

ANACONDA COPPER MINING COMPANY

GREAT FALLS REDUCTION DEPARTMENT

GREAT FALLS, MONTANA



June 7, 1948

W. W. Shropshire, President
American Chemet Corporation
West Washington Street
Chicago 2, Illinois

Dear Mr. Shropshire:

Confirming our earlier advices to you, the following terms will apply in the supplying of East Helena Slag Treatment Plant fume to the American Chemet Corporation on and after July 1, 1948.

QUANTITY

Your requirements of fume up to 100 tons per calendar month during the period of July 1, 1948, to July 1, 1949.

DELIVERY

Fume to be loaded in bulk in railroad cars, f.o.b. trackage at our East Helena, Montana, plant.

SAMPLING, WEIGHING AND ASSAYING

Railroad weights at East Helena and samples taken by us as the fume is loaded at East Helena will govern in making settlement. Of the sample taken by us, one portion will be sent to you for your assay, and upon receipt of advice from you that your assay has been completed, your assay and our assay will be mailed to the other party. If the assays of the parties agree within 0.5% zinc and/or 0.5% lead, an average of the assays will be used in making settlement. If they do not agree within 0.5% zinc and/or 0.5% lead, a third part of the sample will be sent to an umpire assayer mutually agreeable to both parties. If the assay of the umpire falls between the assays of the parties, the umpire's assay shall be used in making settlement, but if the umpire's assay falls outside the results of the parties, the party's assay nearest that to the umpire's assay shall be used in making settlement. The cost of the umpire assay shall be paid by the party whose result differs most widely from the result of the umpire.

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4. PRICE FOR FUME

The price payable for all fume delivered to you under this agreement shall be six cents (6¢) per pound of zinc contained in the fume, f.o.b. East Helena, when St. Louis price for Prime Western zinc, as quoted by the Engineering and Mining Journal for week of delivery of the fume, is eight and twenty-five hundredths cents (8.25¢) per pound.

To the six cents (6¢) per pound of zinc payable when St. Louis price is eight and twenty-five hundredths cents (8.25¢), there shall be added or subtracted nine-tenths cents (0.9¢) for each one cent (1¢) above or below eight and twenty-five hundredths cents (8.25¢) price for Prime Western zinc at St. Louis; fractions in proportion.

To the amount payable for zinc content of the fume, as provided in the preceding paragraphs, there shall be added eight-tenths cents (0.8¢) per pound of lead contained in the fume for each one cent (1¢) above six and five-tenths cents (6.5¢) per pound price for lead at New York, fractions in proportion.

PAYMENT FOR FUME

You will make prompt settlement for each car of fume delivered to you as soon as assays are agreed upon. In the event that assays have not been agreed upon, in the case of any individual car, before you request delivery of an additional car of fume, you will make settlement on the basis of 70% zinc and 7% lead content in fume already shipped and final settlement will be adjusted to the true assay as soon as agreed upon.

We may require settlement through Sight Draft, based on 70% zinc and 7% lead assay, attached to the Bill of Lading on each car if we so desire.

If for any reason our operations at the East Helena Slag Treatment Plant are interrupted or discontinued, we shall not be under any obligation to make delivery of fume against your orders. It is understood that all fume delivered under this agreement will be from current production at East Helena.

It is further understood and agreed that we do not guarantee the analysis of the fume, its color, or physical properties.

We will load all shipments of fume from the same locations in our flue system and baghouse at East Helena insofar as the

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quantity available from these locations will satisfy your requirements. These locations will be selected to conform as closely as possible to your requirements for color, so long as fume can be loaded in the type of railroad car required without special provision or handling on our part.

7. This agreement may not be assigned to any other individual or corporation without first obtaining consent of the other party to the agreement.

If the foregoing statements are in accordance with your understanding of our agreement and are acceptable to you, will you please indicate your acceptance by signing the two copies of this letter enclosed herewith and return same to me.

Yours very truly,

R. A. Caples

RBC:db

ACCEPTED:

W. H. Shropshire

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