

THE ANACONDA COMPANY

25 BROADWAY, NEW YORK, N. Y. 10004

METALLURGICAL MANAGER

April 8, 1964

American Chemet Corporation
105 West Madison Street
Chicago, Illinois

Attention: Mr. W. W. Shropshire, President

Gentlemen:

This refers to your visit of March 24, 1964, during which you requested a reduction of \$30.00 per ton in the cost of East Helena fume.

I note that this request is due to a price squeeze in zinc oxide prices. The reduction requested, however, is unrealistic in relation to treatment of fume to metal through the electrolytic zinc process. As I told you, the irreducible minimum terms which we can consider are governed by the profit per pound of zinc, including premium realized through treatment at Great Falls.

We have considered your request from this viewpoint and find that we are able to grant an additional reduction in cost of East Helena fume from the calculated price under our present contract with you dated June 7, 1948, as amended July 5, 1949, May 17, 1961, and July 9, 1962, as follows:

<u>When the premium per pound of Special High Grade zinc (EHGJ Quotations) for calendar month of delivery of fume is</u>	<u>Reduction in Terms per dry short ton of fume</u>
0.00¢ to 1.01¢	\$ 17.50
1.01¢ to 1.26¢	\$ 15.00
1.26¢ to 1.51¢	\$ 12.50
1.51¢ to -	\$ 10.00

PNYC 00011889

This reduction is to be applied to deliveries of fume on

I consider the above to mean:

*From 0.00¢ to 1.00¢ and including 1.00¢ 17.50
From 1.01¢ to 1.25¢ and including 1.25¢ 15.00
- and no further*

all (5/4/64)

American Chemet Corporation

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and after April 1, 1964, and will continue until cancelled by either party giving 90 days' written notice.

If the foregoing is of interest to you, please sign and return to us the enclosed copy of this letter, whereupon the afore-said agreement as amended shall be deemed further amended in accordance with the terms hereof.

Yours very truly,

THE ANACONDA COMPANY

By /s/ T. K. Graham

ACCEPTED:

AMERICAN CHEMET CORPORATION

By /s/ W. W. Shropshire

TKG:jh

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