MINUTES OF A SPECIAL MEETING

OF

RIVER SMELTING & REFINING COMPANY

A Special Meeting of the Directors of River Smelting & Refining Company was held at the Office of National Lead Company, 111 Broadway, New York City, New York, at ten o'clock A.M. on Wednesday, May 14, 1919.

There were present Messrs. Edward J. Cornish, Geo. O. Carpenter, Edwin S. Webster, Leonard B. Buchanan and James A. Caselton, Directors. There were also present by invitation Mr. H. H. Utley, Manager of the Florence, Colorado Plant, Mr. Austin T. Hyde, Manager of the Keokuk, Iowa Plant, Mr. H. A. Wentworth, Consulting Engineer for the Company, and Dr. G. W. Thompson. Mr. Cornish took the chair and Mr. Caselton acted as Secretary of the Meeting.

The Meeting was called primarily for the purpose of considering the future policy of the Company, particularly with respect to the proposed enlargement of the operations.

The results of operations for the four months ending April 30th were reviewed by the Directors and the operating losses sustained were found to be greater than the estimates presented at the Directors Meeting held on January 30, 1919.

Messrs. Wentworth, Utley and Hyde explained to the Directors the situation at the Plants at Florence, Colorado and at Keokuk, Iowa. They explained that the operating losses as shown were due largely to the small capacity of the Plants, which were built originally for experimental and developmental purposes. They also explained that to continue the operation of the existing Plants, the Company would sustain a loss of a minimum of $10,000 monthly. They also explained that to increase the capacity of the Plants to a point where they could be operated at a profit, would mean an additional investment in excess of $1,500,000 and that the profit even then would not be large.

As an alternate to increasing the capacity of both the Florence and Keokuk Plants, Mr. Utley presented to the Board a proposition looking to the installation at the Florence, Colorado Plant of an additional unit for the manufacture of leaded-zinc pigment and the continuation of operation only of the Florence Plant.

The figures which he presented showed that such a unit would cost $75,000. In addition to this he estimated that there would be required $50,000 for the improvement of and incidental changes in the existing Plant. Mr. Utley's figures showed that a leaded-zinc oxide unit of five hundred tons per month capacity should yield a profit in excess of $20,000 per month, when operating at capacity and based upon the market prices and conditions existing at that time.

The Directors did not feel justified at the present time in making the large capital investment required to increase the capacity of the Plants to the extent required to enable their operation for the manufacture of zinc at a profit, and it was therefore unanimously

RESOLVED: That the Officers of the Company be and they hereby are directed to close down both the Florence, Colorado and Keokuk, Iowa Plants as speedily and economically as possible and to discontinue the manufacture of zinc.

The proposed installation of a unit for the manufacture of leaded-zinc pigment at the Florence, Colorado Plant was considered favorably by the Directors, and it was therefore unanimously

RESOLVED: That an appropriation of $125,000 be and hereby is authorized for the purpose of constructing such leaded-zinc pigment unit and for the purpose of making such improvements and incidental changes in the Florence Plant as recommended by Mr. Utley.

The question of sale of the leaded-zinc pigment to be produced was discussed and it was

RESOLVED: That the sale thereof be placed in the hands of National Lead Company with the understanding that the terms and commissions to be paid National Lead Company would be later agreed upon.

Mr. Hyde explained that the present location of the Keokuk Plant is a very poor one and that it has many disadvantages from an operating standpoint. He also explained that the present Plant is in bad physical condition. He recommended that, if a new Plant be built, it be removed to a location more advantageous than the present one.

Mr. Hyde estimated the value of the equipment and apparatus in the present Plant to be worth approximately $150,000 if removed to and installed in a new Plant. He also estimated the present salvage value of the Plant as it stands at $75,000 if dismantled and sold at this time.

Since the operation of the Keokuk Plant is to be discontinued indefinitely the Directors felt that the difference between the re-use value and the present salvage value of the equipment and apparatus at the Keokuk Plant might easily be offset by depreciation within a year's time, and it was therefore

RESOLVED: That the Officers be and they hereby are directed to dismantle the Keokuk Plant and sell the same at the best possible prices.

There being no further business before the Meeting it was upon motion, duly seconded, adjourned.

E J Cornish
Chairman

[signature]
Secretary