PRESIDENT'S ANNUAL REPORT

TO THE STOCKHOLDERS OF THE

St. Joseph Lead Company

FISCAL YEAR ENDING

DECEMBER 31, 1923

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OF THE

ST. JOSEPH LEAD COMPANY

FISCAL YEAR ENDING DECEMBER 31, 1923

In the year 1923 dividends to the amount of $3,098,752.50 in cash have been paid to stockholders and to minority stockholders in subsidiary companies $164,316.

The earnings for the year, after deducting all charges for depreciation, depletion and reserve for Federal Taxes, resulting from the operation for the fiscal year, were $4,379,854.07.

Your mines produced 2,778,347 tons of ore.

Your mills produced 154,283 tons of concentrates.

The smelter production was 95,511 tons of pig lead.

The sales of pig lead for the year amounted to 95,964 tons. (This does not include sales of lead purchased from the Bunker Hill & Sullivan Mining and Concentrating Company.)

FINANCIAL

As a result of the purchase of the Federal Lead Company properties and of $574,000. bonds of the Mississippi River & Bonne Terre Railway, your company's holdings of Liberty bonds, certificates of indebtedness and other short term securities were reduced. Its holdings of such securities on December 31, 1923, were as follows:

$400,000 U. S. Treasury Certificates 5½% due September 15, 1924
500,000 U. S. Treasury Certificates 4¾% due March 15, 1925
300,000 State of Missouri Bonds 5% due March 1, 1928-1936
200,000 State of Missouri Bonds 4½% due December 1, 1925

Federal Income Taxes, amounting to $341,984.98, were paid in 1923.

Final audit and approval by the Bureau of Internal Revenue on account of the year 1917 and subsequent years, has not yet been received.

BALANCE SHEETS

This year's balance sheets reflect the purchase of the Federal Lead Company properties.

PURCHASE OF THE PROPERTY OF THE FEDERAL LEAD COMPANY

Your company, on October 23, 1923, purchased all mines, ore reserves, surface lands and mining plant owned in Southeast Missouri by the Federal Lead Company, a subsidiary of the American Smelting & Refining Company. These mines are adjacent to the mines owned by your company and at many points underground connections have already been made. The purchase of this property is in direct line with the company's policy as stated in the President's last annual report. This purchase, besides increasing the immediate output, will make available much ore which could not have been profitably mined by either company, thus tending not only to increase the life of your company but of the whole district.

The purchase was financed by the payment of $4,688,510.80 in cash and $5,000,000 in notes of $1,000,000 each due in one, two, three, four and five years with interest at the rate of six per cent. per annum for the property and plant and of $419,798.73 for the inventory, including fuel and carbons for diamond drilling.

KANSAS EXPLORATIONS, INC.

The extensive drilling campaign in the Tri-State District mentioned in your President's last report was continued with most satisfactory results. In order to handle more efficiently this branch of your company's business, a subsidiary corporation was formed, known as Kansas Explorations, Inc., with a capital stock of $1,000,000. The balance sheet of Kansas Explorations, Inc., is published herewith, although it is included in the consolidated balance sheet of the St. Joseph Lead Company and subsidiary companies and will be so included hereafter. The money owed by the Kansas Explorations, Inc., is owed to the St. Joseph Lead Company.

The first mill was completed and the first ore milled on December 28, 1923.

GENERAL

The company's business for the year 1923 continued to be good.

CLINTON H. CRANE,
President.

ST. JOSEP

AND SUBSIDI

CONSOLIDATED BAL

ASSETS

CAPITAL ASSETS:			
Ore Reserves and Mineral Rights	$29,665,192.64		
Less Reserve for Depletion	11,137,441.06	$18,527,751.58	
Buildings and Equipment at Mines and Smelter	$12,353,297.54		
Less Reserve for Depreciation	1,800,771.53	10,552,526.01	
Real Estate		140,109.36	
Farm Lands, Buildings and Equipment	$ 561,477.96		
Less Reserve for Depreciation	32,952.29	528,525.67	
Railroad Property and Equipment	$ 4,457,672.39		
Less Reserve for Depreciation	622,238.64	3,835,433.75	$33,584,346.37
INVESTMENTS:			
Missouri-Illinois Railroad Company		$ 362,536.63	
Other		12,000.00	374,536.63
SINKING FUND AND RESERVE FUND ASSETS—CASH AND ACCRUED INTEREST			16,608.30
CURRENT ASSETS:			
Cash		$ 1,304,064.90	
Cash in Transit		95,037.15	
Marketable Securities (par value, $1,425,000.00; Market Value, $1,441,350.00)		1,449,423.19	
Accounts and Notes Receivable		1,619,769.95	
Lead on Hand and In Process		571,512.79	
Materials and Supplies		1,715,849.11	
Store Accounts (Net)		46,591.44	6,802,248.53
DEFERRED DEBIT ITEMS:			
By-Product (Matte)		$ 60,600.92	
Real Estate Sold on Long Term Contracts		45,491.86	
Advances to Bonne Terre Hospital Association		54,000.00	
Insurance Premiums—Unexpired Portion		94,375.12	
Taxes Paid in Advance		14,647.12	
Licenses Paid in Advance		40,000.06	
Mine La Motte Prospecting		92,223.04	
St. Francois County Prospecting		28,599.26	
Miscellaneous		15,770.16	445,707.54

CERTIFICATE OF AUDIT

We have audited the books and accounts of the St. Joseph Lead Company and its subsidiary companies for the year ended December 31, 1923, and

WE HEREBY CERTIFY that, in our opinion, the above consolidated balance sheet correctly sets forth the financial condition of the Companies at that date.

MITCHELL & SIMSON.

New York, February 21, 1924.

TOTAL	$41,223,447.37

* From acquiring Capital Stock of Kansas Explorations, Inc., $799,999.00.

EAD COMPANY

MPANIES

ET, DECEMBER 31, 1923

LIABILITIES

CAPITAL STOCK:				
St. Joseph Lead Company:				
Authorized—2,000,000 shares of $10.00 each, of which there have been issued 1,605,744.6 shares			$16,057,446.00	
Less held in Treasury, 56,332 shares			563,320.00	$15,494,126.00
Subsidiary Companies—minority stock held by the public				235,950.00
FUNDED DEBT:				
Mississippi River & Boone Terre Railway First Mortgage, 5% Bonds, due 1931			$ 2,500,000.00	
Less:				
Held in Sinking Fund		$ 695,000.00		
Held in Treasury		1,035,000.00	1,730,000.00	770,000.00
PURCHASE MONEY NOTES—$1,000,000.00 PAYABLE OCTOBER 23, 1924, 1925, 1926, 1927 AND 1928				5,000,000.00
CURRENT LIABILITIES:				
Accounts and Wages Payable			$ 1,407,689.99	
Traffic and Car Service Balances			50,899.75	
Dividend declared December 17, 1923, payable March 20, 1924			774,688.50	
Taxes Accrued			50,321.17	
Interest Accrued			83,378.12	2,366,977.53
DEFERRED CREDIT ITEMS				121,598.68
RESERVES:				
Profit on Lease Agreements			$ 19,674.42	
Premium on Bonds to be purchased for Sinking Fund			25,055.07	
Contingencies (includes provision for Federal Taxes)			1,642,733.48	1,687,462.97
SURPLUS:				
Balance, March 1, 1913			$ 3,925,000.00	
Less Amortization Distributions therefrom			3,523,665.00	
Remainder			$ 401,335.00	
Undistributed Profits and Increase due to Revaluation of Properties, March 1, 1913 to December 31, 1922			13,229,263.62	
Balance, January 1, 1923			$13,630,598.62	
*Excess of Par Value over Book Value of Securities of Subsidiary Companies acquired during the Year			799,949.00	
Net Income for the Year ended December 31, 1923, after providing for Depreciation of Plant and Equipment		$ 6,384,827.41		
ADD:				
Amount received from U. S. Government in final settlement of claims under Sections 204 and 207 of the Transportation Act	$ 250,539.51			
Miscellaneous Credits	18,951.38	269,490.89		
Total		$ 6,654,318.30		
LESS:				
Provision for Depletion of Ore Reserves and Mineral Rights	$ 1,537,323.71			
Provision for Federal Taxes (Companies' estimates)	689,470.00			
Miscellaneous Charges	47,670.52	2,274,464.23		
Profit & Loss Surplus for the Year ended December 31, 1923			4,379,854.07	
Total			$18,810,401.69	
Less:				
Dividends declared and paid in 1923		$ 2,488,381.00		
Dividend declared December 17, 1923, payable March 20, 1924		774,688.50	3,263,069.50	15,547,332.19
TOTAL				$41,223,447.37

ASSETS

Capital Assets:			
Ore Reserves and Mineral Rights	$16,280,056.59		
Less Reserve for Depletion	5,906,396.65	$10,373,659.94	
Buildings and Equipment at Mines and Smelter	$ 9,265,806.43		
Less Reserve for Depreciation	1,177,545.95	8,088,260.48	
Real Estate		59,093.78	$18,521,014.20
Securities Owned:			
Affiliated Companies		$ 8,731,383.39	
Other		252,332.88	8,983,716.27
Sinking Fund and Reserve Fund Assets—Cash and Accrued Interest			16,608.30
Current Assets:			
Cash		$ 854,167.25	
Cash in Transit		90,683.00	
Marketable Securities (Par value, $25,000.00; Market Value $25,000.00)		25,006.08	
Accounts and Notes Receivable		1,534,272.76	
Due from Affiliated Companies		861,101.02	
Lead on Hand and in Process		455,195.49	
Materials and Supplies		1,117,271.58	4,937,697.18
Deferred Debit Items:			
By-product (Matte)		$ 60,600.92	
Real Estate Sold on Long Term Contracts		44,576.19	
Advances to Bonne Terre Hospital Association		36,000.00	
Insurance Premiums—Unexpired Portion		63,576.50	
Taxes Paid in Advance		10,733.52	
License Fees Paid in Advance		27,553.57	
Mine La Motte Prospecting		92,223.04	
St. Francois County Prospecting		28,599.26	
Miscellaneous		7,655.13	371,518.13

CERTIFICATE OF AUDIT

We have audited the books and accounts of the St. Joseph Lead Company for the year ended December 31, 1923, and

We hereby certify that, in our opinion, the above balance sheet correctly sets forth the financial condition of the company at that date.

MITCHELL & SIMSON.

New York, February 21, 1924.

Total	$32,830,554.08

AD COMPANY

CEMBER 31, 1923

LIABILITIES

Capital Stock:				
Authorized—2,000,000 shares of $10.00 each, of which there have been issued 1,605,744.6 shares			$16,057,446.00	
Less Held in Treasury, 56,332 shares			563,320.00	$15,494,126.00
Notes Payable:				
Mississippi River & Bonne Terre Railway			$ 2,500,000.00	
Less Bonds of Mississippi River & Bonne Terre Railway:				
Held in Sinking Fund		$ 695,000.00		
Held in Treasury		1,035,000.00	1,730,000.00	
Remainder			$ 770,000.00	
Purchase Money Notes—$1,000,000.00 Payable October 23, 1924, 1925, 1926, 1927 and 1928			5,000,000.00	5,770,000.00
Current Liabilities:				
Accounts and Wages Payable			$ 845,090.69	
Due to Bunker Hill & Sullivan Mining & Concentrating Company for Lead purchased			317,678.13	
Dividend Declared December 17, 1923, payable March 20, 1924			774,688.50	
Due to Affiliated Companies			683,418.90	
Taxes Accrued			50,321.17	
Interest Accrued			88,828.12	2,760,025.51
Reserves:				
Profit on Lease Agreements			$ 19,674.42	
Premium on Bonds to be purchased for Sinking Fund			25,055.07	
Contingencies (includes provision for Federal Taxes)			1,068,158.38	1,112,887.87
Surplus:				
Profit & Loss Surplus, January 1, 1923		$ 5,786,272.05		
Amortization Distributions Received		2,853,045.00		
Total		$ 8,639,317.05		
Less Amortization Distributions Paid		3,523,665.00		
Net Surplus, January 1, 1923			$ 5,115,652.05	
Net Income for the Year ended December 31, 1923, after providing for Depreciation of Plant and Equipment		$ 6,764,802.52		
Add Miscellaneous Profit & Loss Credits		8,142.56		
Total		$ 6,772,945.08		
Deduct:				
Provision for Depletion of Ore Reserves and Mineral Rights	$ 895,912.71			
Provision for Federal Taxes	175,000.00			
Miscellaneous Charges	25,416.22	1,096,328.93	5,676,616.15	
Total			$10,792,268.20	
Less:				
Dividends Declared and Paid in 1923		$ 2,324,065.00		
Dividend Declared December 17, 1923, payable March 20, 1924		774,688.50	3,098,753.50	7,693,514.70
Total				$32,830,554.08

KANSAS EXPLORATIONS, INC.

BALANCE SHEET, DECEMBER 31, 1923

ASSETS

Capital Assets:		
Ore Reserves and Mineral Rights	$815,000.00	
Leases and Development	567,223.68	
Real Estate, Mine Buildings and Machinery, etc	209,062.23	
Total Capital Assets		$1,591,285.91
Current Assets:		
Cash	$ 24,700.47	
Accounts Receivable	20.00	
Total Current Assets		24,720.47
Total		$1,616,006.38

LIABILITIES

Capital Stock:		
Authorized—10,000 Shares of $100.00 each	$1,000,000.00	
Less unissued (2,000 Shares)	200,000.00	
Outstanding (8,000 Shares)		$ 800,000.00
Notes Payable—St. Joseph Lead Company		775,789.33
Current Liabilities:		
Accounts and Wages Payable	$ 24,624.19	
Due to Affiliated Company:		
St. Joseph Lead Company	2,828.03	
Total Current Liabilities		27,452.22
Surplus		12,764.83
Total		$1,616,006.38

CERTIFICATE OF AUDIT.

We have audited the books and accounts of Kansas Explorations, Inc., for the period from December 8, 1923 (the date it begain business) to December 31, 1923, and

We hereby certify that, in our opinion, the above balance sheet correctly sets forth the financial condition of the Company at that date.

New York, February 21, 1924.

Mitchell & Simson.