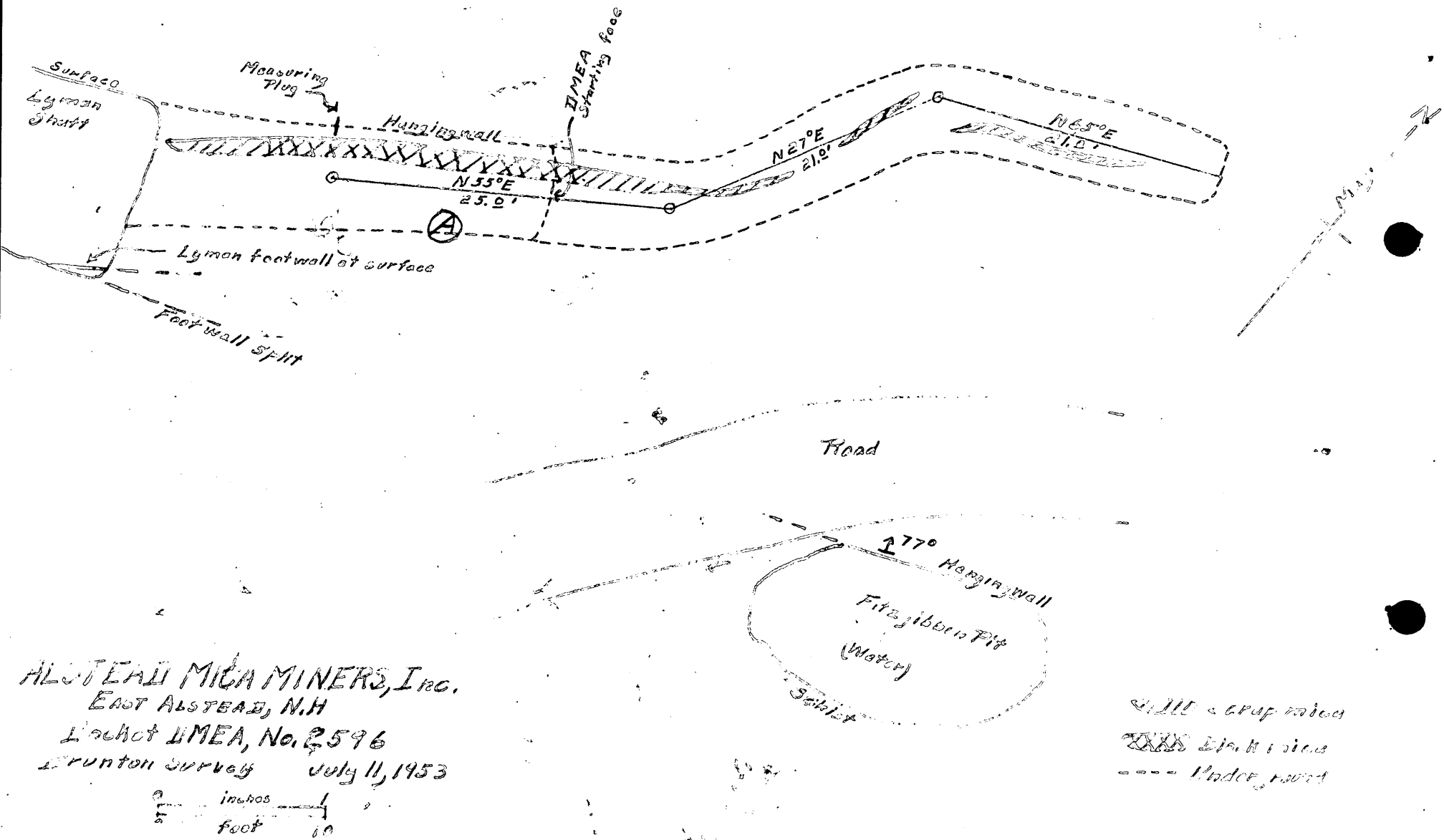
This property was visited for several hours on July 10, and all of July 11 was spent on the property. On July 10, it was found that the pump had broken down and that the water would not be pumped out until the next morning. By appointment Mr. Alexander was at the mine on July 11.

Total drifting on the hanging wall of the Lyman mine has been 51 feet, no advance having been made since June 30, 1953. A Brunton survey, (see fig. 1), was made and advance measured.

No mica except scrap has been encountered after the first several feet of drifting. The areas containing mica have been very narrow and discontinuous as shown in Figure 1 and it appears useless to continue this drift further. A split in the Lyman footwall appears probable at the Lyman shaft collar as shown in Figure 1. Mr. Alexander has been advised that he may start a crosscut approximately at "A" (fig. 1), to the hanging wall of the Fitzgibbon pit. If the mica in the Fitzgibbon raises in either direction on the strike the balance of the drifting should encounter it. It would seem that a crosscut at "A" would utilize to the best advantage the footage remaining to be driven under this contract. A marker was set for crosscut measurement. The exploration to date has produced a small of scrap. Mr. Alexander was advised that he should request an extension of time to complete the remaining work. Mr. Alexander is attaching to the Monthly Progress Report for June, his Power of Attorney from the Alstead Mica Miners, Inc., and is signing the June Progress Report in that capacity.

H. L. Burmeister
Mining Engineer

Transcribed from Memo Belt - 7/14/53
College Park, Maryland



ALSTEAD MICA MINERS, Inc.
EAST ALSTEAD, N.H
Lochot IIMEA, No. 2596
Brunton survey July 11, 1953

inches / feet

Fig. 1

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

copy for FIELD TEAM

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1953 Docket No. DMEA 2896 Contract No. [redacted]
Operator's Name Alstead Mica Miners Inc. Minerals Mica
Address 16 Liberty Ave., Franklin, N.H.
Contract Amount, $ 5600.00 Government Participation: 90 % Amount, $ 5040.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	475.00		475.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Gas & Oil	48.52		48.52			
(4) Operating Equipment:						
Rental	100.00		100.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	7.13		7.13			
Liability Insurance	23.99		23.99			
(8) Contingencies (specify):						
TOTALS	654.64		654.64			

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

Date 6/18/53 *Payee ALSTEAD MICA MINERS INC.

Per Sam L. Phillips Title Pres.

*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:

$ 589.18

Signature F. R. Kantner, Adm. Asst.
(Authorized Certifying Officer)

Date 6/30/53 Vou. No. DMEA-45
(See other side)

(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 441 in accordance with the terms of the contract.

Signature [illegible] Title Mining Eng. Date 6/24/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. D. Miller Title Executive Officer Date 6/24/53

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 2996 Contract No. [illegible]
Operator's Name Alstead Mica Mines Inc. Minerals Mica
Address 16 Liberty Ave., Franklin, N.H.

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 Unwatering		654.64		654.64				
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		654.64		654.64				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								5,600

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 June 18, 1953 Operator Alstead Mica Mines Inc.

Per Sam L. Phillips Title Pres.

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)

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 83-38475

SUPPLEMENTARY SHEET

Month of May 1953 Docket No. IMBA Contract No. IDMR-441
Operator's Name ALSTEAD MICA MINERS INC. Minerals Mica
Address 16 Liberty Ave., Franklin, N.H.

Labor Pumping			175.75	
Labor Cleaning Out Muck			299.25	475.00
Week Ending 5/2/53				
18 hrs. @1.00	18.00			
16 hrs. @1.50	24.00	42.00		
Week Ending 5/9/53				
26 hrs. @1.00	26.00			
26 hrs. @1.50	39.00	65.00		
Week Ending 5/16/53				
32 hrs. @1.00	32.00			
32 hrs. @1.50	48.00	80.00		
Week Ending 5/23/53				
48 hrs. @1.00	48.00			
16 hrs. @1.50	24.00	72.00		
Week Ending 5/30/53				
144 hrs. @1.00	144.00			
48 hrs. @ 1.50	72.00	216.00		
		475.00		
Pump Rentals				100.00
Supplies (Gas & Oil)				48.52
Unemployment Insurance (1½%)				7.13
Workmen's Compensation (5.05 / $100.00)				23.99
TOTAL				$654.64

The dewatering of the Lyman Mine was completed.
All the loose muck was removed from the Lyman Mine.
Stage 1 of the contract was completed.

In addition we found that after removing the muck from the bottom of the Lyman Mine shaft there was a toe ranging from 3 to 6 ft. high extending for a distance of about 16 feet. This was also blasted out and removed and the face squared up so Stage II of the contract can be started. Stage II was started on June 1st.

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 _____ Operator ALSTEAD MICA MINERS INC.
Per Sam L. Phillips Title Pres.

c
o
p
y

College Park, Maryland

June 12, 1953

Mr. William J. Alexander, Agent
Alstead Mica Miners, Inc.
16 Liberty Street
Franklin, New Hampshire

Subject: Docket DMEA-2596 - (Mica)
Contract Idm-Ehll
Fitzgibbon Mine
Cheshire County, N.H.

Dear Mr. Alexander:

The Operator's Monthly Report for May, on subject contract, is being returned for the correction of several items.

The contract allows for a labor rate of $1.00 per hour, which is the rate in which the Government will participate. The payroll submitted also includes overtime which is not provided for in the contract and is therefore not allowable and the time so worked may be charged only at the rate of $1.00 per hour. You were notified by letter under date of June 8, of the need for correction of either the rate or total amount under the workmen's compensation item.

The original copy is being returned including payroll and vouchers so that you may return a complete and correct report. The payroll being a copy of the actual payroll is acceptable as it is, provided that, (1) the amounts paid for labor at $1.00 per hour, (2) the correct amounts for unemployment insurance and workman's compensation calculated on the allowed portions of the payroll are all itemized on the supplementary sheet. The rate of $1.50 per hour for the foreman is in accordance with the contract. The corrections needed in this connection are the disallowance of overtime and the related correction for workman's compensation, and unemployment insurance. Note also that on the supplemental sheet the labor charge should reflect deductions in FICA and withholding tax based on the correct hourly rate.

Very truly yours,

HLB:rwa

H. L. Burmeister, acting for
W. T. Millar, Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

copies for FRKantner
DMEA Files 2
GeoCSelfridge

Enclosures

copy

College Park, Maryland

June 8, 1953

Mr. W. J. Alexander, Agent
Alstead Mica Miners, Inc.
95 Memorial Street
Franklin, New Hampshire

Subject: Docket No. DMEA-2596
Contract No. Idm-E441

Dear Mr. Alexander:

The Operator's Monthly Report on the above contract for May 1953, has been received and is satisfactory in all respects save one.

The item "Workmen's Compensation," on the supplementary sheet states the rate as $5.05 per $100.00 of payroll. The $29.43 listed is incorrect at this rate, but would be correct if the rate were $5.50 as is entirely possible.

If the amount of $29.43 is in error please make a correction with explanation on your next monthly report, or, if the rate is in error it may be corrected on your next monthly report.

Very truly yours,

H. L. Burmeister, acting for
W. T. Millar, Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

HLB:rwa

copies for EOCSelfridge, Oper. Comm. 2
FRKantner, Fin. Off.
DMEA Files 2

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Washington

JUN 1 1953

DOCKET COPY

College Park, Maryland

June 17, 1953

Memorandum

To: W. T. Millar, Executive Officer, DMEA Field Team, Reg. 8

From: H. L. Burmeister

Subject: Docket No. DMEA-2596 - (Mica)
Alstead Mica Miners, Inc., Fitzgibbon Mine,
Alstead, Cheshire County, New Hampshire
Contract No. Idm-Ehll

Mr. William Alexander (agent) telephoned today, relative to the drift being driven.

Mr. Alexander reports that the drift has been advanced approximately 20 feet and that in this distance the hanging wall and mica zone have turned nearly 90° left (into the hanging wall) from the normal strike. The mica zone is about 1½ feet wide and is still as formerly, about 3 feet from the hanging wall. The mica books are small, scrappy and wavy. There was some kaolinization on the footwall side of the mica zone.

It is considered that the change of strike is due to a local roll and that the poor grade of mica may be due to the same condition.

It was agreed that the drift should continue to follow the hanging wall mica zone.

H. L. Burmeister

cc GeoCSelfridge
DMEA Files 2

Mr. Kantner

DMEA
Field Inspection Report
by
H. L. Burmeister, Engineer
May 23, 1953

Operator:	Alstead Mica Miners, Inc.
Mine & Location:	Fitzgibbon Mine, East Alstead, Cheshire County, New Hampshire
Address:	W. J. Alexander, Agent, 16 Liberty Street, Franklin, N. H.
Docket No.:	DMEA-2596
Contract No.:	Idm-E441
Commodity:	Mica
Government Participation:	90% - $5,040.00
Total Cost:	$5,600.00
Duration of Contract:	From April 26, 1953 to August 24, 1953

This property was visited on May 23, 1953. The company started to unwater the workings on April 27, in accordance with Amendment No. 1 to the contract. The local crew finished the unwatering and then quit, allowing the workings to fill with water. A new crew of a foreman and three men was then brought in from the company's Carolina operations and unwatering was again started.

At the time of this visit a hoisting derrick and engine had been installed and a portable compressor was on the property. Unwatering was completed at noon on the day of this visit. Mr. Alexander arrived about one hour before unwatering was completed. Probably 50 tons of muck must be removed from the workings before drifting can be started.

The manner of submitting reports was reviewed with Mr. Alexander and sample forms were left with him for guidance. It is not possible to hire men at the rate specified in the contract. The correct copies of payrolls will be submitted and the amount specified for each catagory will not be exceeded on reports. Certified vouchers for supplies will be submitted.

A distance of 16 feet was measured back from the face for a drill hole and plug from which drifting advance can be measured.

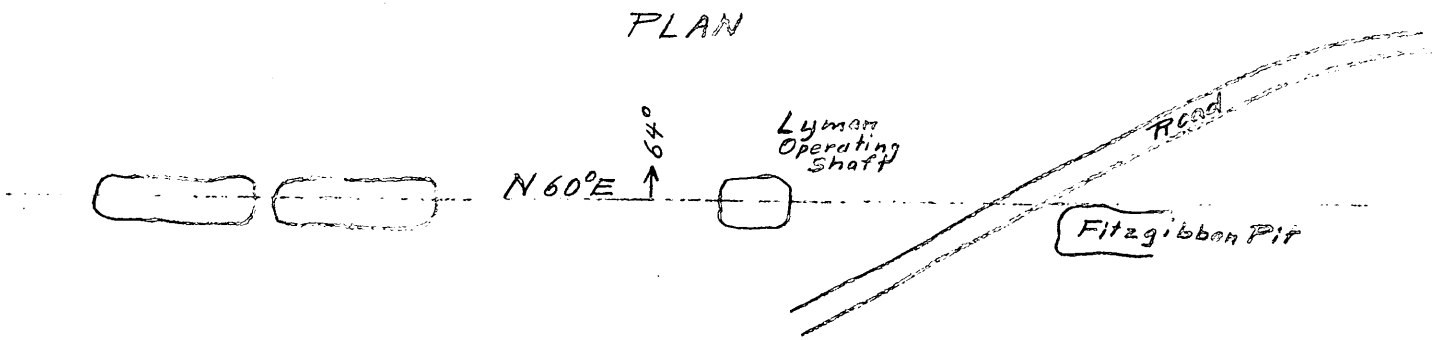
The depth of the workings specified as 80 feet in the application is in error. The actual depth is approximately 50 feet. The face is 10 feet wide and includes the hanging wall mica zone which will be followed by drifting. The map submitted with the application is in error as it indicates that possible necessary crosscutting to the hanging wall would be in a northerly direction, whereas the hanging wall side is on the southerly side of the strike. The map is also in error regarding the attitude of the workings and the road under which the drift will be advanced.

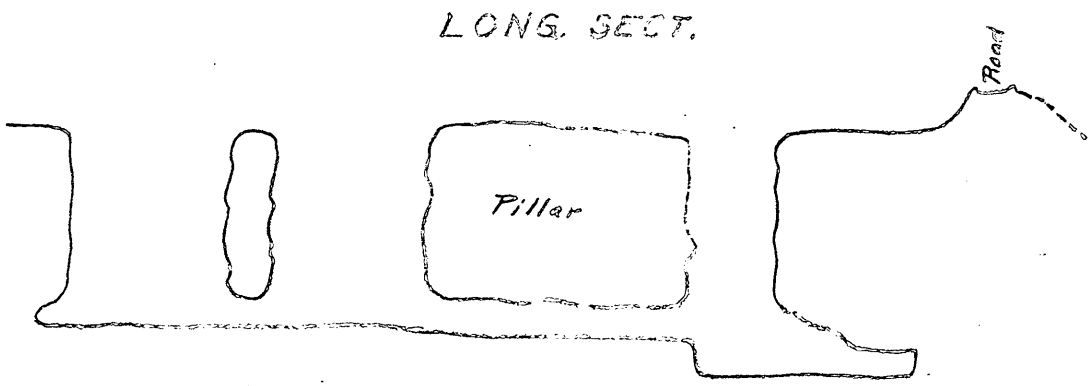
A brunton sketch map and approximate longitudinal section is attached.

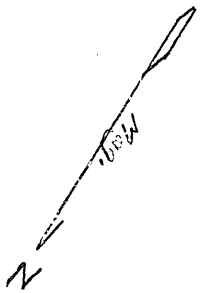
cc GeoCSelfridge 3
FRKantner, Fin.Off.
JBHANLEY, USGS
DMEA Files 2

H. L. Burmeister
Mining Engineer

College Park, Md. - 5/26/53







ALSTAD MICA MINERS, Contract E-441
Brunton - Plan and Longitudinal Section
Scale 1" = 48'
May 23, 1953

COPY

M. Robertson

Durham, N. H.
May 15, 1953

MEMORANDUM

From: Glenn W. Stewart

To: John D. Hanley

Subject: Field Examination of Lyman-Fitzgibbon Properties
Alstead Mica Miners, Inc., Cheshire County, N. H.
Contract Idm-Ehll, Docket DMA-2596 - (Mica)

On May 14, 1953, Glenn W. Stewart, representing the DMEA Field Team, visited the Lyman-Fitzgibbon properties with Mr. . J. Alexander of the Alstead Mica Miners, Inc.

Water had been removed from the southwest working of the Lyman mine and was accessible for examination. Although no muck had been removed, exposures of the hanging wall and the hanging wall mica zone appear favorable for authorization of the Stage II of the contract.

The depth of the starting point for drifting southwestward to the Fitzgibbon mine should be changed from 80 feet below the surface to approximately 50 feet (the distance from the rim of the excavation to the floor of the open stope).

After reading the reports of the Lyman and Fitzgibbon mines in the manuscript copy of the New England pegmatites and examining the sketch which accompanies the contract, it might be more practical to have the drifting continue along the hanging wall in the Fitzgibbon mine than to cross-cut to the footwall. The following statements appear in the first and last paragraphs on page 368 in the manuscript (Fitzgibbon mine): "In the northeastern cut a well-defined wall mica zone 2 to 4 feet thick is present along the hanging wall. The footwall part of the zone is poorly exposed and contains lens muscovite . . . . . It appears that mica might be obtained from the hanging wall zone in the vicinity of the northeastern cut, but the extent of the zone along the strike and down dip cannot be determined at present."

Note: A Bureau of Mines engineer will visit this property with/in the near future.

Dear Robertson

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 5 1953

College Park, Maryland

May 5, 1953

Mr. William J. Alexander
Alstead Mica Miners, Inc.
16 Liberty Street
Franklin, New Hampshire

Subject: Docket DMEA-2596 - (Mica)
Contract Id-[illegible]
Fitzgibbon Mine
Cheshire County, N. H.

Dear Mr. Alexander:

We are glad to learn that work on this project was started on April 27.

Mr. Glenn W. Stewart will call on you within a few days to discuss the deposit with you as you requested.

The necessary forms for your monthly progress are enclosed. Please submit the original and four copies of each form (MF-104 and MF-104A) with certified copies of invoices. It will not be necessary to submit a report for the four days worked in April, this time may be included in the May report.

Very truly yours,

W. T. Millar, Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

Enclosures

WTM:rwa

copies for GeoCSelfridge, Chrm., Oper. Comm., DMEA ✓
JBHanley, USGS
DMEA Files - 2

February 24, 1953

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-2596 - Mica
Contract No. Idm-E441
Fitzgibbon Mine
Cheshire County, New Hampshire

Re: Amendment No. 1
Alstead Mica Miners, Inc.

Comment and concurrence:

The purpose of Amendment No. 1 is to enable the Operator to hold up the project work until spring when weather will be more favorable.

The Nonmetallic Minerals Division concurs in the amendment as prepared and executed by Mr. W. T. Millar, Executive Officer, DMEA Field Team, Region VIII.

(S)
Jasper T. Robertson
Nonmetallic Minerals Division

JTRobertson:gad 2/24/53

Copy to: Docket File
Admr. R. File
Mr. Houk

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
FEB 20 1953

DMEA
Report of Operations during January, 1953
by
H. L. Burmeister
February 19, 1953

Operator:	Alstead Mica Miners, Inc.
Mine & Location:	Fitzgibbon Mine, East Alstead, Cheshire County, New Hampshire
Address:	Samual L. Phillips, Gen. Delivery Newport, New Hampshire
Docket No.:	DMEA-2596
Contract No.:	Idm-Ell1
Commodity:	Mica
Total Cost:	$5,600.00
Government Participation:	90% or $5,040.00
Duration of Contract:	From April 26, 1953 to August 24, 1953

No work was done under this contract during the month of January.

The contract originally specified that operations should start by January 12, 1953, but the severe weather conditions made it advisable to extend this date by Contract Amendment No. 1, to April 26, 1953 and the date of completion to August 24, 1953.

H. L. Burmeister
Mining Engineer

College Park, Md.
February 19, 1953

cc Orig. & 3 - GeoCSelfridge
JBHanley, USGS
DMEA Files 2
Engineer

DOCKET COPY

GCS
1/27/53

College Park, Maryland

January 22, 1953

Mr. Wm. J. Alexander, Agent
Franklin Mica Processing Plant
95 Memorial Street
Franklin, New Hampshire

Subject: Docket DMEA-2596-(Mica)
Fitzgibbons Mine
Cheshire County, N. H.
Contract Idm-Ehhl

Dear Mr. Alexander:

We are glad to receive your letter of January 20 relative to the subject contract.

The severe winter seasons in parts of New Hampshire are appreciated in this office. It is agreed that work under this contract could be conducted far more advantageously to all concerned when weather conditions are more favorable.

An amendment to this contract, extending the date for starting from January 12 to May 1, 1953, is enclosed. If this amendment meets with your approval, please have all six copies signed by Mr. Samuel L. Phillips, President, Alstead Mica Miners, Inc., retain one copy for your files and return the original and four copies to this office.

Very truly yours,

W. T. Millar, Acting Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

Enclosures - 6

WTM:rwa

copy for GeoCSelfridge
DMEA Files 2

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 6 1953

College Park, Maryland

Amendment No. 1 to Contract Ids-[illegible]
Docket No. DMEA-2596 - (Mica)
Alstead Mica Mines, Inc.
Spruce Pine, North Carolina New Hampshire
Property: Fitzgibbons Mine, Cheshire County, ~~North Carolina~~

Amendment No. 1 to the subject contract is necessitated by the severe winter season in New Hampshire which prohibits outside work in the area of the property on which the exploratory work is to be conducted.

It is to the advantage of the Government as well as the operator to extend the starting date specified in this contract, to take advantage of more moderate weather when the property is accessible and the work may be performed more efficiently and economically.

This Amendment No. 1 authorizes the operator to commence work under this contract within 165 days from the date of this contract and shall bring the project to completion within a period of 285 days from the date of this contract.

This amendment shall not be construed as authorizing any other change in allowable maximum costs other than those specified, nor shall this amendment be construed as authorizing any increase in the total estimated allowable maximum cost of the project or the amount of the Government's participation.

Alstead Mica Mines, Inc.

By: Samuel L. Phillips, President

UNITED STATES OF AMERICA

By: F. T. Miller, Acting Executive Officer, Bureau-Survey Field Team Defense Minerals Exploration Administration, Region VIII

Date: January 22, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 19 1953

R

January 16, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region VIII

Subject: Fitzgibbons Mine, Alstead Mica Miners, Inc.
Cheshire County, New Hampshire
Contract Idm-E441, Docket DMEA-2596 - (Mica)

Attached in quadruplicate is H. L. Burmeister's report on subject contract.

W. T. Millar

W. T. Millar

Attachments - 4

DMEA
Field Engineer's Report
by
H. L. Burmeister, Engineer
January 16, 1953

Operator:	Alstead Mica Miners, Inc.
Location:	Fitzgibbons Mine, East Alstead, Cheshire County, N. H.
Address:	Samuel L. Phillips, Spruce Pine, No. Carolina
Docket No.:	DMEA-2596
Contract:	Idm-E441
Commodity:	Mica
Total Cost:	$5,600.
Government Participation:	90% or $5,040.
Duration of Contract:	6 months - from November 12, 1953 to May 12, 1953)

On December 30, 1952 a letter was sent to Mr. Samuel L. Phillips both at Spruce, North Carolina and Newport, New Hampshire. This letter advised of the January 12, 1953 starting date and the necessity of a Contract Amendment in the event operations did not begin on or before that date.

Mr. Phillips was requested to advise this office when he intends to commence operations.

H. L. Burmeister
Mining Engineer

College Park, Md.
January 16, 1953

Mark on Top

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 31 1952

xxxxxxxxxxxxxxxxxx

College Park, Maryland

December 30, 1952

Mr. Sam L. Phillips, President
Alstead Mica Miners, Inc.
Spruce Pine, North Carolina

Subject: DMEA-2596
Contract Ich-Ehll
Fitzgibbons Mine
Cheshire County, N.H.

Dear Mr. Phillips:

An engineer from this office visited the subject property on December 8 and found work had not started.

Please note that work under this contract is to start on or before January 11, 1952, otherwise the contract will have to be amended to change the starting date. Kindly advise on what date you contemplate starting operations.

Very truly yours,

W. T. Millar, Acting Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

WTM:HLBurmeister:rwa

copies for FEJohnson - 2
DMAnderson
JBHanley
DMEA Files

Mr. Robertson

DMEA
Field Inspection Report
by
H. L. Burmeister, Engineer
December 8, 1952

5

Operator:	Alstead Mica Miners, Inc.
Location:	Fitzgibbons Mine, East Alstead, Cheshire County, New Hampshire
Address:	Samuel L. Phillips, General Delivery, Newport, New Hampshire
Docket No.:	DMEA-2596
Contract No.:	Idm-Ehdl
Commodity:	Mica
Total Cost:	$5,600.00
Government Participation:	90% - or $5,040.00
Duration of Contract:	6 months - from November 12, 1952 to May 12, 1953

This property was visited on December 8, 1952. Apparently no work of any kind has been done and no equipment is on the ground.

H. L. Burmeister
Mining Engineer

College Park, Md.
December 12, 1952

6[illegible]

DEC 1 1952

Mr. [illegible] Millar
[illegible] Officer, [illegible]
[illegible] Region VIII
[illegible]
Eastern [illegible] Station
College Park, Maryland

Subject: [illegible] 3-2536 - Mica
Stoughton Mine
Allied Mica Mines, Inc.
Cheshire County, New Hampshire
Contract No. [illegible]

Dear Mr. Millar:

[illegible] the subject contract for exploration assistance at the Stoughton Mine in Cheshire County, New Hampshire.

[illegible] the Stoughton Mine, [illegible] and the [illegible] of information of the Allied Mica Mines, Inc., [illegible] Mr. [illegible] [illegible] you for your files.

[illegible],

George C. Selfridge

ACTING Chairman, Operating Committee

[illegible]

J. H. Hodges

Member, [illegible]

A. R. Kinkel, Jr.

Member, [illegible] Survey

Enclosure: [illegible]

JTRobertson:gad 11/23/52
Copy to: Admr. [illegible] File
Operating Committee (2)
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

600

NOV 12 1952

Mr. W. T. Millar
Acting Executive Officer, DMRA
Field Team, Region VIII
Bureau of Mines
Eastern Experiment Station
College Park, Maryland

Subject: Docket No. DMEA-2596 - Mica
Alstead Mica Miners, Inc.
Fitzgibbon Mine
Cheshire County, New Hampshire

Dear Mr. Millar:

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

If the contract meets with your approval, present it to the operator for his approval and signature. If any provisions are unsatisfactory to the operator, return all copies to this office along with suggested changes for consideration.

After signing of the contract, one copy is to be given to the operator, one copy retained for your files, one copy for the Regional Finance Officer, and the remaining copies, including the original, are to be returned to this office as soon as possible.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

G. R. Tinkel, Jr.
Member, Geological Survey

Enclosures 6

JTRobertson:gad 11/5/52
Copy to: Adm. R. File
Operating Committee (2)
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

600

OCT 14 1952

Mr. C. Braswell Collins
Attorney at Law
1025 Vermont Avenue, N. W.
Washington 5, D. C.

Subject: Docket No. DMEA-2596 - Mica
Alstead Mica Miners, Inc.
Lyman and Fitzgibbon Mines
Cheshire County, New Hampshire

Dear Mr. Collins:

Reference is made to your letter of August 4, 1952, to Mr. Jasper T. Robertson in which you state the Alstead Mica Miners, Inc. have leased the Lyman Mine from Mr. Corbin for the purposes of having ingress and egress to the Fitzgibbon Mine and for dumping mine waste material from the Fitzgibbon Mine on the Lyman Mine property.

According to the lease dated July 3, 1952, submitted to us the Lyman Mine was leased to Sam L. Phillips. Consequently, before the Exploration Project Contract with the Alstead Mica Miners, Inc. can be consummated, it will be necessary for Mr. Phillips to assign his rights under this lease to the Alstead Mica Miners, Inc., and obtain Mr. Corbin's consent thereto.

Please advise us as soon as this has been accomplished.

Sincerely yours,

/s/

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

JTRobertson:gad 10/13/52

Copy to: Adm. R. File
Docket File
Mr. Kane, Legal Divn.
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET DMEA 2596

COMMODITY Mica

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

RECEIVED
OCT 8 - 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

IT IS AGREED this ..... day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called "Government," and[2] Alstead Mica Miners, Inc. a North Carolina Corporation, Spruce Pine, North Carolina.

~~(a North Carolina Corporation)~~

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of New Hampshire, County of Cheshire, described as follows:[3] a mica mine known as the Fitzgibbon Mine ~~held under a lease agreement dated July 28, 1952, Property situated 1.4 miles north of the village of East Alstead~~ more fully described in Annex I attached hereto and made a part hereof, the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

~~No encumberances~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within Sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] strategic mica in or upon the described land; and shall bring the project to completion within a period of Six (6) Months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related initial allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—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.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to [illegible]ch or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payments in such cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) 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 this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay Ninety percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $ 5,040, which is Ninety percent of $ 5600, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, 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 ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* The provisions of this contract shall apply only to the land of the Fitzgibbon Mine ~~as~~ described in Annex I and shall not apply to the adjoining Lyman Mine which is to serve for ingress and egress

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Alstead Mica Miners, Inc
(Operator)

By _____

By _____

Pres.

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—66328-1

Subject: Docket No. DMEA-2596 - Mica
Exploration Project Contract
Alstead Mica Mines, Inc.
Fitzgibbon Mine (and Lyman Mine)
Cheshire County, New Hampshire

Description of the Work

Exhibit "A"

entitled "Sketch Map of Fitzgibbon Mine Property, Post Alstead, N.H."

~~The properties are two contiguous mica mines,~~ one known as the Fitzgibbon Mine, and the other known as the Lyman Mine. Each is separately owned and each is held by the Operator under a separate lease agreement.

As indicated on the map attached hereto and made a part hereof and

The exploration project will consist of driving 130 linear feet of 5' x 7' drift from the boundary line of the Lyman Mine into ~~the ground of~~ the Fitzgibbon Mine. The work will be conducted in the Lyman Mine. The 80-foot working shaft and drift on the 80-foot level, will be utilized for the purpose of access, and ~~for the purpose of~~ working the Fitzgibbon ~~ground~~ Mine. ~~In addition, The Lyman Mine will provide surface rights for all purposes necessary in carrying on exploration, development and production for the Fitzgibbon Mine. The right and privilege to operate through the Lyman Mine shall be maintained by the Operator during the life of this contract.~~

In Stage I,

~~Before starting the drift from the Lyman Mine into the Fitzgibbon Mine, the 80-foot Lyman shaft and 80-foot level drift~~ these are first to be unwatered and cleaned out. It is estimated that ~~This rehabilitation work will be the first stage of the project.~~ 15 days will take about ~~10~~ days.

After the completion of Stage I and with the approval of the Executive Officer of the Full Team, Stages VIII, ~~Stage~~ II will be undertaken.

STAGE I

~~[illegible] ft. shaft and 30-ft. level drift of the Lyman Mine will be unwatered and cleaned out at an estimated cost not to exceed [illegible]. (Estimated time of unwatering is 8 days).~~

In STAGE II, [illegible] an

~~A~~ exploratory drift will be extended from the southwest face on the 30-foot level of the Lyman Mine into the Fitzgibbon ground for the purpose of mica exploring ~~for mica~~. The total length of the drift (plus a possible short crosscut) shall not exceed 130 linear feet. The drift extension shall follow the mica zone along the hanging-wall.

~~Stage II will start after the completion of Stage I but not without first obtaining the approval of the Executive Officer of DMEA Field Team, Region VIII.~~

~~Since the exploration for mica will be entirely within the boundaries of the Fitzgibbons Mine, all repayments under Article (9) of this contract shall be made from production extracted from the Fitzgibbon Mine.~~

~~The location of the 130 feet of drift is shown on Map 2 attached hereto.~~

As indicated on the map attached hereto & made a part hereof and entitled "Proposed Exploration Fitzgibbon Mine Property"

Estimated Cost of Project

(* Indicates allowable maximum)

STAGE I

~~The Government will contribute to the estimated costs shown below on the basis of actual costs.~~

Actual Cost Estimates (Stage I of contract on actual cost basis).

1. Independent Contracts

   None

2. Labor, Supervision, Consultants

   None [redacted] (5).

3. Operating Material and Supplies

   None - [redacted]

4. Operating Equipment

   None [redacted]

5. Rehabilitation ~~- (Lyman Mine shaft and 80-ft. level).~~

   None

Pumping labor, 48-8 hr. shifts @ $1.00/hr.	$384.00
Mucking labor, 30-8 hr. shifts @ 1.00/hr.	240.00
Mucking labor, 10-8 hr. shifts @ 1.50/hr.	120.00
Pump rental, 2 weeks @ $50/wk.	100.00
Gasoline and oil pumping	76.00
6. ~~New engine, large, installed~~ None	
7 Miscellaneous, ~~including insurance and~~ work. comp. Engl. law & payroll ~~deductions~~ taxes	130.00
8 Contingency None	
Total cost of Stage I . . . . . ~~$1,050.00~~ . . .	$1,050.00*

STAGE II (~~Stage II of contract on unit cost basis~~)

In this stage, The Government will ~~also~~ contribute to the costs of drifting and crosscutting on the basis of the following agreed, estimate unit cost per foot for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work (including pumping)

Agreed Unit Costs ~~(Stage II of contract on unit cost basis)~~:

130 linear feet of drift and crosscut

@ $35.00 per foot, ~~including all costs~~, ~~including pumping~~, ~~involved via Stage II~~ ~~for the work except those specified below~~ $4,550.00*

Total cost of Stage I and Stage II $5,600.00*

Government participation @ 90% $5,040.00*

Geoz Kind

Long Form

a corporation duly organized and existing under and by virtue of the laws of the State of North Carolina, Spruce Pine, North Carolina

Art. 2 - , a mica mine known as the Fitzgibbon Mine situated 1.4 miles north of East Alstead village and more fully described in Annex 1 attached hereto and made a part hereof.

ANNEX I

The property referred to in Article 2 is known as the Fitzgibbon Mine and consists of two parcels of land described in that certain lease dated July 28, 1952, between C. V. Purdy as lessor and the Alstead Mica Miners, Inc., as lessee.

The description of Parcel 1 is as follows:

Copy description from lease - Parcel 1

The description of Parcel 2 is as follows;

Copy description from lease - Parcel 2.

~~The Operator also has a lease working arrangement with the ad~~

As work is to be carried on from the adjoining property known as the Lyman Mine ~~to [redacted]~~ the Operator represents (1) that the Lyman Mine was leased by Sam L. Phillips ~~with~~ by a lease dated July 3, 1952, from Hollis N. Corbin for a period of five years with the privilege of dumping mining waste on the Lyman Mine and of using existing adits, drifts or shafts, and (2) that Mr. Phillips with the consent of the lessor duly assigned all his rights under this lease to the Operator.

In order to conduct the exploration, it is necessary to work under the road dividing the Lyman and Fitzgibbon Mines and it may become necessary to disturb the surface, sub-surface or ditches of this road, the

~~The~~ Operator further represents that under date of August 1, the Selectmen of the town of Alstead, N. H., have consented to this work being done on and under the road.

Alstead Mica Mines, Inc.

Description of the Work

Exhibit "A"

As indicated on the map attached hereto and made a part hereof and entitled "Sketch Map of Fitzgibbon Mine Property, East Alstead, N. H.," the exploration project will consist of driving 130 linear feet of 5' x 7' drift from the boundary line of the Lyman Mine into the Fitzgibbon Mine.

The work will be conducted in two stages.

In Stage I, the Lyman Mine's 80 foot working shaft and drift on the 80-foot level will be utilized for the purpose of access, and working the Fitzgibbon Mine. ~~This~~ (and it is estimated that) These are first to be unwatered and cleaned out, This will take about 10-15 days.

After the completion of Stage I and with the approval of the Executive Officer of DMEA Field Team, Region VIII, Stage II will be undertaken.

In Stage II, as indicated in the map attached hereto and made a part hereof and entitled "Proposed Exploration Work, Fitzgibbon Mine Property," an exploratory drift will be extended from the southwest face on the 80-foot level of the Lyman Mine into the Fitzgibbon ground for the purpose of mica exploration. The total length of the drift (plus a possible short crosscut) shall not exceed 130 linear feet. The drift extension shall follow the mica zone along the hanging-wall.

Estimated Cost of Project
(*Indicates allowable maximum)

Stage I

~~Actual Cost Estimates~~
~~(Stage I of contract on actual cost basis~~).

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants

Pumping labor, 48-8 hr. shifts @ $1.00/hr.	$384.00	
Mucking labor, 30-8 hr. shifts @ $1.00/hr.	240.00	
Mucking labor, 10-8hr. shifts @ $1.50/hr.	120.00	744.00
~~Gasoline and oil pumping~~	~~76.00~~	
		$744.00

(3) Operating Material and Supplies

~~Note~~ gasoline and oil for pumps	76.00	76.00

(4) Operating Equipment

Pump rental, 2 weeks @ $50/wk.	100.00	100.00

(5) Rehabilitation and Repairs

~~(6)~~ None

(6) New buildings, improvements, installations

None

(7) Miscellaneous

Workmens' Compensation, Employer's Liability Insurance and payroll taxes	~~130.00~~ 130.00

(8) Contingencies

None

Total Cost of Stage I $1,050.00*

Stage II

In this stage, the Government will contribute to the costs of drifting and crosscutting on the basis of the following agreed, estimated unit cost per foot for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work of every kind (including pumping).

~~Agreed Unit Costs~~

Agreed Unit Costs

130 linear feet of drift and crosscut @ $35.00* per foot	$4,550.00*	
Total Cost of Stages I and II		$5,600.00*
Government participation @ 90%		$5,040.00*

Mr. C. Braswell Collins
Attorney at Law
1025 Vermont Avenue, N. W.
Washington 5, D. C.

Subject: Docket No. DMRA-2596 - Mica
Alstead Mica Miners, Inc.
Lyman and Fitzgibbon Mines
Cheshire County, New Hampshire

Dear Mr. Collins:

Reference is made to your letter of August 4, 1952, to Mr. Jasper T. Robertson in which you state the Alstead Mica Miners, Inc. have leased the Lyman Mine from Mr. Corbin for the purposes of having ingress and egress to the Fitzgibbon Mine and for dumping mine waste material from the Fitzgibbon Mine on the Lyman Mine property.

According to the lease dated July 3, 1952, submitted to us the Lyman Mine was leased to Sam L. Phillips. Consequently, before the Exploration Project Contract with the Alstead Mica Miners, Inc. can be consummated, it will be necessary for Mr. Phillips to assign his rights under this lease to the Alstead Mica Miners, Inc., and obtain Mr. Corbin's consent thereto.

Please advise us as soon as this has been accomplished.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

JTRobertson:gad 10/13/52

Copy to: Adm. R. File
Docket File
Mr. Kane, Legal Div.
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

DRAFT AEKane/~~ema~~/10-9-52

Subject Docket No. DMEA-2596 (Mica)
Fitzgibbon Mine
East Alstead, New Hampshire

Mr. C. Braswell Collins
Attorney at Law
1025 Vermont Avenue, N. W.
Washington 5, D. C.

~~Dear~~

Subject: Alstead Mica Miners, Inc.
Docket No. DMEA-2596
(Mica)

Dear Mr. Collins:

Reference is made to your letter of August 4, 1952 ~~to~~ Mr. Jasper T. Robertson in which you state ~~that~~ the Alstead Mica Miners, Inc. have leased the Lyman Mine from Mr. Corbin for the purposes of having ingress and egress and for dumping mine waste material from the Fitzgibbon mine to the Fitzgibbon Mine on the ~~Corbin, or~~ Lyman Mine, property.

According to the lease submitted to us dated July 3, 1952, ~~the lease of~~ the Lyman Mine was leased to Sam L. ~~is between Mr. Corbin and Mr.~~ Phillips. Consequently, before the Exploration Project Contract with the Alstead Mica Miners, Inc. can be consummated, it will be necessary for Mr. Phillips to assign his rights under this lease to the Alstead Mica Miners, Inc., and obtain Mr. Corbin's consent thereto. ~~to this assignment.~~

Please advise us as soon as this has been accomplished.

Chief, Non-Metallic Division

Please make an extra copy for Mr. Kane

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

August 7, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2596, Mica, Lyman and Fitzgibbon Mica Mines, Cheshire County, North Carolina

I concur in the field team's recommendation for an exploration program in the amount of $5,470.

W. F. Dietrich

IN REPLY REFER TO:

G-MD-CNM

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

JUL 29 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2596 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: P. L. Weis, U. S. Geological Survey
Applicant: Alstead Mica Miners, Inc.
Name of property: Lyman and Fitzgibbon Mines.
Location of property: Cheshire County, New Hampshire.
Date of field team report: July 18, 1952.
Authorship of field team report: Glenn W. Stewart and H. L. Burmeister.
Field team's recommendation: A DMEA loan in the amount of $5,470 be granted to allow dewatering and exploratory drifting in the old workings.
Comments: None.
ACTION SUGGESTED: Follow field team's recommendation.

Paul L. Weis

Weis:jeh
G-7/29/52
cc: Director's reading file 4212 USGS
Branch " " "
DMEA
Norton G-230 USGS
Weis " "

Mr. Sam Phillips
Alstead Mica Miners, Inc.
General Delivery
Newport, New Hampshire

Subject: Docket No. DMEA-2596
Strategic Mica
Fitzgibbon Mica Mine
Alstead, New Hampshire

Dear Mr. Phillips:

Your application is being referred to Mr. McHenry Meaier, Executive Officer, DMEA Field Team, Region VIII, Bureau of Mines, Eastern Experiment Station, College Park, Maryland, for further information.

Sincerely yours,

C. O. Mittenecker

Acting Administrator
Defense Minerals Exploration
Administration

JTRobertson:gad 7/9/52

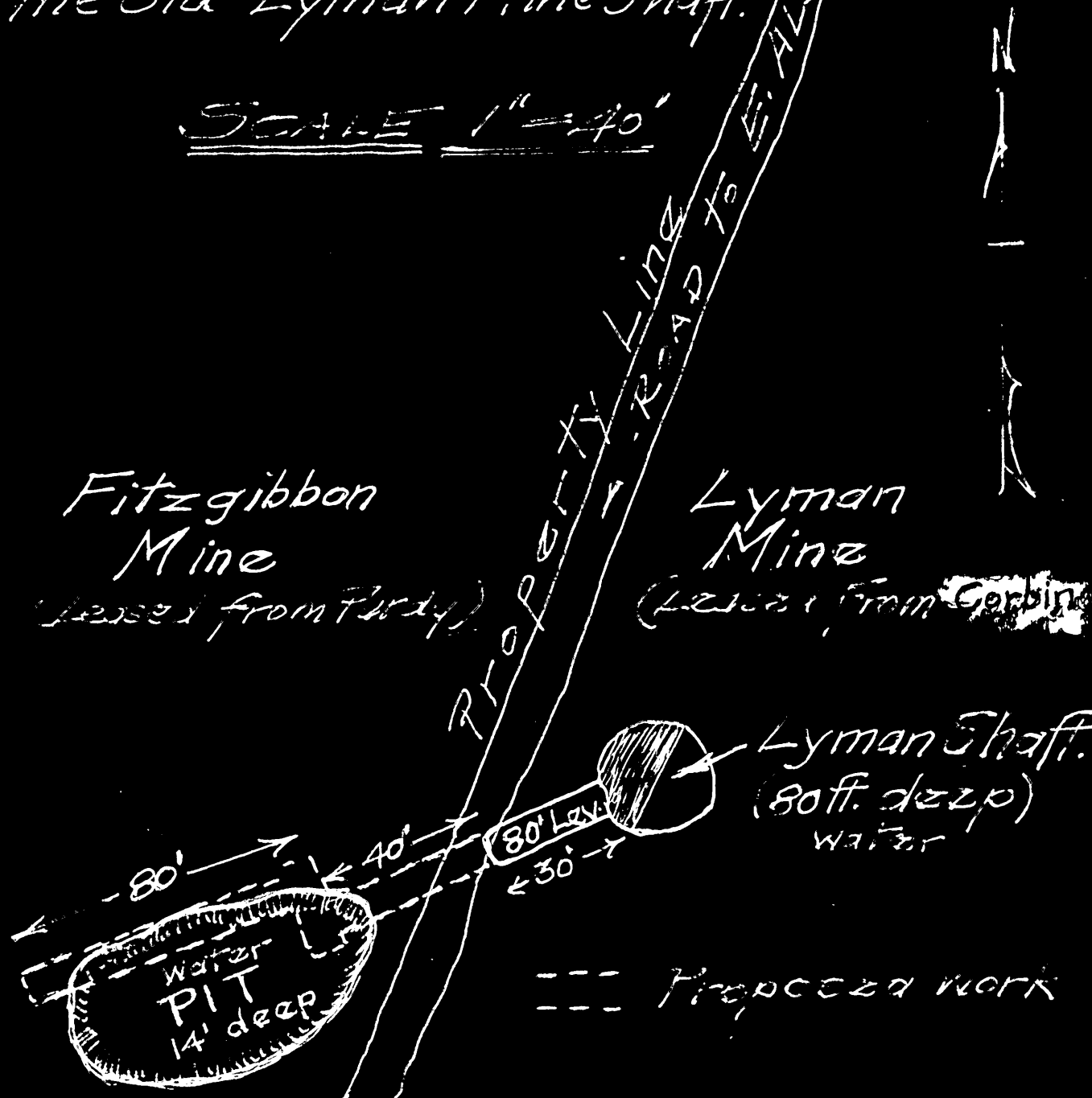
Copy to: Admin. Reading File
Docket File
Operating Committee (2)
Field Team, Region VIII
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

DMEA-2596.

ALSTEAD MICA MINERS, Inc.

Proposed exploration on Fitzgibbon Mica Mine to be worked through the Old Lyman Mine Shaft.

SCALE 1" = 40'

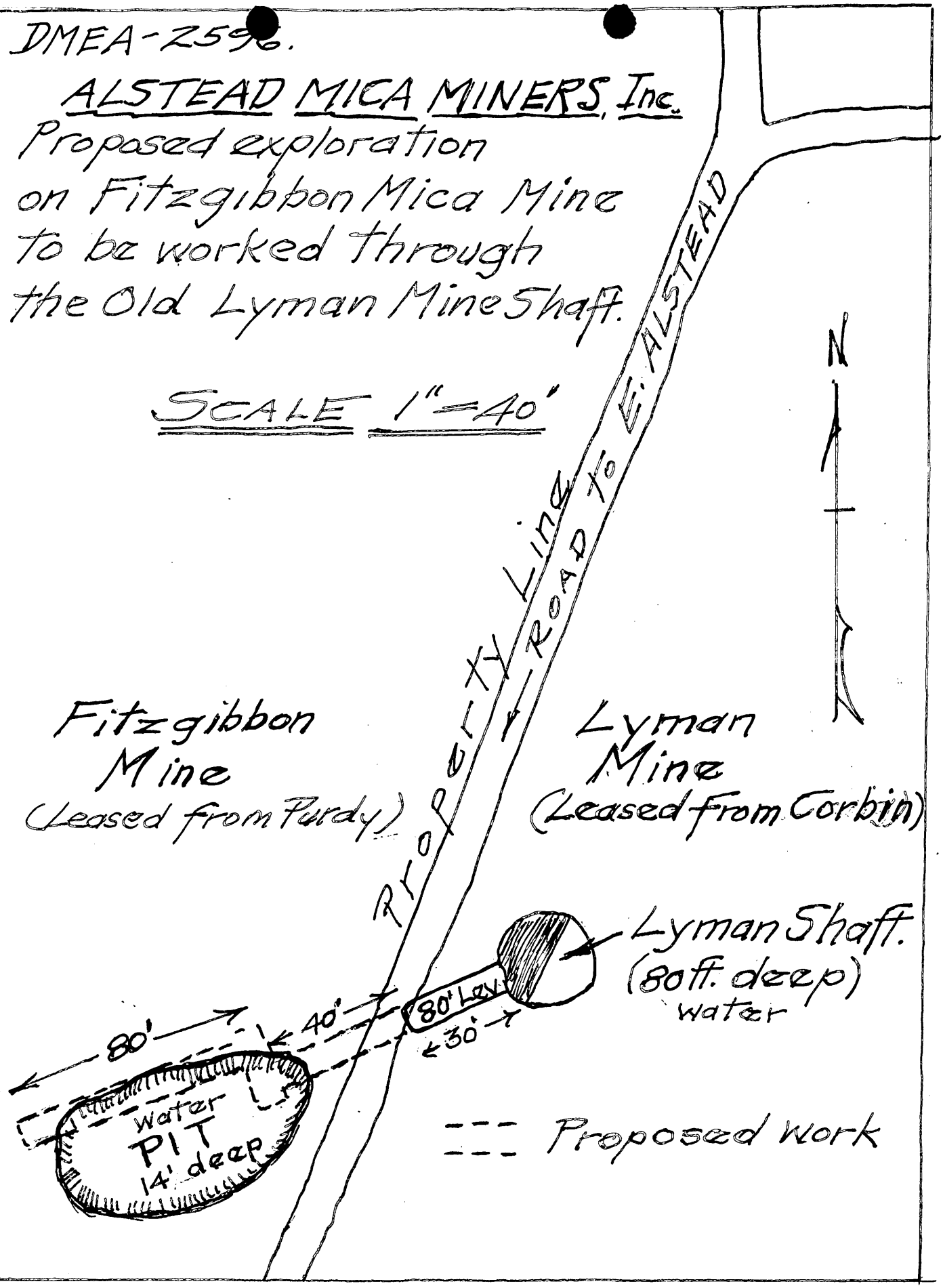


DMEA-2596.

ALSTEAD MICA MINERS, Inc.

Proposed exploration on Fitzgibbon Mica Mine to be worked through the Old Lyman Mine Shaft.

SCALE 1" = 40'



F-103
(April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 30 1952

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-2596
Metal or Mineral
Date Received 6-30-52
Estimated Cost
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: Alstead Mica Miners, Inc.
c/o John Phillips, Vice Pres
Spruce Pine, 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

(*b*) State any mine name by which the property is known.

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

(*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.

(*e*) If you own the land, describe any liens or encumbrances on it

(*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.

(*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*) [redacted]e the mineral or minerals for which you wi[redacted] explore .....

(*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.

(*c*) The work will start within ..... 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.

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:

(*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)?

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

☐ 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 June 30, 195.2

ALSTEAD MICA MINCERS, INC.

Samuel L. Phillips
(Applicant)

By President

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

Alstead Mica Miners, Inc.
c/o Mr. John Phillips, Vice-President
Spruce Pine, North Carolina

1. (a) Alstead Mica Miners, Inc. (See Exhibit A)
   (b) A North Carolina corporation.
   (c) Samuel L. Phillips, Spruce Pine, N. C., President
   John Phillips, Spruce Pine, N. C., Vice-President
   Henry L. Robinson, Spruce Pine, N. C., Secretary
   C. V. Purdy, 65 Boston Street, Lynn, Mass., Treasurer
   (d) Not a partnership.

2. No answer.

3. (a) Property rights in two separate leases. One for the Lyman mine and one for the Fitzgibbon mine. Each lease is attached. These two properties are separated only by a road. The pegmatite dike last worked lies on both of these properties at a level of 80 feet below surface. A copy of each lease is attached as Exhibit B.
   (b) "Lyman" is the name of one mine. "Fitzgibbon" is the name of the other mine. They adjoin.
   (c) Lessee. See Assignment of leases to Corporation at Exhibit C.
   (d) See Exhibit B.
   (e) Not owner.
   (f) Land is held in fee by landlord. No land patents involved.

4. (a) Physical works set forth on U.S.G.S. map attached as Exhibit E. (Code #28 - 7/7/44)
   (b) $40,000 worth of mica sold during World War II. This is set forth in a letter signed by the former operator, G. A. Craig, which is attached as Exhibit F.
   (c) The last operator (G. A. Craig) ceased mining the Lyman at the close of Colonial Mica Purchasing. At that time the mica bearing portion of the pegmatite had come to an end. However, the pegmatite appears to extend well into the Fitzgibbon area which contains several outcroppings of mica bearing pegmatite, as evidenced by old workings on attached map.

   The abandoned tunnel drift is now watered and contains muck which was not removed at the cessation of the immediate past operation. This tunnel is 80 feet below surface and is the most accessable means of exploring the pegmatite for mica. See map attached.
   (d) This project is readily accessable in that a good gravel surface was put on the road by Colonial Mica Corporation. The mine is located about 2 miles NE from East Alstead. See Bulletin 931 P.
   (e) There is ample experienced mining manpower available. Electricity is one mile away. No difficulty is contemplated in obtaining equipment and supplies.

Alstead Mica Miners, Inc.
c/o Mr. John Phillips, Vice-President
Spruce Pine, North Carolina

5. (a) It is anticipated that the pegmatite contains additional quantities of ruby mica of stockpile grade.
   (b) It is proposed to remove the water from the abandoned tunnel from the Lyman side of the road, then remove the muck and waste from the tunnel so as to make it possible to extend the abandoned drift.

   Then it is proposed to extend the tunnel at its present level (approximately 80 feet below surface) for a distance of 40 feet.

   When the tunnel has been extended the forty feet, it is proposed to drive two drifts, each 12 feet perpendicular to the tunnel in each direction from the tunnel and on approximately the same level as the tunnel. These drifts will penetrate the hanging wall and the foot wall of the pegmatite and will disclose whether or not there is any mica bearing ore clinging to, or hovering close to, the hanging wall or foot wall.

   If any mica bearing ore is contacted at the hanging wall or foot wall, it is proposed to drive a drift following the wall most likely to contain mica bearing ore for a distance of 80 feet to determine the mineralization of the dike along the chosen wall.

   The muck removed as a result of this exploration will be dumped on the Lyman property, which is permitted and provided in the "Corbin" lease attached at Exhibit A. The removal of the muck will be greatly facilitated by using the abandoned tunnel and shaft on the "Corbin" property which is the Lyman mine.

   If the field team or any other person with authority should suggest that some exploration also be conducted at the Lyman mine, the applicant will be willing to conduct that exploration.

   (c) The work will be started as soon as the contract is approved by the Government, and the work should be concluded within three months.
   (d) The ability of the persons connected with this project is a matter of record with the DMEA.

6. Estimate of Costs.

   (a) Independent contracts - None.

Alstead Mica Miners, Inc.
c/o Mr. John Phillips, Vice-President
Spruce Pine, North Carolina

(b) Labor	Per Wk.	12 Wk.
1 Hoist man	60	720
2 Muckers at 60	120	1440
1 Drillman	90	1080
1 ½ Time Supervisor	50	600
		3,840

(c) Purchase	
Misc. Hand Tools	70
Safety Equipment (Boots & Helmets)	50
Gasoline and oil at $40 per wk.	480
Dynamite and caps at $50 per wk.	600
Drill steel and bits	200
	1,400

(d) Rental	
1 air compressor 105 at $100 per mo.	300
1 hoist (gasoline) at $75 per mo.	225
1 jackhamer at $60 per mo.	180
1 water pump at $50 per mo.	150
	855

Purchase	
Discharge hose, pipe, etc.	300
	6,395

7. (a) Applicant will pay in money the 10% required by regulation.

DMEA 2596

Filzgibbon Mine Lease

MINING LEASE

State of New Hampshire, County of Cheshire

This indenture made this 28th day of July, 1952, between C. V. Purdy of Essex County and State of Massachusetts, as party of the first part, and known as lessor, and Alstead Mica Miners, Inc. 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, for the period of three (3) years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written, to wit:

Beginning at a stake and stones on the westerly side of the road leading from Alstead to Mr. Lyman's place, so-called, and near the northeasterly corner of land now or late of George Mayo; thence northeasterly on the westerly side of said highway about eighty-one rods to a stake and stones at the wall on the westerly side of said highway; thence in a westerly direction in a straight line to a stake and stones at a wall on the easterly side of land of the heirs of the late Samuel Morison; thence in a southerly direction on said wall, as it now runs, to a stake and stones at the corner of the wall near said Mayo's land, thence in an easterly direction in a straight line to the first mentioned bound; containing by estimation ten acres be the same more or less. As recorded in the land records for Cheshire County in Keene, New Hampshire in Volume 533 at page 120.

Also another parcel of land in said Alstead bounded and described as follows:

Beginning at the Northeasterly corner of said premises at a marked tree on the line of land of the Slstead Mica Co., thence running westerly along the southerly line of said Alstead Mica Co.'s land to the highway leading from the dwelling house of Isaac A. Craig to the dwelling house on above mentioned land of Alstead Mica Co. Thence southwesterly along the southerly side of said highway about twenty-six and two thirds rods to a stake and stones, thence easterly on land of said Craig about sixty rods to a stake and stones thence northerly on land of said Craig about twenty-six and two-thirds rods to the bound first mentioned, containing about ten acres, be the same more or less, as recorded in the land records of Cheshire County in Keene, New Hampshire in Volume 533 at page 120.

TO HAVE AND TO HOLD the said lands to it, for mining purposes, the said lessee for the aforesaid period of three years in compliance with the conditions 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 and 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 building 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 operations 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 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 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 party of the first part, or his or their heirs or assigns, a rental royalty of five per cent (5%) of gross sales of mica and other minerals produced, taken and sold from said property, payable to lessee within ten (10) days after receipt of payment therefor by the lessee. Any minerals other than mica which may be so taken and sold shall be paid for at the then current market royalties rate on said other minerals taken and sold from said mines which shall be rent for the use of the said lands for the aforesaid period of three (3) 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 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 three 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 reserves 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. It is agreed that the lessee shall not sub-let this mining lease or any part thereof without written consent of the lessor.

BUT IT IS EXPRESSLY agreed that during the balance of this lease or the continuance thereof, work in said property or exploration for any mica within the area leased shall not cease longer than ninety (90) days at any one time, unavoidable accidents excepted. This lease shall automatically terminate at the expiration of ninety-one (91) days period of inactivity of the lessee at the within described property.

Lessor shall comply fully with all governmental regulations

and shall pay promptly all royalties as provided on sales with material to the government or to others.

Lessee shall provide and pay all available insurance in sufficient amounts to cover potential hazzards to which both the lessor and lessee shall be exposed by the contemplated operations on said property. It is hereby specifically agreed that the lessee during the existence of this lease shall have exclusive control of said properties.

Lessee shall maintain accurate records of it's operations on said property and lessee or his representative shall have access by examination of said records.

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

Witness:

Tony O Russell
To both

C. V. Purdy. (Seal)

_____ (Seal)

_____ (Seal)

Alstead Mica Miners, Inc
Sam L. Phillips, Pres.

STATE OF NEW HAMPSHIRE,
SULLIVAN, SS. July 28th, 1952.

Personally appeared the above named C. V. Purdy and Alstead Mica Miners, Inc. by Sam L. Phillips, Pres. and acknowledged the above instrument to be their voluntary act and deed.

Before me,

T. Oliver Russell
NOTARY PUBLIC.

My Commission Expires June 2, 1953.

MINING LEASE

STATE OF VERMONT
Windsor COUNTY

THIS LEASE made this 3rd day of July, 1978, between Hollis N. Corbin of Windsor County, State of Vermont, as Party of the First part, and known as Lessor, and Ben L. Phillips of Mitchell County, State of North Carolina, Party of the Second Part, known as Lessee;

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

> Beginning at a point on the north side of the East Alstead Acworth highway 500 feet in a north-east direction from the adit of mine mined in 1883, thence approximately south-east on a line perpendicular to the highway 600 feet to a stake; thence approximately south-west on a line constantly parallel with the highway; thence approximately north on a course with the highway to the point of beginning. All of said land being conveyed by me as recorded at Vol. 369, page 232 in the land records of Cheshire County, New Hampshire, and the plot and parcel above set forth being popularly known as the Lyman Mine.

AND IT IS FURTHER AGREED that the party of the second part, the lessee, shall have the right to dump mining waste on this land covered by this lease, and that for this privilege the sum of One Hundred ($100) Dollars per annum shall be paid in installments of Twenty-Five ($25.00) Dollars each quarter, in advance, to the party of the first part, and that any and all mica mined and removed from this leased area shall be the property of the party of the second part, and that the party of the second part shall pay a royalty of Ten (10%) Percent of gross sales to the party of the first part within Ten (10) Days after each and every such sale; and that the party of the second part does hereby have the option to renew said lease at the termination of the five-year period; and,

IT IS FURTHER AGREED that the party of the second part may use any and all existing adits or shafts to pursue his mining operations; and,

IT IS FURTHER AGREED that the party of the second part will not dump any waste material in any existing cuts or shafts.

WITNESS our hands and seals the day first above written.

Hollis N Corbin (SEAL)

_____ (SEAL)

DMEA-2596

CERTIFICATE OF INCORPORATION

of

Alstead Mica Miners, Inc

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the State of North Carolina, and do hereby certify:

FIRST: That the name of the said corporation is:

Alstead Mica Miners, Inc

SECOND: That the purposes for which said corporation is formed are:

(a) To initially engage in the primary business of exploring, prospecting, developing, mining and milling mica and minerals of every character and description.

(b) To purchase or otherwise acquire, to own, hold, lease, sell or otherwise dispose of, deal in and improve real estate, and to mortgage, convey in trust or otherwise encumber the same and to erect, manage, care for, maintain, extend and alter buildings thereon and other improvements.

(c) To purchase or otherwise acquire, to own, hold, lease, sell or otherwise dispose of, deal in and improve real estate, and to mortgage, convey in trust or otherwise encumber or hypothecate the same.

(d) To enter into partnerships or into any arrangement for sharing profits, union of interest, corporation, joint adventure, reciprocal concession, or otherwise, with any person, partnership, firm or corporation, in any business or transaction in which this corporation is authorized to carry on or engage in so as to directly or indirectly benefit this corporation.

(e) To take, acquire by purchase, exchange or otherwise, and to own, hold, deal in, sell or otherwise dispose of, mortgage, hypothecate or otherwise encumber, letters patent and inventions and shares of stock or bonds, and while the owner of said shares to vote the same.

(f) To borrow money and to execute and deliver its secured promissory note or notes or other evidences of indebtedness therefor.

(g) To issue bonds, notes, debentures, certificates, script or other corporate obligations or evidences of debt, and to secure the payment therefor by mortgage, pledge or deed of trust of or upon the whole or any portion of the corporate property, funds, credits and franchises and to sell, pledge or otherwise use or dispose of the same.

(h) To exercise in respect to all such bonds, notes, mortgages, shares of capital stock and other securities and other obligations, any and all rights, powers and privileges of individual owners thereof; including the right to vote upon any shares of stock held by it to the same extent that a natural person might or could do.

(i) To carry on business in states outside of North Carolina and to purchase and hold real and personal property in said states.

(j) To engage in any all all lawful business other than those above specified which may be permitted by any law or laws of the State of North Carolina now in force or hereinafter enacted, and for which no special authorization or permit is necessary.

(k) To do and perform all things whatsoever that shall be necessary or proper for the full and complete execution of the foregoing purposes.

(l) To act as guarantor or surety on contracts, notes, bonds, mortgages, deeds of trust or other securities.

THIRD: That the principal office for the transaction of the business of this corporation is to be located in Spruce Pine, No Car That the name and address of the agent authorized to accept service on the corporation in the State of North Carolina is John Phillips Spruce Pine No. Car.

FOURTH: That this corporation is authorized to issue only one class of shares of stock, the total number of which is _____ shares with no par value.

FIFTH: That the number of directors of said corporation shall be three (3) who must be shareholders and the names and addresses of the persons who are appointed to act as the first directors and to hold office until the selection and qualification of their successors are as follows:

Samuel L. Phillips, Spruce Pine 25 Shares
John Phillips, Spruce Pine, Mo. Co. V.P. 25 Shares
Henry L. Robinson, Spruce Pine, N.C. Sec'y 25 Shares
C. V. Purdy 65 Boston St
Lynn Mass - Treas 25 Shares

SIXTH: That the duration of this corporation shall be 100 years; original capital to commence business to be ~~$30.00.~~ 100 shares of stock

SEVENTH: That the following shares of stock have been subscribed by the incorporators:

Samuel L. Phillips, Spruce Pine N.C. - 25 Shares
John Phillips, " " " " "
Henry L. Robinson " " " " "
C. V. Purdy. 65 Boston St,
Lynn, Mass " "

EIGHTH: That the number of persons named above shall constitute the number of directors in the corporation until changed by amendment to the by-laws.

NINTH: Said corporation shall not have the power to levy assessments upon the shares or shareholders thereof.

TENTH: The shareholders of said corporation shall have preemptive rights to subscribe to any and all issues of shares of securities.

IN WITNESS WHEREOF, The persons named herein as directors have hereunto set their hands this day of

/s/ John Phillips
/s/ Henry L. Robinson
/s/ C. V. Purdy

DME a-2596

CERTIFICATE OF INCORPORATION

of

Alstead Mica Miners, Inc.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the State of North Carolina, and do hereby certify:

FIRST: That the name of the said corporation is:

Alstead Mica Miners, Inc.

SECOND: That the purposes for which said corporation is formed are:

(a) To initially engage in the primary business of exploring, prospecting, developing, mining and milling mica and minerals of every character and description.

(b) To purchase or otherwise acquire, to own, hold, lease, sell or otherwise dispose of, deal in and improve real estate, and to mortgage, convey in trust or otherwise encumber the same and to erect, manage, care for, maintain, extend and alter buildings thereon and other improvements.

(c) To purchase or otherwise acquire, to own, hold, lease, sell or otherwise dispose of, deal in and improve real estate, and to mortgage, convey in trust or otherwise encumber or hypothecate the same.

(d) To enter into partnerships or into any arrangement for sharing profits, union of interest, corporation, joint adventure, reciprocal concession, or otherwise, with any person, partnership, firm or corporation, in any business or transaction in which this corporation is authorized to carry on or engage in so as to directly or indirectly benefit this corporation.

(e) To take, acquire by purchase, exchange or otherwise, and to own, hold, deal in, sell or otherwise dispose of, mortgage, hypothecate or otherwise encumber, letters patent and inventions and shares of stock or bonds, and while the owner of said shares to vote the same.

(f) To borrow money and to execute and deliver its secured promissory note or notes or other evidences of indebtedness therefor.

(g) To issue bonds, notes, debentures, certificates, script or other corporate obligations or evidences of debt, and to secure the payment therefor by mortgage, pledge or deed of trust of or upon the whole or any portion of the corporate property, funds, credits and franchises and to sell, pledge or otherwise use or dispose of the same.

(h) To exercise in respect to all such bonds, notes, mortgages, shares of capital stock and other securities and other obligations, any and all rights, powers and privileges of individual owners thereof; including the right to vote upon any shares of stock held by it to the same extent that a natural person might or could do.

(i) To carry on business in states outside of North Carolina and to purchase and hold real and personal property in said states.

(j) To engage in any all all lawful business other than those above specified which may be permitted by any law or laws of the State of North Carolina now in force or hereinafter enacted, and for which no special authorization or permit is necessary.

(k) To do and perform all things whatsoever that shall be necessary or proper for the full and complete execution of the foregoing purposes.

(l) To act as guarantor or surety on contracts, notes, bonds, mortgages, deeds of trust or other securities.

THIRD: That the principal office for the transaction of the business of this corporation is to be located in Spruce Pine, North Carolina. That the name and address of the agent authorized to accept service on the corporation in the State of North Carolina is John Phillips Spruce Pine, North Carolina.

FOURTH: That this corporation is authorized to issue only one class of shares of stock, the total number of which is 100 shares with no par value.

FIFTH: That the number of directors of said corporation shall be three (3) who must be shareholders and the names and addresses of the persons who are appointed to act as the first directors and to hold office until the selection and qualification of their successors are as follows:

Samuel L. Phillips, Spruce Pine, N. C. -- 25 shares (Pres.)

John Phillips, Spruce Pine, N. C. -- Vice Pres.--25 shares

Henry L. Robinson, Spruce Pine, N. C., Secretary--25 shares

C. V. Purdy, 65 Boston St., Lynn, Mass., Treas.--25 shares

SIXTH: That the duration of this corporation shall be 100 years; original capital to commence business to be $3000.00. 100 shares of stock

SEVENTH: That the following shares of stock have been subscribed by the incorporators:

Samuel L. Phillips, Spruce Pine, N. C. 25 shares

John Phillips, Spruce Pine, N. C., 25 shares

Henry L. Robinson, Spruce Pine, N. C., 25 shares

C. V. Purdy, 65 Boston St., Lynn, Mass., 25 shares

EIGHTH: That the number of persons named above shall constitute the number of directors in the corporation until changed by amendment to the by-laws.

NINTH: Said corporation shall not have the power to levy assessments upon the shares or shareholders thereof.

TENTH: The shareholders of said corporation shall have preemptive rights to subscribe to any and all issues of shares of securities.

IN WITNESS WHEREOF, The persons named herein as directors have hereunto set their hands this day of

John Phillips

Henry L. Robinson

C. V. Purdy.

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this 14th day of July before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared John Phillips known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Mitchell, the day and year first hereinabove written.

My Comm: Expires 11-21-52

Kenneth P. McKinney
Notary Public of said County and State

STATE OF ~~NORTH CAROLINA~~ New Hampshire)
~~MITCHELL~~ Sullivan COUNTY) ss.

On this 17th day of July 1952 before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared Samuel L. Phillips Henry L. Robinson known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Mitchell, the day and year first hereinabove written.

Ruth W Gauthier
Notary Public of said County and State

STATE OF ~~NORTH CAROLINA~~ MASSACHUSETTS)
~~MITCHELL~~ ESSEX COUNTY) ss.

On this 8TH day of JULY, 1952 before me, the undersigned Notary Public in and for the State of ~~NORTH CAROLINA~~ MASSACHUSETTS, residing therein, duly commissioned and sworn, personally appeared C. V. Purdy known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of ~~Mitchell~~ ESSEX, the day and year first hereinabove written.

Walter H. Murphy
Notary Public of said County and State

BOOK 2596

CERTIFICATE OF INCORPORATION

of

Alstead Mica Miners, Inc.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the State of North Carolina, and do hereby certify:

FIRST: That the name of the said corporation is:

Alstead Mica Miners, Inc.

SECOND: That the purposes for which said corporation is formed are:

(a) To initially engage in the primary business of exploring, prospecting, developing, mining and milling mica and minerals of every character and description.

(b) To purchase or otherwise acquire, to own, hold, lease, sell or otherwise dispose of, deal in and improve real estate, and to mortgage, convey in trust or otherwise encumber the same and to erect, manage, care for, maintain, extend and alter buildings thereon and other improvements.

(c) To purchase or otherwise acquire, to own, hold, lease, sell or otherwise dispose of, deal in and improve real estate, and to mortgage, convey in trust or otherwise encumber or hypothecate the same.

(d) To enter into partnerships or into any arrangement for sharing profits, union of interest, corporation, joint adventure, reciprocal concession, or otherwise, with any person, partnership, firm or corporation, in any business or transaction in which this corporation is authorized to carry on or engage in so as to directly or indirectly benefit this corporation.

(e) To take, acquire by purchase, exchange or otherwise, and to own, hold, deal in, sell or otherwise dispose of, mortgage, hypothecate or otherwise encumber, letters patent and inventions and shares of stock or bonds, and while the owner of said shares to vote the same.

(f) To borrow money and to execute and deliver its secured promissory note or notes or other evidences of indebtedness therefor.

(g) To issue bonds, notes, debentures, certificates, script or other corporate obligations or evidences of debt, and to secure the payment therefor by mortgage, pledge or deed of trust of or upon the whole or any portion of the corporate property, funds, credits and franchises and to sell, pledge or otherwise use or dispose of the same.

(h) To exercise in respect to all such bonds, notes, mortgages, shares of capital stock and other securities and other obligations, any and all rights, powers and privileges of individual owners thereof; including the right to vote upon any shares of stock held by it to the same extent that a natural person might or could do.

(i) To carry on business in states outside of North Carolina and to purchase and hold real and personal property in said states.

(j) To engage in any all all lawful business other than those above specified which may be permitted by any law or laws of the State of North Carolina now in force or hereinafter enacted, and for which no special authorization or permit is necessary.

(k) To do and perform all things whatsoever that shall be necessary or proper for the full and complete execution of the foregoing purposes.

(l) To act as guarantor or surety on contracts, notes, bonds, mortgages, deeds of trust or other securities.

THIRD: That the principal office for the transaction of the business of this corporation is to be located in Spruce Pine, North Carolina. That the name and address of the agent authorized to accept service on the corporation in the State of North Carolina is John Phillips Spruce Pine, North Carolina.

FOURTH: That this corporation is authorized to issue only one class of shares of stock, the total number of which is 100 shares with no par value.

FIFTH: That the number of directors of said corporation shall be three (3) who must be shareholders and the names and addresses of the persons who are appointed to act as the first directors and to hold office until the selection and qualification of their successors are as follows:

Samuel L. Phillips, Spruce Pine, N. C., Pres. -- 25 shares

John Phillips, S pruce Pine, N. C., Vice Pres. -- 25 shares

Henry L. Robinson, Spruce Pine, N. C., Sec'y. -- 25 shares

C. V. Purdy, 65 Boston St., Lynn, Mass., Treas. -- 25 shares

SIXTH: That the duration of this corporation shall be 100 years; original capital to commence business to be ~~$30.00~~. 100 shares of stock

SEVENTH: That the following shares of stock have been subscribed by the incorporators:

Samuel L. Phillips, Spruce Pine, N. C. -- 25 shares

John Phillips, Spruce Pine, N. C. -- 25 shares

Henry L. Robinson, Spruce Pine, N. C. -- 25 shares

C. V. Purdy, 65 Boston St., Lynn, Mass. -- 25 shares

EIGHTH: That the number of persons named above shall constitute the number of directors in the corporation until changed by amendment to the by-laws.

NINTH: Said corporation shall not have the power to levy assessments upon the shares or shareholders thereof.

TENTH: The shareholders of said corporation shall have preemptive rights to subscribe to any and all issues of shares of securities.

IN WITNESS WHEREOF, The persons named herein as directors have hereunto set their hands this day of

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this _____ day of _____ before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared

_____

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Mitchell, the day and year first hereinabove written.

_____
Notary Public of said County and State

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this _____ day of _____ before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared

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known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Mitchell, the day and year first hereinabove written.

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Notary Public of said County and State

STATE OF NORTH CAROLINA)
) ss.
MITCHELL COUNTY)

On this _____ day of _____ before me, the undersigned Notary Public in and for the State of North Carolina, residing therein, duly commissioned and sworn, personally appeared

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Mitchell, the day and year first hereinabove written.

_____
Notary Public of said County and State