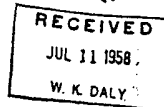


Mr. W. C. Roney



INTERNATIONAL SMELTING AND REFINING COMPANY

TUCULE PLANT - TUCULE, UTAH

REPORT ON AUDIT OF THE SULPHIDE CONCENTRATOR, THE LEAD PLANT AND THE SLAG TREATING PLANT
OF THE INTERNATIONAL SMELTING AND REFINING COMPANY, TUCULE, UTAH FOR JANUARY, 1958

MONTH OF JANUARY 1958

TIME PERIOD FOR AUDIT

R. E. Hathaway

March 18, to May 31, 1958, inclusive

D. G. DeLong

May 16, to 19, 1958, inclusive

D. R. Hanson

May 1, to 4, 1958, inclusive

Audit of the Metallurgical records of the Tucule Plant of the International Smelting and Refining Company for January 1958 included the Sulphide Concentrator, Lead Plant, and Slag Plant.

The receipts in the Sulphide Concentrator were audited 100%. The weights, assays, contracts, settlements, and costs were audited in detail. The lead concentrates transferred to the Lead Plant were audited in detail. Iron concentrates to American Smelting and Refining Company were audited approximately 54%. The zinc concentrates settled for by The Anaconda Company were audited as to weights, assays preliminary and final settlement.

Four of the Lead Plant receipts were audited 100%. One of the receipts was audited approximately 54%. The weights, assays, lot sheets and settlements on the above receipts were audited in detail. The matte, speise, and lead shipments were audited 100%.

Two of the Slag Plant receipts were audited 50%. One of the receipts was audited 100%. The weights, assays, and settlement on the above receipts were audited in detail. The drossed zinc fume to National Zinc Company was audited 37%. The drossed zinc fume to The Anaconda Company was audited 100%. The drossed zinc fume returned to the American Zinc Company was audited 100%.

The inter-plant movements were audited in detail. The cadmium fume settled for by The Anaconda Company - Great Falls, Montana and cadmium fume at Great Falls belonging to International Smelting and Refining Company was not audited at this time.

The Auditor observed the taking of inventories on April 1 and May 1, 1958. The February 1st inventories were checked from physical and estimated reports on into the statements. The May 1st inventories were checked to inventory records.

January work sheets and statements were audited and followed through to the final cumulative statements.

R. E. Hathaway, Metallurgical Auditor

May 11, 1958

PNYC 00011799

INTERNATIONAL SHEETINGS AND REFINING COMPANY

TOOLIE PLANT - TOOLIE, UTAH

MONTH OF JANUARY 1958

I R R I

Page

SULPHIDE CONCENTRATOR:

Receipts	1 to 2, inclusive
Shipments	2 to 4, inclusive
Inventories	4
Valuation of Inventories	4 to 7, inclusive

LEAD PLANT:

Receipts	8 to 12, inclusive
Shipments	12 to 15, inclusive
Miscellaneous Interplant Transfers	15 to 16, inclusive
Four Divisions of Lead Plant	16
Inventories	16
Lead Dress	16
By-Products	16
Valuation of Inventories	16 to 18, inclusive

SLAG PLANT:

Receipts	19 to 20, inclusive
Shipments	20 to 23, inclusive
Inventories	23 to 25, inclusive
Valuation of Inventories	25 to 26, inclusive

ERRORS AND DISCREPANCIES:

Lead Plant	26 to 27, inclusive
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GENERAL COMMENTS:

Sulphide Concentrator	27
Lead Plant	27
Slag Treating Plant	27

PNYC0011799A

INTERNATIONAL MINING AND REFINING COMPANY

TOBEE PLANT - TOBEE, UTAH

MONTH OF JANUARY 1958

SULPHIDE CONCENTRATOR

RECEIPTS

United Park City Mines Company - Grade Ore

Shipments from the United Park City Mines Company accounted for 100% of the Sulphide Concentrator receipts in January 1958.

Following are some pertinent provisions of the contract with the United Park City Mines:

Gold	- 70% up to and including .05 oz. @ \$32.816 per oz.
	- 80% over .05 oz. @ \$32.816 per oz. minimum deduction .01 oz.
Silver	- 15 ozs. or under, pay for 85% at Mint price.
	- Over 15 ozs., pay for 90% of the excess over 15 ozs. at Mint price.
	- Minimum deduction .5 oz.
Copper	- 70% at New York electrolytic price, less 6.856¢ minimum deduction of 15 lbs.
Lead	- 85% less 2.956¢ minimum deduction of 20 lbs.
Zinc	- 65% less 3.2775¢ when zinc is 5¢ per lb. or less. To this deduction of 3.2775¢ add .4¢ per pound for each 1¢ increase in price of zinc over 5¢ - minimum deduction of 60 lbs. Monthly average on minimum deduction.
Treatment	- \$1.49 per dry ton - credit Utah Ore Sampling Company sampling 30¢ per dry ton, adjusted to 1/3 of actual Utah Ore Sampling Company sampling expense for the month.
Bullion Freight	- \$29.63 and \$20.45 (includes tax)
Splitting limits	- Gold - 0.02 oz. per ton Lead - 0.5% Zinc - 0.5%
	- Silver - 0.5 oz. per ton Copper - 0.3%

Only section no. 2 portion of the Sulphide Concentrator was used during the month of January 1958. All weights, assays and value of receipts were audited in detail for January 1958.

Following is a schedule showing the details for fourteen lots, which were received from the United Park City Mines Company during the month of January 1958:

Percent moisture		2.83 %
Dry pounds		17,133,974
Percent lead		6.0745
Contract pounds - lead		1,040,709
Paid pounds - lead		896,510
Amount - lead		\$111,604.68
Price deduction - lead		\$ 25,381.79
Percent copper		0.125%
Contract pounds - copper		21,438
Percent zinc		6.847%
Contract pounds - zinc		1,113,597
Paid pounds - zinc		
Zinc adjustment - January 1958	973,724	
Amount - zinc	11,87	985,111
Zinc adjustment - January 1958	\$ 97,373.41	
Price deduction - zinc	1,138.70	\$ 98,512.31
Zinc adjustment - January 1958	\$ 31,322.91	
Amount - zinc	601.21	\$ 32,184.14
Ounces per ton - silver		7.965
Contract ounces - silver		66,235.29
Paid ounces - silver		26,635.79
Amount - silver		\$ 20,771.16
Ounces per ton - gold		0.0023
Contract ounces - gold		216.413
Paid ounces - gold		130.996
Amount - gold		\$ 4,283.87

PNYC 00011800

SHIPMENTS - Continued

United Park City Mines Company - Grade Ore - Continued

Treatment		
Base amount	\$ 12,764.79	
Penalties amount	4,285.47	
Utah Ore Sampling Company - adjustment January 1958	668.12	\$ 7,813.18
Cost	\$178,787.52	
Zinc adjustment	535.47	
Utah Ore Sampling Company - adjustment	668.12	\$179,981.11
Miscellaneous		
Umpire Assay	\$ 36.00	
Utah Ore Sampling Company	10,050.78	\$ 10,086.78
Freight		\$ 11,115.26
Net proceeds	\$197,585.48	
Zinc adjustment	535.47	
Utah Ore Sampling Company - adjustment January 1958	668.12	\$198,789.07

The Utah Ore Sampling Company sampled and weighed this ore. The International Smelting and Refining Company accepts and uses these weights and moisture but averages the assays of United Park City Mines Company with their own, and calls for Umpire assays when needed.

All January zinc contents were totaled and averaged and the shipper was paid for the balance of zinc in seven lots which had been given the 60 pound minimum deduction, because of low content zinc. This is allowed in the contract if the monthly average assay is high enough to receive the 65% payment. In January there were 11,287 pounds of zinc paid for at 4.7025¢ per pound.

The difference between the January sampling credit total (50¢ per dry ton), and half of the January sampling charge (\$1.14 per wet ton) was paid to the shipper as allowed in the contract. The sampling rate was \$1.00 per wet ton at time of last audit. This rate was increased to \$1.10 per wet ton in October 1954 and \$1.14 per wet ton on March 10, 1957.

SHIPMENTS

Following is a statement of treatment, production and losses for the month of January 1958:

Lead Concentrates to Lead Plant

During the month of January 1958 ten cars, totaling approximately 640 wet tons, or 586 dry tons, were transferred to the Lead Plant for treatment.

PNYC 00011801

STATEMENT OF TREATMENT - PRODUCTION AND LOSSES - VALUE OF PRODUCTION - PROFIT OR LOSS - JANUARY 1958

Original Material Treated:	Dry Weight Pounds	Cost of Material	Concentrating Expenses	Cost Per Ton	Grand Total	Lead Pounds	Copper Pounds	Zinc Pounds	Silver Ounces	Gold Ounces
<u>On Hand - 1-1-58</u>										
Custom Ore										
In Bins	1,422,887	\$ 12,530.81	\$ 70.85	\$ -	-	86,997	1,590	137,261	7,054.25	14,872
<u>Received</u>										
Custom Ore	17,133,974	179,994.11	33,001.63			1,040,709	21,418	1,515,557	68,251.29	216,615
Total	18,556,861	\$ 192,521.92	\$ 33,072.47	\$ -	-	1,127,706	22,998	1,652,818	75,289.54	231,487
<u>On Hand - 1-31-58</u>										
Custom Ore										
In Bins	429,140	3,778.61				25,764	537	38,650	1,994.75	4,324
Treated:	18,127,421	\$ 188,743.31	\$ 33,072.47	\$ 3.6489	\$ 221,815.78	1,101,940	22,461	1,614,168	73,294.79	227,193
Value of Production:										
<u>Concentrates Sold</u>										
Zinc Concentrates to Anaconda	2,677,487				\$ 84,113.64			1,622,557	2,650.71	16,734
Lead Concentrates to Lead Plant	1,172,327				122,929.49	827,260	13,611		\$2,757.24	65,747
Iron Concentrates returned from Lead Plant	9,122,238				9,122.23	93,797	33,855	282,789	28,223.97	159,063
Sold A.S. & R. Co.	9,122,238				9,122.23	93,797	33,855	282,789	28,223.97	159,063
Total	3,690,014				\$ 207,043.13	827,260	13,611	1,622,557	55,407.95	82,481
<u>On Hand Ending - 1-31-58</u>										
Lead Concentrates	289,031				23,767.42	206,368	2,312		14,247.78	16,619
Zinc Concentrates	533,962				17,307.62			328,924	638.67	4,005
Total on Hand Ending & Sales	4,673,014				\$ 248,118.37	1,033,628	15,923	1,951,481	70,295.62	103,105
<u>On Hand Beginning - 1-1-58</u>										
Zinc Concentrates	770,278				23,704.70			462,167	689.40	5,777
Value of Production										
Zinc Concentrates	2,441,178				77,716.76			1,489,314	2,999.40	14,962
Lead Concentrates	1,461,528				146,698.91	1,033,628	15,923		67,005.02	82,364
Total Value of Production	3,902,736				\$ 224,415.67	1,033,628	15,923	1,489,314	69,604.42	97,326
Net Losses						68,312	6,538	124,854	3,690.37	129,865
Ratio of Concentration 4.645 into 1						93.8015	70.8922	92.2658	94.9655	42.8398
Percent Savings										
Profit before Silver Adjustment *					\$ 2,597.89					
Silver Adjustment					\$ 3,332.26					
Profit after Silver Adjustment					\$ 7,990.15					
Depreciation					\$ 1,625.36					
Profit after Depreciation					\$ 6,364.79					
Division of Profit *										
Custom Material					\$ 2,597.89					

PNYC 0001802

SULPHIDE CONCENTRATOR

SHIPMENTS - Continued

Lead Concentrates to Lead Plant

There were three cars, 159, wet tons, or 115 dry tons, of lead concentrates in inventory at January 31, 1958. The above three cars were transferred to stockpiles in February 1958. Usually the lead concentrates are transferred to the Lead Plant and all inventories are carried as Lead Plant inventories.

A schedule of payments and credits, similar to the Lead Plant open contract, is used for valuing these concentrates for transfer. The schedule, including latest changes in freight and labor rates, is as follows:

Lead	- 1.5 units, balance 95% @ New York Electrolytic Price, less 2.3565¢ per pound.
Copper	- (minimum deduction - 10 lbs.), 90% @ New York Electrolytic Price, less 3.8565¢ per pound.
Zinc	- If 5%, 80% @ 22¢ of East St. Louis price. No penalty if under 5%.
Silver	- If 1 ounce per ton - 97½¢ @ Mint Price
Gold	- If .02 ounces per ton - 91½¢ @ \$35.00 per ounce.
Iron	- Credit - 8¢ per unit.
Insoluble	- Charge - 10¢ per unit.
Sulphur	- 2½ free - balance 25¢ per unit - maximum \$2.25 per ton.
Zinc	- Charge - 15¢ per unit paid for.
Treatment	- \$14.625 per dry ton plus or minus 8¢ per unit of lead over or under 48% (after deducting 1.5 units)

All weights, assays and value of shipments were audited in detail for January 1958.

Iron Concentrates Settled For By American Smelting And Refining Company - Garfield, Utah

In January 1958, eleven lots, 4,561 dry tons of Iron Concentrates, were taken from stockpile and sold to American Smelting and Refining Company, Garfield, Utah. A value of \$2.00 per dry ton was paid for this concentrate as per letter to Mr. Glen Burt, Ore Buyer, dated November 26, 1957. All weights and assays used are taken from American Smelting and Refining Company's settlement sheets. On the Statement of Treatment - Production and Losses the Iron Concentrates are shown as a return from Lead Plant and a sale to American Smelting and Refining Company, for same weights and value. In January 1958, 54% of the settlement sheets were audited in detail and checked to summary sheet.

Zinc Concentrates Shipped to The Anaconda Company - Anaconda, Montana

During the month of January 1958, there were 26 cars, or 1,348 dry tons, of zinc concentrates shipped to Anaconda, Montana. The weights, moisture, and assays for material shipped are based on the International Smelting and Refining Company calculations. All weights, moisture, and assays were audited for the month of January 1958 on shipment.

Zinc Concentrates Settled For By The Anaconda Company - Anaconda, Montana

There were 26 cars, 1,462 wet tons, or 1,239 dry tons, of zinc concentrates settled for by The Anaconda Company in January 1958. The wet weights, moisture, and dry weights of The Anaconda Company are used. Assays are tested for splitting limits and the average is used unless outside of splitting limit. If outside the limit, repeat assays are prepared and result of these assays are used. The splitting limits are as follows:

Lead	- .3%	Gold	- .005 oz. per ton
Zinc	- .4%	Insoluble	- .4%
Silver	- .4 oz. per ton	Iron	- .4%

The preliminary and final settlements were audited in detail for December 1957. Also the preliminary settlement for January 1958 was audited in detail.

INVENTORIES

The estimated tonnages were checked to the "ore in bin record books" on file in Mr. Clark's, Chief Clerk, office. The actual moisture and assays were used to calculate contents on a first-in, first-out basis.

The lead concentrate was carried in the Sulphide Concentrator inventories and transferred to stockpile in February 1958. Actual weights and assays were used in calculating contents and values of concentrates.

The zinc concentrates on hand were estimated by Mr. Kettner, Sulphide Concentrator Superintendent, but actual assays were used in calculating contents and values.

All the concentrator bin inventories at February 1 and May 1 were checked to the inventory work sheets. The Auditor accompanied Mr. James Boury, Metallurgical Clerk, and Mr. Edson Porter, Clerk, on an inventory observation of bins on April 1 and May 1, 1958. At this observation, all bins were measured and the cars with concentrates were observed and later checked to reports of material on hand at February 1 and May 1, 1958.

EVALUATION OF INVENTORIES

Ore in Bins

Following is a statement showing the value of the bin inventories, as at January 31, 1958:

PNYC 00011803

STATE OF MINNESOTA - JANUARY 31, 1952

On Hand - January 1, 1952	Dr. Weight Pounds	Amount	Copper Pounds	Amount	Account	Account	Amount	Net Amount
In Mine Custom Ore	1,422,887	\$ 6,151.55	1,580	\$ 137.261	\$ 4,000.46	7,094.55	\$ 2,094.62	\$ 14,472.18
Received:								
Purchased Ore	17,133,976	\$ 78,465.91	21,413	\$ 1,514.55	\$ 55,326.17	\$ 66,235.57	\$ 50,970.16	\$ 179,951.11
Total	18,556,863	\$ 84,617.46	22,998	\$ 1,652.818	\$ 59,406.63	\$ 75,289.54	\$ 53,005.78	\$ 192,521.92
On Hand - January 31, 1952								
In Mine Custom Ore	18,127,421	\$ 82,608.15	22,461	\$ 1,614.168	\$ 49,225.24	\$ 73,294.79	\$ 52,430.45	\$ 186,743.31
Put Into Process								
In Process - 1-1-52								
In Process - 1-31-52								
Treatment								
On Hand - 1-31-52	18,127,421	\$ 82,608.15	22,461	\$ 1,614.168	\$ 49,225.24	\$ 73,294.79	\$ 52,430.45	\$ 186,743.31
In Mine In Process	429,440	\$ 25,766	537	\$ 38,650	\$ 1,201.39	\$ 1,994.75	\$ 575.33	\$ 3,778.61
Total	18,556,863	\$ 84,617.46	22,998	\$ 1,652.818	\$ 50,426.63	\$ 75,289.54	\$ 53,005.78	\$ 192,521.92
Reduction Expense								
Total - Sulphide Concentration Inventory Cost								
Value of Zinc Concentrates on Hand								
Value of Lead Concentrates on Hand								
Reconciliation:								
Inventory	25,766	\$ 1,994.75	537	\$ 38,650	\$ 1,201.39	\$ 1,994.75	\$ 575.33	\$ 3,778.61
Add Losses Deferred								
Total as Above	25,766	\$ 1,994.75	537	\$ 38,650	\$ 1,201.39	\$ 1,994.75	\$ 575.33	\$ 3,778.61

PNYC 00011804

SULPHIDE CONCENTRATOR

VALUATION OF INVENTORIES - Continued

Ore in Pine - Continued

The ore in this is valued at cost, on a first-in, first-out basis, except for silver and gold. The total silver ounces paid for are valued at 34.75¢ per ounce. The total value of gold paid for is divided by \$34.91 to arrive at ounces paid for and this total is valued at \$34.00 per ounce. Due to the difference in terms of the many contracts as to the percent of gold paid for and the price, all are based on an approximate \$34.91 price per ounce. This is market price less cost to market.

Lead Concentration

Following is a statement showing the value of the lead concentrates on hand at January 31, 1958:

LEAD CONCENTRATES ON HAND - JANUARY 31, 1958

	Dry		Lead		Zinc		Silver		Gold						
	Weight	Per	Per	Per	Per	Per	Oz-per	Oz-per	Oz-per	Oz-per	%	%	%	%	
100	Pounds	Cent	Pounds	Cent	Pounds	Cent	Pounds	Ton	Ounces	Ton	Ounces	Ins	Ps	S	CaO
Lead Concentrates															
On Hand	9,224	289.071	71,400	306,364	800	2,312	4,400	12,717	58,590	14,247.78	.1150	16.619	2.20	1.80	16.20 .60

Det 11

C o n t e n t s			C o n t e n t s		P a i d	P e r	D r.	C r.
Lead	206,366	lbs. - 1.5 @ 95%	191,931	lbs. @	1.3000		\$	\$ 24,951.03
Copper	2,312	lbs. - 10¢ or 90%	867	lbs. @	.25114			217.74
Silver	14,247.78	oss. @ 97 1/2%	13,891.59	oss. @	.34750			4,807.33
Gold	16,619	oss. @ 91 %	15,123	oss. @	35.0000			529.31
Metal Deduction - Lead			191,931	lbs. @	.023565			4,522.85
Copper			867	lbs. @	.038565			33.44
Credit - Iron			5,203	lbs. @	6¢ per unit			15.61
Debit -- Insoluble Sulphur			6,359	lbs. @	10¢ per unit			31.80
			41,042	lbs. @	2.25 per ton			
					maximum or 25¢ per unit			
								325.16
Treatment			144.5153	tons @	12.8730			1,860.33
							\$	6,797.99
								\$ 20,555.41
			N e t A m o u n t				\$	23,767.42
			Base				\$	14.6230
			Credit - Lead over 48% @ 8¢ per unit					1.7532
							\$	12.8720

The lead concentrates are usually carried on the Lead Plant inventory records. In January 1958, there were three cars held in Sulphide Concentrator inventory and in February they were transferred to stockpile. Lead concentrates are valued at the contract price except for silver which is valued at \$4.75¢ per ounce. The gold contract price is \$35.00 per ounce and this value is used for gold valuation.

Zinc Concentrates

Following is a statement showing the value of the zinc concentrates on hand at January 31, 1938:

PNYC 00011805

SULPHIDE CONCENTRATES

VALUATION OF INVENTORIES - Continued

Zinc Concentrates - Continued

ZINC CONCENTRATES ON HAND AND IN TRANSIT - JANUARY 31, 1958

	X	Dry Weight H ₂ O	<u>Lead</u>		<u>Copper</u>		<u>Zinc</u>		<u>Silver</u>		<u>Gold</u>		X	X	X	X
			Per Cent	Pounds	Per Cent	Pounds	Per Cent	Pounds	On. per Ton	Ounces	On. per Ton	Ounces				
On Hand and In Transit	7.490	533,969	.900	4,805	.250	1,335	61.600	328,924	2.390	638.09	.0190	4.005	1.60	2.30	31.90	.20

D E T A I L

<u>C o n t e n t s</u>					<u>Contents Paid For</u>					<u>D r.</u>	<u>C r.</u>
Zinc	328,924	lbs.	0	85%	279,385	lbs.	0	\$	.107223	\$	\$ 29,777.94
Silver	638.09	oss.	0	80%	510.47	oss.	0	\$	.34790		177.39
Gold	4.005	oss.	0	80%	3.204	oss.	0	\$	33.780		108.23
Treatment					266.9845	tons	0		28.680	7,657.12	
Freight					288.600	tons	0		8.9237	2,575.38	
Labor Adjustment					266.9845	tons	0		10.200	2,723.24	
										\$ 12,955.74	\$ 30,263.56
											\$ 17,307.82

Zinc concentrates are still valued at the contract sales prices except for silver which is valued at 34.75¢ per ounce.
The contract states a gold price of \$33.78 per ounce and this is used for valuation.

In-Process

On February 1, 1958 no fixed in-process inventories are reported in this plant because it was between runs when the inventory was taken.

PNYC 00011806

1940 P-101

REMARKS

Following is a schedule showing the details of material received during the month of January 1958:

STATEMENT OF CUSTOM MATERIAL RECEIVED - JANUARY 1958

No.	Weight Pounds	Lead		Copper		Zinc		Silver		Gold	
		Per Cent	Pounds	Per Cent	Pounds	Per Cent	Pounds	Per Cent	Pounds	Per Cent	Pounds
Combined Metals Reduction Company											
BRUCE											
8.871	976,335	53.402	521,378	1.226	11,974			40.644	19,846.28	.0906	24,878
											\$ 65,511.85
BRITISH SILVER MINES COMPANY											
11.826	1,110,587	1.228	13,633	10.671	118,909			21.385	11,874.94	.0230	12,776
											\$ 29,932.14
ARTHUR J. BIRCH											
.350	933	30.200	282	.100	1			34.550	16.12		22.54
TURNOLD HARTMAN											
2.260	22,715	94.520	21,470	.200	45			.100	1.14		1,820.99
NATIONAL ZINC COMPANY											
11.200	104,928	11.400	12,032	.300	315			135.480	7,106.17	.2725	14,294
											\$ 9,820.95
AGRICULTURAL ZINC COMPANY OF ILLINOIS											
8.926	769,031	2.751	21,705	2.003	15,807	27.289	217,694	22.195	8,756.39	.0621	24,032
21.210	14,433	41.844	17,131	.204	21			157.077	4,781.12	.1077	2,402
13.130	13,352	1.158	80	1.837	78	10.718	1,333	223.730	1,337.28	.0384	1,034
13.934	847,093	4.893	41,446	1.967	16,461	27.497	219,033	34.392	14,524.05	.0636	26,843
											\$ 10,722.77
TOTAL											
10.925	1,037,221	14.885	151,137	14.137	116,830			8.705	1,511.41	.0322	11,671
11.214	4,099,846	19.416	796,038	7.180	294,355	9.340	219,033	28.237	57,880.51	.0465	13,564
											\$ 13,524.11
Material Received from											
	7,949,711		733,463		29,344			24,331.27			11,877.24
	880,520		14,600	410,502	102	10		7,130	1,164.51	3,000	1,402
											\$ 11,501.11
	2,948,945		1,940,010		274,287		219,033				13,524.11
											\$ 13,524.11

PNYC 00011807

LEAD PLANT

RECEIPTS - Continued

Combined Metals Reduction Company - Baur, Utah - Concentrates

In January 1958, nine lots, or 428 dry tons, were received from the Combined Metals Reduction Company. This concentrate accounted for 25% of the Lead Plant receipts in January. This concentrate is weighed and a moisture is prepared by International Smelting and Refining Company for settlement purposes. The International Smelting and Refining Company assays are averaged with shipper assays and the average assay is used for settlement, unless an impure assay is needed. Repeat assays are prepared before impure assays are required.

The schedule for payment on this concentrate is as follows:

- Gold - If 171 oz. or over, 91% @ Government Price (\$35.00).
- Silver - If 1 oz. and under 35 oz., 95% @ Mint Price.
- If 35 oz. and under 45 oz., 96% @ Mint Price.
- If 45 oz. or more, 97% @ Mint Price.
- Month's receipts to be averaged, exclusive of crude ore, and adjusted settlements by statement if shipper is benefited.
- Lead - If 2.5% or over, 90% of settlement lead (see detail of settlement lead) at M. Y. Price, less 2.1525% (8/24/77)

Settlement Lead Definition: When lead price is under 10¢, deduct 30¢ per ton from wet assay.

Lead Price	Reduction from Wet Assay	
	Pounds	Units
10¢ and under 11¢	23	1.15
11¢ and under 12¢	22	1.10
12¢ and under 13¢	21	1.05
13¢ and under 14¢	20	1.00
14¢ and under 15¢	19	0.95
15¢ and under 16¢	18	0.90
16¢ and under 17¢	17	0.85
17¢ and under 18¢	16	0.80
18¢ and under 19¢	15	0.75
19¢ and under 20¢	14	0.70

Continue to reduce lead deduction one pound for each cent in same manner to zero pounds.

- Copper - Pay for 90% as lead or deduct 15¢ and pay for balance at New York Electrolytic price of copper, less \$.1565¢.
- Zinc - If 10% or over, 60% at 22¢ of East St. Louis price for Prime Western Zinc.
- Insoluble - Charge 10¢ per unit up to and including 45%. Charge over 45% at 3¢ per unit.
- Sulphur - 2% free, charge excess over 2%, to and including 6%, at 25¢ per unit. Charge excess over 6% at 5¢ per unit. Maximum charge for sulphur \$2.00 per ton.
- Zinc - When no zinc is paid for, charge the excess over 5% at 25¢ per unit. When zinc is paid for, charge all zinc at 15¢ per unit.

Monthly average only on zinc penalized at 25¢ per unit.

- Iron + Manganese - Credit at \$¢ per unit.
- Lime - If 3% over, credit at 5¢ per unit.
- Arsenic and Antimony - If monthly average is over 2%, penalize for excess over 2% at 30¢ per unit.
- Treatment - \$10.712 per dry ton on 20% settlement lead plus and minus \$¢ per unit. Additional credit for settlement lead over 45% at 3¢ per unit.

When net payment as determined above is less than \$13.00, credit 10% of deficiency to a maximum of 75¢ per dry ton.

Credit for tonnage over 85 tons per day at rate of 1¢ for each ton over 85 tons. Maximum credit 50¢ per ton monthly average.

Variations

- Labor - \$14.41 plus and minus 15¢ each 25¢.
- Coke - \$25.06 plus and minus 15¢ each \$1.00.
- Bullion Freight - \$25.63 including tax - Shipper's account.

Note: This contract contains "option for treatment of lead on toll," details of which will not be detailed until option is exercised.

PNYC 00011808

LEAD PLANTRECEIPTS - ContinuedCombined Metals Reduction Company - Continued

Variations

Splitting Limits

Gold	- .01 oz. per ton	Insoluble	- 1.0%
Silver	- 0.3 oz. per ton	Sulphur	- 1.0%
Lead	- 0.1%	Manganese	- 1.0%
Copper	- 0.2%	Lime	- 1.0%
Zinc	- 0.5%	Iron	- 1.0%

54% of the Combined Metals Reduction Company concentrates were audited in detail for January 1956.

United Silver Mines Company - Pioche, Nevada - Crude Ore

Two lots, or 555 dry tons, were received in January 1959. This ore accounted for 27% of the Lead Plant receipts in January. Weights and moisture are prepared by International Smelting and Refining Company for settlement purposes. The average assay is used for settlement unless an umpire assay is needed.

The schedule for payment on this ore is as follows:

Gold	- If .02 oz., 100% @ \$11.816 per oz.
Silver	- If 1 oz., 95%.
Copper	- 90% at New York Electrolytic, less 3.8565% lb. minimum deduction 15% per ton. Maximum deduction 20% per ton.
Insoluble	- Charge at 5¢ per unit.
Zinc	- 10% free, excess at 30¢ per unit.
Arsenic	- 3% free, excess at 60¢ per unit.
Iron + Manganese	- Credit at 5¢ per unit. Maximum credit \$1.00 per ton.
Treatment	- \$8.876 per dry ton. If value of material is \$9.00 or less, credit \$1.00 per ton. (Value means payment for metals plus credits and minus treatment and penalties.)
Common Labor	- \$14.41 variation 15¢ each 25¢.
Hullion Freight	- \$23.63 (includes tax)
Metall Prices	- Date of arrival of first car in lot to govern.

This schedule effective with receipts at Warren Junction on March 1, 1957, as per Letter to Mr. G. D. Part, Ore Buyer, dated March 1, 1957.

Splitting Limits

Gold	- .01 oz. per ton	Insoluble	- 1.0%
Silver	- 0.3 oz. per ton	Zinc	- 1.0%
Copper	- 0.2%	Arsenic	- 1.0%
Iron, Manganese and Lime - 1.0%			

All the weights, assays and costs were audited in detail for January 1958.

National Zinc Company, Inc. - Bartlesville, Oklahoma - Zinc Lead Residue

In January 1958, one lot, or 52 dry tons, of zinc lead residue was received. This residue accounted for 3% of the Lead Plant receipts in January. Weights and moisture are prepared by International Smelting and Refining Company for settlement purposes. The average assay is used for settlement unless an umpire assay is needed.

The schedule for payment on this residue is as follows:

Gold	- If .02 oz., 11% @ \$15.00 per oz.
Silver	- If 1 oz. and under 75 oz., 95% at Bundy and Harmon foreign price week ending Wednesday, next preceding date of sampling. Minimum deduction 0.5 oz. If 75 oz. or over, 97.5% at foreign price.
Lead	- Deduct 1.5 units, 90% at New York Electrolytic market, less 2.565%.
Copper	- Deduct 0.75 units, 100% at New York Electrolytic market, less 6.8565%.
Zinc	- If 10% and under 15%, 75% @ 22% of East St. Louis price. If 15% or over, add to the 22% of East St. Louis price at rate of 2% for each 1% zinc over 15% to maximum of 32% of the East St. Louis price.
Arsenic and Antimony	- 1% free, charge excess at 50¢ per unit.

PNYC 00011809

LEAD PLANT

RECEIPTS - Continued

National Zinc Company, Inc. - Continued

Treatment - \$13.949 per net dry ton f.o.b. International, Utah, when the settlement lead is 30% or under. Credit settlement lead at 10% per unit over 30%.

Variables
 Labor - \$18.773 plus and minus 17¢ each 25¢.
 Coke - \$25.06 plus and minus 15¢ each \$1.00.
 Bullion Freight - \$29.63 (includes 3% tax). Variation for shipper's account.

Splitting Limits:

Gold	- 0.01 oz. per ton	Zinc	- 0.5%
Silver	- 0.5 oz. per ton	Arsenic	- 0.5%
Lead	- 0.4%	Antimony	- 0.5%
	Copper - 0.3%		

The weights, assays and cost were audited in detail on this one lot for January 1958.

American Zinc Company of Illinois - Macoupin, Illinois - Zinc Residue

During the month of January 1958, 355 dry tons of zinc residue, 22 dry tons of lead residue sands and 7 dry tons of sulphide cake was received from the American Zinc Company.

The International Smelting and Refining Company weights and moisture are used for settlement purposes. The average assay is used for settlement unless an umpire assay is needed.

The schedule for payment of this zinc residue is as follows:

Gold	- If .02 oz. 91% @ \$55.00 per oz.
Silver	- If 1 oz., 95% at Foreign price. Minimum deduction .5 oz.
Lead	- Deduct 1 unit, 90% of balance at market, less 2.3365¢.
Copper	- Deduct 15 pounds, balance at New York Electrolytic, less 5.8565¢.

Toll Metals

Zinc - Return 80% of zinc currently as residue is treated in form of deoxidized zinc fume, of not less than 65% grade, aboard cars at International, Utah. Toll charge - \$6.75 per dry ton.
 Cadmium - Monthly composite - If 0.10% cadmium or over, return 75% of cadmium in balls to Great Falls, Montana 100 days after date of receipt of last carload of zinc residue taken into monthly accounts. Toll charge of 50¢ per pound of returnable cadmium will be assessed in the monthly accounting.

Base Treatment

Charge - \$23.18¢ per short dry ton or 19.5¢ zinc plus 55¢ each 1¢ under 19.5¢ to maximum addition of \$3.00 per ton when zinc is 12.5¢ or under maximum addition of \$2.00 per ton effective on shipments billed out on July 23, 1957.

Note: Add to base treatment charge an amount not to exceed \$1.10 per ton residue when certain freight rate reductions become effective.

Insoluble - Iron - Charge excess over 34% at 30¢ unit.

Arsenic - Antimony - Charge excess over 1% at 50¢ unit.

Variables

Labor - \$18.773 plus and minus 20¢ each 25¢.
 Coke - \$25.06 plus and minus 15¢ each \$1.00.
 Bullion Freight - \$29.63 for shipper's account.

Splitting Limits:

Gold	- 0.01 oz.	Lead	- 0.40%
Silver	- 0.30 oz.	Zinc	- 0.50%
Copper	- 0.20%	Cadmium	- 0.04% (Report before assay)
	Insoluble, Iron, Arsenic, Antimony - 1%		

Lot No. 1824 was audited in detail on preliminary and final settlement. Lot No. 1836 was audited in detail in preliminary settlement. The transfer of toll charges was audited for January 1958.

PNYC 00011810

LEAD PLANT

RECEIPTS - Continued

Thermal Western Company - Nephi, Utah - Lead Dross

One lot, or 11 dry tons, was received in January 1956. International Smelting and Refining Company moisture and assays are used for settlements.

The schedule for payments are as follows:

Lead - Deduct 1.5 units, 90% of balance at New York Electrolytic, less 2.50¢ per pound.
Treatment - \$15.365 per dry ton.
Handling Charge - \$5.00 if under 10 tons.

This lot was audited in detail for month of January 1956.

The Anaconda Company - Anaconda, Montana - Arsenic Plant Residue

Two lots totaling 519 dry tons of arsenic residue were received during the month of January 1956. The International Smelting and Refining Company samples and weights are used to settle on each lot. The assays are checked for splitting and are used for settlement unless an empire assay is needed. There was a difference in weights and moisture between the International Smelting and Refining Company records and The Anaconda Company records. Under errors and discrepancies a detail of the findings is reported in this audit.

Schedule for payments is as follows:

Gold - If .02 oz., 91% @ \$35.00 per oz.
Silver - If 1 oz., 95% @ Mint Price.
Lead - Deduct 1.5 units, pay for 90% at New York Electrolytic price, less 2.50¢ per lb.
Copper - Pay for 90% at New York Electrolytic price, less 4.35¢ per lb. minimum deduction 20¢ per ton.
Insoluble - Charge @ 10¢ per unit.
Iron - Credit @ 6¢ per unit.
Sulphur - 2% free, charge excess @ 15¢ per unit.
Zinc - 5% free, charge excess @ 25¢ per unit.
Arsenic - Charge all @ 30¢ per unit.
Antimony - Charge all @ 75¢ per unit.
Bismuth - Charge all @ 25¢ per unit.
Treatment - \$10.75¢ on 31.5% wet lead plus and minus 8¢ per unit.

Variables

Labor - \$13.773. Variation 15¢ each 25¢.
Bullion Freight - \$29.63 (tax included) Variation for shipper's account.
Coke - \$25.06. Variation 15¢ each \$1.00.

Splitting Limits

Gold - .005 oz.	Copper - 0.3%
Silver - 0.5 oz.	Bismuth - 0.15%
Lead - 0.5%	Others - 1.00%

The final settlement, lot No. 1830, and preliminary settlement, lot No. 1846, was audited in detail for January 1956.

The Lead Plant received 441 dry tons of lead fume from the Slag Plant in January 1956.

SHIPMENTS

Following is a statement of Cost - Treatment - Production and Losses for the month of January 1956:

PNYC 00011811

LEAD PLANT

STATEMENT OF COST - TREATMENT - PRODUCTION AND LOSSES - JANUARY 1958

	Dry Weight Pounds	Cost of Material Treated	Reduction Losses	Lead Pounds	Copper Pounds	Silver Ounces	Gold Ounces
Original Materials							
On Hand - 1-1-58							
In Stock Piles							
Custom	55,568.574	\$134,856.30	\$	2,214,649	163,885	165,412.52	1,682,389
Darwin Mines	2,038,035	79,056.92		592,688	14,817	27,121.33	31,143
Shoshone Mines	947,632	38,356.00		308,220	2,669	5,897.63	56,925
In Mine							
Custom	5,963,736	136,087.41	2,906.60	1,196,045	90,875	54,503.76	188,514
Darwin Mines	249,817	8,831.60		65,994	1,748	3,320.69	4,056
Shoshone Mines	237,996	5,100.63		44,719	301	903.70	6,705
By-products							
Custom	5,637,304	127,087.75	145.44	1,498,288	418,431	56,710.43	159,015
Cost of Finishing Lead in Wells, Kettles, etc.			492.49				
Cadium Plant Expense			6,911.09				
Received:							
Custom Ore	4,099,846	153,126.11	194,038.95	796,038	294,395	57,883.51	95,366
Material from:							
Sulphide Concentrator	7,949,711	113,807.26		733,663	20,244	28,333.27	93,316
Slag Treatment Plant	920,220	35,190.33		130,300	178	3,166.01	4,405
Total	67,873,945	\$851,860.51	\$203,509.59	7,860,813	967,213	397,413.73	2,135,202
On Hand - 1-31-58							
In Stock Piles							
Custom	41,774,222	11,395.35		633,332	88,076	57,824.44	1,294,189
In Mine							
Custom	3,193,802	27,916.44	721.32	281,229	30,082	10,897.03	65,351
By-products							
Custom	3,772,753	80,020.10		1,065,901	416,794	49,601.51	132,940
Cost of Finishing Lead in Wells, Kettles, etc.			260.12				
Cadium Plant Expense			6,464.74				
Total	48,940,777	\$ 96,341.19	\$ 6,927.95	2,000,462	334,952	118,322.98	1,492,480
Treated							
Proximate Inlet:							
Custom	15,259,652	\$603,974.17	\$240,634.98	4,848,530	412,526	243,887.42	543,893
Darwin Mines	2,297,840	87,888.52	20,676.71	658,682	16,565	30,442.02	35,115
Shoshone Mines	1,185,628	43,436.43	12,269.95	352,939	3,170	6,761.33	43,496
Cost per ton			\$20.9875				
Production							
Lead Bullion	6,376,809			6,209,208		290,386.03	874,100
Slag to Slag Treatment Plant	13,242,200			212,775	38,123	1,726.03	4,580
To The Anaconda Company - Anaconda							
Montana Dress Refractory Matte	207,304				30,624	2,166.74	4,288
Dress Refractory Matte	790,814				440,335	32,635.11	70,482
Total Production	20,616,027			6,421,983	529,082	326,933.86	953,460
Cost per pound of Lead		3.16604					
Losses							
Production							
Proximate Inlet:							
Custom Ore				5,473,119	514,310	289,784.50	859,966
Darwin Mines				615,661	12,943	30,442.67	31,066
Shoshone Mines				339,173	1,821	6,732.69	60,408
Percent Savings:							
Custom Ore				109,5875	122,3958	116,3095	144,3475
Darwin Mines				112,8835	124,6735	116,6135	156,1175
Shoshone Mines				93,4655	78,1235	95,9175	93,9405
				94,4005	57,7605	59,5765	94,9365
Reconciliation:							
Losses per Cost Sheet				569,883	97,043	45,973.79	311,007
Deferred from 12-31-57				8,051	222	130.70	262
Total				561,832	96,821	45,843.09	310,738
Deferred to 2-1-58				nil	nil	nil	nil
Total as above				561,832	96,821	45,843.09	310,738

PNYC 00011812

LEAD PLANT

SUPP-23 - Continued

Dross Reverberatory Speiss

In January 1953 seven lots, 407 wet tons or 395 dry tons, of Dross Reverberatory Speiss were settled for by The Anaconda Company at Anaconda, Montana.

Schedule for settlement of Speiss is as follows:

Material	- Crushed speiss free of large pieces, skulls, or extraneous material. Speiss should be 1/2" or smaller.
Delivery	- F.o.b., Anaconda, Montana. In open flat bottom, drop bottom cars.
Payment for Metals	- Copper - 95% at New York Electrolytic Price. Silver - 95% at Mint Price. Gold - 95% at \$14.9125 per ounce.
Treatment Charge	- Speiss at \$20.00 per dry ton f.o.b., Anaconda, Montana. The treatment charge was increased from \$20.00 to \$20.00 per dry ton effective August 1, 1956. The above increase was authorized in a letter dated August 24, 1956, from Mr. W. E. Mitchell, Manager of Anaconda Reduction Department, to Mr. F. A. Wardlaw, Jr., General Manager of International Smelting and Refining Company.
Sampling and Weighing	- Speiss to be weighed and automatically sampled at Tooele, Utah. Duplicate pulps to be sent to Anaconda, Montana for assay. All cars will be reweighed and check sampled for moisture at Anaconda, Montana. In case of wide disagreement of Tooele and Anaconda wet weights indicating loss of material in transit, the Anaconda dry weight, based upon this weight and moisture, will be used as a basis for settlement.
Settlement	- Settlement to be based upon weights as above and comparison of assays by Tooele and Anaconda on duplicate Tooele sample pulps, using the following splitting limits: Copper - 0.30% Silver - 0.50 ass. per ton Gold - 0.005 ass. per ton In the event results do not agree within these limits, both parties will repeat their assays. If repeat results are not within limits, the reserve sample will be sent to another laboratory of the Company as an umpire.

All seven lots were audited in detail for weights, moisture, assays, and net amount received on these lots in January 1953.

In lot No. 3-142 the original assay on copper was not within the splitting limits. Repeat assays were reported and they were not within the splitting limits. The average of the repeat assays was used for the settlement. It is the Auditor's opinion that an umpire assay should have been asked for and reported as stated in the above schedule for settlement.

Dross Reverberatory Matte settled for by The Anaconda Company at Anaconda, Montana

In January 1958 two lots, 112 wet tons, or 104 dry tons, of Dross Reverberatory Matte were settled for by The Anaconda Company at Anaconda, Montana.

Schedule for settlement of Matte is the same as settlement for Speiss with the following exceptions:

Material	- Matte should be 2 inch or smaller.
Treatment	- Matte at \$20.00 per dry ton f.o.b., Anaconda, Montana. The treatment charge was raised from \$15.00 to \$20.00 as stated in letter dated August 24, 1956, to Mr. F. A. Wardlaw, Jr. from Mr. W. E. Mitchell.

The two lots were audited in detail for weights, moisture, assays, and net amount received and found to be correct.

Lead Bullion Shipped to American Smelting and Refining Company, Omaha, Nebraska

The lead bullion is shipped to the American Smelting and Refining Company at Omaha, Nebraska. The contract was dated May 27, 1946 for a ten year period commencing June 15, 1946 and expiring June 14, 1956. This contract has been extended to December 31, 1961 as stated in a letter dated December 1, 1950. The above letter was from the American Smelting and Refining Company, signed by Mr. J. D. MacKenzie, Vice President, to International Smelting and Refining Company, confirmed by Mr. Frederick Laist, Vice President. The silver contained in all lead bullion delivered shall be returnable at 100% within 40 days after receipt at Omaha, Nebraska. 99.5% of the gold is paid for at \$14.9125 per ounce. A quantity of refined lead equivalent to 100% of lead content less 8 pounds per ton of lead bullion is returnable within 20 days after receipt at Omaha, Nebraska. The refined lead must not contain more than .15 bismuth. The bismuth contained in all lead bullion delivered is returnable at 90% of content over .25% within 40 days. The splitting limit on silver is still .3 ounces up to and including 100 ounces and .4 ounces for bullion over 100 ounces as reported in an exchange of letters dated June 1, 1948, between Mr. Carl Gull, Manager of the Omaha Plant and Mr. Carlos Bordwell, Superintendent of the Tooele Plant. The supply differential was amended in an exchange of letters dated May 23, 1952, between Mr. J. D. MacKenzie, Vice President of American Smelting and Refining Company and International Smelting and Refining Company approved by Mr. E. O. Souveraine, Vice President.

PNYC 00011813

LEAD PLANT

SUPPLY - Continued

Lead Bullion Shipped to Omaha - Continued

Supply Differential: This differential shall be based upon the arithmetical average of the indices for (a) fuel, power and lighting materials, (b) chemicals and allied products, (c) metals and metal products, and (d) nonmetallic minerals-structural, as published by the Bureau of Labor Statistics of the United States Department of Labor, in respect to lead bullion delivered on and after February 1, 1932. Any time the arithmetical average of these indices shall exceed 67.4, the refining charge hereinafter specified shall be increased six cents (6¢) per ton of lead bullion for each one-point increase in said average index above 67.4 fractions in proportion. In applying this differential, the average index to be used in respect to lead bullion delivered during any calendar month shall be the average index for the next - preceding calendar month.

The supply differential for January 1938 was \$9.648.

A 3% freight increase effective December 26, 1936 was granted the railroads as per letter dated January 2, 1937, to Mr. Fox Worburton, Cashier, from Mr. C. A. Durr, Assistant to the Manager. Another 7% increase effective August 26, 1937 was granted in a letter dated August 28, 1937 to Mr. Fox Worburton from Mr. P. G. Dupard, Assistant Ore Buyer. The two increases make a total of a 12% freight increase plus 3% tax on lead bullion. Total, Utah to Omaha, Nebraska, a total of \$11.03 rate plus 4% tax on lead bullion.

The preliminary and final settlements for January 1938 were audited in detail.

Hot Slag to the Slag Treating Plant

The molten slag sent to the Slag Treating Plant is computed by assuming no loss of iron and manganese at the blast furnace. The total treated iron plus manganese, including that in the cold dump slag, scrap iron and coke, less the production of iron and manganese in all materials except slag is the content of the slag. The monthly composite assays are used to arrive at contents. The cost is transferred to the Slag Treating Plant on the following schedule:

- | | |
|---|--|
| Zinc Charge | - Total zinc content of molten slag less 95% of all zinc from the Slag Treating Plant treated at the Lead Plant during the month plus cold slag zinc and toll zinc treated. 75% of this computed zinc content is paid for at 20% of the monthly average Prime Western price. |
| Treatment of Cold Slag Charge | - \$7.00 per dry ton treated by blast furnace. The \$7.00 per dry ton has not changed since the last audit. |
| Credit for Further Treatment of Toll Zinc | - \$6.75 per dry ton of toll material treated at the Lead Plant during the month. |

INTERMEDIATE INTERPLANT TRANSFERS

Lead Pig from Slag Treating Plant

This material enters the Sintering Plant charge bins and becomes a part of the sintering mix. Actual car weights plus beginning inventories were used. Monthly composite assays were used.

Cadmium Calcine

This material is also a part of the sintering mix in the Sintering Plant charge bins. This calcine is produced at the cadmium roasters after the fume is drawn off. The assays were from the month of November when the last assays were available.

Blast Furnace Flux Dust

Actual car weights plus beginning inventory was amount to sinter charge bins for month. Month of December assays were used for metal calculations.

Blast Furnace Catcher Dust

The beginning inventory plus actual car weight was used as amount to sinter charge bins. The January monthly assays were used.

All of the weights, moisture, and assays of the above materials were audited in detail.

Sinter to Blast Furnace

The product from the Sintering Plant is weighed by cars, adjusted by inventories at the blast furnace bins and the balance is included as part of the treatment at the blast furnace. A fixed moisture of .75% is used. Fixed loss percentages are used on each metal to arrive at the content of the sinter. Listed on the next page is a comparison on sinter shipped in January 1938.

PNYC 00011814

LEAD PLANT

MISCELLANEOUS INTERPLANT TRANSFERS - Continued

Sinter to Blast Furnace - Continued

	Lead	Copper	Zinc	Silver	Gold
Fixed Loss	2 %	.5 %	1.5 %	.5 %	1.0 %
Computed Loss	2.05 %	.56%	1.7 %	.749 %	1.005 %
Monthly Assay	34.00 %	2.80 %	11.20 %	26.33 oz.	.07 oz.
Computed Assay	27.387 %	2.325%	9.472 %	27.984 oz.	.0555 oz.
Monthly Weights	6,330,812 lbs.	570,773 lbs.	2,283,011 lbs.	268,365.10 oz.	713.66 oz.
Computed Weights	4,623,511 lbs.	473,942 lbs.	1,930,838 lbs.	281,149.96 oz.	563.674 oz.

FOUR DIVISIONS OF LEAD PLANT

- Cadmium Roasters - run at intervals to produce cadmium fume
- Sintering Plant - produces sinter for the blast furnace
- Blast Furnaces - produces lead for dressing
- Dressing Plant - draws off dross and pours lead bars

INTERCOMPUTS

Following is a statement showing the details of the inventories on hand at January 31, 1958:

Original Material:	\$	Dry Weight Pounds	Lead		Copper		Silver		Gold	
			Percent	Pounds	Percent	Pounds	Oz. per Ton	Ounces	Oz. per Ton	Ounces
In Stock Piles										
Custom Ores	6.363	5,137,397	8.320	427,447	.294	15,124	5.217	13,401.08	.1199	308.023
Iron Concentrates	4.492	26,616,824	1.047	285,885	.109	72,833	4.472	84,423.36	.0538	286.168
Total	4.727	31,754,221	1.564	653,332	.211	88,076	2.768	97,824.44	.0630	1,594.191
Sintering Plant										
Ores	8.706	429,466	8.613	36,988	6.703	26,788	18.082	3,882.87	.2296	49.313
Concentrates	7.160	282,932	39.160	143,737	.233	1,234	15.723	1,155.61	.1120	16.038
Total	8.153	672,455	26.878	180,743	4.473	30,022	28.071	9,438.48	.1944	65.351
Blast Furnace Smelting										
Custom Slag	.720	2,471,377	1.585	100,484			1.137	1,458.55		
Total-Original Material	4.579	44,968,024	2.078	934,561	.265	118,158	3.056	68,721.47	.0605	1,359.540
Sinter										
By-products:										
Sinter Cleaning, etc.	15.708	1,116,740	43.760	484,683	1.708	18,387	30.942	17,277.26	.0970	54.111
Lead Dross	1.000	27,446	56.600	16,664	24.000	6,477	63.970	961.34	.1300	2.824
Blast Fine Dust	6.477	736,660	27.224	200,347	6.319	46,521	24.126	5,939.64	.0447	16.468
Blast Furnace Cleanings		83,960	8.871	7,464	1.836	1,590	7.759	125.93	.0200	.857
Blast Barriings		106,230	12.800	13,896	1.600	1,700	9.780	319.43	.1200	6.373
Blast Bag House Fines	.623	1,016,060	11.275	138,351	.643	4,426	1.732	234.83	.0315	1.816
Total	4.360	3,091,090	34.483	1,065,901	2.382	79,601	18.755	35,895.10	.0356	85.670
Dross Reverb. Spices:	2.866	449,160			34.233	243,734	91.215	20,498.46	.1898	42.649
Dross Reverb. Batts	2.126	432,213			24.572	73,237	14.843	1,207.73	.0203	4.421
Total - By-products	7.855	3,972,753	26.830	1,065,901	10.432	416,794	24.772	47,601.51	.0669	132.940
Grand Total	4.843	48,940,777	4.088	2,000,462	1.093	534,952	4.835	118,322.98	.0610	1,492.480
Finished Products:										
Lead Bullion		1,121,620	98.300	1,061,108			31.591	143,140.00	.3100	444.500
Grand Total Material on Hand	4.575	52,066,397	9.725	5,063,570	1.027	534,952	10.043	261,462.98	.0759	1,976.980

At 8:00 A.M. on April 1 and May 1, 1958 the Auditor accompanied Messrs. James Longy and Elton Porter on the taking of bin measurements at the Tooele Plant. The May 1st inventory was later checked back to the inventory work sheets. The Lead Plant has not been in operation since January 31, 1958.

LEAD DROSS

An estimated fifteen tons of lead dross was on hand at January 31, 1958. At May 1st inventory, the same amount was on hand.

BY-PRODUCTS

All by-products were checked from inventory work sheets to final inventory of ore on hand January 31, 1958.

VALUATION OF INVENTORIES

Stockpile and Stock Bins

Following is a statement showing the value of the stockpile and bin inventories on hand at January 31, 1958:

PNYC 00011815

STATE OF MICHIGAN ON HAND - JANUARY 31, 1958

	Dry Weight: Pounds	Lead Pounds	Amount	Copper Pounds	Amount	Silver Ounces	Amount	Gold Ounces	Amount	Net Amount
Ore, Etc., on Hand - 1-1-58										
In Stock Piles										
Custom	58,554.211	3,115,557	\$127,796.63	131,371	\$ 2,398.80	158,391.48	\$ 65,529.12	1,770.457	\$ 54,644.87	\$252,269.42
In Mine										
Custom	5,294.845	943,516	\$8,275.19	56,564	\$ 453.25	41,301.23	\$ 13,329.87	168.171	\$ 5,206.90	\$10,245.21
Reserves:										
Custom	4,097.846	796,038	\$44,641.09	294,355	\$5,700.96	57,983.51	\$49,748.61	95.356	\$ 3,035.45	\$5,126.11
Material from:										
Sulphide Concentrator	7,949.711	733,463	\$2,004.93	20,244	\$ 1,647.03	24,533.27	\$22,310.73	93.316	\$ 2,959.43	\$13,807.25
Slag Treatment Plant	390.526	440,309	\$7,643.57	176	\$ 3.76	3,156.51	\$ 2,754.72	4.105	\$ 1,444.35	\$5,590.13
	60,890.141	5,999,083	\$399,162.91	512,242	\$ 61,680.04	335,275.40	\$153,653.04	1,945.013	\$ 60,072.34	\$664,798.33
Ore, Etc., on Hand - 1-31-58										
In Stock Piles										
Custom	41,774.222	653,332	\$ 70,793.33	88,076	\$ 621.22	57,824.44	\$ 18,893.37	1,294.189	\$ 39,883.39	\$ 11,395.35
In Mine										
Custom	1,193.802	281,229	\$ 20,636.30	30,082	\$ 2,085.83	10,897.03	\$ 3,167.13	65.351	\$ 2,026.98	\$ 27,916.44
Put Into Process	44,948.024	934,561	\$90,156.43	118,158	\$ 2,707.05	68,721.47	\$ 22,060.50	1,399.510	\$ 41,910.37	\$ 16,521.29
Ore in Process - 1-1-58	15,912.117	5,064,522	\$38,319.74	394,084	\$60,372.99	296,554.93	\$131,622.54	585.473	\$18,161.97	\$48,477.24
Ore in Process - 1-31-58	1,156,700	363,242	\$27,888.72	36,540	\$5,112.79	17,426.92	\$ 5,807.32	31.174	\$65.60	\$9,774.43
Decrease	1,156,700	363,242	\$27,888.72	36,540	\$5,112.79	17,426.92	\$ 5,807.32	31.174	\$65.60	\$9,774.43
By-products on Hand - 1-1-58	5,677.104	1,498,288	\$64,901.19	418,431	\$38,040.35	56,710.43	\$19,064.07	159.015	\$ 5,082.14	\$127,087.75
By-product on Hand - 1-31-58	1,972.753	1,045,901	\$17,277.22	416,794	\$41,876.92	19,601.51	\$16,677.05	132.940	\$1,248.77	\$80,020.10
Decrease	1,664,351	432,387	\$47,643.90	1,637	\$ 3,834.64	7,108.92	\$ 2,427.02	26.075	\$ 83.37	\$47,067.65
Total Treatment	18,733.168	5,860,151	\$513,852.36	432,261	\$ 61,649.14	281,090.77	\$139,856.88	642.722	\$ 19,960.94	\$735,319.32
Ore, Etc., on Hand - 1-31-58										
In Stock Piles										
Custom	41,774.222	653,332	\$ 70,793.33	88,076	\$ 621.22	57,824.44	\$ 18,893.37	1,294.189	\$ 39,883.39	\$ 11,395.35
In Mine										
Custom	1,193.802	281,229	\$ 20,636.30	30,082	\$ 2,085.83	10,897.03	\$ 3,167.13	65.351	\$ 2,026.98	\$ 27,916.44
By-products	1,972.753	1,045,901	\$17,277.22	416,794	\$41,876.92	19,601.51	\$16,677.05	132.940	\$1,248.77	\$80,020.10
Total	48,940.777	2,000,462	\$32,899.54	534,952	\$44,584.01	118,322.98	\$38,597.55	1,492.480	\$ 44,159.14	\$ 6,541.19
Reduction Expenses										
Cadillac Plant Expenses										\$ 721.32
Total - Lead Plant Inventory Cost										\$103,789.26
Cost of Finishing Lead in Walls, Kettles, Etc. - 147.85 tons @ \$1.7589										\$ 260.12
Reconciliation:										
Inventory		2,000,462		534,952		118,322.98		1,492.480		
Add - Losses Deferred		\$11		\$11		\$11		\$11		
Total as Above		2,000,462		534,952		118,322.98		1,492.480		

PNYC 0001816

LEAD PLANT

VALUATION OF INVENTORIES - Continued

Stockpiles and Stock Bins - Continued

The lots are added at actual costs and charges, but the gold cost is divided by \$34.91 to arrive at ounces figure. All gold paid-for ounces go to stockpiles and stock bins at \$34.91 per ounce. Portions of all lots are recapped and silver and gold total paid-for ounces are revalued at 34.75 cents per ounce. The treatment absorbs the difference. Therefore, the individual stockpile records are with gold at \$34.91 per ounce. The total inventory as used on statements is revalued for both oil. This is useful when lots are transferred between plants, because original costs are then needed. Taken out of stockpiles and stock bins, they are given average contents and values.

Actual freight, refining charges, zinc costs, and treatment charges are used as totaled on stockpile.

In-Process Inventories

The Lead Plant completed operations at 8:00 A.M. on January 31, 1958. All of the material in the cell was up and nothing remained in process.

There are two schedules used to value the by-product inventory. One is to value the Dross Reverberatory Speiss. The other is to value the balance of the by-products.

The Matte and Speiss schedule is the same as the schedule for Matte and Speiss shipped to The Anacostia.

The balance of the by-products are valued as follows: Lead is 95 percent paid for after a one percent deduction. The "normal base" method is applied to the lead valuation. Copper is 92½ percent paid for with a pound per dry ton deduction. The "normal base" method is applied to copper valuation. Silver is 34.75¢ per ounce. Gold is 94 percent at \$34.00 per ounce. The treatment charge is \$12.27 per dry ton deduction, lead 2.2565¢ and copper 3.8565¢. Credit iron and lime at 8¢ per unit. Charge insoluble unit. Sulphur, 2 percent free, charge balance at 15¢ per unit or minimum \$2.25 per dry ton. Charge per unit. Charge arsenic at 75¢ per unit.

Finished Material

The lead bullion is valued in New York but any lead bullion on hand in wells and kettles is credited finish - drawing expense. This credit remains on the Salt Lake statements until the following month. \$1.7589 per ton fixed cost is the same as it was at time of last audit. It is assumed that the New York office uses this credit when valuing this lead inventory.

PNYC 00011817

SLAG PLANT

DEBITS

Following is a statement of customs material received for the month of January 1958:

	% H ₂ O	Dry Weight Pounds	Lead Per Cent	Copper Pounds Cent	Zinc Per Cent	Silver Oz. per Ton	Gold Oz. per Ton
<u>S. Am. Ref. & Mng. Co.</u>							
Slag	1.452	15,277,083	.9746	149,085	.260	39,772	10.06075
<u>Allegheny Pacific Coast Steel Corp.</u>							
Residue	5.540	251,377	6.200	15,586	.328	824	29.956
<u>Armstrong Steel Division</u>							
Residue	12.400	129,157	8.700	11,237	.300	387	45.500
<u>Total Purchased Ore</u>	1.631	15,677,617	1.122	175,908	.261	40,983	10.672
						1,673,070	.230
							1,802.79

United States Smelting, Refining and Mining Company - Midvale, Utah

Fourteen lots of slag, 7,649 dry tons, were received in January 1958. The total dry tons received is 14,326 dry tons of current slag and 3,076 dry tons of dump slag. The settlement was calculated on the basis of the following:

- Quantity - Buyer's requirements
- Delivery - Faceh. cars, Midvale, Utah

Current Production of Slag

- Lead - Pay for wet lead in excess of 0.90% at rate of 60¢ per unit.
- Zinc - Pay 60¢ per dry ton of slag when zinc content is 8% and East St. Louis Prime Western calendar month of receipt is 11¢ per pound.
- For each 1% increase or decrease in zinc content, add or subtract at the rate of 60¢ per ton.
- For each 1¢ increase or decrease in zinc price, add or subtract at the rate of 60¢ per ton.
- Minimum payment 60¢ per dry ton.

Reduction in payment for cost of employment.

PNYC 00011818

<u>Period</u>	<u>To and Including</u>	<u>Amount</u>
7-1-56	6-30-57	\$ 0.32
7-1-57	6-30-58	0.51
7-1-58	6-30-59	0.70

Minimum payment for slag \$0.60 per ton.

SLAG PLANT

RECEIPTS - Continued

United States Smelting, Refining and Mining Co. - Continued

- Assays - If assays fail to agree within splitting limits, repeat assays shall be made by a repeat assays agree within splitting limits, the average of the repeat assays is settlement. If the repeat assays do not agree within splitting limits, settlement be exchanged and assayed. If assays on exchanged samples agree within splitting limits, the average assays of the exchange samples shall be used for settlement. If the exchange samples do not agree within splitting limits, then the average of the repeat assays of the exchanged samples shall be used for settlement.
- Freight - 7/1/56 - 70¢ plus 3% and moisture (Use 73¢) for buyer's account.

All scale tickets to lot sheets were audited in detail for January 1958. 50% of moistures to lot sheets in detail for January 1958. 50% of dry weights were audited in detail. The settlement was audit metallurgical cost sheets.

Northwestern Pacific Const. Steel Corporation - Los Angeles, California

Two lots of residue, 126 dry tons, were received in January 1958. The settlement was calculated on contract:

- Period - 30 days cancellation notice.
- Tonnage - Current production plus and minus 280 tons per month, spaced about one car every 10 days.
- Lead - Deduct 30 pounds, 80% at New York price, less 10.1585¢ per pound.
- Zinc - 75% of zinc at 50% of East St. Louis price.
- Treatment - \$12.663 per net dry ton, f.o.b. International.
- Variables - Labor - \$18.773 plus and minus 17¢ each 25¢
Coke - \$25.06 plus and minus 15¢ each 25¢
Bullion Freight - \$29.63 (tax included) shipper's account
- Smelter assays and sample

One lot or 50% of the receipts was audited in detail for the month of January 1958.

Columbia Gasco Steel Division - Torrance, California

In January 1958 one lot of zinc residue, 65 dry tons, was received. The settlement was calculated on contract:

- Lead - Deduct 30 pounds, pay 80% at New York price, less 10.1585¢.
- Zinc - 75% at 50% East St. Louis price (no pay if under 10% zinc).
- Treatment - \$13.982
- Excess Iron - Charge excess iron over insoluble at 40¢ per unit.
- Variables - Labor - \$18.773 plus and minus 20¢ each 25¢
Coke - \$25.06 plus and minus 15¢ each \$1.00
Bullion Freight - \$29.63 - shipper's account.
- Smelter sample and assays

The one lot was audited in detail for the month of January 1958.

PNYC 00011819

Last Furnace Slag (Moulten)

In January 1958, 6,543 dry tons of moulten slag was received at the Slag Plant from the Blast Furnace

Last Furnace Slag Reclaimed From Dump (Cold)

1. January 1958

Weight Pounds	Cost of Material	Sampling Cost	Running Cost	Total Per Ton	Grand Total	Lead Pounds	Copper Pounds	Zinc Pounds	Silver Ounces	Gold Ounces
124,319	\$ 1,254.99	\$ 41.55				9,873	373	53,446	342.24	
621,855	287.35	144.33				3,995	1,036	62,054	36.23	
596,174	\$ 1,542.34	\$ 185.88				13,868	1,409	95,540	172.47	
390,534	2,379.46	4,564.14				26,823	1,211	131,069	803.43	
15,297,083	12,722.96					149,895	39,772	1,539,001	994.31	
13,085,200	20,657.57					210,672	36,639	2,028,206	1,570.22	4,580
158,000						2,103	1,434	10,904	155.79	
29,176,991	\$37,922.27	\$ 4,750.02				402,552	80,515	3,807,720	3,951.27	4,580
3,232,623	2,540.43	977.46				31,505	8,405	325,226	210.12	
26,244,368	\$35,281.84	\$ 3,812.56	\$ 82,070.56	\$ 85,883.12	\$ 6,544.9	371,047	72,110	3,482,494	3,671.15	4,580
1,775,460			33,303.99	37,515.9	33,303.99	238,875	2,465	916,723	1,397.49	5,239
4,312,491	25,281.84	3,812.56	85,645.64	90,458.20	41,951.7	125,740.04	287,771	176	2,816,496	2,758.10
6,087,951	\$35,281.84	\$ 3,812.56	\$119,945.63	\$123,762.19	\$40,658.1	\$56,626	2,641	3,733,219	4,155.59	8,371
1,509,460			37,879.07	37,879.07	50,188.9	37,879.07	144,713	2,149	767,914	1,048.85
4,578,491	\$35,281.84	\$ 3,812.56	\$ 82,070.56	\$ 85,883.12	\$37,515.9	\$41,908	492	2,965,305	3,106.74	5,121
						29,139	71,618	517,189	584.41	541

Reduction Expenses

Weight Pounds	Cost of Material	Sampling Cost	Running Cost	Dressing Cost	Total	Cost Per Ton	Grand Total	Lead Pounds	Copper Pounds	Zinc Pounds	Silver Ounces	Gold Ounces
2,491	\$35,281.84	\$ 3,812.56	\$86,645.64	\$16,103.94	\$106,562.14	\$49,420.2	\$141,843.98	287,751	176	2,816,496	2,758.10	3,132
panies - Correction												
0,920							25.41					
0,755							35,550.33	410,509	176		3,166.91	4,405
							90,432.39			410.401	at 60	

SLAG PLANT

Tollie Slag Treatment Plant - Statement of Cost - Etc. - January 1958 - #2

<u>Deleading Plant: - Continued</u>	<u>Dry Weight Pounds</u>	<u>Grand Total</u>	<u>Lead Pounds</u>	<u>Copper Pounds</u>	<u>Zinc Pounds</u>	<u>Sl Ou</u>
<u>Value of Production</u>						
<u>On Hand - 1-31-58</u>						
Leaded Zinc Oxide Consigned	54,000	\$ 2,115.18	25,654			1
Leaded Zinc Oxide at Plant	299,980	12,036.92	143,992			1,0
Deleaded Zinc Fume In Transit to Anaconda	163,373	6,265.87			127,108	
Deleaded Zinc Fume: In Transit to National Zinc Co. At Plant	2,566,920 <u>207,458</u> 2,774,378				1,967,269 158,213	
Value of Zinc Fume returned in excess of returnable zinc in treatment		416.42				
Total on Hand Ending and Sales	3,338,621	\$278,912.01	580,155	176	5,436,476	4,4
<u>On Hand - 1-1-58</u>						
Leaded Zinc Oxide Consigned	54,000	\$ 2,115.18	25,654			1
Leaded Zinc Oxide at Plant	554,420	22,079.31	266,750			1,5
Deleaded Zinc Fume In Transit to Anaconda	277,373	10,711.67			216,351	
Deleaded Zinc Fume: In Transit to National Zinc Co. At Plant	3,032,962 <u>107,375</u> 3,140,337				2,321,404 82,225	
Value of Zinc Fume returned in excess of returnable zinc in treatment		2,591.31				
Total on Hand Beginning	4,026,130	\$148,364.97	292,404		2,619,980	1,6
<u>Value of Production</u>						
Deleaded Zinc Fume Lead Fume	3,686,011 <u>626,480</u>	105,064.51 25,482.53	287,751	176	2,816,496	2.6
Total Value of Production	4,312,491	\$130,547.04	287,751	176	2,816,496	2,7
Tolls Earned		7,943.59				
Total Value		\$138,490.63				
Profit or Loss		\$ 3,353.35				

PNYC 00011821

PNYC 00011822

[illegible]

SLAG PLANT

INVENTORIES - Continued

Slag - Continued

There were 1,616 dry tons of custom slag on hand. All the measurements, computation, assays, and values were audited in detail.

VALUATION OF INVENTORIES

The loaded zinc oxide, 180 dry tons, at the Plant is valued at sales terms of lead fumes sent to the Lead Plant, except silver which is 27% at 24.75¢ per ounce. The consigned stock, 27 dry tons, is valued the same way as is the loaded zinc oxide on hand.

The deleded zinc fume, 104 dry tons on hand and 1,283 dry tons in-transit to National Zinc Company, is valued the same as the lots settled for in January 1958. The treatment rate used in this calculation is the last lot settled for in January 1958.

The deleded zinc fume, 82 dry tons in-transit to The Anaconda Company, is valued at the same contract as deleded zinc fume settled for by The Anaconda Company.

The value of slag on hand at January 31, 1958 was understated \$36.47. The current slag rate was applied to the dump slag and zinc fume. The Auditor is also of the opinion that the formula for determining the dump slag rate is wrong. The following schedule illustrates this error:

	Dry Pounds	Dry Tons	Rate	Amount	Loading Rate	Amount	Freight	Total
Current Slag	9,145,684	4,572.8420	0.771	3,525.66				
Dump Slag	6,151,399	3,075.6995	0.771	2,371.37	0.40	1,230.28		
Total	15,297,083	7,648.5415		\$ 5,897.03		\$ 1,230.28	\$ 5,595.66	\$12,722.97

Current Slag Rate Formula:

$$\frac{\$12,722.97 \text{ less } \$1,230.28}{15,297,083} = .000751299$$

Dump -- Slag Rate Formula:

$$\frac{\$12,722.97}{15,297,083} = .00831725$$

It is apparent from the preceding that the dump rate formula does not provide for the inclusion of 100% of the loading amount in the rate, although excluded 100% in the current slag rate. This is illustrated by the following schedule:

Current Slag:	
Amount	\$ 3,525.66
Freight	3,145.48 (1)
Total	\$ 6,671.14 / 9,145,684 dry pounds equal \$.000751299 - agrees with formula
Dump Slag:	
Amount	\$ 2,371.37
Loading	1,230.28
Freight	2,250.18 (1)
Total	\$ 5,851.83 / 6,151,399 dry pounds equal \$.000951301 - formula shown as \$.00831725
	\$ 12,722.97

(1) Freight prorated to current slag and dump slag on basis of dry tons.

PNYC 00011823

SLAG PLANT

VALUATION OF INVENTORIES - Continued

Tomberry January 31, 1958:

Shown as:				
Current Slag	-	1,289,566 dry pounds @ \$.000831725	equals	\$ 1,155.74
Dump Slag	-	1,343,057 dry pounds @ \$.000751299	equals	1,384.69
Total		3,232,623		\$ 2,540.43
Should be:				
Current Slag	-	1,289,566 dry pounds @ \$.000751299	equals	\$ 1,043.98
Dump Slag	-	1,343,057 dry pounds @ \$.000951301	equals	1,753.30
		3,232,623		\$ 2,797.28
Inventory Understated				\$ 256.85

Freight should be distributed to current slag and dump slag on the basis of wet weights on future calculations.

ERRORS AND DISCREPANCIES

LEAD PLANT

Receipts:

The following is of an informative nature rather than an error or discrepancy. The two lots used are examples of the method used in calculating dry weights of receipts. Due to the different method of calculating dry weights, there was a 27 pound difference on lot No. 1824 and a 15 pound difference on lot No. 1832 as explained below. On lot No. 1824, received in December 1957, zinc residue from American Zinc Company of Illinois, the calculated dry weight was 651,005 pounds. This lot was composed of five cars. The weighted average moisture, 8.81% moisture, was used in calculating the dry weight. A separate moisture was taken on each car. By calculating the dry weight on each car and totaling these dry weights, the dry weight is 651,025 pounds. Lot No. 1832, received in January 1958, was composed of five cars and the calculated dry weight was 656,359 pounds. By using the moisture on each car and calculating each car separately on lot No. 1824, the total dry weight is 656,344 pounds. Lot No. 1832 was from the same shipper. It is the Auditor's opinion that the dry weight should be calculated on each car and the total of the dry weight of the cars in the lot should be the dry weight of the lot.

There is a considerable difference in the dry weights on arsenic residue shipped from Anaconda, Montana and the dry weights settled for by the International Smelting and Refining Company at Tooele, Utah. A comparison of weights and moistures on lot No. 1837 reveals the following information:

	Gross Weight	Tare Weight	Net Weight	% H ₂ O	Dry Weight
Anaconda	1,503,160	518,900	1,384,260	16.55	1,155,118
International Smelting & Refining Co.	1,525,970	517,620	1,378,350	14.33	1,180,603
	7,260	1,300	5,960	-	(25,655)

12.6275 dry tons @ \$ 70.835 final value per ton = \$ 908.64

A comparison of weights and moistures on six cars of lot No. 1846 reveals the following information:

	Gross Weight	Tare Weight	Net Weight	% H ₂ O	Dry Weight
Anaconda	1,189,940	297,200	892,740	15.02	758,662
International Smelting & Refining Co.	1,157,160	297,160	890,000	9.77	801,030
	2,800	60	2,740	-	(44,368)

22.184 dry tons @ \$ 68,359 final value per ton = \$ 1,516.48

PNYC 00011824

LEAD PLANTWORK AND DISCREPANCIES - Continued

The Auditor talked to Max Cyril Dutton, Head Smelter, and was informed that eight or nine 1 1/2" pipe samples are taken on each car of arsenic residue. The samples used are the full depth of the arsenic residue in each car. These samples of arsenic residue are received in the packing room and emptied into a pan which is weighed. After a 24 hour drying period the pan is weighed again and a moisture is calculated. The above information is of an informative nature to point out the difference in weight and moisture calculations on arsenic residue received from Anaconda, Montana and settled by International Smelting and Refining Company.

Interplant Transfers:

On January 16, 1958, T- one 705, an error of 1,000 pounds in sinter to blast was recorded. The difference in weights is as follows:

	Ounces	Tons	Net
As shown	151,440	40,260	110,180
Should be	152,440	40,320	111,180
Difference	-	-	1,000

The wet weights on sinter shipped should be 20,539,780 pounds instead of 20,538,780 pounds in January 1958.

Inventories

On March 21, 1958, Messrs. Earl House, Plant Engineer, D. R. Eason and R. E. Hathaway, while on a tour of the Tooele Plant, noted that 18 lead bars were on hand at the Dress Plant. This quantity was later checked to inventory records at February 1, 1958 which showed 18 bars on hand. The Auditor accompanied James Lougy, Metallurgical Clerk, and Elton Porter, Clerk, on an inventory trip of the Tooele Plant on April 1, 1958. The six lead bars in the molds and twelve bars in stockpiles were checked at the time of this inventory observation. The six bars in the molds were inventorially overvalued at the time of February 1st, and March 1st, inventory time. The 18 bars on hand inventory of February 1st would have been reported as follows:

	Dry Weight Pounds	Lead		Plumbum		Silver		Gold	
		Per Cent	Pounds	Per Cent	Pounds	Ounces Per Ton	Ounces	Ounces Per Ton	Ounces
As shown	154,000	78.00	152,080	.327	510	89.00	6,942.00	.365	29,500
Should be	204,000	78.00	199,520	.327	667	89.00	9,078.00	.365	37,800
Difference	48,000	0.00	47,440	.327	157	89.00	2,136.00	.365	8,300

An adjustment was made on March Cost Sheets.

GENERAL COMMENTSSulphide Concentrator

The Sulphide Concentrator is in operation producing zinc concentrates and lead concentrates. The zinc concentrates are shipped to Anaconda, Montana. The lead concentrates are shipped to East Helena, Montana.

Lead Plant

The Lead Plant discontinued operation at 8:00 A.M. on January 31, 1958. The number 3 blast furnace has been rebuilt with a thirty inch extension added. It can be ready for production with a few finishing touches. The number 1, 4, and 5 blast furnaces have been dismantled. Number 2 furnace can be repaired and used as a standby.

Slag Treating Plant

The Slag Treating Plant is in operation producing delead zinc concentrates, baghouse fumes, and slag. The delead zinc concentrates are shipped to the National Zinc Company, Bartlesville, Oklahoma. The baghouse fumes are shipped to East Helena, Montana. Slag is taken to the slag pile at the Tooele Plant.

Only a few errors and discrepancies were uncovered during the audit. The Metallurgical Staff was very co-operative and their work was neat and accurate.

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