

4970 0006

Selby No. 6260257
Plan 6A G R E E M E N T

HALL BROS. COMPANY INC.
 EAST ELY, NEVADA - - - - - SELLS and
 AMERICAN SMELTING AND REFINING COMPANY
 405 MONTGOMERY STREET
 SAN FRANCISCO, CALIFORNIA -- BUYS

PRODUCT

The output of lead ores and concentrates from the properties owned or controlled by the Treadwell Yukon Company Ltd., at Tybo, Nye County, Nevada, and under lease to Seller, which Seller agrees to ship and deliver currently as directed by Buyer.

It is contemplated that some of the ore produced will contain zinc in sufficient quantities as to make such ore of greater commercial value if treated for the recovery of zinc, rather than for lead, therefore, with regard to such ore it is agreed the Seller shall have the right to dispose of it to other interests and the tonnage so disposed of shall not be applied against this agreement.

It is agreed, however, that the Buyer shall have the option to take delivery of such zinc ores, providing Buyer is willing to purchase same on a basis which will net Seller an amount equal to or greater than Seller is currently receiving from any other Buyer. Seller agrees to furnish Buyer copies of all settlements it receives for ores shipped to any other Buyer.

ANALYSIS

The analysis of the products shipped under this agreement shall be substantially as follows:

<u>Au oz.</u>	<u>Ag oz.</u>	<u>Pt %</u>	<u>Zn %</u>	<u>As + Sb %</u>	<u>CaO %</u>	<u>Fe %</u>	<u>S.%</u>	<u>Insol %</u>
0.10	15.20	10	6	1.3	1.3	17	17	35

TONNAGE

Up to 750 tons per month; tonnage in excess of this amount included at option of Buyer, otherwise excluded.

DURATION

The period covered by this contract is from June 1, 1942 to May 31, 1943, both dates included, and shall continue indefinitely thereafter unless or until terminated by either party through written notice given to the other party sixty (60) days in advance of the date of termination.

DELIVERY

F.o.b. cars at unloading bins of Buyer's Smelter at Selby, California.

UNITED STATES SMELTING REFINING AND MINING COMPANY

December 2, 1943

Hall Bros. Co. Inc.
East Ely, Nevada

Gentlemen:

You are shipping your mine production to our custom mill at Midvale, Utah, and as Agent of Metals Reserve Company we are authorized to make premium payments to you under the Premium Price Plan.

We have just been advised by Metals Reserve Company, Washington, D.C., of further revision in the procedure for computing lead and zinc eligible for premium payments on shipments to custom mills under Revised Rule 13. We have also been advised that this revision was made to simplify further the procedure to be followed by mill operators and producers, and to assure that premium payments shall not be made for substantial amounts of oxidized lead and zinc which are not recovered in custom mills.

That portion of the revision applicable to your shipments and which may or may not affect the determination of premium payments payable by Metals Reserve Company on your shipments received at Midvale on and after December 1, 1943 is as follows:

"Premium metal payments shall be calculated in accordance with the following instructions, effective December 1, 1943:

- (1) Lead eligible for premium payments shall be determined on the present basis (80% of the total lead) if the sulphide lead is 85% or more of the total lead; and zinc eligible for premium payments shall be determined on the present basis (77 of the total zinc) if the sulphide zinc is 85% or more of the total zinc.
- (2) If the sulphide lead assay is less than 85 of the total lead assay, lead eligible for premium payments shall be determined on the basis of 80% of the sulphide lead only; if the sulphide zinc assay is less than 85% of the total zinc assay, zinc eligible for premium payments shall be determined on the basis of 77% of the sulphide zinc only.
- (3) The sulphide lead and sulphide zinc used for computing premium payments, and the proportion of sulphide to total lead and sulphide to total zinc shall be determined by computing weighted average assays or by assaying a weighted composite sample representing all lots shipped by each producer during each month. Settlement samples and assays should be used provided assays are made on each lot for sulphide and total metals. When a composite sample is made, since the mill is representing Metals Reserve Company for premium purposes in preparing this sample and assaying it for sulphide metals, any producer shall have the right to witness the preparation of the composite sample, to have it assayed at his own expense for sulphide and total lead and

MOISTURE 10% free; charge for excess at 10¢ per unit, fractions in proportion.

ARSENIC, ANTIMONY & TIN COMBINED 1% free; charge for excess at 50¢ per unit, fractions in proportion.

BISMUTH Charge for all at 50¢ per pound.

FREIGHT AND ADVANCES Reimburse Buyer for freight paid and advances made to Seller or for Seller's account.

SAMPLING Deduct a charge of \$10.00 for sampling lots of less than fifteen tons net dry weight.

SETTLEMENT Buyer will make cash settlement on all shipments on the earliest practicable date following the obtaining of all necessary information.

OTHER TERMS This agreement, including the provisions of the "Complementary Schedule" (NY 11-1-40) hereto attached and expressly made a part hereof, shall come into force and effect when signed by both parties and approved by Executive Committee of Buyer.

Signed and dated as of June 1, 1942.

Witness:

(Sgd) Iona Christian

HALL BROS. COMPANY, INC.

(Sgd) C. M. Hall, Pres.

By (Sgd) Harold C. Anderson,
(Title) Sec.Treas.Mgr.

Witness:

(Sgd) Adele Bloom

AMERICAN SMELTING AND REFINING CO.

By (Sgd) Jesse Seaman
Manager.

APPROVED BY Executive Committee

(Sgd) Wm. G. Shields
Asst. Secretary.

PRICE

The purchase price of the product is the sum of the payments less the sum of the deductions next below specified.

P A Y M E N T SGOLD

Nothing paid for gold if assaying less than .03 of a Troy ounce per dry ton. If .03 of an ounce per dry ton or over pay for all at \$19.00 per Troy ounce, hereinafter called the "contract price"; provided, however, that, under the conditions set forth in the Gold Schedule (US AU-A 11-1-40) hereto attached and expressly made a part hereof, whenever in any calendar month the "realized price" per ounce, as defined in said Schedule, shall exceed the former mint price of \$20.67 + per ounce, payment shall be made of the contract price plus ninety per cent (90%) of said excess; and whenever in any calendar month the "realized price" shall be less than the former mint price of \$20.67 + per ounce, payment shall be made of the "realized price" less eight per cent (8%).

SILVER

Pay for ninety-five per cent (95%) on the basis of the "Mint price" as defined in the Silver Schedule (US AG 7-1-39) hereto attached and expressly made a part hereof, except as therein otherwise provided. Minimum deduction one Troy ounce per dry ton.

If, however, the Seller shall so elect, the price payable for the silver content of Seller's product shall be based on the average of the Handy & Harman New York quotations for foreign silver for the calendar week including date of delivery at the plant of the Buyer, provided notice of such election shall be given to the Buyer in advance of said quotational period.

LEAD

Deduct from the wet lead assay 1.5 units and pay for ninety per cent (90%) of the remaining lead at the average of the daily published quotations of American Smelting and Refining Company for common desilverized domestic lead for delivery in New York City for the calendar week including date of delivery at the plant of the Buyer, less a deduction of 1-1/2 cents per pound of lead accounted for. Nothing paid for lead if less than 5.0% by wet assay.

No payment will be made for any metal or content except as above specified.

From the total of the above, make the following

DEDUCTIONSBASE CHARGE

\$3.25 per net dry ton of 2000 pounds.

ZINC

7% free; charge for excess at 30 cents per unit, fractions in proportion.

SULPHUR

2% free; charge for excess at 25¢ per unit, fractions in proportion. Maximum charge \$2.50 per ton.

or zinc, and to call for an umpire assay if the difference between the mill assay and his assay is more than 0.5% lead and/or zinc. When an umpire assay is made, the middle assay shall be used for premium purposes and the party (the producer or Metals Reserve Company in using the mill assay) whose assay is further from the umpire assay, shall pay the cost of the umpire assay. An extra pulp shall also be prepared and stored in an air-tight container for use if an additional check is desired by the Quota Committee or by Metals Reserve Company.

- (4) All custom mills which in any given month have received a producer's ores containing less than 85% of total lead and/or zinc as sulphide lead and/or zinc, as determined by the weighted or composite assay for the month in question, shall furnish the Quota Committee, with copy to Metals Reserve Company, the following information by the fifteenth of the following month, or as soon thereafter as possible:

The tonnages and sulphide and non-sulphide composite or weighted lead and/or zinc assays for each shipper whose shipments to said mill during the preceding month contained less than 85% of the total lead and/or zinc as sulphide lead and/or zinc.

General

The procedures described herein are intended to assure that premium payments shall not be made for substantial amounts of oxidized lead and zinc which are not recovered in custom mills. Therefore, monthly production quotas and monthly production for determining the amount of over-quota production on which premium metal payments are made will be based on the percentages determined by the above procedures.

The Quota Committee has advised of its intention, if war requirements for zinc and lead warrant such action, to consider revision of quotas within the limits of the Premium Price Plan if necessary to provide an adequate operating margin for those properties producing partially oxidized ores and receiving premiums based on Paragraph "A", Revised Rule 13 percentages applied to sulphide metal contents only. Inquiries concerning such revisions should be submitted to Mr. Landon F. Strobel, Executive Secretary of the Quota Committee, Premium Price Plan for Copper, Lead and Zinc, 6428 Railroad Retirement Building, Washington 25, D. C. on Form WPB 2822."

Please indicate your understanding and confirmation of the foregoing by signing and returning the attached copy of this letter.

Yours very truly,
UNITED STATES SMELTING REFINING AND MINING CO.

Acknowledged this _____ By
day of _____, 1943

F. S. Mulock, Vice President & Gen'l Mgr.

Hall Bros. Co. Inc.
(Name of Producer)

By _____
(Authorized officer)

HALL BROS. - Tybo MINE LOT No.1 (INT. S.+R. Co. Lot No. 1602
 Lot Total WT = 108100 # 5.28% Moisture Dry WT. = 102393 # or. 51. 196 TONS.
 Shipped from Tonopah to Salt Lake Jan. 14, 1944.

COMPANY PLANT	INTERNATIONAL Smelting & R.C.O. LEAD SMELTER	AMERICAN S. AND R. CO. LEAD SMELTER	UNITED STATES S. AND R. CO. FLOAT MILL SULPHIDE ORE ONLY	INTERNATIONAL S. AND R. CO. FLOAT MILL SULPHIDE ORE ONLY
Gold .115	91% @ .35. 3.663	@ 31.81663 3.650	100% @ 22.4643 2.583	70% @ .35. 2.818
Silver 15.65	95% @ .70625 10.500	-10% @ .70625 10.35	100% @ .70625 11.053	80% @ .70625 8842
Lead 8.30	90% dry @ .9875 6044	90% dry @ 1.00 612	75% @ .824/unit 5.129	1@ .694/unit 5760
Zinc 8.04	No pay	No Pay	60% @ 40% 8250 3.184	@ .546975/unit 2.757 Min. Deduction 60#
	20207	2012	21.949	20177
Less 30% Silver			3.316	
			18.633	
Treatment. (Base)	3.100	3.250	3.250	2.500
Penalties				
Pb under 30% @ .10	2.320			
Insoluble % @ .10	3.240			
Sulphur 16% Max.	2.500	2.500		
Zinc +6% @ .25	.510	+7% .310 @ .30		
	11.670			
Iron credit 17% @ .06	- 1.020			
	10.650	606	3.250	2.500
Gross F.O.B. plant/ton	9.557	14.06	15.383	17.677
Gross for lot F.O.B. plant.	51.196 tons	489.28	719.82	787.55
Less Frt. Hauling,				
Royalty, etc.				
Net Smelter Pay	417.67	416.38	535.23	558.72
	71.61	303.44	252.32	346.26
Zinc 'B' Premium	366.77	No. Prem.	348.64	348.64
Lead 'B' Premium.	444.05	444.05	401.98	401.98
Total Returns.	ACTUAL 882.43	APPROXIMATE 747.49	APPROXIMATE 1002.94	APPROXIMATE 1096.88

NOTE: LEAD-ZINC ORE - Oxide type. If Zinc content is less than 69% ship to Am. S + R Co. Lead Smelter
 " " " over 69% " " International S + R Co. "

Sulphides If 85% or over of the lead-zinc value is sulphide - International S + R Co. Flotation Mill.