UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

370 a. E.S.

November 5, 1951

Memorandum

To: Reports and Records, DMA

From: Chief, Industrial Minerals Branch, DMA

Subject: DMA-1142X - The Flintkote Co.
30 Rockefeller Plaza
New York 20, New York
Commodity: Asbestos
Amount: $24,800

This was withdrawn in conference with applicant. Applicant was unable to furnish lease on land involved.

Attached:

Two copies of Application Form MF-103 with supplemental information.

James A. Barr

James A. Barr, Sr.

Approved:

Acting Administrator

FILE COPY
SURNAME:

Barr
Fitzsimmons

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DEPARTMENT OF THE INTERIOR
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WASHINGTON 25, D. C.

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RWASKEY:esf
cc: Field Team, Region III (2)
Acting Admr. Reading File
Mr. Barr
DMA Docket File

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

May 10, 1951

Mr. P. C. Rowe, Executive Vice President
The Flintkote Company
30 Rockefeller Plaza
New York 20, New York

Subject: DMA-1142 X
Re: Exploration Loan
Dr. Stark Asbestos
Property (California)

My dear Mr. Rowe:

Receipt is acknowledged of your application and attachments of May 2, 1951 from THE FLINTKOTE COMPANY for a Government loan under the Defense Production Act of 1950.

The application was assigned Docket Number 1142 X and referred to Mr. James A. Barr, Chief, Industrial Minerals Branch, on May 10, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1142 X.

Sincerely yours,

A.E.S.

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:aec
cc: Strobel-2
Files
Mr. Barr
Mr. Lyon

DMA 1142

856

Mr. Barr
~~LANDON F. STROBEL~~
Dma - 1142 X

THE FLINTKOTE COMPANY
INCORPORATED
30 ROCKEFELLER PLAZA
NEW YORK 20, N. Y.

May 7, 1951

Mr. Landon F. Strobel, Executive Secretary
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Sir:

Enclosed herewith executed in quadruplicate on behalf of The Flintkote Company is Form MF-103. Also enclosed in triplicate is Form MF-200 in connection with the exploration project in Nevada County, California. The Flintkote Company has attempted to incorporate therein all the information called for by the above forms. However, if additional information is necessary we shall be most happy to furnish whatever you may require.

The Flintkote Company filed Form MF-100 under date of April 30, 1951.

Yours very truly,

THE FLINTKOTE COMPANY

James D. Moran

James D. Moran
Assistant to Vice President
and Secretary

jdm:hg
Enc.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5 UNDER DEFENSE PRODUCTION ACT OF 1950

THE APPLICANT
The Flintkote Company
30 Rockefeller Plaza
New York 20, N. Y.

NEVADA COUNTY, CALIFORNIA
GENERAL EXPLORATION

1. See Form MF-100.

2. See Form MF-100.

3. See Form MF-100.

4. See Form MF-100.

5. Initially The Flintkote Company would have to lease this property to conduct the necessary exploration work. However, the company is prepared to purchase the property if sufficiently attractive and construct an asbestos mill thereon.

6. No answer required.

7. No answer required.

8. See copies of Annual Report to Stockholders for the year 1950 attached hereto as Exhibit "A".

9. The Applicant is prepared to invest its pro-rata share of the estimated cost of exploratory work and whatever additional capital is necessary to acquire property and construct a mill thereon, which would represent an investment in toto of approximately three million dollars. These statements are based on Defense Mineral Order 5 which provides that upon approval of this application, the Government will finance 90% of the $24,800.00 estimated exploratory cost as requested herein.

10. The Flintkote Company proposes to conduct a field survey of properties located in Sections 1, 2, 11 and 12, Township 17 North, Range 10 East, near Washington, Nevada County, California. There are no existing mills or buildings on these properties.

The exploration is to be conducted on Asbestos No. 1, Quartz Asbestos No. 2, January, and Lent claims which are described more fully in Exhibit "B" attached hereto.

11. The properties at one time were owned by a Dr. Stark of Berkeley, California and it is believed that he is still the owner. At the present time a representative of the company in California has been instructed to contact the owner so that permission may be obtained to conduct the exploration work.

12. The claims to be investigated are near the town of Washington and actually located about 6 miles from Highway No. 20. The nearest rail and shipping point is Emigrant Gap situated on the Southern Pacific Railroad about 16 miles from the site of the claims.

13. The water supply in this area is ample for the needs of asbestos milling. Actually very little water is required in the processing of asbestos fiber as it is a dry process. The Pacific Gas and Electric Company has a power line within 3 miles of the site of these deposits. The power requirements are 25 kw. hr. per daily ton and a mill processing 1,000 tons daily would represent about 3,300 connected horsepower.

14. None of the facilities presently located on the property may be used.

15. The ore could be milled on the site of the deposit and the fiber shipped by truck to Emigrant Gap, about 16 miles away and then by rail via the Southern Pacific Railroad.

16. (a) There was some mining and milling of asbestos 20 or 30 years ago on a very small scale. On the property there is a small quarry where approximately 1,000 tons of ore have been removed. There are also some small test pits and a tunnel with a glory hole in the southern end of the claim. An old stamp mill still exists on the property. However, this is a wholly unsatisfactory method of milling asbestos and presumably lack of basic knowledge of asbestos and advanced mining technique made the operation uneconomical and resulted in the discontinuance of the operation of the mine and mill.

(b) There are at present no producing mills for the milling of asbestos in this immediate vicinity.

(c) Attached hereto as Exhibit "B" is a private report incorporating the recommendations made as a result of investigations of the property. (Letter from John D. Burgess of Reno, Nev. dated June 6, 1949).

17. No answer required.

18. No answer required.

19. The Flintkote Company is undertaking to obtain a lease permitting us to undertake the exploration work with an option to buy the property if it proves sufficiently attractive.

20. The exploration is for the purpose of finding a commerical ore body of asbestos, particularly the higher grades such as spinning grades down to 6 grades. However, all asbestos ore bodies contain varying grades of asbestos, and the exploration and development of spinning grades of asbestos cannot be confined to a search for that grade alone and must be conducted within the broader scope of exploration for commercially feasible ore deposits. As all ore bodies contain various classes and lengths of fiber, it is the function of good milling know-how together with technical and engineering skill to sort out the fibers in such a manner that the maximum yield of the longest fiber is produced. It is the length of fiber to be produced which is determinative on the question of the economic feasibility of ore deposit development.

21. Initially it is proposed to make approximately 10 diamond drill holes on the property. We estimate that it will take two years to properly evaluate this property because of its physical location, the difficulties of supervision and particularly the forwarding of cores to Canada for thorough appraisal.

22. This question has been answered previously. However, the property is surrounded by a Jurassic-ultra-basic rock, specifically serpentine. It consists of a wide dike about a mile wide, the strike of which is roughly North 35°W., and with carboniferous sedimentaries on each side of the serpentine. Attached hereto as Exhibit "C" are topographical maps showing the area to be considered.

23. An itemized statement is attached hereto as Exhibit "D" showing the estimated cost of $24,800.00 for the preliminary exploration work for which this application has been made. If the preliminary exploration should prove the property to be economically feasible, additional drilling must be done at a later time.

24. This question was answered under Question 21 above.

FORM MF-103 (April 1951)
THE FL[illegible]TKOTE COMPANY
NEVADA [illegible]OUNTY, CALIFORNIA

EXHIBIT "B"

June 6, 1949

Dr. Stark Asbestos Property
Near Washington, Nevada County,
California

In accordance with your request by telephone communication on May 31st, the writer visited the above named property on June 1st and 2nd, and hereunder submits a description of his findings.

LOCATION: The property lies two miles westerly from the town of Washington, Nevada County, California, north of the Yuba River south fork, in the Tahoe National Forest. To get to the property from Washington, drive through the town on the main road across the river and up hill to the saw mill. Turn west on the North Bloomfield road at the fork with the Graniteville road. State signs clearly mark the junction. Continue westerly for two miles from this point, crossing Poorman's Creek. Park car at the crest of the first ridge above Poorman's Creek. This stopping place is near the center of the "Asbestos Quartz No. 1" claim.

TOPOGRAPHY AND CLAIMS: The Yuba River, south fork, is only a few hundred feet distant from the south end of the property. Poorman's Creek flowing from the north empties into the river a few hundred feet east.

The claims comprising the asbestos property lie along the crest of a steep north-south ridge on the north side of the river canyon. In good standing, according to Mr. Schwartz, the caretaker, are the Lent claim (patented), and three location claims, the Victory, Asbestos Quartz No. 1, and the Cotton King. These apparently cover the showings quite completely.

SCOPE OF EXAMINATION: The writer's visit was for the purpose of reconnaissance. A photostat claim map was used for orientation. On the northern portion of the property, surface excavations plotted on the map were readily identifiable. On the south end, however, it was necessary to make a rough traverse in order to plot the present road, lower tunnel, and other features. The point of origin for this traverse was the intersection of "trail" with "old Ditch". Field measurements were by Brunton and pacing. All the workings on the Lent, Victory, and Asbestos Quartz No. 1 claims were seen, and comparisons of rock types and character of asbestos noted.

GEOLOGY: The structure of the area is dominated by an irregular "serpentine" dike, actually comprised of numerous ultrabasic rock types, which has a trend roughly N 35° W. The width of the serpentine in this vicinity is about one mile. On both sides of the serpentine are "Carboniferous" shale and slate, and lying in the serpentine near, and closely parallel to the west shale contact

is the chrysotile asbestos showing. The asbestos lies in well and sharply defined seams with the fibres oriented at right angles to the plane of the seams. The individual seams may assume almost any random attitude, but generally are confined to a zone striking about parallel to the serpentine-shale contact and dipping steeply east.

DESCRIPTION OF SHOWINGS: There appear to be two somewhat dissimilar types of deposit on the property both of which contain chrysotile asbestos. These are described as follows:

Asbestos Quartz No. 1 Claim

This deposit has the possibility of having continuous asbestos ore from the road to the level of the river bottom, a vertical distance of 300 feet. The best appearing exposures are along the "old ditch" trail and in and about a 250 foot adit which appears to angle across the asbestos zone. Here, the asbestos occurs mostly in the range of 1/16" to 1/4", but with some fibre up to 1/2" lengths. The fibrous quality and textile strength of the material would appear excellent, although the writer does not claim extensive experience with asbestos.

It is estimated that a considerable tonnage could be taken in the 5% bracket, although some areas are undoubtedly better than this and some worse. The width limits of the asbestos bearing zone are very hard to define by inspection but can be approximated in the vicinity of the tunnel and "old ditch" trail where they appear to be about 200 to 300 feet. Along the road, the zone has apparently weakened considerably, and there only one or two small zones appear to contain asbestos.

The country rock in this area is a dense, moderately hard basaltic type, somewhat chloritic. It is jointed, and the asbestos lies along joint planes.

A possible tonnage estimate of this asbestos zone would be governed by the following dimensions:

Horizontal Strike Length (above river level)	600 feet
Average Height (0 at toe of slope, 300 [illegible] road)	150 "
Width	200 "

$$\frac{600 \times 150 \times 200}{12 \text{ cu.ft.}/\text{T}} = 1.5 \text{ million tons possible}$$

Lent Claim

The exploration and development work done during or prior to the first world war was done exclusively on this claim except for the excavation of one small quarry on the Cotton King claim to the north. That the work was done in this vicinity might be explained by the proximity of an old quartz mill nearby in which some asbestos ore was milled was taken from the tunnel and glory hole near the south end of the claim. The size of the glory hole indicates that this amount was possibly 2,000 tons.

Some small surface cuts are located near the center of the claim. In the northern half of the claim is a small quarry from which about 1,000 tons has been taken most of which was reportedly cobbed for asbestos and deposited on the adjacent dump.

All of the showings on the Lent claim are of a similar type, and are somewhat different from those examined on the Asbestos Quartz No. 1.

Here the country rock is generally lighter colored particularly on the weathered surface. It appears to be a meta-andesite. Narrow sheared zones of greasy textured true serpentine or chlorite traverse through the andesite. Asbestos is found in both the chlorite and andesite over the length of the claim along what appears to be a zone 100 or 150 feet wide. The fibre is generally longer than that on the Asbestos Quartz No. 1, commonly being up to 1/2", but the bands are widely spaced so that the estimated grade appears to be only 1 or 2% asbestos.

In the block of ground intervening between the Lent and Asbestos Quartz No. 1, very little prospecting has been done and outcrops are obscured. In walking over the ground, however, the outcrops and float which can be seen do not look favorable.

SAMPLING: Two ten pound samples were taken from the Asbestos Quartz No. 1 claim where the ore appeared to be of approximately 5% grade.

#1 Ore croppings along "old ditch" trail.
#2 Ore from portal area and inside 250' tunnel.

These were intended to be character samples which would contain reasonably representative percentages of fibre of various lenghts.

One ten pound sample was taken from the Lent Claim and this was intended to show character of asbestos only, rather than to indicate a representative percentage, inasmuch as the surface indications did not appear to be commercial.

EXPLORATION POSSIBILITIES: From the observations noted, it would appear that the greatest possibility for an ore-body would be on the Asbestos Quartz No. 1 claim where over a million tons of 5% ore is possible. If sample tests prove encouraging, and if a suitable arrangement can be concluded, a moderabe exploratory program of diamond drilling would be suggested.

Happily, this area is most convenient to water and transportation, and bedrock could be expected practically at surface almost anywhere on the claim.

For your consideration, a suggested preliminary diamond drilling program is outlined below:

a. Holes to be drilled along sections running at right angles to the strike of the asbestos zone or S 60° W.
b. Holes to be drilled at inclination at right angles to the dip, or as near thereto as practicable from a drilling standpoint.
c. Spacing between drilling sections to be 150 feet.

Layout of Holes:

1. Collar location due east of lower tunnel portal at approximately the eastern edge of the asbestos zone. Direction S 60° W. Inclination -30°. Depth about 400 feet depending on results.

2. Collar location 150 feet in direction N 30° W from collar of Hole 1. Direction S 60° W. Inclination -30°. Depth about 200 feet.

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5. Collar location 150 feet in direction S 60° W from collar of Hole 4. Direction S 60° W. Inclination -30°. Length about 200 feet.

This program would require a total of 1,200 feet of drilling. If good core recovery were made, the data obtained should be sufficient to justify either abandonment or an extended exploratory program and initial bulk testing.

Respectfully submitted,

/s/ John D. Burgess
John D. Burgess

329 West 4th Street
Reno, Nevada

FORM MF-103 (April 1951)
THE FLINTKOTE COMPANY
NEVADA COUNTY, CALIFORNIA

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NEVADA COUNTY, CALIFORNIA
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23. An itemized statement is attached hereto as Exhibit "D" showing the estimated cost of $24,800.00 for the preliminary exploration work for which this application has been made. If the preliminary exploration should prove the property to be economically feasible, additional drilling must be done at a later time.

24. This question was answered under Question 21 above.

FORM MF-103 (April 1951)
THE FLINTKOTE COMPANY
NEVADA COUNTY, CALIFORNIA

EXHIBIT "D"

WASHINGTON

NEVADA COUNTY, CALIFORNIA

Diamond drilling - 10 holes 250' at $6.00	$15,000
Core boxes	1,500
Core evaluation & logging (freight)	3,300
Engineering & Supervision	4,000
Right of entree fees	1,000
TOTAL	$24,800

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA-1142-X

Date received 5/8/51

Participation

The Flintkote Company
50 Rockefeller Plaza
New York 20, New York

Name and address of applicant

Date May 2, 1951

FILL IN THIS BLOCK

Date of application May 2, 1951

Estimated cost $24,800.00

Mineral or metal Asbestos

Percentage of Government participation 90%

Location of mine Washington Nevada County, California

Date of filing MF-100 April 24, 1951

DMA Docket Number, if available DMA-1142-X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

*Questions 1 through 4 have been answered on Form MF-100.

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
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    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
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24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

The Flintkote Company
(Name of company)

By [signature]
(Signature of authorized official)

May 2, 1951
(Date)

EXECUTIVE VICE PRESIDENT
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5 UNDER DEFENSE PRODUCTION ACT OF 1950

THE APPLICANT
The Flintkote Company
30 Rockefeller Plaza
New York 20, N. Y.

NEVADA COUNTY, CALIFORNIA
GENERAL EXPLORATION

1. See Form MF-100.

2. See Form MF-100.

3. See Form MF-100.

4. See Form MF-100.

5. Initially The Flintkote Company would have to lease this property to conduct the necessary exploration work. However, the company is prepared to purchase the property if sufficiently attractive and construct an asbestos mill thereon.

6. No answer required.

7. No answer required.

8. See copies of Annual Report to Stockholders for the year 1950 attached hereto as Exhibit "A".

9. The Applicant is prepared to invest its pro-rata share of the estimated cost of exploratory work and whatever additional capital is necessary to acquire property and construct a mill thereon, which would represent an investment in toto of approximately three million dollars. These statements are based on Defense Mineral Order 5 which provides that upon approval of this application, the Government will finance 90% of the $24,800.00 estimated exploratory cost as requested herein.

10. The Flintkote Company proposes to conduct a field survey of properties located in Sections 1, 2, 11 and 12, Township 17 North, Range 10 East, near Washington, Nevada County, California. There are no existing mills or buildings on these properties.

The exploration is to be conducted on Asbestos No. 1, Quartz Asbestos No. 2, January, and Lent claims which are described more fully in Exhibit "B" attached hereto.

11. The properties at one time were owned by a Dr. Stark of Berkeley, California and it is believed that he is still the owner. At the present time a representative of the company in California has been instructed to contact the owner so that permission may be obtained to conduct the exploration work.

12. The claims to be investigated are near the town of Washington and actually located about 6 miles from Highway No. 20. The nearest rail and shipping point is Emigrant Gap situated on the Southern Pacific Railroad about 16 miles from the site of the claims.

13. The water supply in this area is ample for the needs of asbestos milling. Actually very little water is required in the processing of asbestos fiber as it is a dry process. The Pacific Gas and Electric Company has a power line within 3 miles of the site of these deposits. The power requirements are 25 kw. hr. per daily ton and a mill processing 1,000 tons daily would represent about 3,500 connected horsepower.

14. None of the facilities presently located on the property may be used.

15. The ore could be milled on the site of the deposit and the fiber shipped by truck to Emigrant Gap, about 16 miles away and then by rail via the Southern Pacific Railroad.

16. (a) There was some mining and milling of asbestos 20 or 30 years ago on a very small scale. On the property there is a small quarry where approximately 1,000 tons of ore have been removed. There are also some small test pits and a tunnel with a glory hole in the southern end of the claim. An old stamp mill still exists on the property. However, this is a wholly unsatisfactory method of milling asbestos and presumably lack of basic knowledge of asbestos and advanced mining technique made the operation uneconomical and resulted in the discontinuance of the operation of the mine and mill.

(b) There are at present no producing mills for the milling of asbestos in this immediate vicinity.

(c) Attached hereto as Exhibit "B" is a private report incorporating the recommendations made as a result of investigations of the property. (Letter from John D. Burgess/dated June 6, 1949). of Reno, Nev.

17. No answer required.

18. No answer required.

19. The Flintkote Company is undertaking to obtain a lease permitting us to undertake the exploration work with an option to buy the property if it proves sufficiently attractive.

20. The exploration is for the purpose of finding a commercial ore body of asbestos, particularly the higher grades such as spinning grades down to 6 grades. However, all asbestos ore bodies contain varying grades of asbestos, and the exploration and development of spinning grades of asbestos cannot be confined to a search for that grade alone and must be conducted within the broader scope of exploration for commercially feasible ore deposits. As all ore bodies contain various classes and lengths of fiber, it is the function of good milling know-how together with technical and engineering skill to sort out the fibers in such a manner that the maximum yield of the longest fiber is produced. It is the length of fiber to be produced which is determinative on the question of the economic feasibility of ore deposit development.

21. Initially it is proposed to make approximately 10 diamond drill holes on the property. We estimate that it will take two years to properly evaluate this property because of its physical location, the difficulties of supervision and particularly the forwarding of cores to Canada for thorough appraisal.

22. This question has been answered previously. However, the property is surrounded by a Jurassic-ultra-basic rock, specifically serpentine. It consists of a wide dike about a mile wide, the strike of which is roughly North 55° W., and with carboniferous sedimentaries on each side of the serpentine. Attached hereto as Exhibit "C" are topographical maps showing the area to be considered.

23. An itemized statement is attached hereto as Exhibit "D" showing the estimated cost of $24,800.00 for the preliminary exploration work for which this application has been made. If the preliminary exploration should prove the property to be economically feasible, additional drilling must be done at a later time.

24. This question was answered under Question 21 above.

FORM MP-103 (April 1951)
THE PLINTKOTE COMPANY
NEVADA COUNTY, CALIFORNIA

EXHIBIT "B"

June 6, 1942

Dr. Stark Asbestos Property
Near Washington, Nevada County,
California

In accordance with your request by telephone communication on May 31st, the writer visited the above named property on June 1st and 2nd, and hereunder submits a description of his findings.

LOCATION: The property lies two miles westerly from the town of Washington, Nevada County, California, north of the Yuba River south fork, in the Tahoe National Forest. To get to the property from Washington, drive through the town on the main road across the river and up hill to the saw mill. Turn west on the North Bloomfield road at the fork with the Graniteville road. State signs clearly mark the junction. Continue westerly for two miles from this point, crossing Poorman's Creek. Park car at the crest of the first ridge above Poorman's Creek. This stopping place is near the center of the "Asbestos Quartz No. 1" claim.

TOPOGRAPHY AND CLAIMS: The Yuba River, south fork, is only a few hundred feet distant from the south end of the property. Poorman's Creek flowing from the north empties into the river a few hundred feet east.

The claims comprising the asbestos property lie along the crest of a steep north-south ridge on the north side of the river canyon. In good standing, according to Mr. Schwartz, the caretaker, are the Lent claim (patented), and three location claims, the Victory, Asbestos Quartz No. 1, and the Cotton King. These apparently cover the showings quite completely.

SCOPE OF EXAMINATION: The writer's visit was for the purpose of reconnaissance. A photostat claim map was used for orientation. On the northern portion of the property, surface excavations plotted on the map were readily identifiable. On the south end, however, it was necessary to make a rough traverse in order to plot the present road, lower tunnel, and other features. The point of origin for this traverse was the intersection of "trail" with "old Ditch". Field measurements were by Brunton and pacing. All the workings on the Lent, Victory, and Asbestos Quartz No. 1 claims were seen, and comparisons of rock types and character of asbestos noted.

GEOLOGY: The structure of the area is dominated by an irregular "serpentine" dike, actually comprised of numerous ultrabasic rock types, which has a trend roughly N 35° W. The width of the serpentine in this vicinity is about one mile. On both sides of the serpentine are "Carboniferous" shale and slate, and lying in the serpentine near, and closely parallel to the west shale contact

is the chrysotile asbestos showing. The asbestos lies in well and sharply defined seams with the fibres oriented at right angles to the plane of the seams. The individual seams may assume almost any random attitude, but generally are confined to a zone striking about parallel to the serpentine-shale contact and dipping steeply east.

DESCRIPTION OF SHOWINGS: There appear to be two somewhat dissimilar types of deposit on the property both of which contain chrysotile asbestos. These are described as follows:

Asbestos Quartz No. 1 Claim

This deposit has the possibility of having continuous asbestos ore from the road to the level of the river bottom, a vertical distance of 300 feet. The best appearing exposures are along the "old ditch" trail and in and about a 250 feet adit which appears to angle across the asbestos zone. Here, the asbestos occurs mostly in the range of 1/16" to 1/4", but with some fibre up to 1/2" lengths. The fibrous quality and textile strength of the material would appear excellent, although the writer does not claim extensive experience with asbestos.

It is estimated that a considerable tonnage could be taken in the 5% bracket, although some areas are undoubtedly better than this and some worse. The width limits of the asbestos bearing zone are very hard to define by inspection but can be approximated in the vicinity of the tunnel and "old ditch" trail where they appear to be about 200 to 300 feet. Along the road, the zone has apparently weakened considerably, and there only one or two small zones appear to contain asbestos.

The country rock in this area is a dense, moderately hard basaltic type, somewhat chloritic. It is jointed, and the asbestos lies along joint planes.

A possible tonnage estimate of this asbestos zone would be governed by the following dimensions:

Horizontal Strike Length (above river level)	600 feet
Average Height (0 at toe of slope, 300 @ road)	150 "
Width	200 "

$$\frac{600 \times 150 \times 200}{12 \text{ cu.ft./T}} = 1.5 \text{ million tons possible}$$

Lent Claim

The exploration and development work done during or prior to the first world war was done exclusively on this claim except for the excavation of one small quarry on the Cotton King claim to the north. That the work was done in this vicinity might be explained by the proximity of an old quartz mill nearby in which some asbestos ore was milled was taken from the tunnel and glory hole near the south end of the claim. The size of the glory hole indicates that this amount was possibly 2,000 tons.

Some small surface cuts are located near the center of the claim. In the northern half of the claim is a small quarry from which about 1,000 tons has been taken most of which was reportedly cobbed for asbestos and deposited on the adjacent dump.

All of the showings on the Lent claim are of a similar type, and are somewhat different from those examined on the Asbestos Quartz No. 1.

Here the country rock is generally lighter colored particularly on the weathered surface. It appears to be a meta-andesite. Narrow sheared zones of greasy textured true serpentine or chlorite traverse through the andesite. Asbestos is found in both the chlorite and andesite over the length of the claim along what appears to be a zone 100 or 150 feet wide. The fibre is generally longer than that on the Asbestos Quartz No. 1, commonly being up to 1/2", but the bands are widely spaced so that the estimated grade appears to be only 1 or 2% asbestos.

In the block of ground intervening between the Lent and Asbestos Quartz No. 1, very little prospecting has been done and outcrops are obscured. In walking over the ground, however, the outcrops and float which can be seen do not look favorable.

SAMPLING: Two ten pound samples were taken from the Asbestos Quartz No. 1 claim where the ore appeared to be of approximately 5% grade.

#1 Ore croppings along "old ditch" trail.
#2 Ore from portal area and inside 250' tunnel.

These were intended to be character samples which would contain reasonably representative percentages of fibre of various lenghts.

One ten pound sample was taken from the Lent Claim and this was intended to show character of asbestos only, rather than to indicate a representative percentage, inasmuch as the surface indications did not appear to be commercial.

EXPLORATION POSSIBILITIES: From the observations noted, it would appear that the greatest possibility for an ore-body would be on the Asbestos Quartz No. 1 claim where over a million tons of 5% ore is possible. If sample tests prove encouraging, and if a suitable arrangement can be concluded, a moderate exploratory program of diamond drilling would be suggested.

Happily, this area is most convenient to water and transportation, and bedrock would be expected practically at surface almost anywhere on the claim.

For your consideration, a suggested preliminary diamond drilling program is outlined below:

a. Holes to be drilled along sections running at right angles to the strike of the asbestos zone or S 60° W.
b. Holes to be drilled at inclination at right angles to the dip, or as near thereto as practicable from a drilling standpoint.
c. Spacing between drilling sections to be 150 feet.

Layout of Holes:

1. Collar location due east of lower tunnel portal at approximately the eastern edge of the asbestos zone. Direction S 60° W. Inclination -30°. Depth about 400 feet depending on results.

2. Collar location 150 feet in direction N 30° W from collar of Hole 1. Direction S 60° W. Inclination -30°. Depth about 200 feet.

3. Collar location 150 feet in direction S 60° W from collar hole 2. Direction S 60° W. Inclination -30°. Depth about 200 feet.

4. Collar location 300 feet in direction N 30° W from collar of Hole 1. Direction S 60° W. Inclination -30°. Length about 200 feet.

5. Collar location 150 feet in direction S 60° W from collar of Hole 4. Direction S 60° W. Inclination -30°. Length about 200 feet.

This program would require a total of 1,200 feet of drilling. If good core recovery were made, the data obtained should be sufficient to justify either abandonment or an extended exploratory program and initial bulk testing.

Respectfully submitted,

/s/ John D. Burgess
John D. Burgess

329 West 4th Street
Reno, Nevada

FORM MF-103 (April 1951)
THE FLINTKOTE COMPANY
NEVADA COUNTY, CALIFORNIA

EXHIBIT "D"

WASHINGTON

NEVADA COUNTY, CALIFORNIA

Diamond drilling - 10 holes 250' at $6.00	$15,000
Core boxes	1,500
Core evaluation & logging (freight)	3,300
Engineering & Supervision	4,000
Right of entree fees	1,000
TOTAL	$24,800

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA-1142 X

Date received 5/8/51

Participation

The Flintkote Company
30 Rockefeller Plaza
New York 20, New York

Name and address of applicant

Date May 2, 1951

FILL IN THIS BLOCK

Date of application May 2, 1951

Estimated cost $24,800.00

Mineral or metal Asbestos

Percentage of Government participation 90%

Location of mine Washington Nevada County, California

Date of filing MF-100 April 24, 1951

DMA Docket Number, if available DMA-1142X

INSTRUCTIONS

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16—64067-1

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(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

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Docket No. Dma-1142X

Date received 5/8/51

Participation

The Flintkote Company
30 Rockefeller Plaza
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Name and address of applicant

Date May 2, 1951

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Date of application May 2, 1951

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Percentage of Government participation 90%

Location of mine Washington Nevada County, California

Date of filing MF-100 April 24, 1951

DMA Docket Number, if available Dma-1142X

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15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

The Flintkote Company
(Name of company)

By [signature]
(Signature of authorized official)
EXECUTIVE VICE PRESIDENT
(Title)

May 2, 1951
(Date)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA-1142X

Date received 5/8/51

Participation

The Flintkote Company
30 Rockefeller Plaza
New York 20, New York

Name and address of applicant

Date May 2, 1951

FILL IN THIS BLOCK

Date of application May 2, 1951

Estimated cost $24,800.00

Mineral or metal Asbestos

Percentage of Government participation 90%

Location of mine Washington Nevada County, California

Date of filing MF-100 April 24, 1951

DMA Docket Number, if available DMA-1142X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

*Questions 1 through 4 have been answered on Form MF-100.

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
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    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
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19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

The Flintkote Company
(Name of company)

By P. Crowe
(Signature of authorized official)

EXECUTIVE VICE PRESIDENT
(Title)

May 2, 1951
(Date)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

MF-200
(April 1952)

Docket No. DMA 1142X
Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of May, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] The Flintkote Company, 30 Rockefeller Plaza, New York, N. Y.

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of California, County of Nevada described as follows: [3] Sections 1, 2, 11 and 12, Township 17 North, Range 10 East.

with respect to which the Operator represents and undertakes: [4]

(*a*) ~~[illegible]~~

(b) See Appendix 1 attached hereto and made a part hereof.

(*b*) ~~[illegible]~~

3. *Exploration project.* The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for [5] Asbestos Fiber; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] two years from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share. *

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share. *

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

*The exhibits called for in Questions 5, 6 and 8 are consolidated in Exhibit B attached hereto.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project. None of existing facilities can be put into useful condition.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 90 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $22,320, which is 90% percent of the agreed estimated total cost of this project, $24,800.

12. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

14. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the property which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

15. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

16. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in triplicate the day and year first above written.

THE FLINTKOTE COMPANY
(Operator)

By P. E. Kane
Executive Vice President

THE UNITED STATES OF AMERICA

By

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

EXHIBIT "A"

Initially it is proposed to make approximately ten (10) diamond drill holes on the property. The results will be carefully evaluated and if any of the claims are sufficiently attractive, the company shall endeavor to purchase the property and is prepared to construct an asbestos mill thereon at a cost of approximately three million dollars.

EXHIBIT "B"

WASHINGTON
NEVADA COUNTY, CALIFORNIA

Diamond drilling - 10 holes 250' at $6.00	$15,000
Core boxes	1,500
Core evaluation & logging (freight)	3,300
Engineering & Supervision	4,000
Right of entree fees	1,000
TOTAL	$24,800

APPENDIX 1

The Flintkote Company is presently negotiating with Dr. Stark of Berkeley, California for the real property rights to conduct an exploration program on Asbestos No. 1, Quartz Asbestos No. 2, January and Lent Claims which are located on this property.

MF-200
(April 1951)

Docket No. DMA 1142X
Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

It is agreed this _____ day of May, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and[2] The Flintkote Company, 30 Rockefeller Plaza, New York, N. Y.

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2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of California, County of Novada described as follows:[3] Sections 1, 2, 11 and 12, Township 17 North, Range 10 East.

with respect to which the Operator represents and undertakes:[4]

(*a*) ~~That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

(b) See Appendix 1 attached hereto and made a part hereof.

(*b*) ~~That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.~~

3. *Exploration project.* The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for[5] Asbestos Fiber; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of[6] two years from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

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[5] Name of mineral.
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8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

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Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the property which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

15. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

16. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in triplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____

THE PLANTKOTE COMPANY
(Operator)

By _____
Executive Vice President

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

EXHIBIT "A"

Initially it is proposed to make approximately ten (10) diamond drill holes on the property. The results will be carefully evaluated and if any of the claims are sufficiently attractive, the company shall endeavor to purchase the property and is prepared to construct an asbestos mill thereon at a cost of approximately three million dollars.

EXHIBIT "B"

WASHINGTON
NEVADA COUNTY, CALIFORNIA

Diamond drilling - 10 holes 250' at $6.00	$15,000
Core boxes	1,500
Core evaluation & logging (freight)	3,300
Engineering & Supervision	4,000
Right of entree fees	1,000
TOTAL	$24,800

APPENDIX 1

The Flintkote Company is presently negotiating with Dr. Stark of Berkeley, California for the real property rights to conduct an exploration program on Asbestos No. 1, Quartz Asbestos No. 2, January and Lent Claims which are located on this property.

MF-200
(April 1951)

Docket No. DMA 1142X
Commodity

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

It is agreed this _____ day of May, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and[2] The Flintkote Company, 30 Rockefeller Plaza, New York, N. Y.

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of California, County of Nevada described as follows:[3] Sections 1, 2, 11 and 12, Township 17 North, Range 10 East.

with respect to which the Operator represents and undertakes:[4]

(*a*) ~~That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement is attached:~~

(b) See Appendix 1 attached hereto and made a part hereof.

(*b*) ~~That he is lessee, in possession and entitled to possession, and that the property is subject only to the following~~

3. *Exploration project.* The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for[5] Asbestos Fiber; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of[6] two years from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

*The exhibits called for in Questions 5, 6 and 8 are consolidated in Exhibit B attached hereto.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50, each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project. None of existing facilities can be put into useful condition.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 90 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $22,320, which is 90% percent of the agreed estimated total cost of this project, $24,800.

12. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

14. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the property which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

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Executed in triplicate the day and year first above written.

THE FLINTKOTE COMPANY
(Operator)

By Executive Vice President

THE UNITED STATES OF AMERICA

By

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

EXHIBIT "A"

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WASHINGTON
NEVADA COUNTY, CALIFORNIA

Diamond drilling - 10 holes 250' at $6.00	$15,000
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APPENDIX 1

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FORM MF-103 (April 1951)
THE FLINTKOTE COMPANY
NEVADA COUNTY, CALIFORNIA
EXHIBIT "A"

The Flintkote Company

ANNUAL REPORT 1950

FISCAL YEAR ENDED DEC. 31, 1950

THE FLINTKOTE COMPANY

DIRECTORS

Reginald W. Bird Spencer Borden Clifton W. Gregg John M. Hancock
I. J. Harvey, Jr. Frank H. Neher Stuart H. Ralph Perce C. Rowe
Edward J. Samson J. A. Thomas B. A. Tompkins

EXECUTIVE COMMITTEE

John M. Hancock, *Chairman* Reginald W. Bird I. J. Harvey, Jr.
Frank H. Neher Perce C. Rowe J. A. Thomas

FINANCE COMMITTEE

John M. Hancock, *Chairman* Clifton W. Gregg I. J. Harvey, Jr. J. A. Thomas B. A. Tompkins

OFFICERS OF CORPORATION

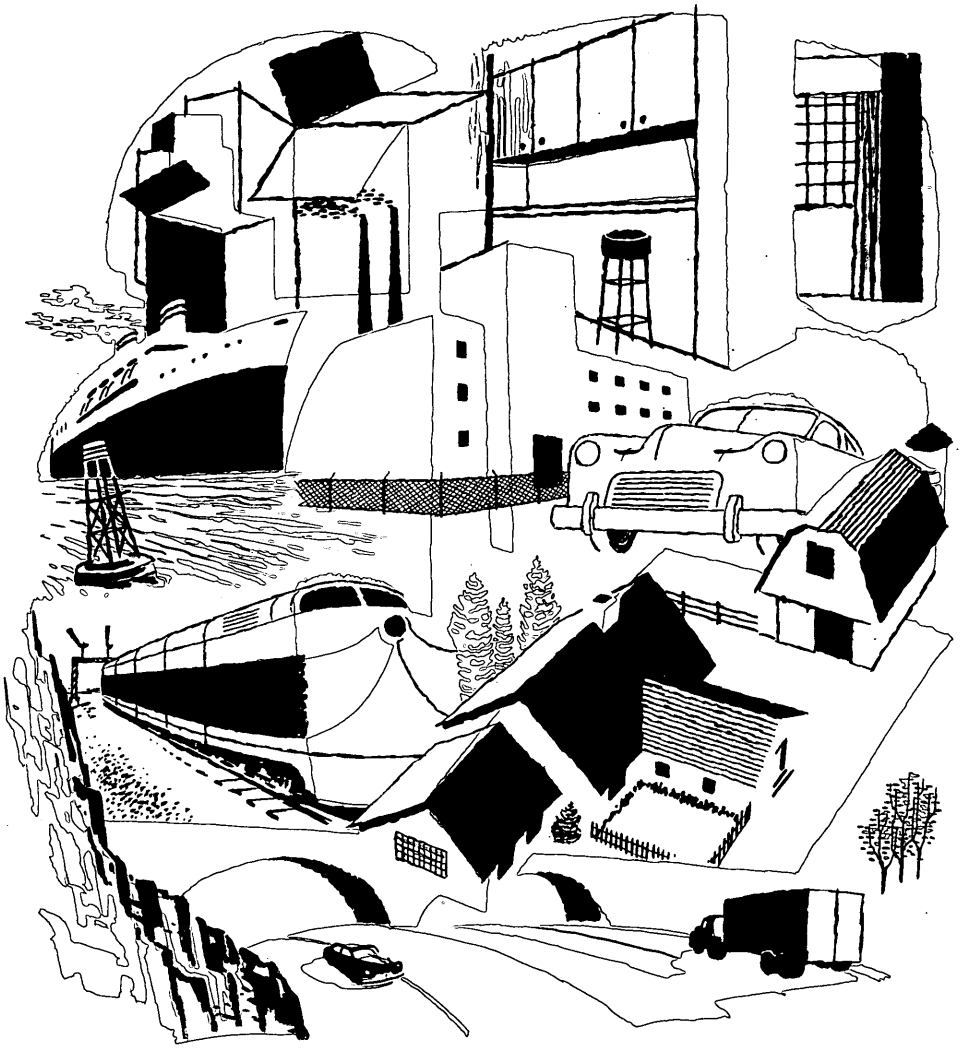
I. J. Harvey, Jr., *President* Perce C. Rowe, *Executive Vice-President*
Frank H. Neher, *Vice-President* Stuart H. Ralph, *Vice-President* George J. Pecaro, *Vice-President*
Warren L. McCabe, *Vice-President* J. H. Setinsky, *Vice-President*
Clifton W. Gregg, *Vice-President and Treasurer* George K. McKenzie, *Vice-President and Secretary*
Dennis J. McNamara, *Assistant Treasurer* James A. Main, *Assistant Secretary*
Philip F. Breen, *Assistant Treasurer* Allen O. Eaton, *Clerk*

TRANSFER AGENTS

Bankers Trust Company, 16 Wall Street, New York 15, N.Y. Old Colony Trust Company, 45 Milk Street, Boston 6, Mass.

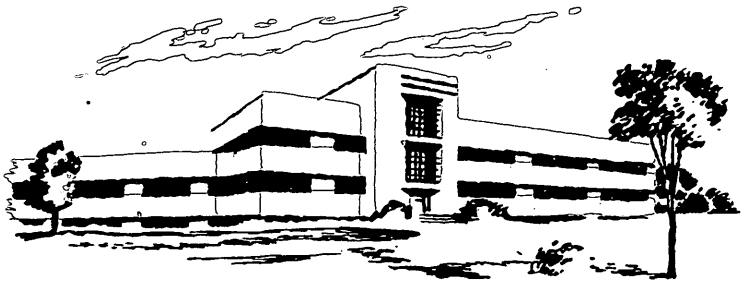
REGISTRARS

Central Hanover Bank and Trust Company The First National Bank of Boston

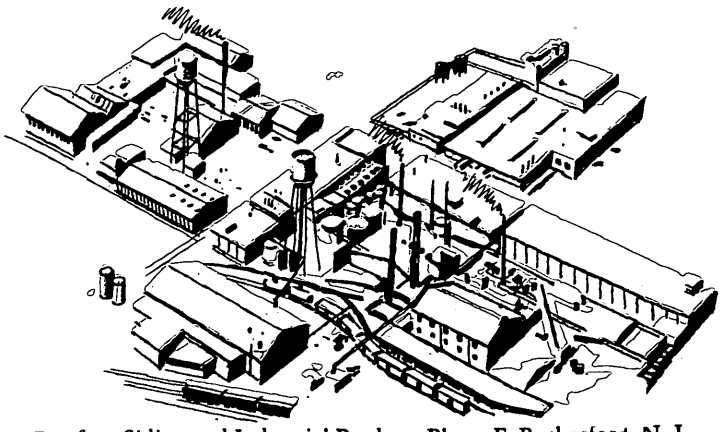


The Flintkote Company

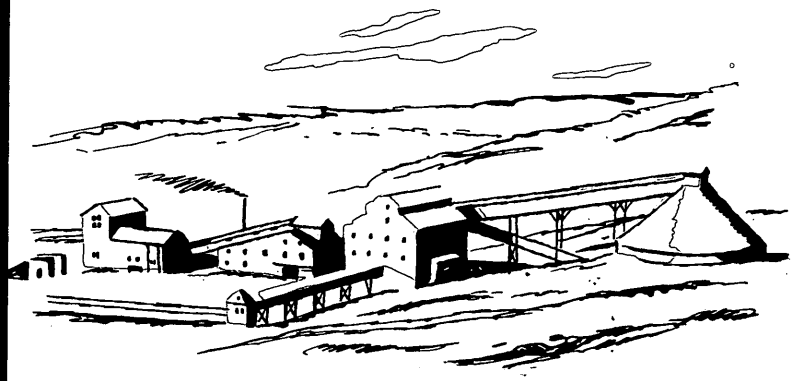
ANNUAL REPORT 1950



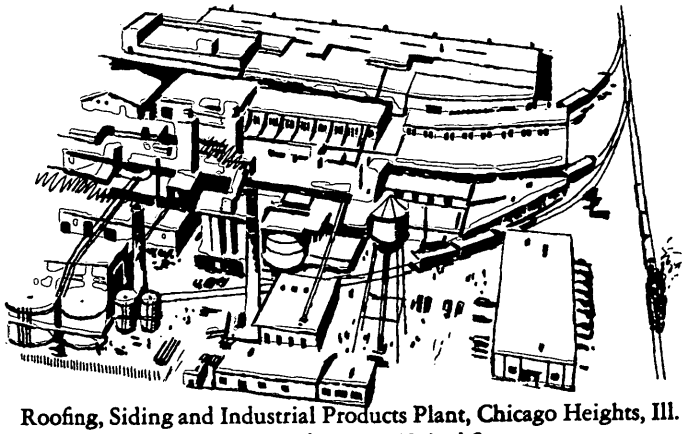
Research Laboratory, Whippany, New Jersey
Continuous product research and development



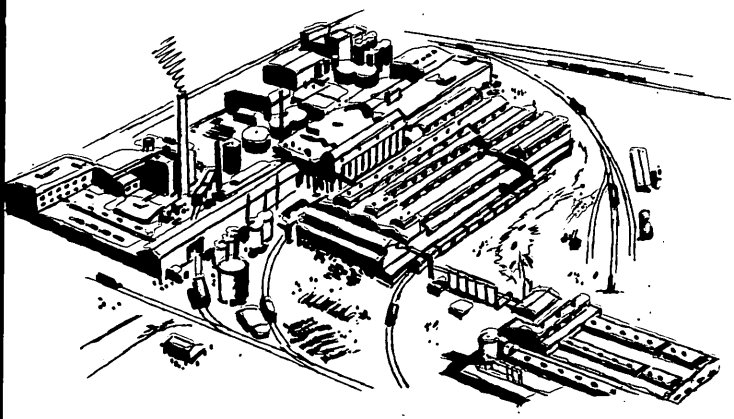
Roofing, Siding and Industrial Products Plant, E. Rutherford, N. J.
Serving the Eastern United States



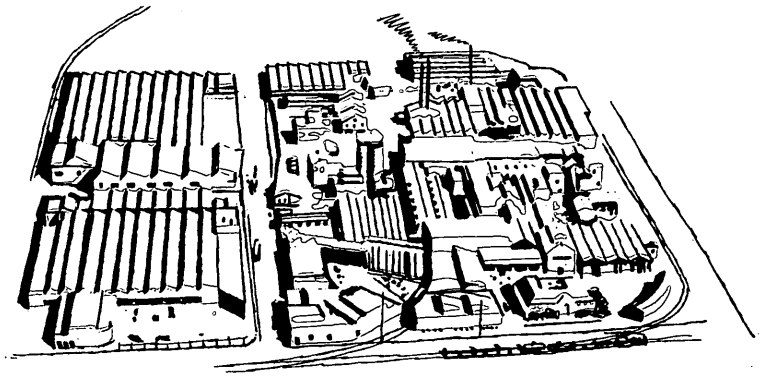
Asbestos Mine, Thetford Mines, P. Q., Canada
Produces asbestos for Flintkote products



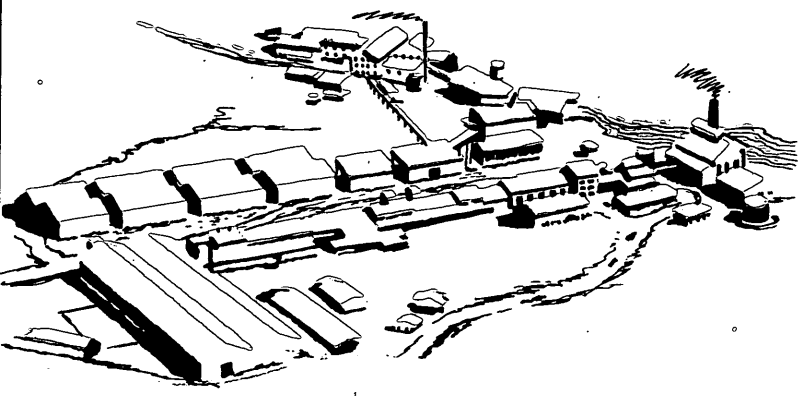
Roofing, Siding and Industrial Products Plant, Chicago Heights, Ill.
Serving the Midwestern United States



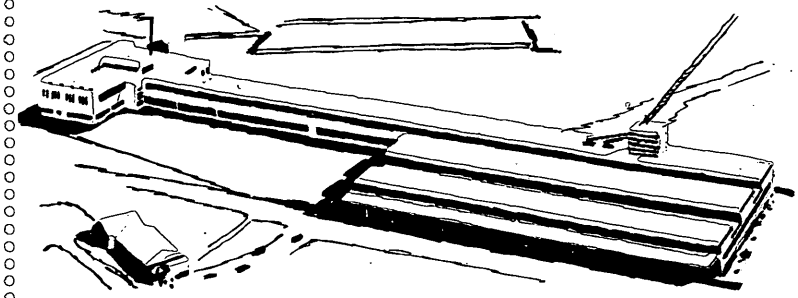
Roofing, Siding and Industrial Products Plant, New Orleans, La.
Serving the Southern United States



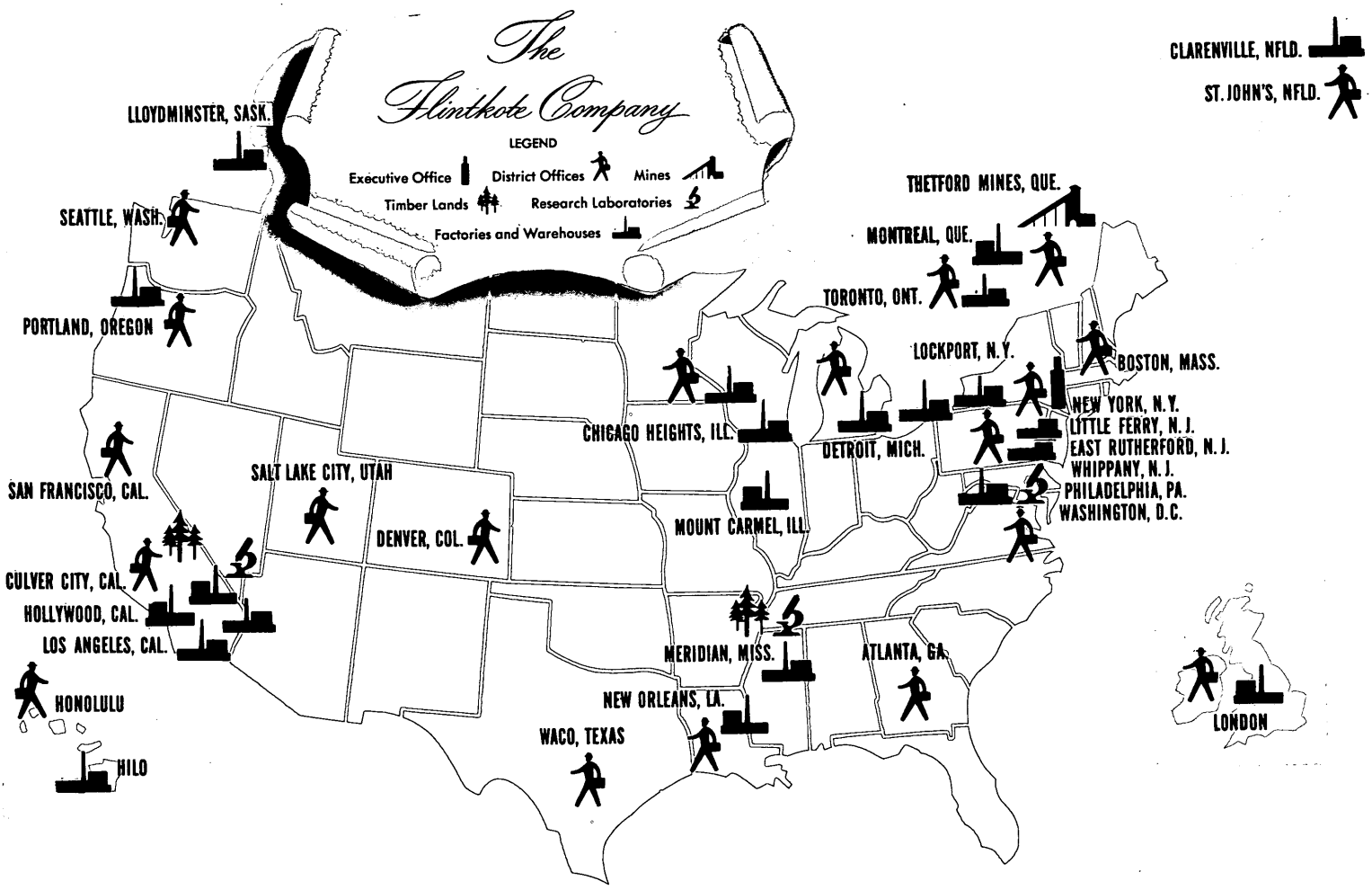
Roofing, Siding and Paperboard Plant, Los Angeles, California
Serving the Western United States



Insulation Board Plant, Hilo, Hawaii
Serving the Western United States



Insulation Board Plant, Meridian, Miss.
Serving the United States East of Rocky Mts.



FOREWORD

THE MANY excellent Flintkote products for home and industry produced by your Company are made in modern, up-to-date plants. The plants are well located in the United States, Canada, England and Hawaii with respect to raw materials and marketing areas.

The wide diversification of Flintkote products for all types of construction, modernization, maintenance and repair for both residential and commercial building and for industry, marine, roads and packaging, gives your Company a varied market. Recent Credit Regulations on building affect new construction only and do not restrict, but encourage, the maintenance, modernization and repair of existing units. The business generated by this very important type of building effort plays a major part in your Company's sales.

Your Company urges you, as a stockholder, to use and suggest the use of Flintkote products. These quality products for home and industry are sold by thousands of distributors throughout the United States, Canada and many other countries.

← SOME OF THE MANY FLINTKOTE INSTALLATIONS

REPORT OF THE PRESIDENT

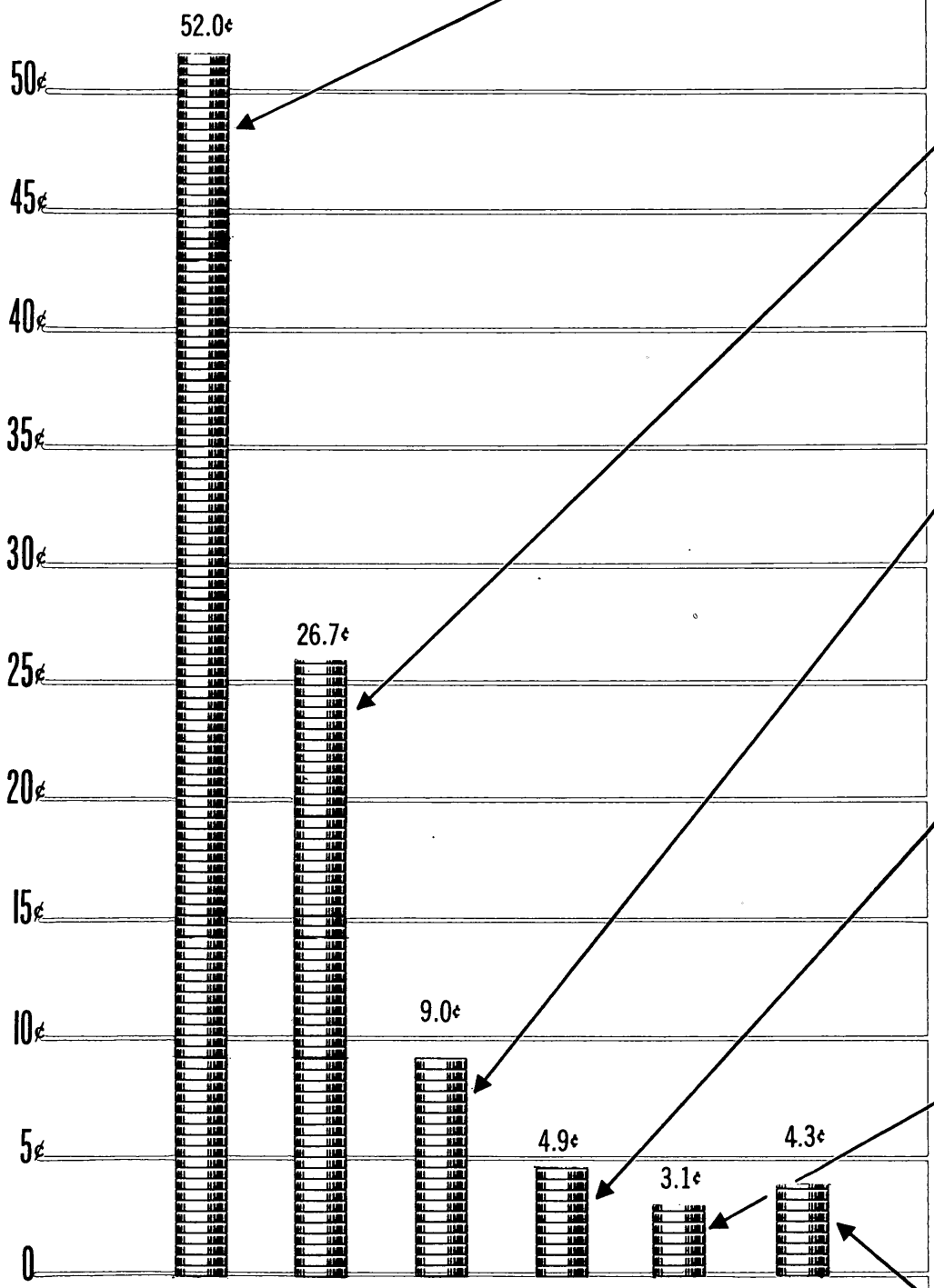
To the Stockholders of The Flintkote Company:

There is submitted herewith a report on the operations of your Company and its subsidiaries for the fiscal year ended December 31, 1950, together with a comparative Consolidated Balance Sheet, statements of Consolidated Income and Surplus and notes relating thereto. Summarized below are some important aspects of the 1950 operations compared with those of the preceding year:

	1950	1949
Net sales	$83,879,811.56	$67,815,156.55
Federal, state and foreign taxes	$ 7,082,612.26	$ 3,590,469.07
Net income:		
Total	$ 7,703,254.80	$ 5,825,579.16
Per common share—after providing for dividends on preferred stock	$5.83	$4.33
Shares of common stock outstanding December 31	1,260,435	1,260,435
Cash dividends paid during the year on:		
Preferred Stock ($4.00 per share)	$ 350,200.00	$ 367,870.00
Common Stock (1950, $3.00 per share; 1949, $2.50 per share)	$ 3,781,305.00	$ 3,144,837.50

In spite of a weak demand for building products in the first quarter of 1950, business was stimulated by an aggressive sales campaign. As a result manufacturing economies were obtained and our customers were placed in an excellent position to supply their trade when later the demand turned sharply upward. For the balance of the year shipments of most products were limited only by our ability to manufacture.

DISPOSITION OF FLINTKOTE'S 1950 SALES DOLLAR



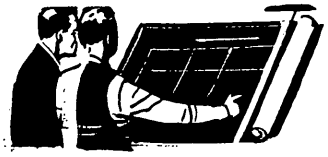
Raw materials, supplies and certain manufacturing, selling, administrative and general expenses net of miscellaneous income.

Wages, salaries, and employee benefits including social security taxes, paid vacations and holidays, pensions, life insurance, medical, hospital and surgical benefits and disability compensation.

Numerous taxes of various types (excluding social security taxes) levied by many local, state, federal and foreign governmental agencies.

Dividends paid to stockholders for the use of money invested in buildings, equipment and working capital required in the business.

Charges to operating costs because of the continual wear, use and obsolescence of plant, property and equipment.



Earnings retained and needed for use in the business.

The peak in starts of new residential construction was recorded by the Bureau of Labor Statistics for 1949 as 1,025,100 new dwelling units. During the first ten months of 1950, a total of 1,209,100 new dwelling units were placed under construction, and it is estimated that the total for the year was 1,400,000.

It is too early to determine to what extent residential construction during 1951 will be limited by the preparedness program. With the building necessary to provide housing accommodations for workers in the new defense plants plus some 400,000 residential units which, according to responsible Government authorities, were in the commitment stages on October 12, 1950, there is a probability that residential building requiring asphalt shingles, asbestos sidings, insulation products and other of the Company's building materials will result in a high level of activity.

The difficulty of forecasting in the construction industry is recognized. However, Building Supply News, a prominent trade publication, indicates that the repair and maintenance market may reach an all-time high of 10 billion dollars in 1951. That particular segment of construction activity furnishes the largest outlet for Flintkote Building Materials.

Flintkote products for industry continued to be used widely. Increased volume on paper sizes and sealers for construction joints supplemented the satisfactory sales coverage of the automotive and railroad industries using a wide variety of liquid and felt products. Standard protective and waterproofing materials were specified and used generally throughout the country.

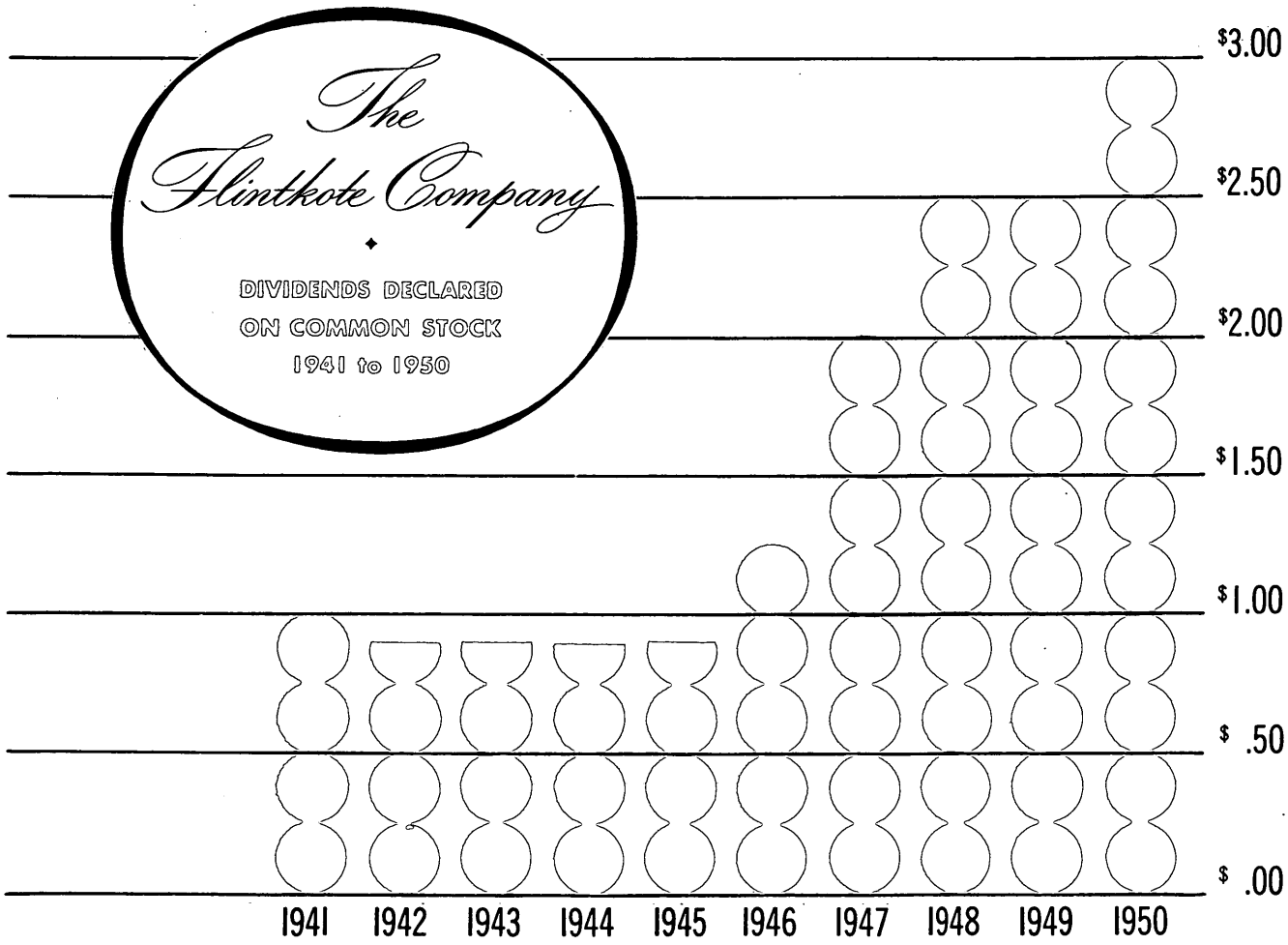
Progress was made in the reduction of costs and improvement in the production of floor and wall coverings. A new grease resistant, highly color styled floor tile, Vitachrome, was added to the Tile-Tex line.

The west coast paperboard, box and container business operated at capacity during most of the year. The first four-color rotary press for the printing of folding cartons on the west coast was installed at the Los Angeles plant.

The operation of Flintkote Mines Limited asbestos property at Thetford Mines, P.Q., Canada, was of increased importance to the Company in view of the expanded use of that fibre. Both sales and profits were larger.

The Flintkote Company of Canada Limited increased its profits although dollar sales volume remained about the same.

Sales of the wholly owned foreign subsidiary, Industrial Asphalts Company, Limited, increased substantially as the result of an expansion of its



line of liquid and felt products produced in England and the servicing of foreign markets with credit in pounds sterling where dollar purchasing power was not available.

The Company continued its practice of making substantial expenditures for the maintenance and improvement of its plants. Construction of a new insulated sidings plant at East Rutherford, New Jersey, and a warehouse at Portland, Oregon, for the storage of insulation board products from Hawaii, was commenced during the year.

The Company's relations with its employees were generally harmonious and wage rates were maintained at competitive levels.

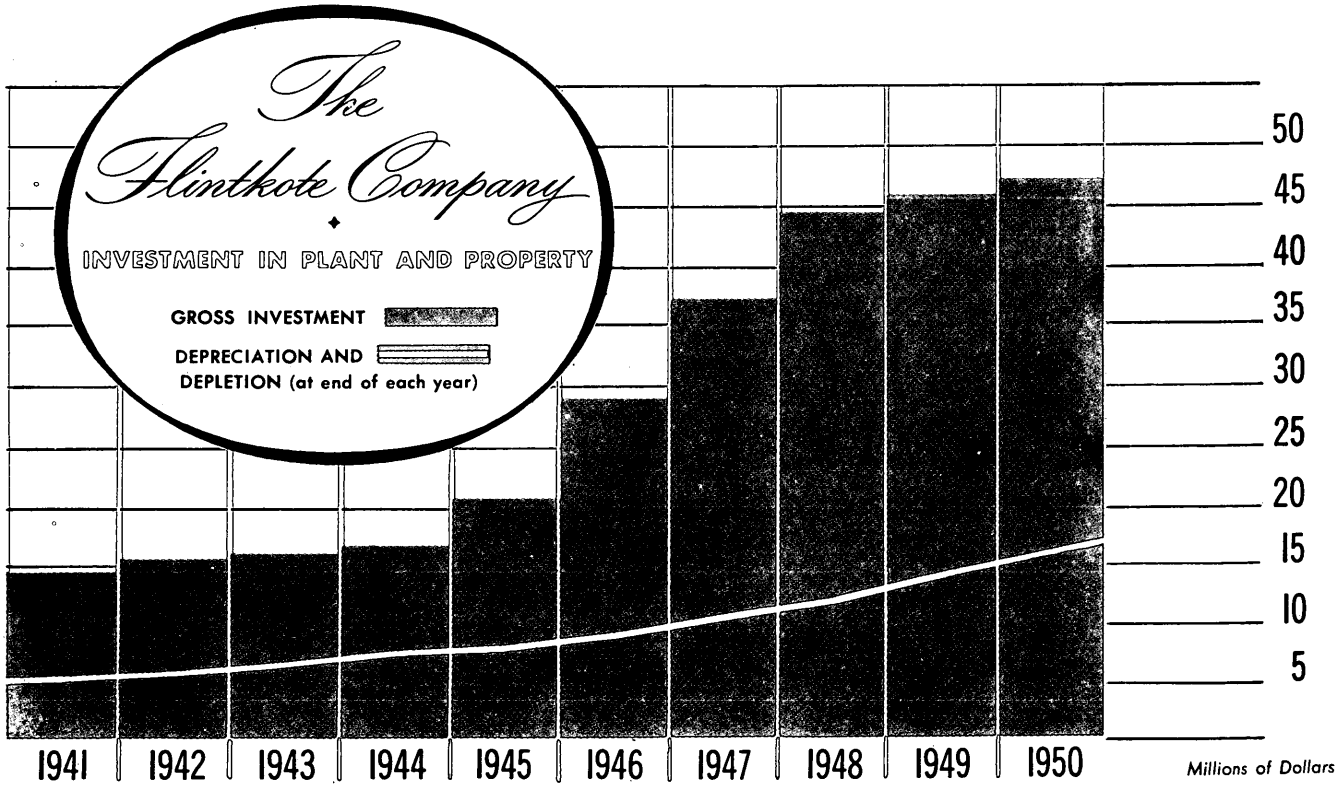
The Company's timber properties in Alabama and Mississippi continued to improve as a result of sound forestry practice and neighboring land owners were encouraged to take advantage of the Company's experience. A satisfactory supply of pulp wood adjacent to the Company's Meridian, Mississippi, plant permitted the development of these properties to their best economic advantage.

Mr. J. H. Setinsky was elected Vice President in Charge of Manufacturing of the Company.

The results of the year's operations reflect the efforts of the officers and employees of your Company, and I am confident that the experience which the Company gained during the late war should serve it well in meeting its share of the burdens imposed upon our country during these trying times.

New York, New York
February 14, 1951

J. J. Harvey Jr.
President



Auditor's Report

Lybrand, Ross Bros & Montgomery
CERTIFIED PUBLIC ACCOUNTANTS

NEW YORK, PHILADELPHIA, CHICAGO, BOSTON, BALTIMORE, WASHINGTON, PITTSBURGH, DETROIT, CLEVELAND, CINCINNATI, ROCKFORD, LOUISVILLE, ST. LOUIS, ATLANTA, DALLAS, HOUSTON, SAN FRANCISCO, LOS ANGELES, SEATTLE, LONDON, PARIS

To the Board of Directors and Stockholders,
The Flintkote Company,
New York, N. Y.

We have examined the consolidated balance sheets of THE FLINTKOTE COMPANY and its Subsidiaries Consolidated as of December 31, 1950 and 1949 and the related statements of income and earned surplus for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets and statements of income and earned surplus present fairly the consolidated financial position of The Flintkote Company and its subsidiaries consolidated at December 31, 1950 and 1949, and the results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Lybrand Ross Bros & Montgomery

New York, January 31, 1951.

Comparative Statement of

CONSOLIDATED EARNED SURPLUS

(FROM JANUARY 1, 1933)

FOR THE YEARS ENDED DECEMBER 31, 1950 AND 1949

	1950	1949	Increases Decreases*
Balance, January 1	$20,133,576.02	$17,802,746.13	$ 2,330,829.89
Add:			
Consolidated net income, as annexed	7,703,254.80	5,825,579.16	1,877,675.64
Excess of paid-in amount over cost of $4 cumulative preferred stock retired, 2,080 shares, 1950; 2,170 shares, 1949	13,634.32	17,958.23	4,323.91*
	$27,850,465.14	$23,646,283.52	$ 4,204,181.62
Deduct:			
Cash dividends paid on:			
$4 cumulative preferred stock ($4.00 per share)	$ 350,200.00	$ 367,870.00	$ 17,670.00*
Common stock ($3.00 per share, 1950; $2.50 per share, 1949)	3,781,305.00	3,144,837.50	636,467.50
	$ 4,131,505.00	$ 3,512,707.50	$ 618,797.50
Balance, December 31 (Notes 2 and 3)	$23,718,960.14	$20,133,576.02	$ 3,585,384.12

The accompanying notes are an integral part of the above comparative statement of consolidated earned surplus.

THE FLINTKOTE COMPANY AND

Comparative Consolid

at December 31

Assets

	1950	1949	Increases Decreases*
Cash in banks and on hand	$ 8,785,724.87	$ 8,482,177.60	$ 303,547.27
United States Government securities at amortized cost (market quotations, 1950, $12,725,317; 1949, $10,709,693)	12,736,012.59	10,706,980.00	2,029,032.59
Accounts and notes receivable:			
Customers, less allowance for doubtful items, 1950, $401,550; 1949, $418,869	8,141,925.75	5,013,528.04	3,128,397.71
Other	254,259.04	272,509.21	18,250.17*
	$29,917,922.25	$24,475,194.85	$ 5,442,727.40
Inventories, at the lower of average cost or market:			
Finished goods	$ 2,551,404.73	$ 2,542,762.52	$ 8,642.21
Raw materials, felt and operating supplies	5,485,560.45	3,790,091.19	1,695,469.26
	$ 8,036,965.18	$ 6,332,853.71	$ 1,704,111.47
Total current assets	$37,954,887.43	$30,808,048.56	$ 7,146,838.87
Plant and property, as written down at December 31, 1932 plus subsequent additions at cost:			
Land	$ 1,139,530.74	$ 1,138,521.15	$ 1,009.59
Buildings and land fixtures	$14,943,238.73	$14,725,158.41	$ 218,080.32
Machinery and equipment	29,599,869.37	28,219,923.58	1,379,945.79
Furniture and fixtures	811,523.33	775,174.12	36,349.21
Construction in progress	738,981.41	263,656.83	475,324.58
Mine and timberlands	605,845.43	612,875.09	7,029.66*
	46,699,458.27	44,596,788.03	2,102,670.24
Less, Allowance for depreciation and depletion	16,447,112.68	14,311,968.63	2,135,144.05
	$30,252,345.59	$30,284,819.40	$ 32,473.81*
Totals	$31,391,876.33	$31,423,340.55	$ 31,464.22*
Investments, at cost (including foreign subsidiary, not consolidated, 1950, $71,757; 1949, $19,630)	$ 91,762.92	$ 39,636.00	$ 52,126.92
Patents, royalty contracts, other rights and good will, as written down at December 31, 1932 plus cost of good will subsequently acquired	$ 956,867.84	$ 956,867.84	$ —
Prepaid and deferred expenses (including unamortized past service premium under Group Retirement Pension Plan; 1950, $380,731; 1949, $442,711)	$ 1,243,706.00	$ 973,529.22	$ 270,176.78
	$71,639,100.52	$64,201,422.17	$ 7,437,678.35

The accompanying notes are an integral part of

Financial Data

COMPARATIVE CONDENSED CONSOLIDATED BALANCE

Assets

	1950	1949	1948
Cash	$ 8,785,725	$ 8,482,178	$ 6,234,781
United States Government securities	12,736,013	10,706,980	8,202,901
Dominion of Canada securities			
Excess profits tax refund bonds due January 1, 1946			
Accounts and notes receivable (less allowances)	8,396,184	5,286,037	6,105,610
Inventories:			
Finished goods	2,551,405	2,542,763	2,892,743
Raw materials and supplies	5,485,560	3,790,091	5,836,778
Total	$ 8,036,965	$ 6,332,854	$ 8,729,521
Total current assets	$37,954,887	$30,808,049	$29,272,813
Cash sinking fund for redemption of debentures			
Plant and property:			
Gross	$47,838,989	$45,735,309	$44,692,684
Allowance for depreciation and depletion	16,447,113	14,311,969	12,312,214
Net	$31,391,876	$31,423,340	$32,380,470
Investments at cost or less (including foreign subsidiary not consolidated)	91,763	39,636	39,637
Patents, royalty contracts, other rights and good will	956,868	956,868	956,868
Post-war refund of excess profits tax			
Prepaid and deferred expenses	1,243,706	973,529	1,202,580
Total	$71,639,100	$64,201,422	$63,852,368

Liabilities

Accounts payable, accruals, etc.	$ 4,617,776	$ 2,941,467	$ 3,196,356
Dividends payable			
Notes payable within one year	150,000	150,000	
Accrued federal, state and other taxes	7,367,972	4,136,638	5,759,143
Reserves for self-insurance, product guarantees and contingencies	406,146	385,274	339,727
Total current liabilities	$12,541,894	$ 7,613,379	$ 9,295,226
Notes payable after one year	$ 5,400,000	$ 5,850,000	$ 6,000,000
Fifteen year 3% debentures			

*After deducting U.S. Treasury Tax Notes

Capital

Capital stock:			
Cumulative preferred	$ 9,651,688	$ 9,871,668	$10,104,120
Common	20,939,145	20,939,145	20,864,770
	30,590,833	30,810,813	30,968,890
Surplus from January 1, 1933:			
Capital surplus			
Earned surplus	23,718,960	20,133,576	17,802,746
	54,309,793	50,944,389	48,771,636
Less, Cost of cumulative preferred stock to be retired	612,587	206,346	214,494
	$53,697,206	$50,738,043	$48,557,142
Total	$71,639,100	$64,201,422	$63,852,368

COMPARATIVE CONDENSED STATEMENT OF CONSOLIDATED INCOME

(Prepared in condensed form similar to that required by the

	1950	1949	1948
Net sales	$83,879,811	$67,815,156	$81,297,857
Cost of sales	59,495,103	49,235,578	59,250,889
Gross profit	24,384,708	18,579,578	22,046,968
Royalties received, less participation by others	322,653	285,193	445,953
	24,707,361	18,864,771	22,492,921
Selling, licensing, administrative and general expenses	9,234,641	8,506,914	9,184,585
	15,472,720	10,357,857	13,308,336
Other income	777,141	466,641	777,848
	16,249,861	10,824,498	14,086,184
Income deductions	1,795,283	1,675,965	1,643,448
	14,454,578	9,148,533	12,442,736
Provision for income and excess profits taxes and contingencies	6,751,323	3,322,954	4,694,053
Net income	$ 7,703,255	$ 5,825,579	$ 7,748,683

) ITS SUBSIDIARIES CONSOLIDATED

lated Balance Sheet

1, 1950 and 1949

Liabilities

	1950	1949	Increases Decreases*
Accounts payable, trade and miscellaneous	$ 3,728,192.05	$ 2,191,674.18	$ 1,536,517.87
Promissory note, 3%, prepayment due March 15, 1951 (Note 2)	150,000.00	150,000.00	–
Accrued pay rolls, container deposits, royalties, etc.	889,584.02	749,792.57	139,791.45
Accrued federal, state and other taxes	7,367,972.46	4,136,638.43	3,231,334.03
Reserves for self-insurance and product guarantees	406,145.74	385,274.09	20,871.65
Total current liabilities	$12,541,894.27	$ 7,613,379.27	$ 4,928,515.00
Promissory note, 3%, due March 15, 1968 (Note 2)	$ 5,400,000.00	$ 5,850,000.00	$ 450,000.00*

Capital

Capital stock:			
$4 cumulative preferred stock without par value; entitled upon involuntary liquidation to $100 per share, and upon voluntary liquidation or redemption (except through sinking fund) to $110 per share on or before March 15, 1951 and thereafter at diminishing amounts (not less than $107 per share) plus in each case an amount equal to accrued dividends (Note 3):			
Authorized and issued, 91,000 shares, 1950; 93,080 shares, 1949	$ 9,651,687.50	$ 9,871,667.50	$ 219,980.00*
Common stock without par value: Authorized 2,500,000 shares; issued and outstanding, 1,260,435 shares, 1950 and 1949	20,939,145.06	20,939,145.06	–
	30,590,832.56	30,810,812.56	219,980.00*
Earned surplus from January 1, 1933, statement annexed (Notes 2 and 3)	23,718,960.14	20,133,576.02	3,585,384.12
	54,309,792.70	50,944,388.58	3,365,404.12
Less, Cost of $4 cumulative preferred stock purchased for retirement, 5,800 shares, 1950; 2,080 shares, 1949 (Note 3)	612,586.45	206,345.68	406,240.77
	$53,697,206.25	$50,738,042.90	$ 2,959,163.35
	$71,639,100.52	$64,201,422.17	$ 7,437,678.35

the above comparative consolidated balance sheet.

Comparative Statement of

CONSOLIDATED INCOME

FOR THE YEARS ENDED DECEMBER 31, 1950 AND 1949

	1950	1949	Increases Decreases*
Net sales	$83,879,811.56	$67,815,156.55	$16,064,655.01
Cost of goods sold	59,495,103.28	49,235,578.23	10,259,525.05
Gross profit on sales	24,384,708.28	18,579,578.32	5,805,129.96
Selling, administrative and general expenses	8,771,384.72	8,083,894.60	687,490.12
	15,613,323.56	10,495,683.72	5,117,639.84
Royalty revenue, net	190,686.35	129,688.14	60,998.21
Other income:			
Cash discount on purchases	220,365.77	166,418.28	53,947.49
Commissions	192,477.20	94,099.39	98,377.81
Interest and dividends	166,485.60	144,953.12	21,532.48
Gain arising from increase in Canadian exchange rate	60,326.96		60,326.96
Miscellaneous	137,485.01	61,170.67	76,314.34
	$16,581,150.45	$11,092,013.32	$ 5,489,137.13
Other charges:			
Cash discount on sales	$ 1,415,209.38	$ 1,115,733.49	$ 299,475.89
Interest on 3% promissory note	169,312.50	180,000.00	10,687.50*
Loss arising from decrease in Canadian exchange rate		145,763.06	145,763.06*
Past service premium under Group Retirement Pension Plan	61,980.16	59,247.85	2,732.31
Miscellaneous	148,781.35	175,220.69	26,439.34*
	$ 1,795,283.39	$ 1,675,965.09	$ 119,318.30
Income before federal, state and foreign taxes	$14,785,867.06	$ 9,416,048.23	$ 5,369,818.83
Federal, state and foreign taxes:			
Federal income tax (less adjustment in 1949 of prior years' accrual, $300,000)	$ 5,950,000.00	$ 3,250,000.00	$ 2,700,000.00
Federal excess profits tax	550,000.00		550,000.00
State and foreign taxes	582,612.26	340,469.07	242,143.19
	$ 7,082,612.26	$ 3,590,469.07	$ 3,492,143.19
Net income for the year	$ 7,703,254.80	$ 5,825,579.16	$ 1,877,675.64
Provision for depreciation and depletion included above	$ 2,596,319.17	$ 2,495,590.02	$ 100,729.15

The accompanying notes are an integral part of the above comparative statement of consolidated income.

Notes to Financial Statements

1. Net assets of the Canadian subsidiaries, translated at appropriate rates of exchange, amounted to approximately 7 per cent of the consolidated net assets at both December 31, 1950 and 1949, and the related net earnings represented approximately 7 per cent and 4 per cent of the consolidated net earnings for the years ended on those dates.

2. The agreement dated March 22, 1948 for the issue of a 3% promissory note due March 15, 1968 provides that the company shall prepay, without premium, the principal amount of $150,000 in each of the years 1951 and 1952 and $300,000 in each of the years 1953 through 1967. On March 15, 1951 and annually thereafter, the company may prepay, without premium, not to exceed $300,000 principal amount, and may at any time prepay the note in whole or in part at premiums ranging from 3% to ⅛% of the principal amount so prepaid.

The agreement also imposes certain restrictions on the purchase, redemption or retirement of any shares of the capital stock of the company oustanding on March 22, 1948, and on the declaration or payment of dividends or any other distribution other than in stock of the company upon any shares of its capital stock. At December 31, 1950, $13,403,454.22 of the consolidated earned surplus was free of such restrictions.

3. The terms of issue of the $4 cumulative preferred stock include certain restrictions on declaration or payment of dividends on the common stock other than dividends payable in stock of the company ranking junior to the $4 cumulative preferred stock. At December 31, 1950, the consolidated earned surplus was free of such restrictions.

Such terms of issue also provide that the company shall, on or before December 31 of each year, either purchase for retirement or redeem 2,000 shares of such preferred stock, or set aside as a sinking fund an amount sufficient to redeem, at $107 per share plus an amount equal to dividends accrued, any of such shares not previously purchased or redeemed. The required number of shares had been purchased at December 31, 1950.

AND ITS SUBSIDIARIES CONSOLIDATED

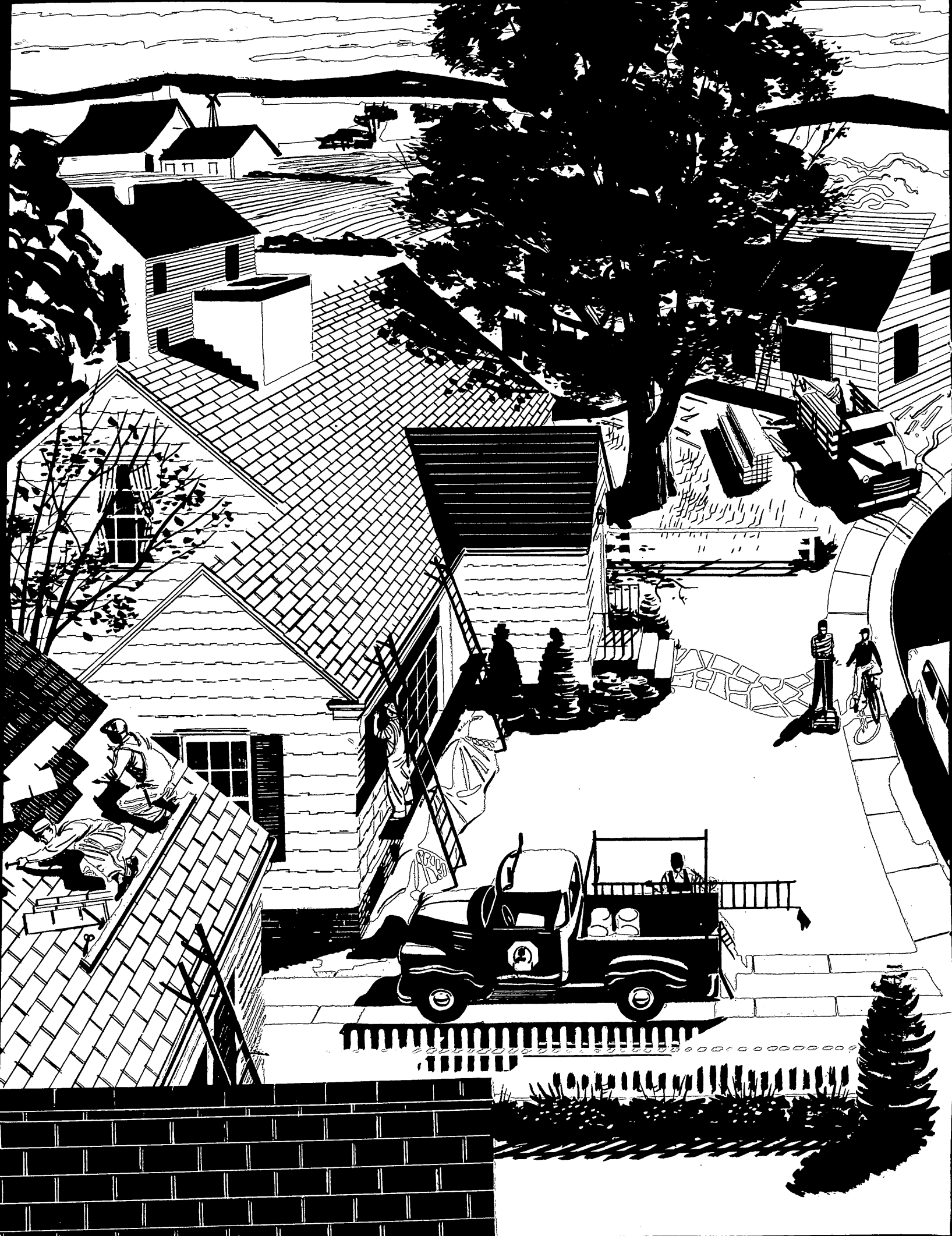
SHEET AT DECEMBER 31, 1941 THROUGH 1950

1947	1946	1945	1944	1943	1942	1941
$ 5,978,735	$ 6,490,200	$ 3,183,058	$ 3,232,301	$ 3,286,635	$ 2,026,492	$ 1,826,366
5,198,759	5,637,549	7,791,222	9,866,346	4,863,895	2,612,205	
	50,000	90,500	90,090	45,045		
		212,152	208,439			
6,635,218	5,365,191	2,580,715	3,278,649	3,203,789	4,562,725	3,070,641
1,714,650	1,281,055	1,333,373	888,380	846,660	1,095,468	1,107,919
5,269,904	4,631,101	3,207,257	2,878,383	2,267,596	2,325,610	2,366,275
$ 6,984,554	$ 5,912,156	$ 4,540,630	$ 3,766,763	$ 3,114,256	$ 3,421,078	$ 3,474,194
$24,797,266	$23,455,096	$18,398,277	$20,442,588	$14,513,620	$12,622,500	$ 8,371,201
			$ 102,000			
$37,431,942	$29,248,600	$20,860,329	$16,823,261	$16,112,953	$15,794,255	$14,876,015
10,652,977	9,423,128	8,611,560	7,781,005	7,005,432	6,347,623	5,752,339
$26,778,965	$19,825,472	$12,248,769	$ 9,042,256	$ 9,107,521	$ 9,446,632	$ 9,123,676
39,638	40,914	40,909	40,909	46,855	46,855	47,236
956,868	956,868	746,837	1	1	1	1
				309,500	201,000	
551,690	523,216	386,717	432,613	184,463	176,292	180,651
$53,124,427	$44,801,566	$31,821,509	$30,060,367	$24,161,960	$22,493,280	$17,722,765
$ 4,559,104	$ 4,357,319	$ 3,182,720	$ 2,480,405	$ 2,153,757	$ 2,233,559	$ 1,506,184
591,961						
5,608,911	2,898,665*	1,377,590*	3,575,419*	1,829,630*	3,507,484*	204,783*
309,161	249,064	275,961	431,863	378,274	227,287	199,491
$11,069,137	$ 7,505,048	$ 4,836,271	$ 6,487,687	$ 4,361,661	$ 5,968,330	$ 1,910,458
			$ 3,000,000	$ 3,000,000		
$10,203,213	$10,606,250	$ 7,856,250	$ 3,589,657	$ 3,740,783	$ 3,900,000	$ 3,900,000
18,411,995	18,411,995	12,486,995	10,588,537	7,020,007	7,020,007	6,858,260
28,615,208	29,018,245	20,343,245	14,178,194	10,760,790	10,920,007	10,758,260
				73,921	68,859	68,859
13,540,778	8,491,986	6,641,993	6,518,870	6,128,340	5,690,239	4,985,188
42,155,986	37,510,231	26,985,238	20,697,064	16,963,051	16,679,105	15,812,307
100,696	213,713		124,384	162,752	154,155	
$42,055,290	$37,296,518	$26,985,238	$20,572,680	$16,800,299	$16,524,950	$15,812,307
$53,124,427	$44,801,566	$31,821,509	$30,060,367	$24,161,960	$22,493,280	$17,722,765

FOR THE YEARS ENDED DECEMBER 31, 1941 THROUGH 1950

Securities and Exchange Commission for registration statements.)

1947	1946	1945	1944	1943	1942	1941
$73,625,154	$52,577,403	$37,021,503	$37,280,966	$30,998,161	$31,906,952	$27,151,169
52,864,631	39,710,108	28,757,225	27,600,679	23,424,644	23,303,022	19,493,881
20,760,523	12,867,295	8,264,278	9,680,287	7,573,517	8,603,930	7,657,288
454,424	398,170	395,538	382,158	415,878	409,372	458,683
21,214,947	13,265,465	8,659,816	10,062,445	7,989,395	9,013,302	8,115,971
7,947,669	6,709,730	5,396,902	4,678,955	4,418,871	4,581,494	4,366,072
13,267,278	6,555,735	3,262,914	5,383,490	3,570,524	4,431,808	3,749,899
604,084	468,582	324,674	266,435	287,826	219,208	275,282
13,871,362	7,024,317	3,587,588	5,649,925	3,858,350	4,651,016	4,025,181
1,233,607	994,386	976,824	848,751	777,431	616,698	526,437
12,637,755	6,029,931	2,610,764	4,801,174	3,080,919	4,034,318	3,498,744
4,835,376	2,319,208	967,479	3,323,780	1,830,643	2,516,164	1,761,083
$ 7,802,379	$ 3,710,723	$ 1,643,285	$ 1,477,394	$ 1,250,276	$ 1,518,154	$ 1,737,661



YOUR COMPANY MAKES MANY THINGS

BUILDING MATERIALS

The wide line of Flintkote Building Materials finds many uses in all types of construction work. Your Company's products are used in the construction, maintenance, modernization and repair of residential as well as farm buildings and both commercial structures and industrial installations.

Asphalt Roofing & Siding Products

Flintkote Asphalt Shingles are the style leaders of the roofing industry, combining rugged construction and durable roof protection with a wide variety of beautiful color tones.

Tapered Strip Shingles; Thikbut Strip Shingles; Hexagon Strip Shingles; Individual Shingles; Embossed Strip Brick Sidings; Mineral Surfaced Roll Roofings; Smooth Surfaced Roll Roofings; Cold Process Built-Up Roofing Materials; Hot Built-Up Roofing Materials; Roof Coatings and Plastic Cements; Emulsified Asphalt Roof Coatings.

Insulation Products

Flintkote Decorative Insulation Boards do four important jobs; build, decorate, insulate and reduce noise. These versatile products are especially adaptable to the refinishing and modernization of basement, attic and other rooms, and for the redecoration of stores, churches, restaurants and other commercial structures. This board is available in a number of harmonizing color blends and decorative finishes.

Flintkote Structural Boards, such as sheathing, lath and building boards, are also an important item in the Flintkote line.

Flintkote Insulating Wool is made of Fiberglas*, a highly efficient, long-lasting insulation material that cannot burn or settle in place.

Decorative Plank; Decorative Tile; Leth-R-Grain Board. Sheathing Board; Building Board; Insulation Lath; Roof Insulation. Batts and Roll Blankets, Bantam Batts; Pouring Wool.

Asbestos-Cement Roofing & Siding Products

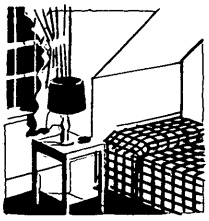
Flintkote Asbestos-Cement products, used in both new construction and in the remodeling of older homes, feature long-lasting protection from fire and weather plus an attractive finish in many different textures and color hues.

Asbestos-Cement Shingles; Asbestos-Cement Sidings; Textured and Smooth Surfaces with Tapertex, Waveline and Shake Designs.

Insulated Siding Products

Flintkote Insulated Sidings are available in a wide variety of colorful modern designs. This popular siding material not only gives beauty to the exterior of old houses, but provides added comfort and fuel savings, through insulation, in both winter and summer.

Brick Design; Stone Design; Shingle Design; Shake Design; Ashlar Stone Design; Tapertex Design.

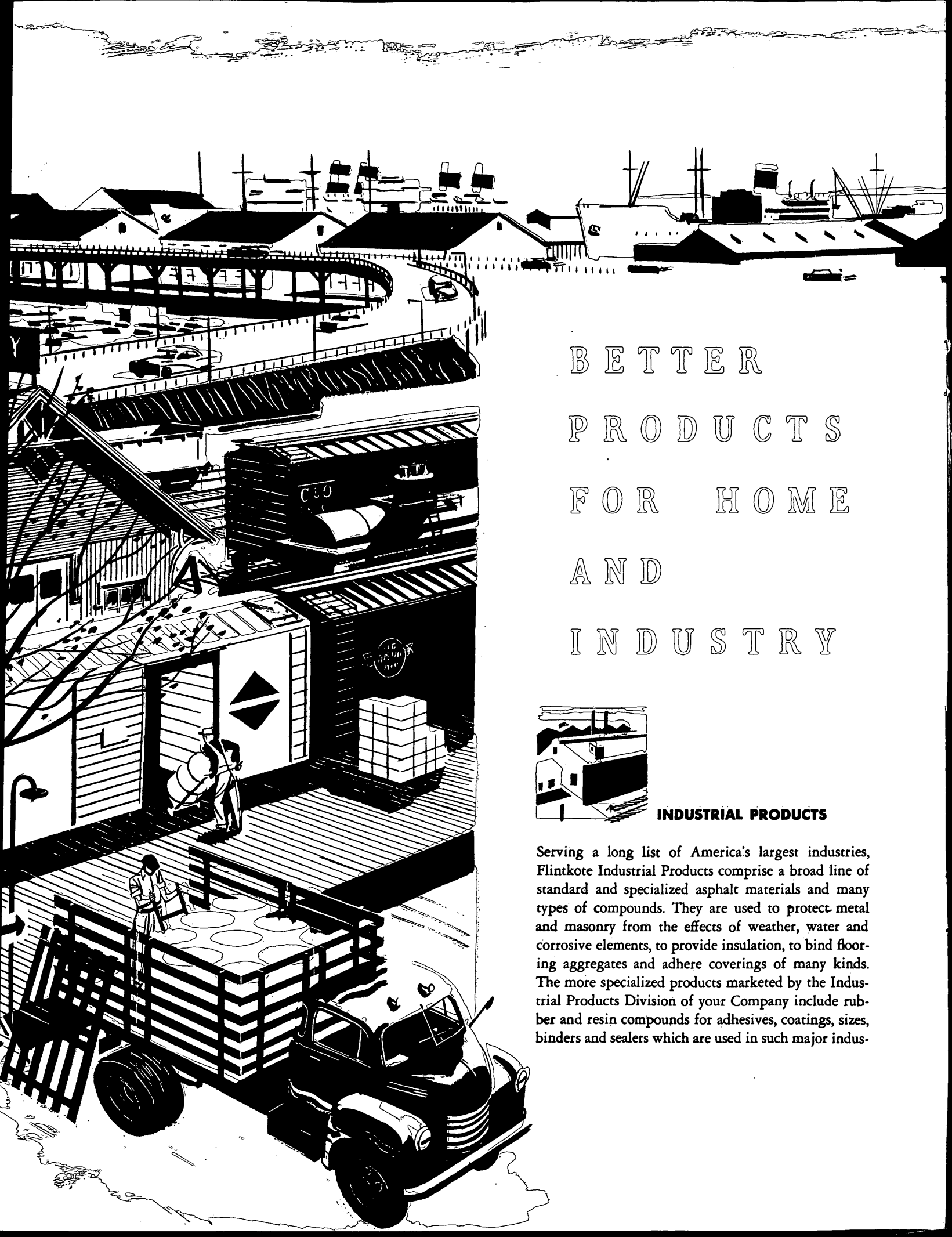


Wallboard Products

Flintkote Thriftex is a light, strong wallboard suitable for general utility use. Flintkote Hardboards are smooth and hard and can be easily painted and worked.

Thriftex Wallboard; Hardboard; Tempered Hardboard.

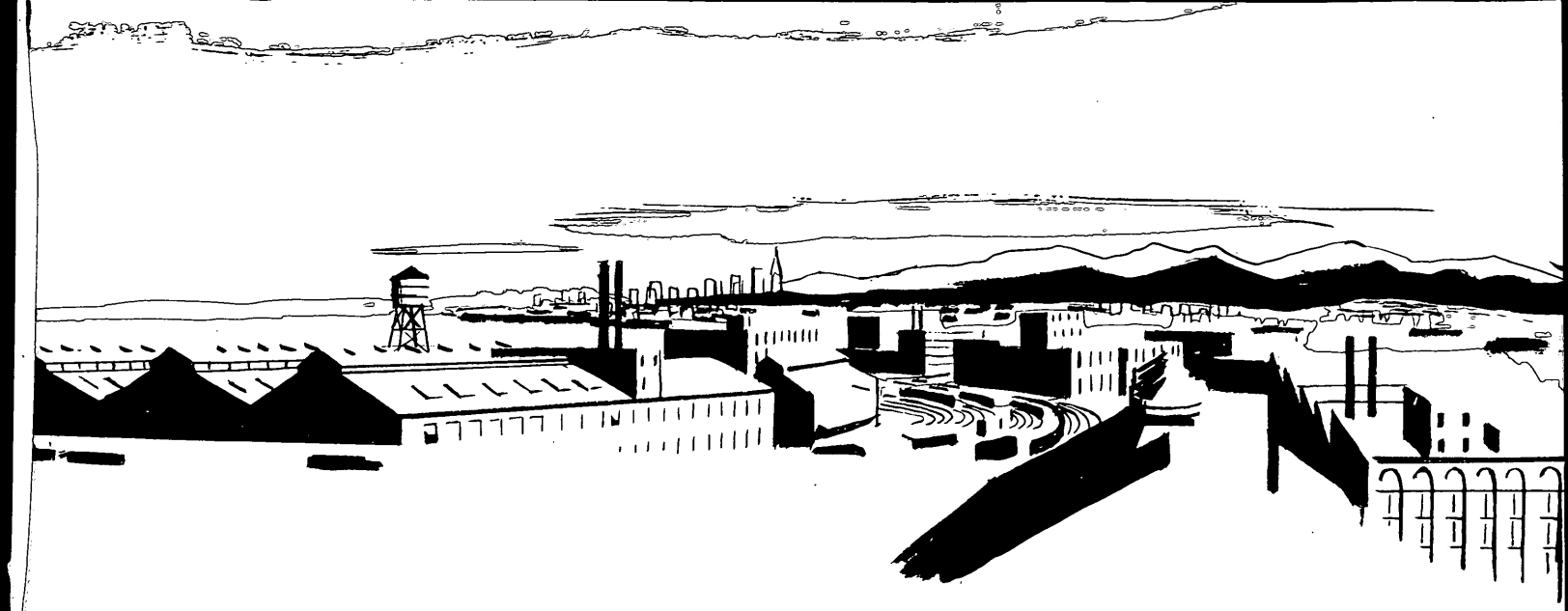
*T.M. Reg. U.S. Pat. Off.—Mfg. by Owens-Corning Fiberglas Corp.



BETTER PRODUCTS FOR HOME AND INDUSTRY

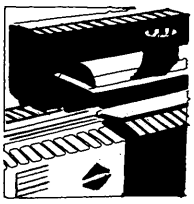
INDUSTRIAL PRODUCTS

Serving a long list of America's largest industries, Flintkote Industrial Products comprise a broad line of standard and specialized asphalt materials and many types of compounds. They are used to protect metal and masonry from the effects of weather, water and corrosive elements, to provide insulation, to bind flooring aggregates and adhere coverings of many kinds. The more specialized products marketed by the Industrial Products Division of your Company include rubber and resin compounds for adhesives, coatings, sizes, binders and sealers which are used in such major indus-



tries as automotive, paper, textile, shoe, rubber, paving and packaging.

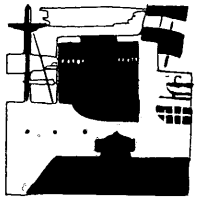
Asphalt Emulsions (Hydralt); Asphalt Cut-Backs; Asphalt Saturated Membrane; Caulking Compounds; Cove Base Cement (Atlas); Dispersions of Elastomers (Syntex); Export Packaging Specialties; Floor Tile Underlayment; Floor Tile Cements; Floor Lining Felt; Industrial Adhesives and Cements; Insulation Coating (Thermalkote); Linoleum Paste and Cement (Atlas); Mastic Floor Emulsions; Moisture Barrier Coatings; Non-slip Floor Coating (Flintdek); Paper Laminant (Flintbond); Paper Sizing (Flintsize); Primers and Coatings for Metal and Masonry; Rubber Mastic Underlayment (Permakote); Rubber-Asphalt Pavement Joint Sealer (Flintseal); Rubber Tile Cement; Rubberized Asphalt Adhesives; Rubber and Resin Compounded Cements and Latices; Spandrel Cloth; Wallboard Cements (Atlas); Wall Coating (Binderseal); Wall Tile Cements.



RAILWAY PRODUCTS

The Flintkote Railway Products produced by your Company find wide use on rolling stock as well as on rights of way, equipment and structures. Many of these products are manufactured to individual railroad specifications.

Asphalt Protective Coatings; Cold-laid Mastic Floorings; Building Materials; Car Cements; Insulation Coatings; Materials for Waterproofing and Dampproofing Systems.



MARINE PRODUCTS

Flintkote Marine Products fill specialized needs of naval and merchant shipping programs in shipbuilding, remodeling and craft preservation, including protection of shore installations.

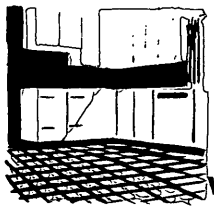
Decking Underlayment (Permaset); Non-Slip Deck Coating (Flintdek); Marine Adhesives; Marine Bituminous Enamel; Marine Insulation Coatings; Marine Bulkhead, Bilge and Tank Protective Coatings.

PAPERBOARD PRODUCTS

The Pacific coast plants of The Flintkote Company, in addition to building materials and industrial products, manufacture boxboard, container-board and containers, cartons and boxes for packaging and shipping various products.

Chipboard; Manila Board; Coated Boards; Folding Cartons; Set-up Boxes; Liner Board: Liner for gypsum wall board; Corrugating medium; Corrugated shipping containers.

Mulch papers, an agricultural product, used as soil covering to retard moisture, evaporation and weed growth, are also produced by this division of your Company.



WALL AND FLOOR COVERING

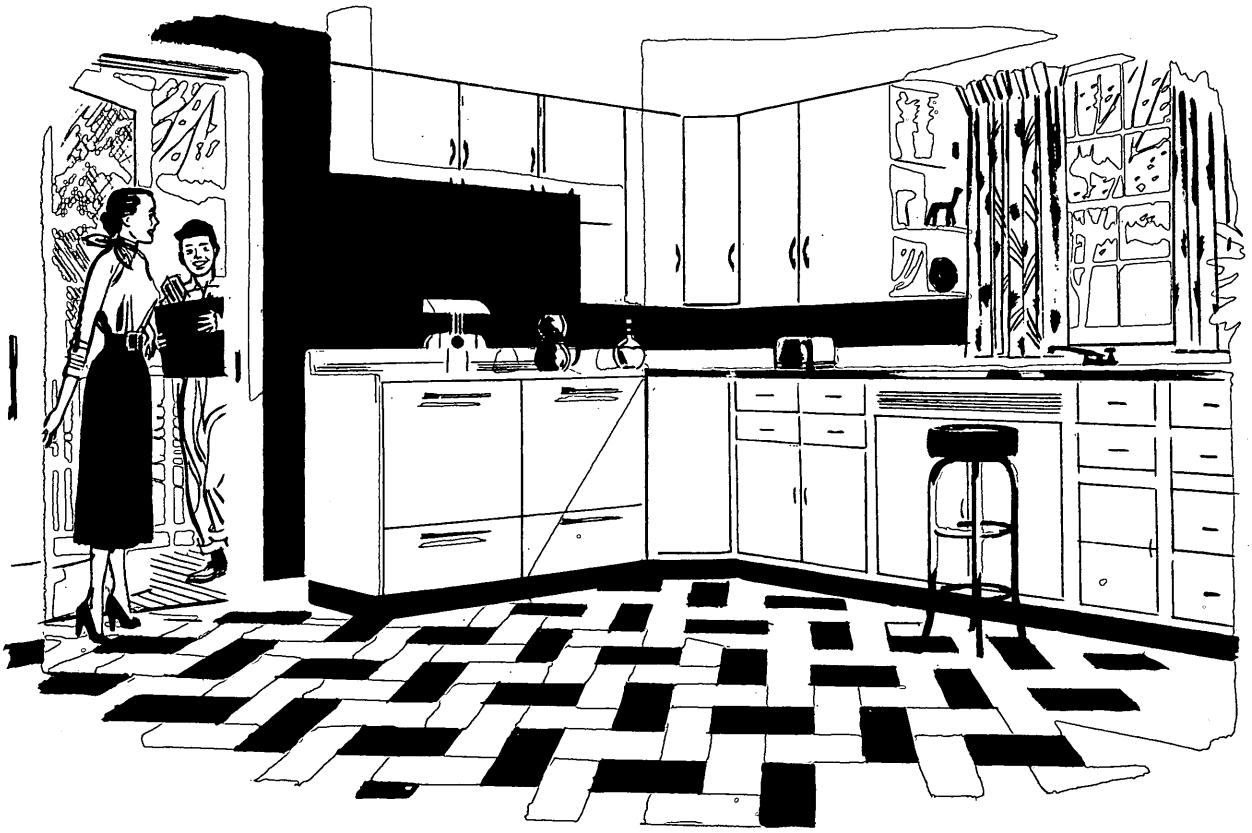
The Tile-Tex Division of your Company and The Flintkote Company of Canada, Ltd., a wholly owned subsidiary, manufacture and distribute a colorful, distinctively styled line of Asphalt and Plastic Floor and Wall Tile.

FLOORING TILE The Asphalt and Plastic Tile are low-cost, extremely-durable floorings available in wide varieties of sizes and colors. They are resilient, moisture-resistance products, some types of which are grease proof and grease resistant, making them adaptable to either residential, commercial or industrial installations.
Asphalt Floor Tile (Tile-Tex); Plastic Asbestos Floor Tile (Flexachrome and Vitachrome); Greaseproof Floor Tile (Tuff-Tex); Tile-Tex Trim, Bases and Accessory Strips; Tile-Tex Adhesives; Tile-Tex Cleaning and Polishing Materials.

WALL TILE The Wall Tile is a plastic asbestos product, made from asbestos fibers, special resins and durable, colorful pigments. This attractive tile is extremely desirable as a bathroom and kitchen wall surface material.
Plastic Asbestos Wall Tile (Mura-Tex); Mura-Tex Trim, Bases and Accessory Strips; Mura-Tex Wall Finish.

AUTOMOTIVE PRODUCTS

Flintkote Automotive Products, supplied to the manufacturers of America's most popular automobiles, serve to make vehicles safer, quieter and more comfortable by isolating and deadening noise, protecting against corrosion and sealing out dirt, air and mositure.
Anti-Squeak Compounds; Asphalt Adhesives; Body Protective Coatings; Crack Sealers; Mastic Products; Non-Inflammable Adhesives; Rubber Cements; Sound Deadening Felts; Spray-On Deadeners; Underbody Coatings.



INTENSIFYING THE DEMAND FOR FLINTKOTE PRODUCTS

Consumer Advertising

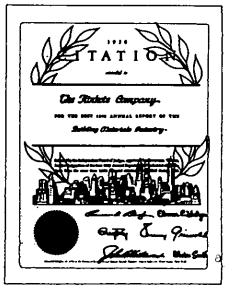
Your Company is telling millions of customers, such as yourself, about Flintkote Building Materials through the medium of national shelter and farm magazines. A series of advertisements from The Flintkote Company is also appearing in a large news magazine. This phase of your Company's advertising should greatly aid in the Flintkote sales effort for the coming year.

Trade Advertising

Selling Flintkote's varied products to technical and industrial buyers, through advertising, calls for a diversification of trade publications. Your Company, through a list of 30 leading trade journals, disseminates interesting and useful product news and information to those people in industry who are responsible for the ultimate purchasing of your Company's products.

Promotional Literature

Attractive informative literature is a highly essential tool in the distribution and sale of your Company's products. New folders and booklets are constantly being prepared and old pieces of literature brought up to date. Your Company has long been recognized as a leader in this vital type of sales promotion.



Awards

The Flintkote Company has been a consistent winner in the Financial World magazine's yearly competition for Annual Report awards. Your Company has won a "Best of Industry Oscar"— in four of the last five competitions held by this publication.

THE FLINTKOTE COMPANY

EXECUTIVE OFFICES

30 Rockefeller Plaza, New York 20, N.Y.

DISTRICT OFFICES

Atlanta • Boston • Chicago Heights • Denver • Detroit

East Rutherford • Lockport, New York • Los Angeles • Meridian • New Orleans

Portland, Oregon • Salt Lake City

San Francisco • Seattle • Waco

Washington, D. C. • Whippany

London

Montreal • St. John's • Toronto

Hilo • Honolulu

OPERATING SUBSIDIARIES

The Flintkote Company of Canada Limited

The Flintkote Company (Nfld.) Limited

Flintkote Mines Limited

Industrial Asphalts Company, Limited *(An English Company)*

The Patent and Licensing Corporation

FLINTKOTE

PROTECTION

BETTER PRODUCTS FOR HOME AND INDUSTRY

FORM MF-103 (April 1951)
THE FLINTKOTE COMPANY
NEVADA COUNTY, CALIFORNIA
EXHIBIT "A"

The Flintkote Company

ANNUAL REPORT 1950

FISCAL YEAR ENDED DEC. 31, 1950

THE FLINTKOTE COMPANY

DIRECTORS

Reginald W. Bird Spencer Borden Clifton W. Gregg John M. Hancock
I. J. Harvey, Jr. Frank H. Neher Stuart H. Ralph Perce C. Rowe
Edward J. Samson J. A. Thomas B. A. Tompkins

EXECUTIVE COMMITTEE

John M. Hancock, *Chairman* Reginald W. Bird I. J. Harvey, Jr.
Frank H. Neher Perce C. Rowe J. A. Thomas

FINANCE COMMITTEE

John M. Hancock, *Chairman* Clifton W. Gregg I. J. Harvey, Jr. J. A. Thomas B. A. Tompkins

OFFICERS OF CORPORATION

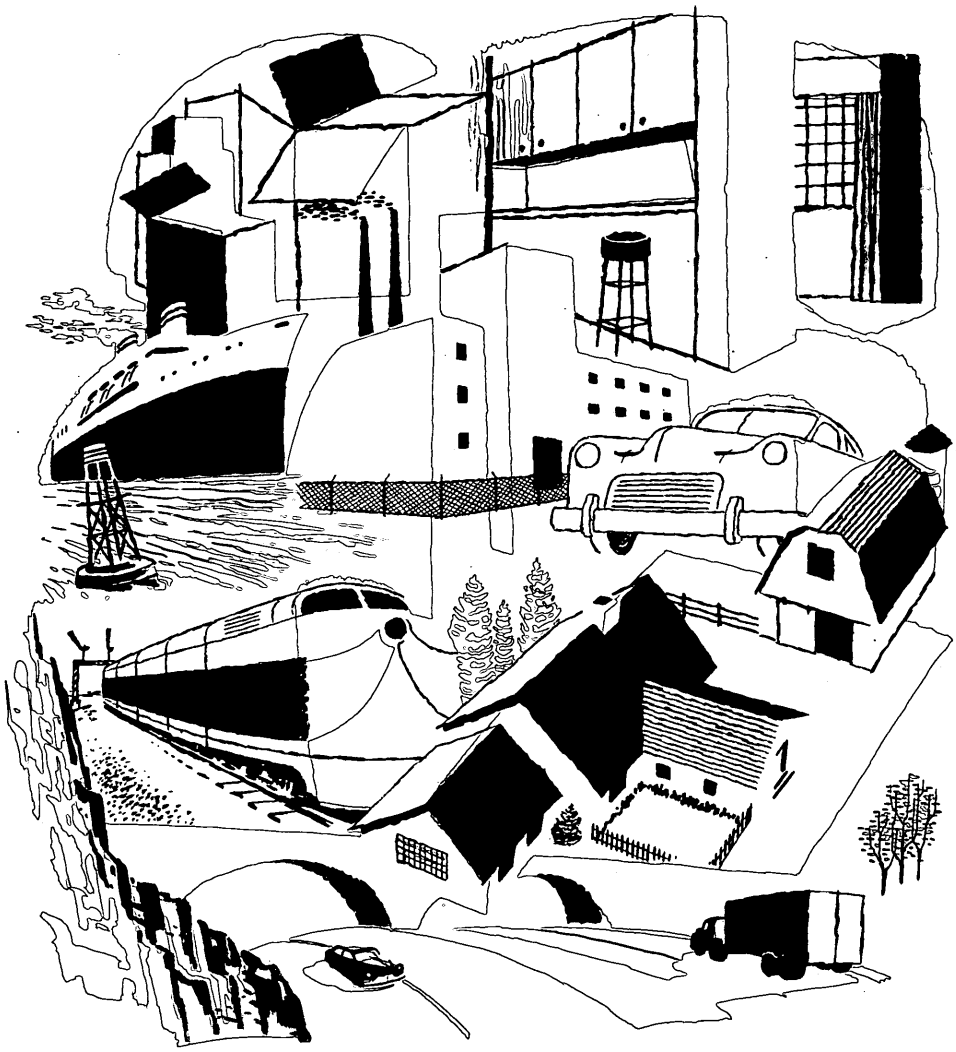
I. J. Harvey, Jr., *President* Perce C. Rowe, *Executive Vice-President*
Frank H. Neher, *Vice-President* Stuart H. Ralph, *Vice-President* George J. Pecaro, *Vice-President*
Warren L. McCabe, *Vice-President* J. H. Setinsky, *Vice-President*
Clifton W. Gregg, *Vice-President and Treasurer* George K. McKenzie, *Vice-President and Secretary*
Dennis J. McNamara, *Assistant Treasurer* James A. Main, *Assistant Secretary*
Philip F. Breen, *Assistant Treasurer* Allen O. Eaton, *Clerk*

TRANSFER AGENTS

Bankers Trust Company, 16 Wall Street, New York 15, N.Y. Old Colony Trust Company, 45 Milk Street, Boston 6, Mass.

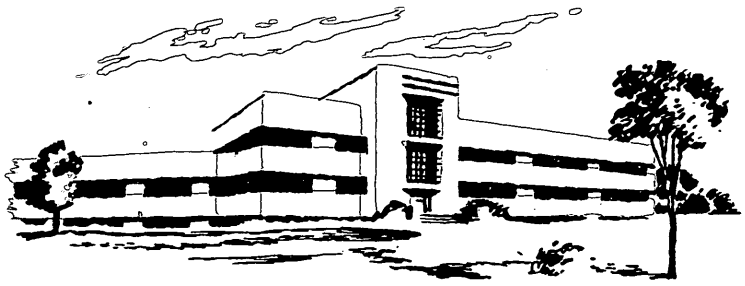
REGISTRARS

Central Hanover Bank and Trust Company The First National Bank of Boston

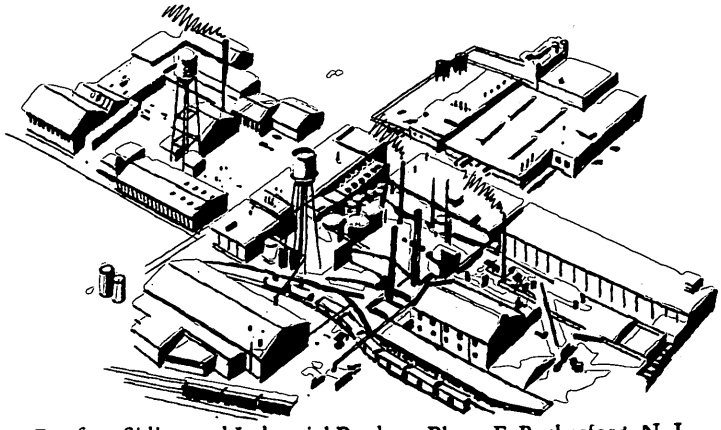


The Flintkote Company

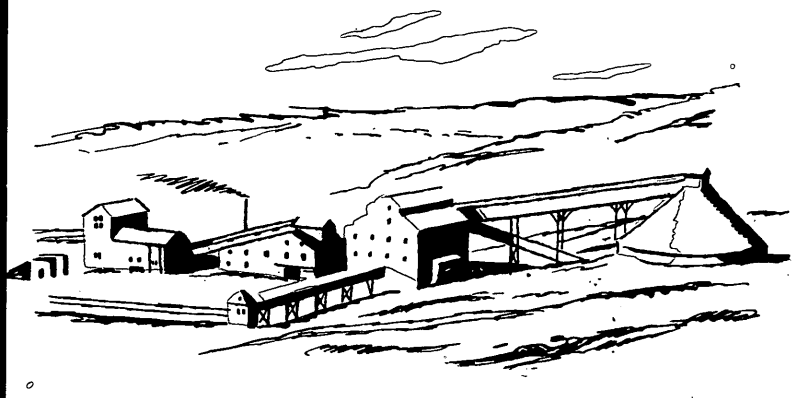
ANNUAL REPORT 1950



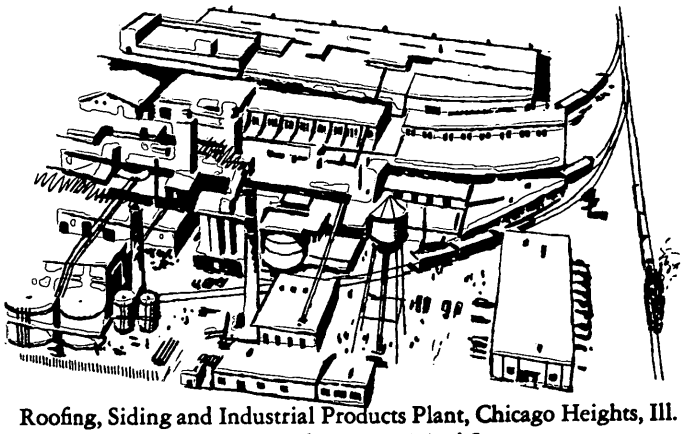
Research Laboratory, Whippany, New Jersey
Continuous product research and development



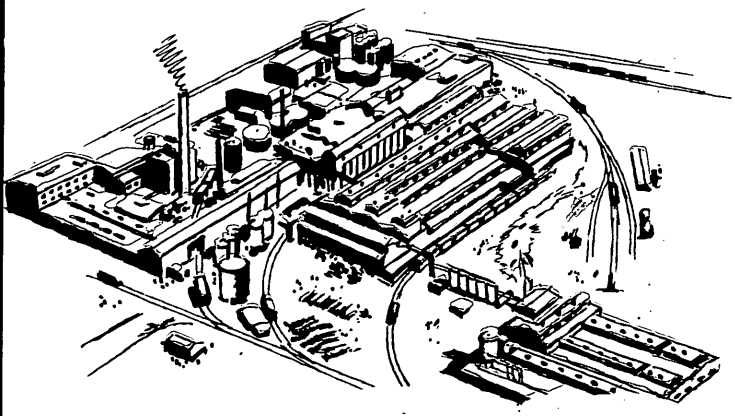
Roofing, Siding and Industrial Products Plant, E. Rutherford, N. J.
Serving the Eastern United States



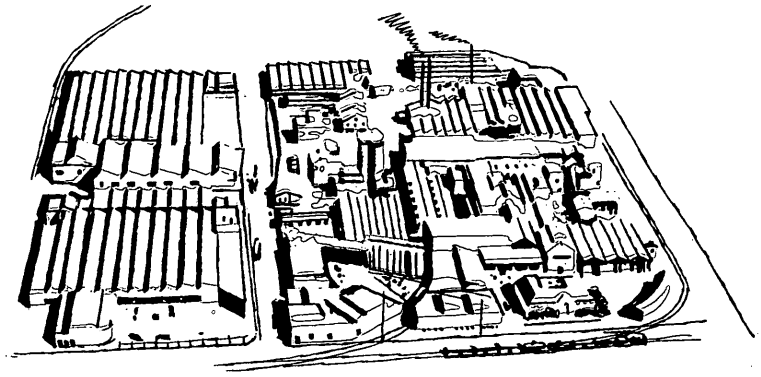
Asbestos Mine, Thetford Mines, P. Q., Canada
Produces asbestos for Flintkote products



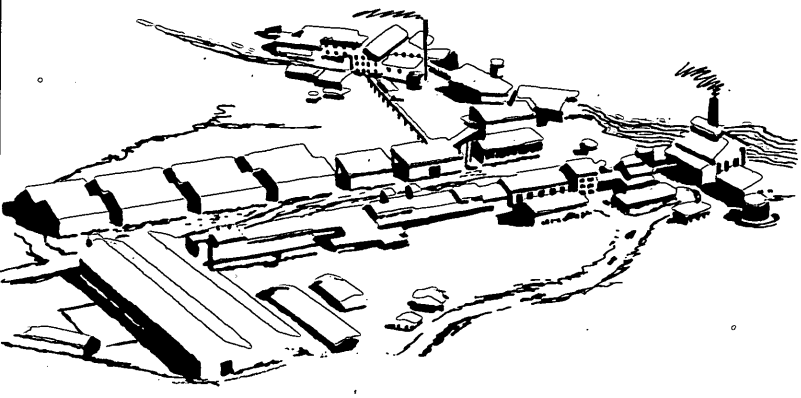
Roofing, Siding and Industrial Products Plant, Chicago Heights, Ill.
Serving the Midwestern United States



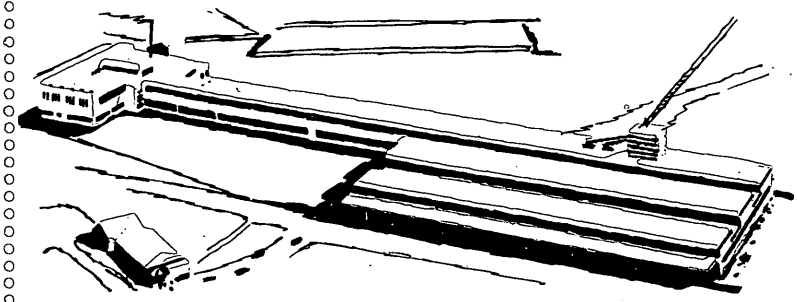
Roofing, Siding and Industrial Products Plant, New Orleans, La.
Serving the Southern United States



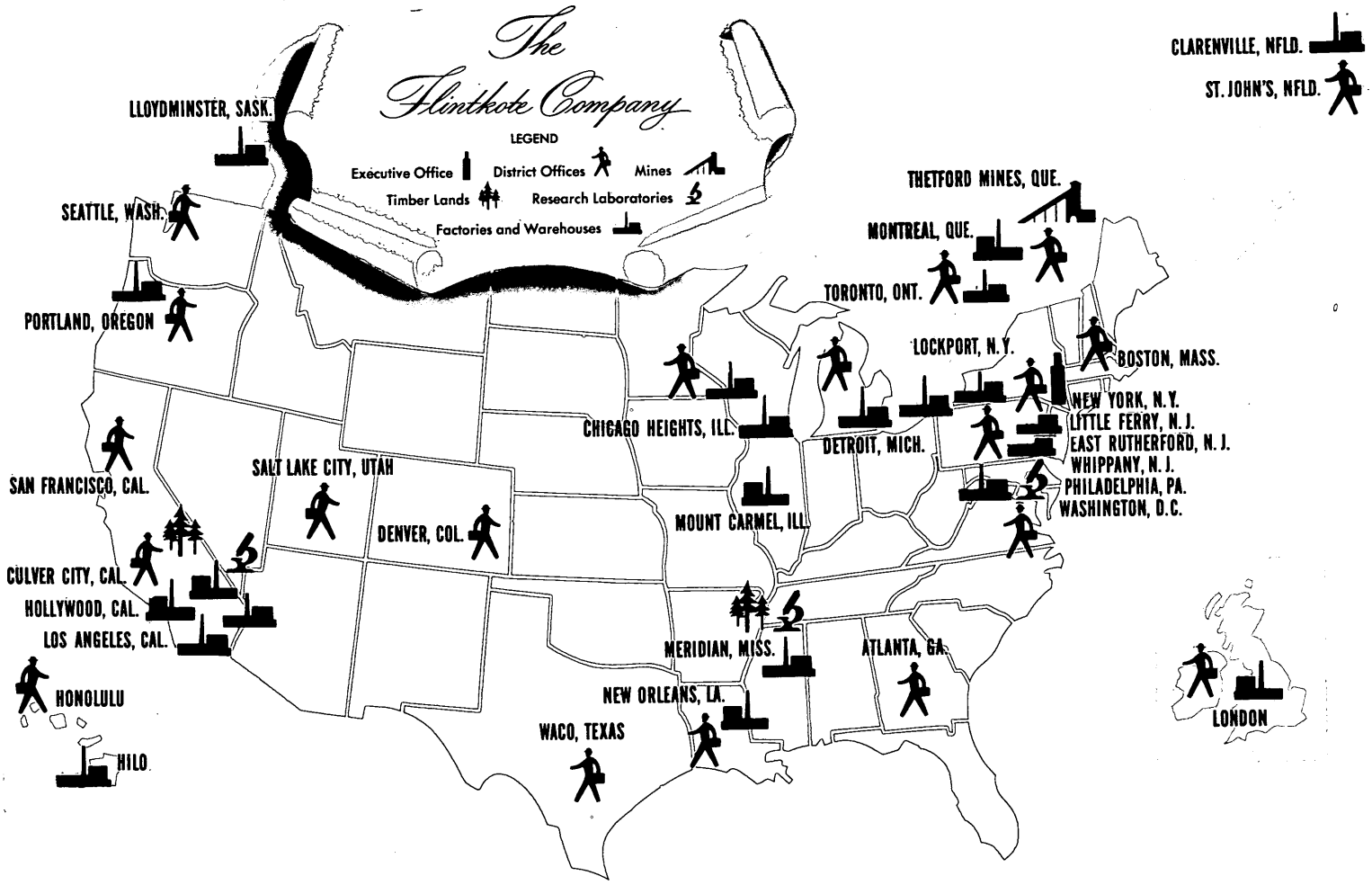
Roofing, Siding and Paperboard Plant, Los Angeles, California
Serving the Western United States



Insulation Board Plant, Hilo, Hawaii
Serving the Western United States



Insulation Board Plant, Meridian, Miss.
Serving the United States East of Rocky Mts.



FOREWORD

THE MANY excellent Flintkote products for home and industry produced by your Company are made in modern, up-to-date plants. The plants are well located in the United States, Canada, England and Hawaii with respect to raw materials and marketing areas.

The wide diversification of Flintkote products for all types of construction, modernization, maintenance and repair for both residential and commercial building and for industry, marine, roads and packaging, gives your Company a varied market.

Recent Credit Regulations on building affect new construction only and do not restrict, but encourage, the maintenance, modernization and repair of existing units. The business generated by this very important type of building effort plays a major part in your Company's sales.

Your Company urges you, as a stockholder, to use and suggest the use of Flintkote products. These quality products for home and industry are sold by thousands of distributors throughout the United States, Canada and many other countries.

← SOME OF THE MANY FLINTKOTE INSTALLATIONS

REPORT OF THE PRESIDENT

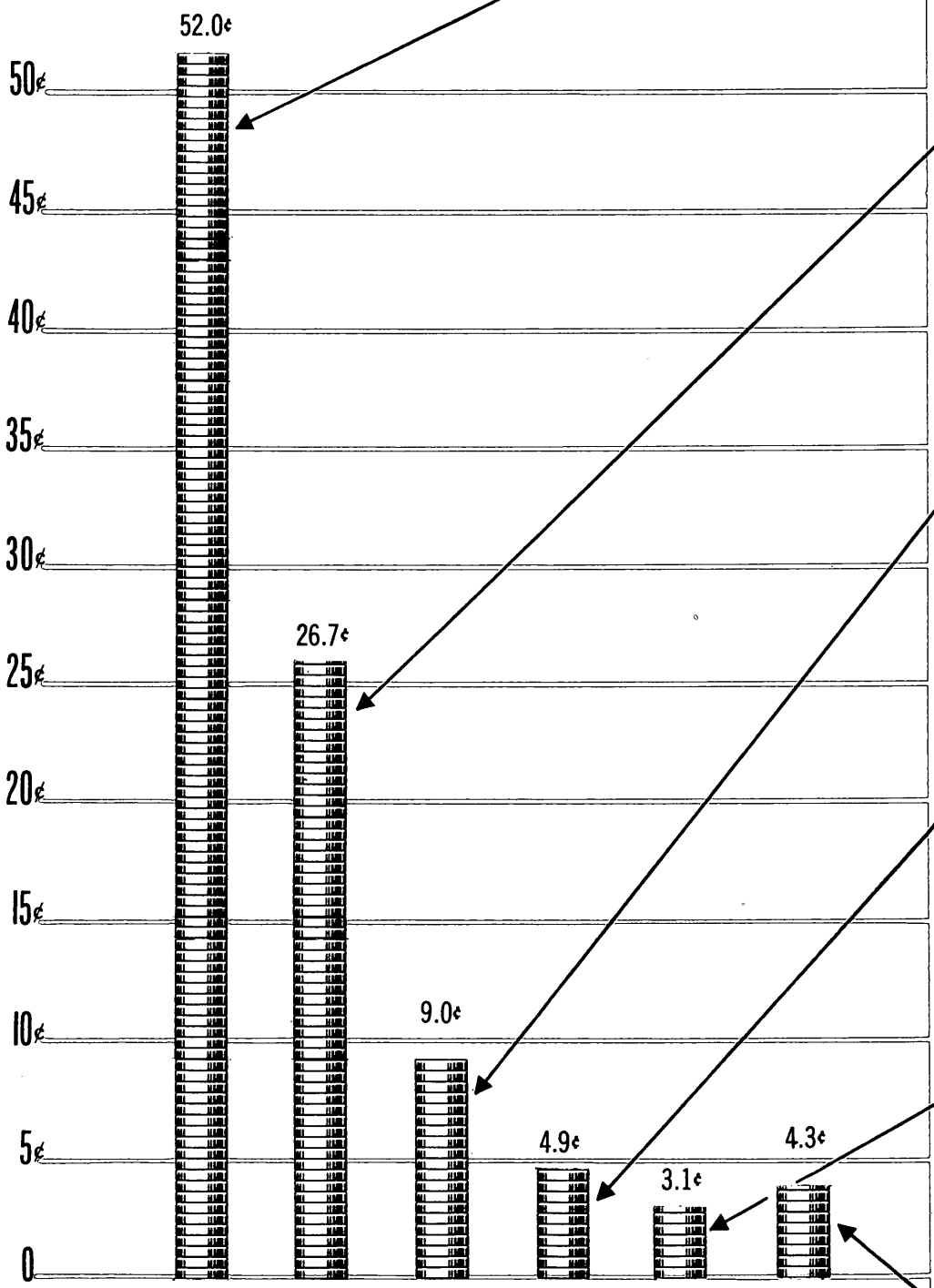
To the Stockholders of The Flintkote Company:

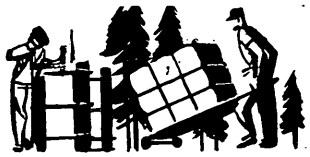
There is submitted herewith a report on the operations of your Company and its subsidiaries for the fiscal year ended December 31, 1950, together with a comparative Consolidated Balance Sheet, statements of Consolidated Income and Surplus and notes relating thereto. Summarized below are some important aspects of the 1950 operations compared with those of the preceding year:

	1950	1949
Net sales	$83,879,811.56	$67,815,156.55
Federal, state and foreign taxes	$ 7,082,612.26	$ 3,590,469.07
Net income:		
Total	$ 7,703,254.80	$ 5,825,579.16
Per common share—after providing for dividends on preferred stock	$5.83	$4.33
Shares of common stock outstanding December 31	1,260,435	1,260,435
Cash dividends paid during the year on:		
Preferred Stock ($4.00 per share)	$ 350,200.00	$ 367,870.00
Common Stock (1950, $3.00 per share; 1949, $2.50 per share)	$ 3,781,305.00	$ 3,144,837.50

In spite of a weak demand for building products in the first quarter of 1950, business was stimulated by an aggressive sales campaign. As a result manufacturing economies were obtained and our customers were placed in an excellent position to supply their trade when later the demand turned sharply upward. For the balance of the year shipments of most products were limited only by our ability to manufacture.

DISPOSITION OF FLINTKOTE'S 1950 SALES DOLLAR

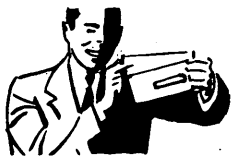




Raw materials, supplies and certain manufacturing, selling, administrative and general expenses net of miscellaneous income.

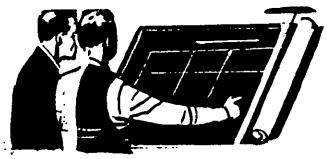
Wages, salaries, and employee benefits including social security taxes, paid vacations and holidays, pensions, life insurance, medical, hospital and surgical benefits and disability compensation.

Numerous taxes of various types (excluding social security taxes) levied by many local, state, federal and foreign governmental agencies.



Dividends paid to stockholders for the use of money invested in buildings, equipment and working capital required in the business.

Charges to operating costs because of the continual wear, use and obsolescence of plant, property and equipment.



Earnings retained and needed for use in the business.

The peak in starts of new residential construction was recorded by the Bureau of Labor Statistics for 1949 as 1,025,100 new dwelling units. During the first ten months of 1950, a total of 1,209,100 new dwelling units were placed under construction, and it is estimated that the total for the year was 1,400,000.

It is too early to determine to what extent residential construction during 1951 will be limited by the preparedness program. With the building necessary to provide housing accommodations for workers in the new defense plants plus some 400,000 residential units which, according to responsible Government authorities, were in the commitment stages on October 12, 1950, there is a probability that residential building requiring asphalt shingles, asbestos sidings, insulation products and other of the Company's building materials will result in a high level of activity.

The difficulty of forecasting in the construction industry is recognized. However, Building Supply News, a prominent trade publication, indicates that the repair and maintenance market may reach an all-time high of 10 billion dollars in 1951. That particular segment of construction activity furnishes the largest outlet for Flintkote Building Materials.

Flintkote products for industry continued to be used widely. Increased volume on paper sizes and sealers for construction joints supplemented the satisfactory sales coverage of the automotive and railroad industries using a wide variety of liquid and felt products. Standard protective and waterproofing materials were specified and used generally throughout the country.

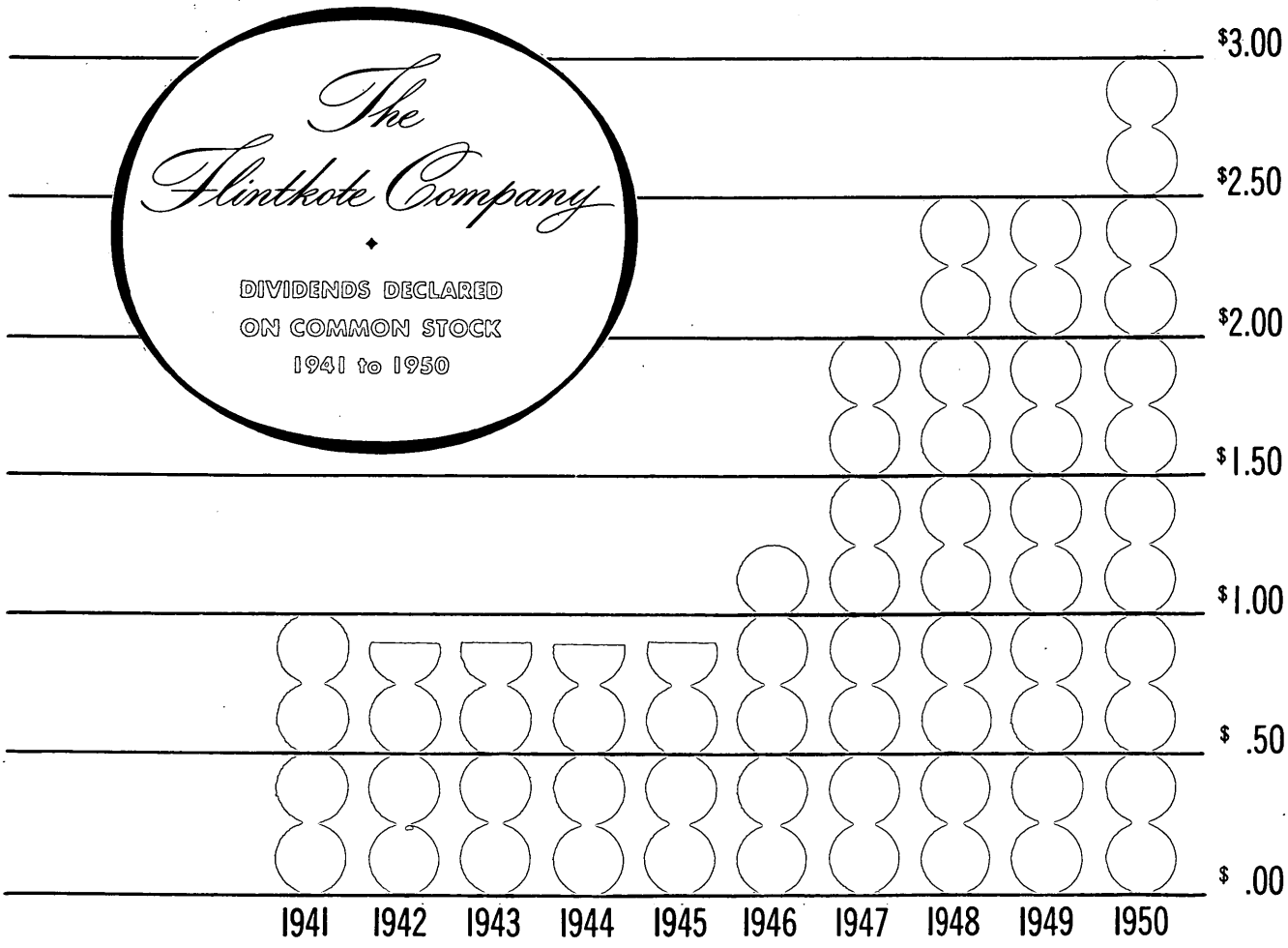
Progress was made in the reduction of costs and improvement in the production of floor and wall coverings. A new grease resistant, highly color styled floor tile, Vitachrome, was added to the Tile-Tex line.

The west coast paperboard, box and container business operated at capacity during most of the year. The first four-color rotary press for the printing of folding cartons on the west coast was installed at the Los Angeles plant.

The operation of Flintkote Mines Limited asbestos property at Thetford Mines, P.Q., Canada, was of increased importance to the Company in view of the expanded use of that fibre. Both sales and profits were larger.

The Flintkote Company of Canada Limited increased its profits although dollar sales volume remained about the same.

Sales of the wholly owned foreign subsidiary, Industrial Asphalts Company, Limited, increased substantially as the result of an expansion of its



line of liquid and felt products produced in England and the servicing of foreign markets with credit in pounds sterling where dollar purchasing power was not available.

The Company continued its practice of making substantial expenditures for the maintenance and improvement of its plants. Construction of a new insulated sidings plant at East Rutherford, New Jersey, and a warehouse at Portland, Oregon, for the storage of insulation board products from Hawaii, was commenced during the year.

The Company's relations with its employees were generally harmonious and wage rates were maintained at competitive levels.

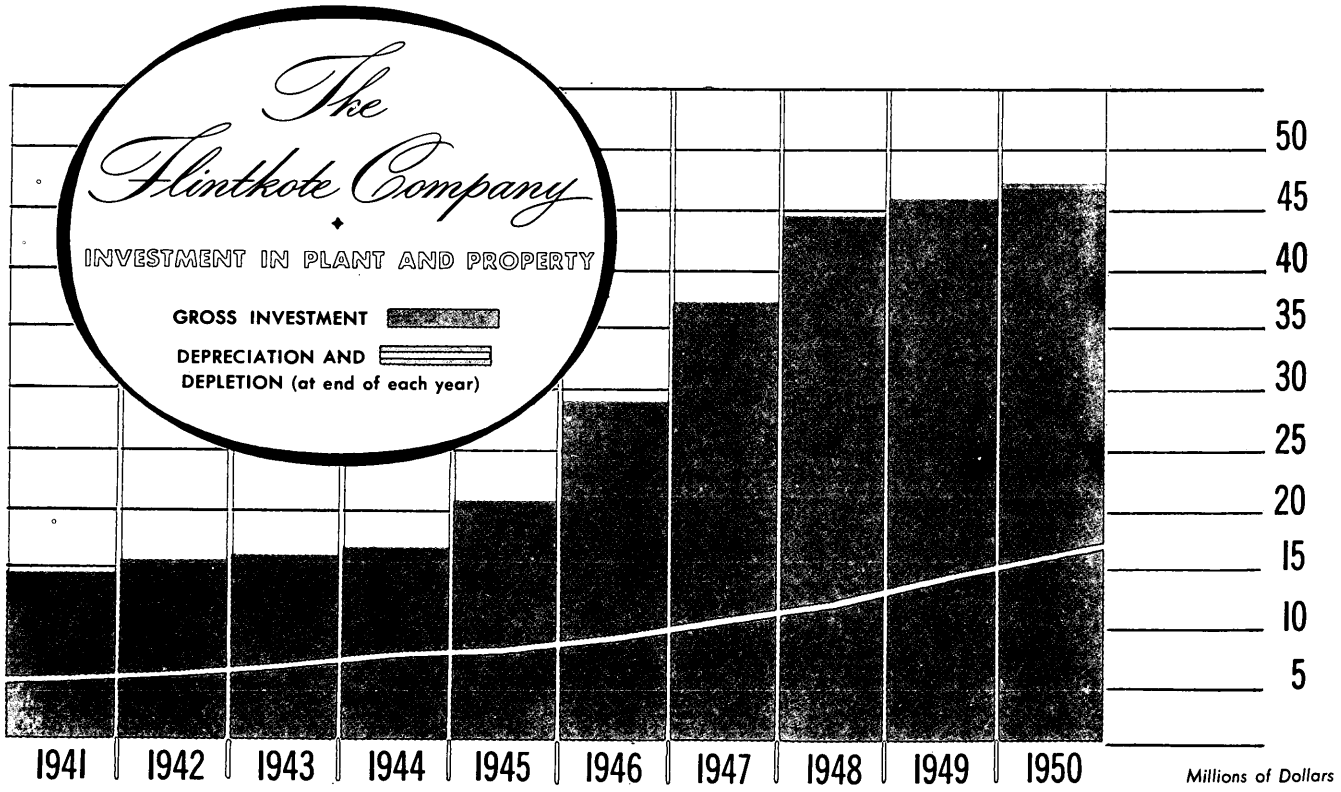
The Company's timber properties in Alabama and Mississippi continued to improve as a result of sound forestry practice and neighboring land owners were encouraged to take advantage of the Company's experience. A satisfactory supply of pulp wood adjacent to the Company's Meridian, Mississippi, plant permitted the development of these properties to their best economic advantage.

Mr. J. H. Setinsky was elected Vice President in Charge of Manufacturing of the Company.

The results of the year's operations reflect the efforts of the officers and employees of your Company, and I am confident that the experience which the Company gained during the late war should serve it well in meeting its share of the burdens imposed upon our country during these trying times.

New York, New York
February 14, 1951

J. J. Harvey Jr.
President



Comparative Statement of

CONSOLIDATED EARNED SURPLUS

(FROM JANUARY 1, 1933)

FOR THE YEARS ENDED DECEMBER 31, 1950 AND 1949

	1950	1949	Increases Decreases*
Balance, January 1	$20,133,576.02	$17,802,746.13	$ 2,330,829.89
Add:			
Consolidated net income, as annexed	7,703,254.80	5,825,579.16	1,877,675.64
Excess of paid-in amount over cost of $4 cumulative preferred stock retired, 2,080 shares, 1950; 2,170 shares, 1949	13,634.32	17,958.23	4,323.91*
	$27,850,465.14	$23,646,283.52	$ 4,204,181.62
Deduct:			
Cash dividends paid on:			
$4 cumulative preferred stock ($4.00 per share)	$ 350,200.00	$ 367,870.00	$ 17,670.00*
Common stock ($3.00 per share, 1950; $2.50 per share, 1949)	3,781,305.00	3,144,837.50	636,467.50
	$ 4,131,505.00	$ 3,512,707.50	$ 618,797.50
Balance, December 31 (Notes 2 and 3)	$23,718,960.14	$20,133,576.02	$ 3,585,384.12

The accompanying notes are an integral part of the above comparative statement of consolidated earned surplus.

Auditor's Report

Lybrand, Ross Bros. & Montgomery
CERTIFIED PUBLIC ACCOUNTANTS

NEW YORK, PHILADELPHIA, CHICAGO, BOSTON, BALTIMORE, WASHINGTON, PITTSBURGH, DETROIT, CLEVELAND, CINCINNATI, ROCKFORD, LOUISVILLE, ST. LOUIS, ATLANTA, DALLAS, HOUSTON, SAN FRANCISCO, LOS ANGELES, SEATTLE, LONDON, PARIS

To the Board of Directors and Stockholders,
The Flintkote Company,
New York, N. Y.

We have examined the consolidated balance sheets of THE FLINTKOTE COMPANY and its Subsidiaries Consolidated as of December 31, 1950 and 1949 and the related statements of income and earned surplus for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets and statements of income and earned surplus present fairly the consolidated financial position of The Flintkote Company and its subsidiaries consolidated at December 31, 1950 and 1949, and the results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Lybrand Ross Bros & Montgomery

New York, January 31, 1951.

Financial Data

THE FLINTKOTE COMPANY AND

Comparative Consolida

at December 31

Assets	1950	1949	Increases Decreases*
Cash in banks and on hand	$ 8,785,724.87	$ 8,482,177.60	$ 303,547.27
United States Government securities at amortized cost (market quotations, 1950, $12,725,317; 1949, $10,709,693)	12,736,012.59	10,706,980.00	2,029,032.59
Accounts and notes receivable:			
Customers, less allowance for doubtful items, 1950, $401,550; 1949, $418,869	8,141,925.75	5,013,528.04	3,128,397.71
Other	254,259.04	272,509.21	18,250.17*
	$29,917,922.25	$24,475,194.85	$ 5,442,727.40
Inventories, at the lower of average cost or market:			
Finished goods	$ 2,551,404.73	$ 2,542,762.52	$ 8,642.21
Raw materials, felt and operating supplies	5,485,560.45	3,790,091.19	1,695,469.26
	$ 8,036,965.18	$ 6,332,853.71	$ 1,704,111.47
Total current assets	$37,954,887.43	$30,808,048.56	$ 7,146,838.87
Plant and property, as written down at December 31, 1932 plus subsequent additions at cost:			
Land	$ 1,139,530.74	$ 1,138,521.15	$ 1,009.59
Buildings and land fixtures	$14,943,238.73	$14,725,158.41	$ 218,080.32
Machinery and equipment	29,599,869.37	28,219,923.58	1,379,945.79
Furniture and fixtures	811,523.33	775,174.12	36,349.21
Construction in progress	738,981.41	263,656.83	475,324.58
Mine and timberlands	605,845.43	612,875.09	7,029.66*
	46,699,458.27	44,596,788.03	2,102,670.24
Less, Allowance for depreciation and depletion	16,447,112.68	14,311,968.63	2,135,144.05
	$30,252,345.59	$30,284,819.40	$ 32,473.81*
Totals	$31,391,876.33	$31,423,340.55	$ 31,464.22*
Investments, at cost (including foreign subsidiary, not consolidated, 1950, $71,757; 1949, $19,630)	$ 91,762.92	$ 39,636.00	$ 52,126.92
Patents, royalty contracts, other rights and good will, as written down at December 31, 1932 plus cost of good will subsequently acquired	$ 956,867.84	$ 956,867.84	$ —
Prepaid and deferred expenses (including unamortized past service premium under Group Retirement Pension Plan; 1950, $380,731; 1949, $442,711)	$ 1,243,706.00	$ 973,529.22	$ 270,176.78
	$71,639,100.52	$64,201,422.17	$ 7,437,678.35

The accompanying notes are an integral part of

ITS SUBSIDIARIES CONSOLIDATED

lated Balance Sheet

, 1950 and 1949

Liabilities	1950	1949	Increases Decreases*
Accounts payable, trade and miscellaneous	$ 3,728,192.05	$ 2,191,674.18	$ 1,536,517.87
Promissory note, 3%, prepayment due March 15, 1951 (Note 2)	150,000.00	150,000.00	—
Accrued pay rolls, container deposits, royalties, etc.	889,584.02	749,792.57	139,791.45
Accrued federal, state and other taxes	7,367,972.46	4,136,638.43	3,231,334.03
Reserves for self-insurance and product guarantees	406,145.74	385,274.09	20,871.65
Total current liabilities	$12,541,894.27	$ 7,613,379.27	$ 4,928,515.00
Promissory note, 3%, due March 15, 1968 (Note 2)	$ 5,400,000.00	$ 5,850,000.00	$ 450,000.00*

Capital

Capital stock:			
$4 cumulative preferred stock without par value; entitled upon involuntary liquidation to $100 per share, and upon voluntary liquidation or redemption (except through sinking fund) to $110 per share on or before March 15, 1951 and thereafter at diminishing amounts (not less than $107 per share) plus in each case an amount equal to accrued dividends (Note 3):			
Authorized and issued, 91,000 shares, 1950; 93,080 shares, 1949	$ 9,651,687.50	$ 9,871,667.50	$ 219,980.00*
Common stock without par value: Authorized 2,500,000 shares; issued and outstanding, 1,260,435 shares, 1950 and 1949	20,939,145.06	20,939,145.06	—
	30,590,832.56	30,810,812.56	219,980.00*
Earned surplus from January 1, 1933, statement annexed (Notes 2 and 3)	23,718,960.14	20,133,576.02	3,585,384.12
	54,309,792.70	50,944,388.58	3,365,404.12
Less, Cost of $4 cumulative preferred stock purchased for retirement, 5,800 shares, 1950; 2,080 shares, 1949 (Note 3)	612,586.45	206,345.68	406,240.77
	$53,697,206.25	$50,738,042.90	$ 2,959,163.35
	$71,639,100.52	$64,201,422.17	$ 7,437,678.35

the above comparative consolidated balance sheet.

COMPARATIVE CONDENSED CONSOLIDATED BALANCE

Assets

	1950	1949	1948
Cash	$ 8,785,725	$ 8,482,178	$ 6,234,781
United States Government securities	12,736,013	10,706,980	8,202,901
Dominion of Canada securities			
Excess profits tax refund bonds due January 1, 1946			
Accounts and notes receivable (less allowances)	8,396,184	5,286,037	6,105,610
Inventories:			
Finished goods	2,551,405	2,542,763	2,892,743
Raw materials and supplies	5,485,560	3,790,091	5,836,778
Total	$ 8,036,965	$ 6,332,854	$ 8,729,521
Total current assets	$37,954,887	$30,808,049	$29,272,813
Cash sinking fund for redemption of debentures			
Plant and property:			
Gross	$47,838,989	$45,735,309	$44,692,684
Allowance for depreciation and depletion	16,447,113	14,311,969	12,312,214
Net	$31,391,876	$31,423,340	$32,380,470
Investments at cost or less (including foreign subsidiary not consolidated)	91,763	39,636	39,637
Patents, royalty contracts, other rights and good will	956,868	956,868	956,868
Post-war refund of excess profits tax			
Prepaid and deferred expenses	1,243,706	973,529	1,202,580
Total	$71,639,100	$64,201,422	$63,852,368

Liabilities

Accounts payable, accruals, etc.	$ 4,617,776	$ 2,941,467	$ 3,196,356
Dividends payable			
Notes payable within one year	150,000	150,000	
Accrued federal, state and other taxes	7,367,972	4,136,638	5,759,143
Reserves for self-insurance, product guarantees and contingencies	406,146	385,274	339,727
Total current liabilities	$12,541,894	$ 7,613,379	$ 9,295,226
Notes payable after one year	$ 5,400,000	$ 5,850,000	$ 6,000,000
Fifteen year 3% debentures			

*After deducting U.S. Treasury Tax Notes

Capital

Capital stock:			
Cumulative preferred	$ 9,651,688	$ 9,871,668	$10,104,120
Common	20,939,145	20,939,145	20,864,770
	30,590,833	30,810,813	30,968,890
Surplus from January 1, 1933:			
Capital surplus			
Earned surplus	23,718,960	20,133,576	17,802,746
	54,309,793	50,944,389	48,771,636
Less, Cost of cumulative preferred stock to be retired	612,587	206,346	214,494
	$53,697,206	$50,738,043	$48,557,142
Total	$71,639,100	$64,201,422	$63,852,368

COMPARATIVE CONDENSED STATEMENT OF CONSOLIDATED INCOME

(Prepared in condensed form similar to that required by the

	1950	1949	1948
Net sales	$83,879,811	$67,815,156	$81,297,857
Cost of sales	59,495,103	49,235,578	59,250,889
Gross profit	24,384,708	18,579,578	22,046,968
Royalties received, less participation by others	322,653	285,193	445,953
	24,707,361	18,864,771	22,492,921
Selling, licensing, administrative and general expenses	9,234,641	8,506,914	9,184,585
	15,472,720	10,357,857	13,308,336
Other income	777,141	466,641	777,848
	16,249,861	10,824,498	14,086,184
Income deductions	1,795,283	1,675,965	1,643,448
	14,454,578	9,148,533	12,442,736
Provision for income and excess profits taxes and contingencies	6,751,323	3,322,954	4,694,053
Net income	$ 7,703,255	$ 5,825,579	$ 7,748,683

Notes to Financial Statements

1. Net assets of the Canadian subsidiaries, translated at appropriate rates of exchange, amounted to approximately 7 per cent of the consolidated net assets at both December 31, 1950 and 1949, and the related net earnings represented approximately 7 per cent and 4 per cent of the consolidated net earnings for the years ended on those dates.

2. The agreement dated March 22, 1948 for the issue of a 3% promissory note due March 15, 1968 provides that the company shall prepay, without premium, the principal amount of $150,000 in each of the years 1951 and 1952 and $300,000 in each of the years 1953 through 1967. On March 15, 1951 and annually thereafter, the company may prepay, without premium, not to exceed $300,000 principal amount, and may at any time prepay the note in whole or in part at premiums ranging from 3% to ⅛% of the principal amount so prepaid.

The agreement also imposes certain restrictions on the purchase, redemption or retirement of any shares of the capital stock of the company oustanding on March 22, 1948, and on the declaration or payment of dividends or any other distribution other than in stock of the company upon any shares of its capital stock. At December 31, 1950, $13,403,454.22 of the consolidated earned surplus was free of such restrictions.

3. The terms of issue of the $4 cumulative preferred stock include certain restrictions on declaration or payment of dividends on the common stock other than dividends payable in stock of the company ranking junior to the $4 cumulative preferred stock. At December 31, 1950, the consolidated earned surplus was free of such restrictions.

Such terms of issue also provide that the company shall, on or before December 31 of each year, either purchase for retirement or redeem 2,000 shares of such preferred stock, or set aside as a sinking fund an amount sufficient to redeem, at $107 per share plus an amount equal to dividends accrued, any of such shares not previously purchased or redeemed. The required number of shares had been purchased at December 31, 1950.

Comparative Statement of

CONSOLIDATED INCOME

FOR THE YEARS ENDED DECEMBER 31, 1950 AND 1949

	1950	1949	Increases Decreases*
Net sales	$83,879,811.56	$67,815,156.55	$16,064,655.01
Cost of goods sold	59,495,103.28	49,235,578.23	10,259,525.05
Gross profit on sales	24,384,708.28	18,579,578.32	5,805,129.96
Selling, administrative and general expenses	8,771,384.72	8,083,894.60	687,490.12
	15,613,323.56	10,495,683.72	5,117,639.84
Royalty revenue, net	190,686.35	129,688.14	60,998.21
Other income:			
Cash discount on purchases	220,365.77	166,418.28	53,947.49
Commissions	192,477.20	94,099.39	98,377.81
Interest and dividends	166,485.60	144,953.12	21,532.48
Gain arising from increase in Canadian exchange rate	60,326.96		60,326.96
Miscellaneous	137,485.01	61,170.67	76,314.34
	$16,581,150.45	$11,092,013.32	$ 5,489,137.13
Other charges:			
Cash discount on sales	$ 1,415,209.38	$ 1,115,733.49	$ 299,475.89
Interest on 3% promissory note	169,312.50	180,000.00	10,687.50*
Loss arising from decrease in Canadian exchange rate		145,763.06	145,763.06*
Past service premium under Group Retirement Pension Plan	61,980.16	59,247.85	2,732.31
Miscellaneous	148,781.35	175,220.69	26,439.34*
	$ 1,795,283.39	$ 1,675,965.09	$ 119,318.30
Income before federal, state and foreign taxes	$14,785,867.06	$ 9,416,048.23	$ 5,369,818.83
Federal, state and foreign taxes:			
Federal income tax (less adjustment in 1949 of prior years' accrual, $300,000)	$ 5,950,000.00	$ 3,250,000.00	$ 2,700,000.00
Federal excess profits tax	550,000.00		550,000.00
State and foreign taxes	582,612.26	340,469.07	242,143.19
	$ 7,082,612.26	$ 3,590,469.07	$ 3,492,143.19
Net income for the year	$ 7,703,254.80	$ 5,825,579.16	$ 1,877,675.64
Provision for depreciation and depletion included above	$ 2,596,319.17	$ 2,495,590.02	$ 100,729.15

The accompanying notes are an integral part of the above comparative statement of consolidated income.

AND ITS SUBSIDIARIES CONSOLIDATED

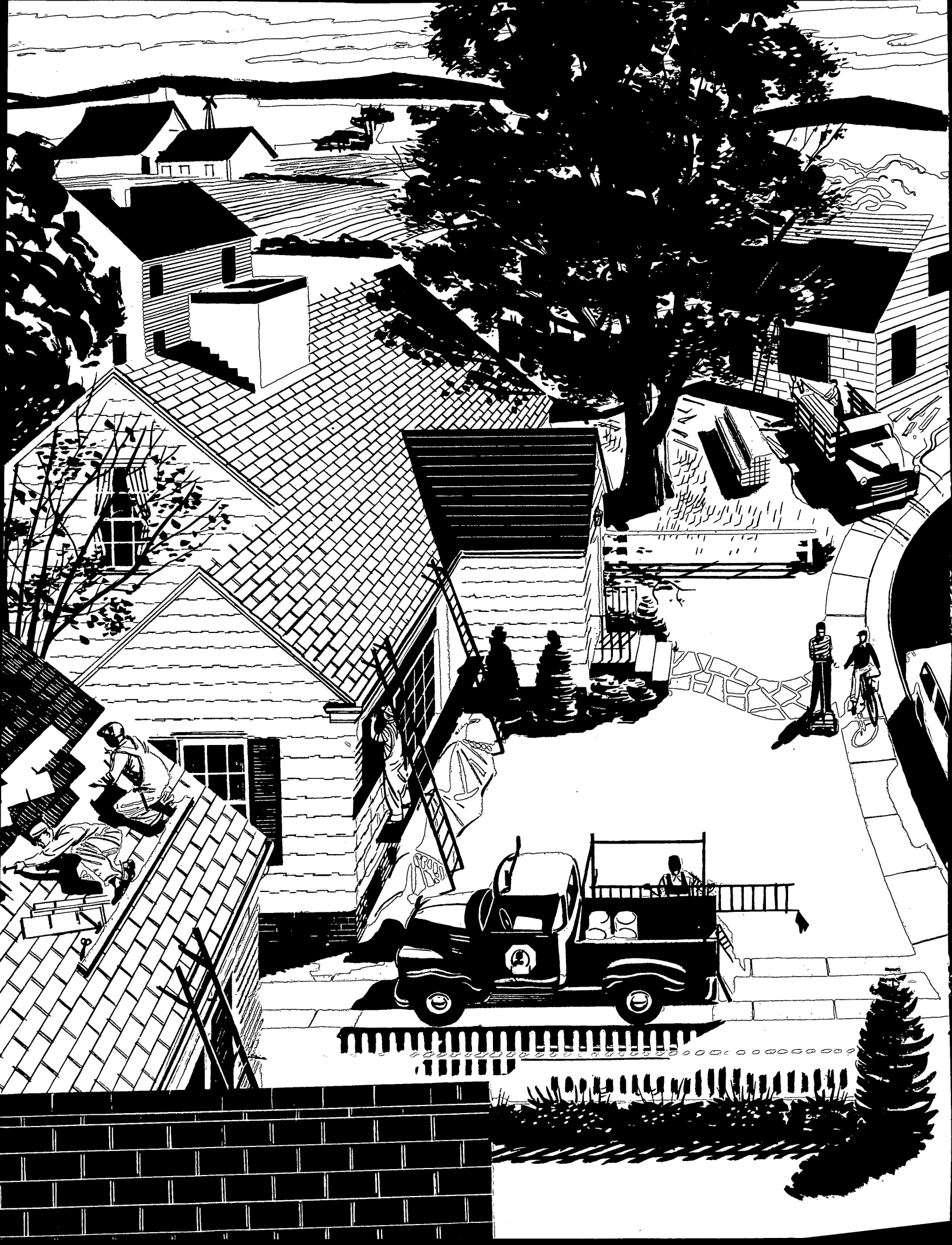
SHEET AT DECEMBER 31, 1941 THROUGH 1950

1947	1946	1945	1944	1943	1942	1941
$ 5,978,735	$ 6,490,200	$ 3,183,058	$ 3,232,301	$ 3,286,635	$ 2,026,492	$ 1,826,366
5,198,759	5,637,549	7,791,222	9,866,346	4,863,895	2,612,205	
	50,000	90,500	90,090	45,045		
		212,152	208,439			
6,635,218	5,365,191	2,580,715	3,278,649	3,203,789	4,562,725	3,070,641
1,714,650	1,281,055	1,333,373	888,380	846,660	1,095,468	1,107,919
5,269,904	4,631,101	3,207,257	2,878,383	2,267,596	2,325,610	2,366,275
$ 6,984,554	$ 5,912,156	$ 4,540,630	$ 3,766,763	$ 3,114,256	$ 3,421,078	$ 3,474,194
$24,797,266	$23,455,096	$18,398,277	$20,442,588	$14,513,620	$12,622,500	$ 8,371,201
			$ 102,000			
$37,431,942	$29,248,600	$20,860,329	$16,823,261	$16,112,953	$15,794,255	$14,876,015
10,652,977	9,423,128	8,611,560	7,781,005	7,005,432	6,347,623	5,752,339
$26,778,965	$19,825,472	$12,248,769	$ 9,042,256	$ 9,107,521	$ 9,446,632	$ 9,123,676
39,638	40,914	40,909	40,909	46,855	46,855	47,236
956,868	956,868	746,837	1	1	1	1
				309,500	201,000	
551,690	523,216	386,717	432,613	184,463	176,292	180,651
$53,124,427	$44,801,566	$31,821,509	$30,060,367	$24,161,960	$22,493,280	$17,722,765
$ 4,559,104	$ 4,357,319	$ 3,182,720	$ 2,480,405	$ 2,153,757	$ 2,233,559	$ 1,506,184
591,961						
5,608,911	2,898,665*	1,377,590*	3,575,419*	1,829,630*	3,507,484*	204,783*
309,161	249,064	275,961	431,863	378,274	227,287	199,491
$11,069,137	$ 7,505,048	$ 4,836,271	$ 6,487,687	$ 4,361,661	$ 5,968,330	$ 1,910,458
			$ 3,000,000	$ 3,000,000		
$10,203,213	$10,606,250	$ 7,856,250	$ 3,589,657	$ 3,740,783	$ 3,900,000	$ 3,900,000
18,411,995	18,411,995	12,486,995	10,588,537	7,020,007	7,020,007	6,858,260
28,615,208	29,018,245	20,343,245	14,178,194	10,760,790	10,920,007	10,758,260
				73,921	68,859	68,859
13,540,778	8,491,986	6,641,993	6,518,870	6,128,340	5,690,239	4,985,188
42,155,986	37,510,231	26,985,238	20,697,064	16,963,051	16,679,105	15,812,307
100,696	213,713		124,384	162,752	154,155	
$42,055,290	$37,296,518	$26,985,238	$20,572,680	$16,800,299	$16,524,950	$15,812,307
$53,124,427	$44,801,566	$31,821,509	$30,060,367	$24,161,960	$22,493,280	$17,722,765

FOR THE YEARS ENDED DECEMBER 31, 1941 THROUGH 1950

Securities and Exchange Commission for registration statements.)

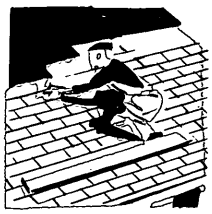
1947	1946	1945	1944	1943	1942	1941
$73,625,154	$52,577,403	$37,021,503	$37,280,966	$30,998,161	$31,906,952	$27,151,169
52,864,631	39,710,108	28,757,225	27,600,679	23,424,644	23,303,022	19,493,881
20,760,523	12,867,295	8,264,278	9,680,287	7,573,517	8,603,930	7,657,288
454,424	398,170	395,538	382,158	415,878	409,372	458,683
21,214,947	13,265,465	8,659,816	10,062,445	7,989,395	9,013,302	8,115,971
7,947,669	6,709,730	5,396,902	4,678,955	4,418,871	4,581,494	4,366,072
13,267,278	6,555,735	3,262,914	5,383,490	3,570,524	4,431,808	3,749,899
604,084	468,582	324,674	266,435	287,826	219,208	275,282
13,871,362	7,024,317	3,587,588	5,649,925	3,858,350	4,651,016	4,025,181
1,233,607	994,386	976,824	848,751	777,431	616,698	526,437
12,637,755	6,029,931	2,610,764	4,801,174	3,080,919	4,034,318	3,498,744
4,835,376	2,319,208	967,479	3,323,780	1,830,643	2,516,164	1,761,083
$ 7,802,379	$ 3,710,723	$ 1,643,285	$ 1,477,394	$ 1,250,276	$ 1,518,154	$ 1,737,661



YOUR COMPANY MAKES MANY THINGS

BUILDING MATERIALS

The wide line of Flintkote Building Materials finds many uses in all types of construction work. Your Company's products are used in the construction, maintenance, modernization and repair of residential as well as farm buildings and both commercial structures and industrial installations.



Asphalt Roofing & Siding Products

Flintkote Asphalt Shingles are the style leaders of the roofing industry, combining rugged construction and durable roof protection with a wide variety of beautiful color tones.

Tapered Strip Shingles; Thikbut Strip Shingles; Hexagon Strip Shingles; Individual Shingles; Embossed Strip Brick Sidings; Mineral Surfaced Roll Roofings; Smooth Surfaced Roll Roofings; Cold Process Built-Up Roofing Materials; Hot Built-Up Roofing Materials; Roof Coatings and Plastic Cements; Emulsified Asphalt Roof Coatings.

Insulation Products

Flintkote Decorative Insulation Boards do four important jobs; build, decorate, insulate and reduce noise. These versatile products are especially adaptable to the refinishing and modernization of basement, attic and other rooms, and for the redecoration of stores, churches, restaurants and other commercial structures. This board is available in a number of harmonizing color blends and decorative finishes.

Flintkote Structural Boards, such as sheathing, lath and building boards, are also an important item in the Flintkote line.

Flintkote Insulating Wool is made of Fiberglas*, a highly efficient, long-lasting insulation material that cannot burn or settle in place.

Decorative Plank; Decorative Tile; Leth-R-Grain Board. Sheathing Board; Building Board; Insulation Lath; Roof Insulation. Batts and Roll Blankets, Bantam Batts; Pouring Wool.

Asbestos-Cement Roofing & Siding Products

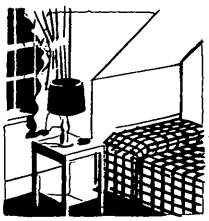
Flintkote Asbestos-Cement products, used in both new construction and in the remodeling of older homes, feature long-lasting protection from fire and weather plus an attractive finish in many different textures and color hues.

Asbestos-Cement Shingles; Asbestos-Cement Sidings; Textured and Smooth Surfaces with Tapertex, Waveline and Shake Designs.

Insulated Siding Products

Flintkote Insulated Sidings are available in a wide variety of colorful modern designs. This popular siding material not only gives beauty to the exterior of old houses, but provides added comfort and fuel savings, through insulation, in both winter and summer.

Brick Design; Stone Design; Shingle Design; Shake Design; Ashlar Stone Design; Tapertex Design.

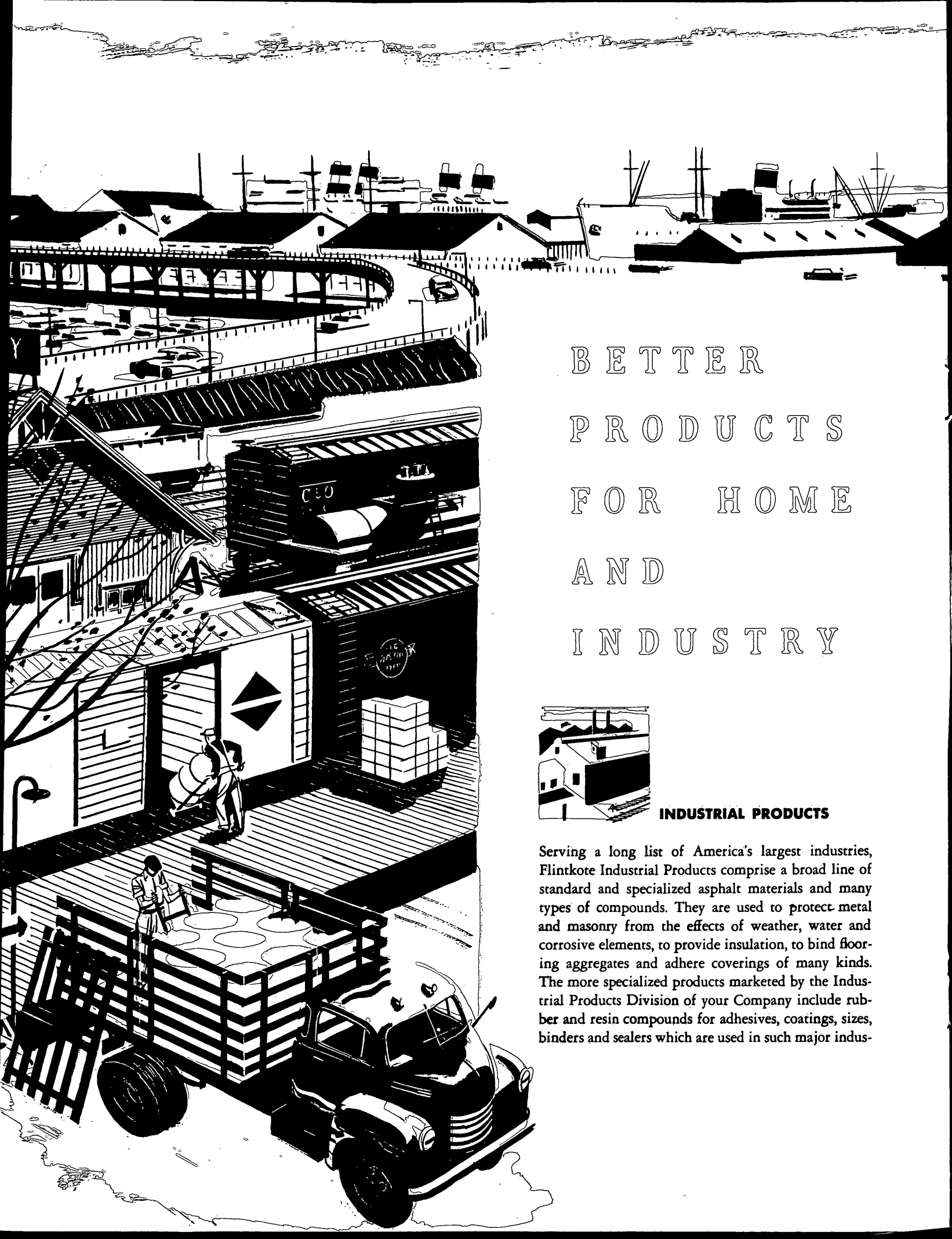


Wallboard Products

Flintkote Thriftex is a light, strong wallboard suitable for general utility use. Flintkote Hardboards are smooth and hard and can be easily painted and worked.

Thriftex Wallboard; Hardboard; Tempered Hardboard.

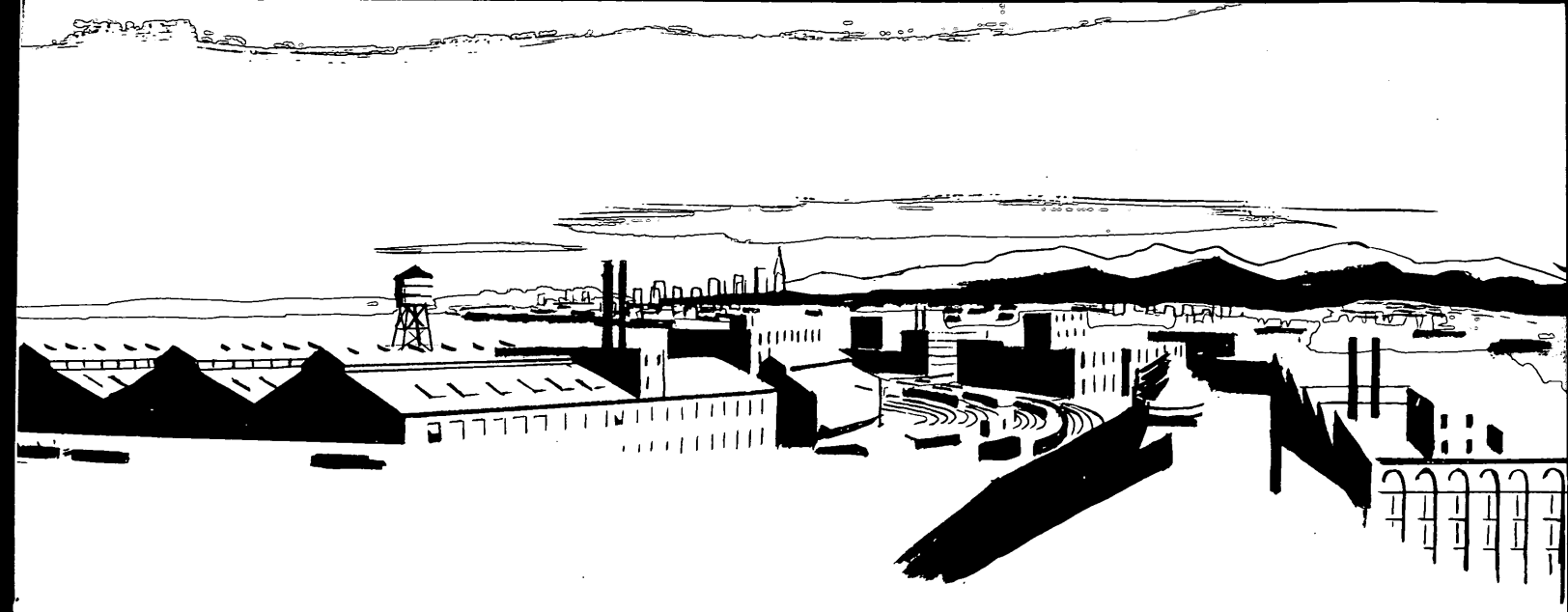
*T.M. Reg. U.S. Pat. Off.—Mfg. by Owens-Corning Fiberglas Corp.



BETTER PRODUCTS FOR HOME AND INDUSTRY

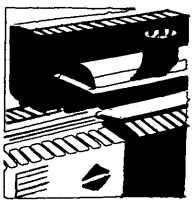
INDUSTRIAL PRODUCTS

Serving a long list of America's largest industries, Flintkote Industrial Products comprise a broad line of standard and specialized asphalt materials and many types of compounds. They are used to protect metal and masonry from the effects of weather, water and corrosive elements, to provide insulation, to bind flooring aggregates and adhere coverings of many kinds. The more specialized products marketed by the Industrial Products Division of your Company include rubber and resin compounds for adhesives, coatings, sizes, binders and sealers which are used in such major indus-



tries as automotive, paper, textile, shoe, rubber, paving and packaging.

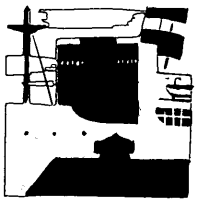
Asphalt Emulsions (Hydralt); Asphalt Cut-Backs; Asphalt Saturated Membrane; Caulking Compounds; Cove Base Cement (Atlas); Dispersions of Elastomers (Syntex); Export Packaging Specialties; Floor Tile Underlayment; Floor Tile Cements; Floor Lining Felt; Industrial Adhesives and Cements; Insulation Coating (Thermalkote); Linoleum Paste and Cement (Atlas); Mastic Floor Emulsions; Moisture Barrier Coatings; Non-slip Floor Coating (Flintdek); Paper Laminant (Flintbond); Paper Sizing (Flintsize); Primers and Coatings for Metal and Masonry; Rubber Mastic Underlayment (Permakote); Rubber-Asphalt Pavement Joint Sealer (Flintseal); Rubber Tile Cement; Rubberized Asphalt Adhesives; Rubber and Resin Compounded Cements and Latices; Spandrel Cloth; Wallboard Cements (Atlas); Wall Coating (Binderseal); Wall Tile Cements.



RAILWAY PRODUCTS

The Flintkote Railway Products produced by your Company find wide use on rolling stock as well as on rights of way, equipment and structures. Many of these products are manufactured to individual railroad specifications.

Asphalt Protective Coatings; Cold-laid Mastic Floorings; Building Materials; Car Cements; Insulation Coatings; Materials for Waterproofing and Dampproofing Systems.



MARINE PRODUCTS

Flintkote Marine Products fill specialized needs of naval and merchant shipping programs in shipbuilding, remodeling and craft preservation, including protection of shore installations.

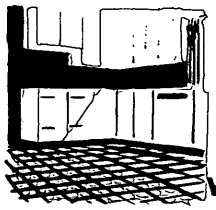
Decking Underlayment (Permaset); Non-Slip Deck Coating (Flintdek); Marine Adhesives; Marine Bituminous Enamel; Marine Insulation Coatings; Marine Bulkhead, Bilge and Tank Protective Coatings.

PAPERBOARD PRODUCTS

The Pacific coast plants of The Flintkote Company, in addition to building materials and industrial products, manufacture boxboard, container-board and containers, cartons and boxes for packaging and shipping various products.

Chipboard; Manila Board; Coated Boards; Folding Cartons; Set-up Boxes; Liner Board; Liner for gypsum wall board; Corrugating medium; Corrugated shipping containers.

Mulch papers, an agricultural product, used as soil covering to retard moisture, evaporation and weed growth, are also produced by this division of your Company.



WALL AND FLOOR COVERING

The Tile-Tex Division of your Company and The Flintkote Company of Canada, Ltd., a wholly owned subsidiary, manufacture and distribute a colorful, distinctively styled line of Asphalt and Plastic Floor and Wall Tile.

FLOORING TILE The Asphalt and Plastic Tile are low-cost, extremely-durable floorings available in wide varieties of sizes and colors. They are resilient, moisture-resistance products, some types of which are grease proof and grease resistant, making them adaptable to either residential, commercial or industrial installations.
Asphalt Floor Tile (Tile-Tex); Plastic Asbestos Floor Tile (Flexachrome and Vitachrome); Greaseproof Floor Tile (Tuff-Tex); Tile-Tex Trim, Bases and Accessory Strips; Tile-Tex Adhesives; Tile-Tex Cleaning and Polishing Materials.

WALL TILE The Wall Tile is a plastic asbestos product, made from asbestos fibers, special resins and durable, colorful pigments. This attractive tile is extremely desirable as a bathroom and kitchen wall surface material.
Plastic Asbestos Wall Tile (Mura-Tex); Mura-Tex Trim, Bases and Accessory Strips; Mura-Tex Wall Finish.

AUTOMOTIVE PRODUCTS

Flintkote Automotive Products, supplied to the manufacturers of America's most popular automobiles, serve to make vehicles safer, quieter and more comfortable by isolating and deadening noise, protecting against corrosion and sealing out dirt, air and mositure.
Anti-Squeak Compounds; Asphalt Adhesives; Body Protective Coatings; Crack Sealers; Mastic Products; Non-Inflammable Adhesives; Rubber Cements; Sound Deadening Felts; Spray-On Deadeners; Underbody Coatings.

INTENSIFYING THE DEMAND FOR FLINTKOTE PRODUCTS

Consumer Advertising

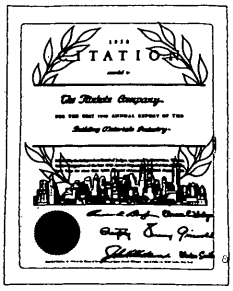
Your Company is telling millions of customers, such as yourself, about Flintkote Building Materials through the medium of national shelter and farm magazines. A series of advertisements from The Flintkote Company is also appearing in a large news magazine. This phase of your Company's advertising should greatly aid in the Flintkote sales effort for the coming year.

Trade Advertising

Selling Flintkote's varied products to technical and industrial buyers, through advertising, calls for a diversification of trade publications. Your Company, through a list of 30 leading trade journals, disseminates interesting and useful product news and information to those people in industry who are responsible for the ultimate purchasing of your Company's products.

Promotional Literature

Attractive informative literature is a highly essential tool in the distribution and sale of your Company's products. New folders and booklets are constantly being prepared and old pieces of literature brought up to date. Your Company has long been recognized as a leader in this vital type of sales promotion.



Awards

The Flintkote Company has been a consistent winner in the Financial World magazine's yearly competition for Annual Report awards. Your Company has won a "Best of Industry Oscar"— in four of the last five competitions held by this publication.

THE FLINTKOTE COMPANY

EXECUTIVE OFFICES

30 Rockefeller Plaza, New York 20, N.Y.

DISTRICT OFFICES

Atlanta • Boston • Chicago Heights • Denver • Detroit

East Rutherford • Lockport, New York • Los Angeles • Meridian • New Orleans

Portland, Oregon • Salt Lake City

San Francisco • Seattle • Waco

Washington, D. C. • Whippany

London

Montreal • St. John's • Toronto

Hilo • Honolulu

OPERATING SUBSIDIARIES

The Flintkote Company of Canada Limited

The Flintkote Company (Nfld.) Limited

Flintkote Mines Limited

Industrial Asphalts Company, Limited *(An English Company)*

The Patent and Licensing Corporation

FLINTKOTE

PROTECTION

BETTER PRODUCTS FOR HOME AND INDUSTRY

FORM MF-103 (April 1951)
THE FLINTKOTE COMPANY
NEVADA COUNTY, CALIFORNIA
EXHIBIT "A"

The Flintkote Company

ANNUAL REPORT 1950

FISCAL YEAR ENDED DEC. 31, 1950

THE FLINTKOTE COMPANY

DIRECTORS

Reginald W. Bird Spencer Borden Clifton W. Gregg John M. Hancock
I. J. Harvey, Jr. Frank H. Neher Stuart H. Ralph Perce C. Rowe
Edward J. Samson J. A. Thomas B. A. Tompkins

EXECUTIVE COMMITTEE

John M. Hancock, *Chairman* Reginald W. Bird I. J. Harvey, Jr.
Frank H. Neher Perce C. Rowe J. A. Thomas

FINANCE COMMITTEE

John M. Hancock, *Chairman* Clifton W. Gregg I. J. Harvey, Jr. J. A. Thomas B. A. Tompkins

OFFICERS OF CORPORATION

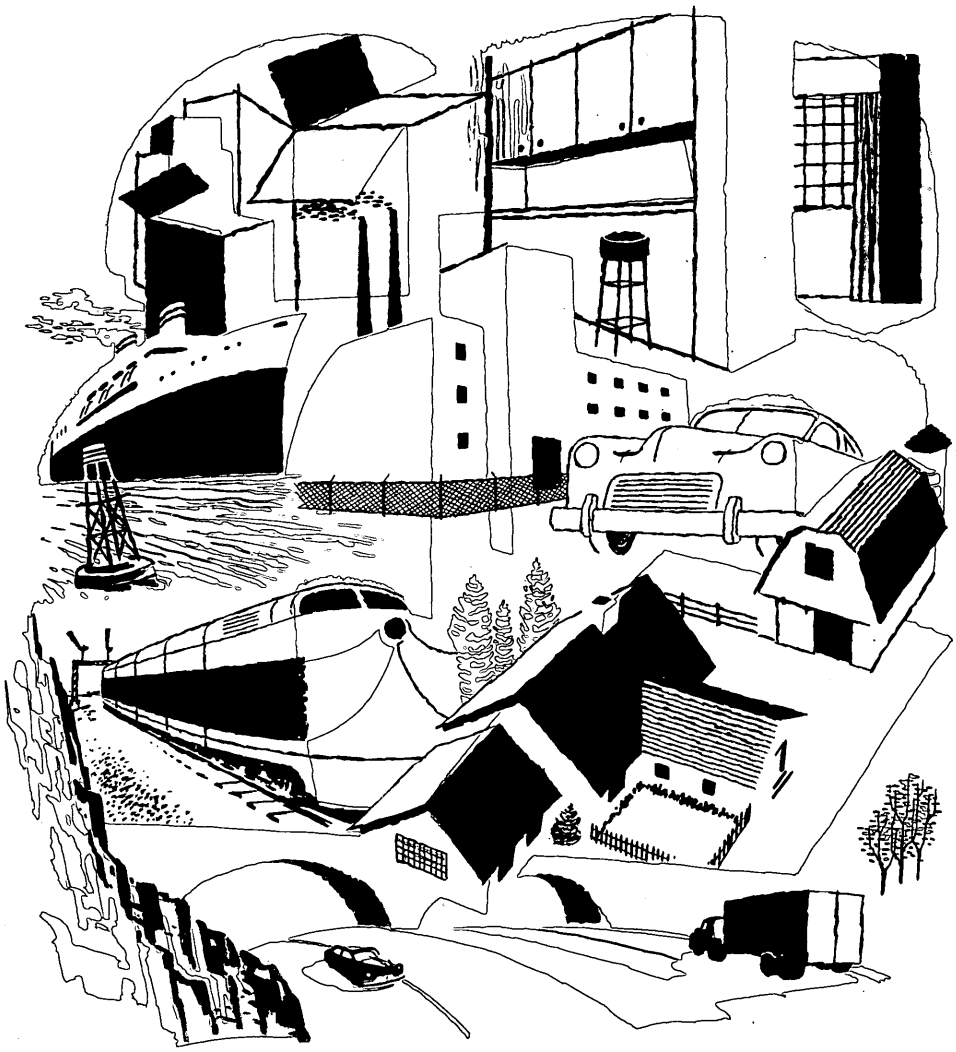
I. J. Harvey, Jr., *President* Perce C. Rowe, *Executive Vice-President*
Frank H. Neher, *Vice-President* Stuart H. Ralph, *Vice-President* George J. Pecaro, *Vice-President*
Warren L. McCabe, *Vice-President* J. H. Setinsky, *Vice-President*
Clifton W. Gregg, *Vice-President and Treasurer* George K. McKenzie, *Vice-President and Secretary*
Dennis J. McNamara, *Assistant Treasurer* James A. Main, *Assistant Secretary*
Philip F. Breen, *Assistant Treasurer* Allen O. Eaton, *Clerk*

TRANSFER AGENTS

Bankers Trust Company, 16 Wall Street, New York 15, N.Y. Old Colony Trust Company, 45 Milk Street, Boston 6, Mass.

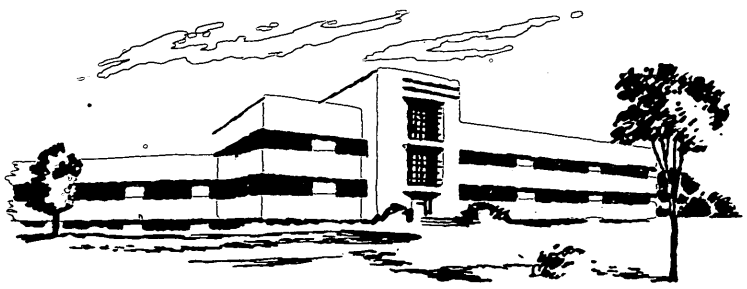
REGISTRARS

Central Hanover Bank and Trust Company The First National Bank of Boston

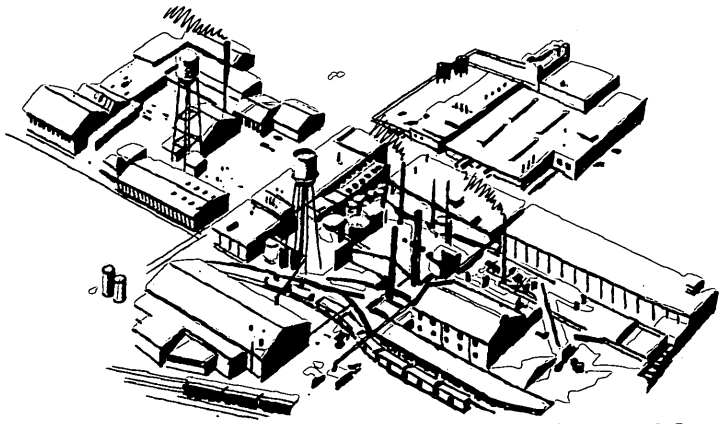


The Flintkote Company

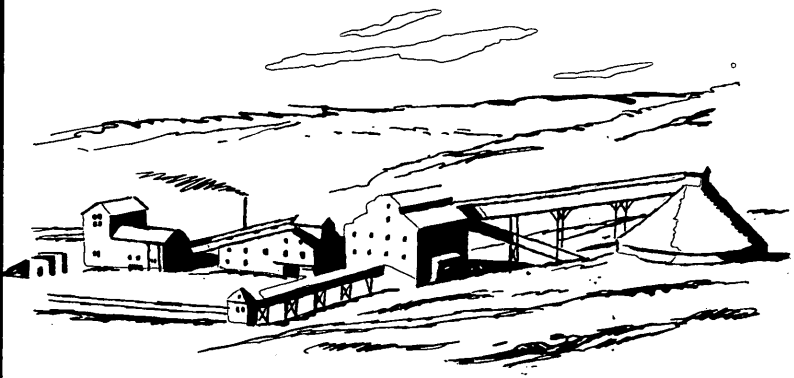
ANNUAL REPORT 1950



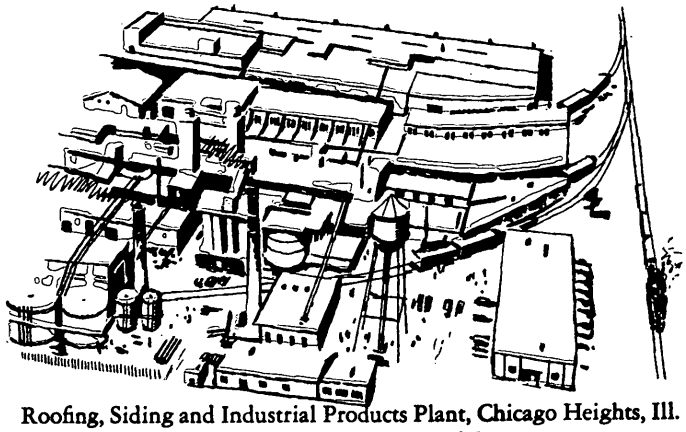
Research Laboratory, Whippany, New Jersey
Continuous product research and development



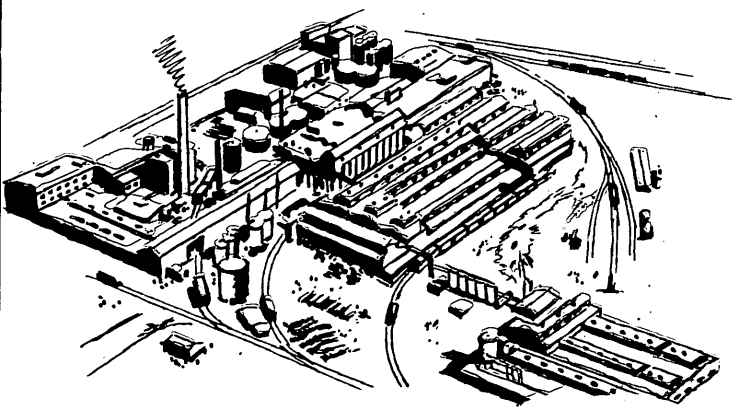
Roofing, Siding and Industrial Products Plant, E. Rutherford, N. J.
Serving the Eastern United States



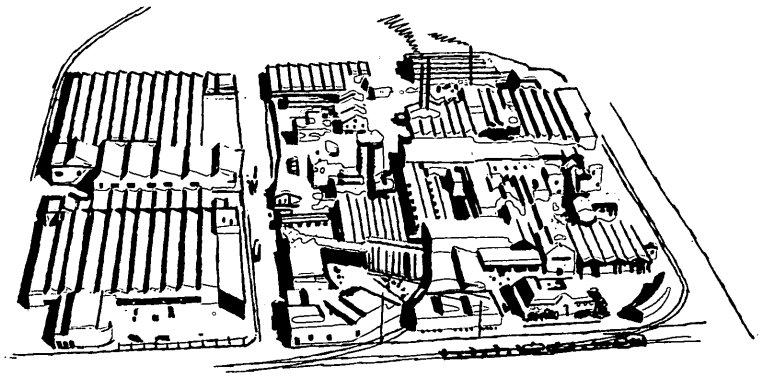
Asbestos Mine, Thetford Mines, P. Q., Canada
Produces asbestos for Flintkote products



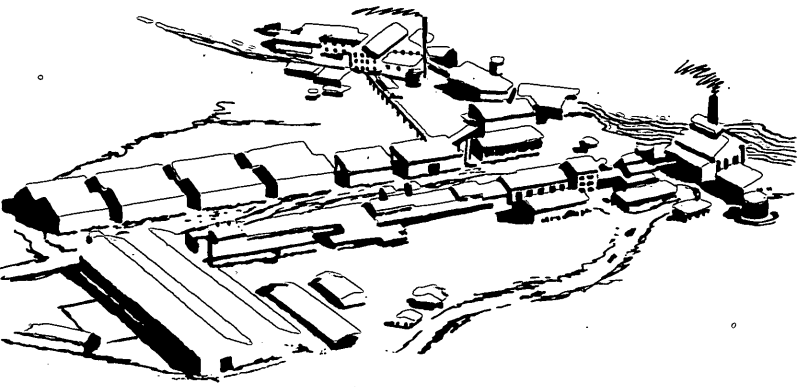
Roofing, Siding and Industrial Products Plant, Chicago Heights, Ill.
Serving the Midwestern United States



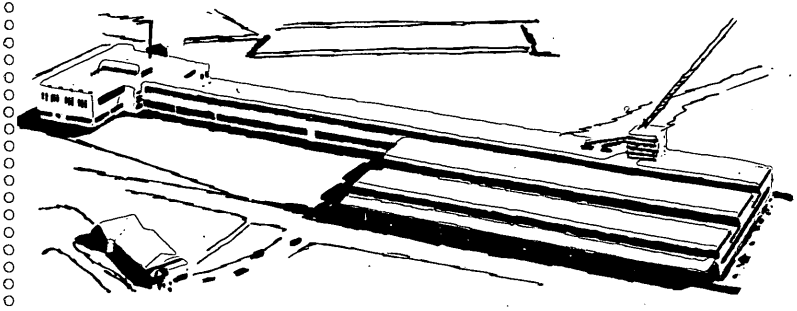
Roofing, Siding and Industrial Products Plant, New Orleans, La.
Serving the Southern United States



Roofing, Siding and Paperboard Plant, Los Angeles, California
Serving the Western United States



Insulation Board Plant, Hilo, Hawaii
Serving the Western United States



Insulation Board Plant, Meridian, Miss.
Serving the United States East of Rocky Mts.

FOREWORD

THE MANY excellent Flintkote products for home and industry produced by your Company are made in modern, up-to-date plants. The plants are well located in the United States, Canada, England and Hawaii with respect to raw materials and marketing areas.

The wide diversification of Flintkote products for all types of construction, modernization, maintenance and repair for both residential and commercial building and for industry, marine, roads and packaging, gives your Company a varied market. Recent Credit Regulations on building affect new construction only and do not restrict, but encourage, the maintenance, modernization and repair of existing units. The business generated by this very important type of building effort plays a major part in your Company's sales.

Your Company urges you, as a stockholder, to use and suggest the use of Flintkote products. These quality products for home and industry are sold by thousands of distributors throughout the United States, Canada and many other countries.

← SOME OF THE MANY FLINTKOTE INSTALLATIONS

REPORT OF THE PRESIDENT

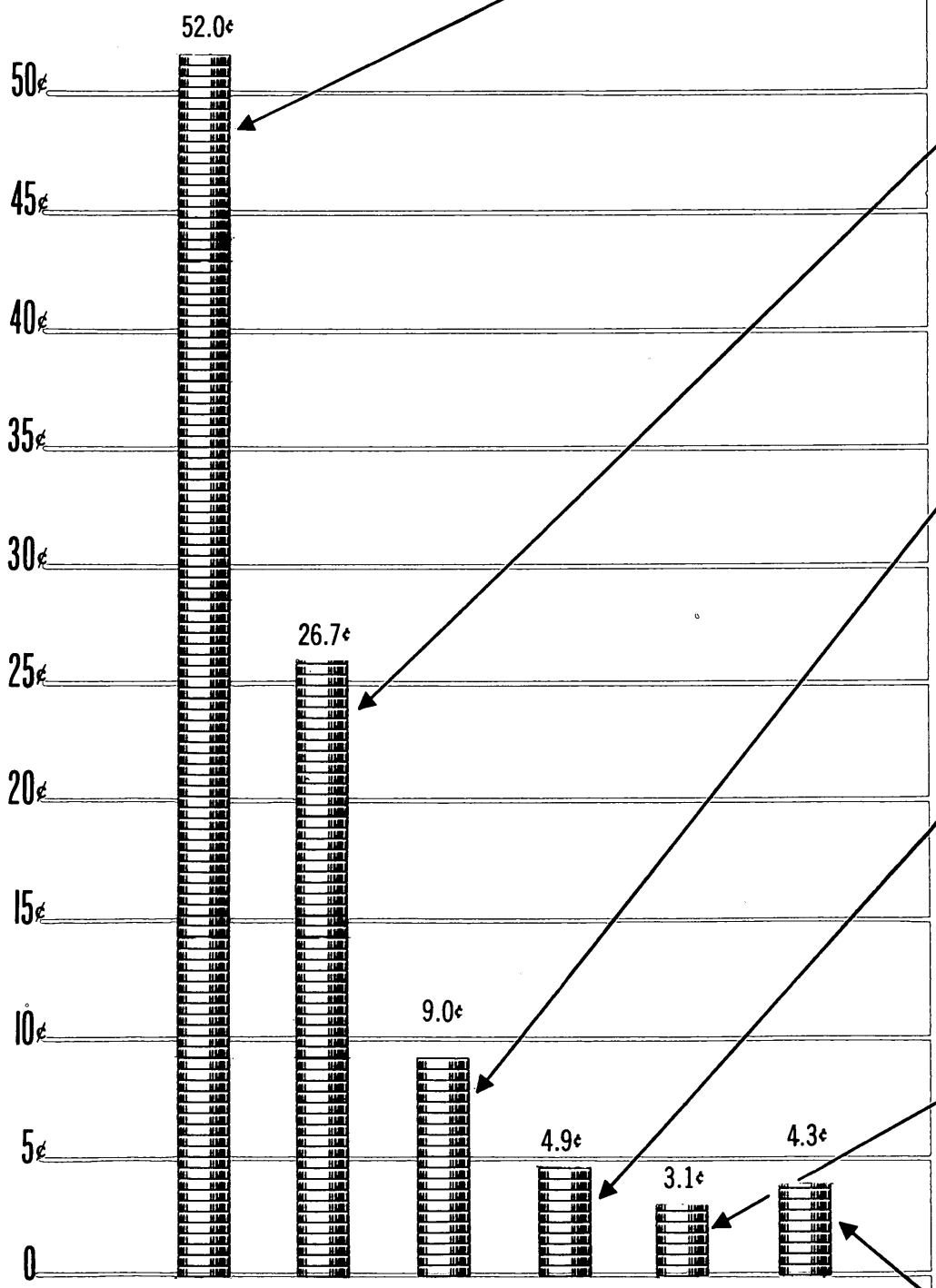
To the Stockholders of The Flintkote Company:

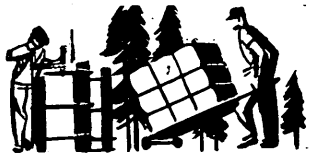
There is submitted herewith a report on the operations of your Company and its subsidiaries for the fiscal year ended December 31, 1950, together with a comparative Consolidated Balance Sheet, statements of Consolidated Income and Surplus and notes relating thereto. Summarized below are some important aspects of the 1950 operations compared with those of the preceding year:

	1950	1949
Net sales	$83,879,811.56	$67,815,156.55
Federal, state and foreign taxes	$ 7,082,612.26	$ 3,590,469.07
Net income:		
Total	$ 7,703,254.80	$ 5,825,579.16
Per common share—after providing for dividends on preferred stock	$5.83	$4.33
Shares of common stock outstanding December 31	1,260,435	1,260,435
Cash dividends paid during the year on:		
Preferred Stock ($4.00 per share)	$ 350,200.00	$ 367,870.00
Common Stock (1950, $3.00 per share; 1949, $2.50 per share)	$ 3,781,305.00	$ 3,144,837.50

In spite of a weak demand for building products in the first quarter of 1950, business was stimulated by an aggressive sales campaign. As a result manufacturing economies were obtained and our customers were placed in an excellent position to supply their trade when later the demand turned sharply upward. For the balance of the year shipments of most products were limited only by our ability to manufacture.

DISPOSITION OF FLINTKOTE'S 1950 SALES DOLLAR

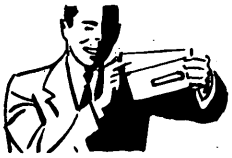




Raw materials, supplies and certain manufacturing, selling, administrative and general expenses net of miscellaneous income.

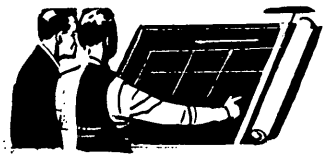
Wages, salaries, and employee benefits including social security taxes, paid vacations and holidays, pensions, life insurance, medical, hospital and surgical benefits and disability compensation.

Numerous taxes of various types (excluding social security taxes) levied by many local, state, federal and foreign governmental agencies.



Dividends paid to stockholders for the use of money invested in buildings, equipment and working capital required in the business.

Charges to operating costs because of the continual wear, use and obsolescence of plant, property and equipment.



Earnings retained and needed for use in the business.

The peak in starts of new residential construction was recorded by the Bureau of Labor Statistics for 1949 as 1,025,100 new dwelling units. During the first ten months of 1950, a total of 1,209,100 new dwelling units were placed under construction, and it is estimated that the total for the year was 1,400,000.

It is too early to determine to what extent residential construction during 1951 will be limited by the preparedness program. With the building necessary to provide housing accommodations for workers in the new defense plants plus some 400,000 residential units which, according to responsible Government authorities, were in the commitment stages on October 12, 1950, there is a probability that residential building requiring asphalt shingles, asbestos sidings, insulation products and other of the Company's building materials will result in a high level of activity.

The difficulty of forecasting in the construction industry is recognized. However, Building Supply News, a prominent trade publication, indicates that the repair and maintenance market may reach an all-time high of 10 billion dollars in 1951. That particular segment of construction activity furnishes the largest outlet for Flintkote Building Materials.

Flintkote products for industry continued to be used widely. Increased volume on paper sizes and sealers for construction joints supplemented the satisfactory sales coverage of the automotive and railroad industries using a wide variety of liquid and felt products. Standard protective and waterproofing materials were specified and used generally throughout the country.

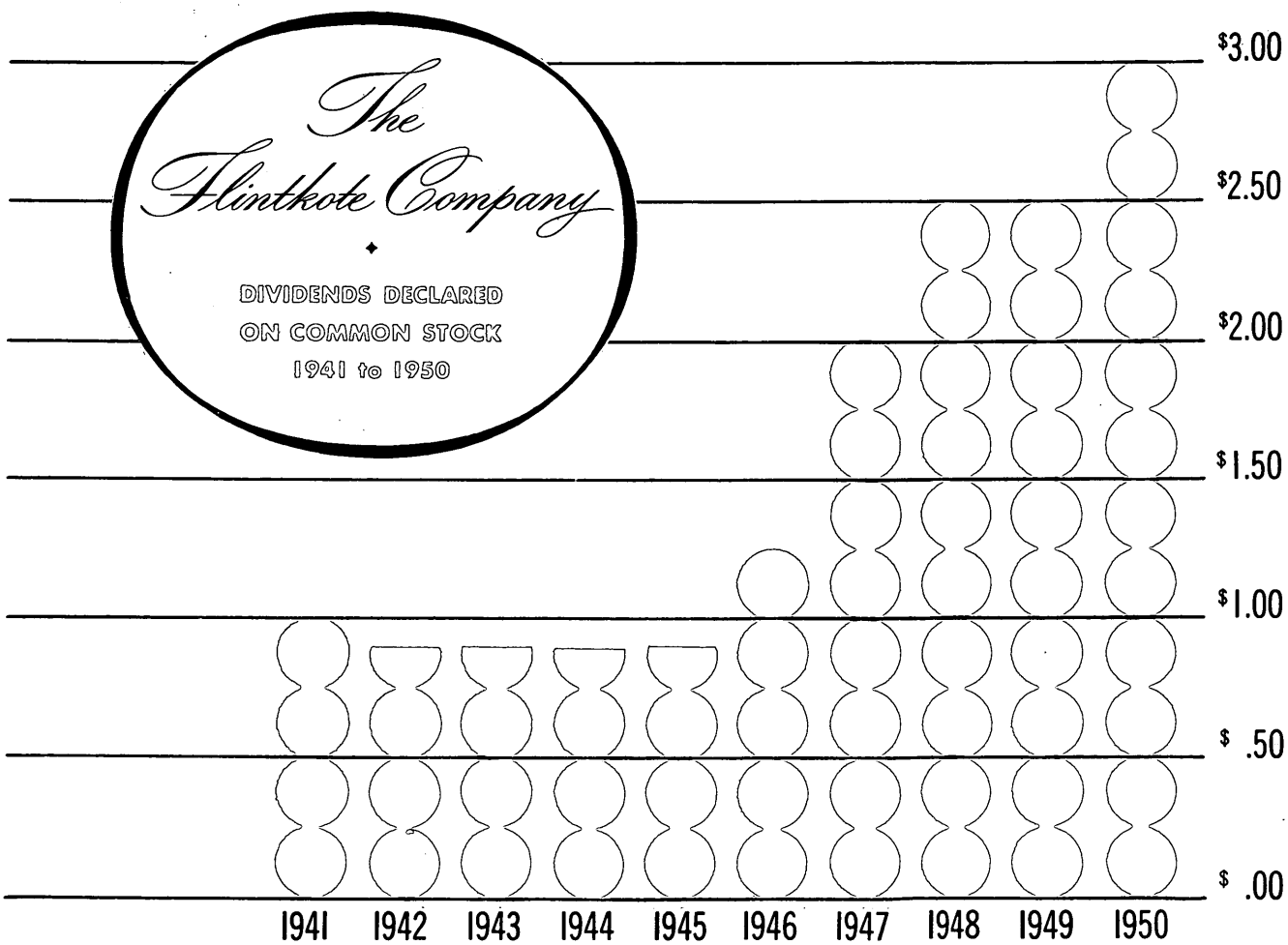
Progress was made in the reduction of costs and improvement in the production of floor and wall coverings. A new grease resistant, highly color styled floor tile, Vitachrome, was added to the Tile-Tex line.

The west coast paperboard, box and container business operated at capacity during most of the year. The first four-color rotary press for the printing of folding cartons on the west coast was installed at the Los Angeles plant.

The operation of Flintkote Mines Limited asbestos property at Thetford Mines, P.Q., Canada, was of increased importance to the Company in view of the expanded use of that fibre. Both sales and profits were larger.

The Flintkote Company of Canada Limited increased its profits although dollar sales volume remained about the same.

Sales of the wholly owned foreign subsidiary, Industrial Asphalts Company, Limited, increased substantially as the result of an expansion of its



line of liquid and felt products produced in England and the servicing of foreign markets with credit in pounds sterling where dollar purchasing power was not available.

The Company continued its practice of making substantial expenditures for the maintenance and improvement of its plants. Construction of a new insulated sidings plant at East Rutherford, New Jersey, and a warehouse at Portland, Oregon, for the storage of insulation board products from Hawaii, was commenced during the year.

The Company's relations with its employees were generally harmonious and wage rates were maintained at competitive levels.

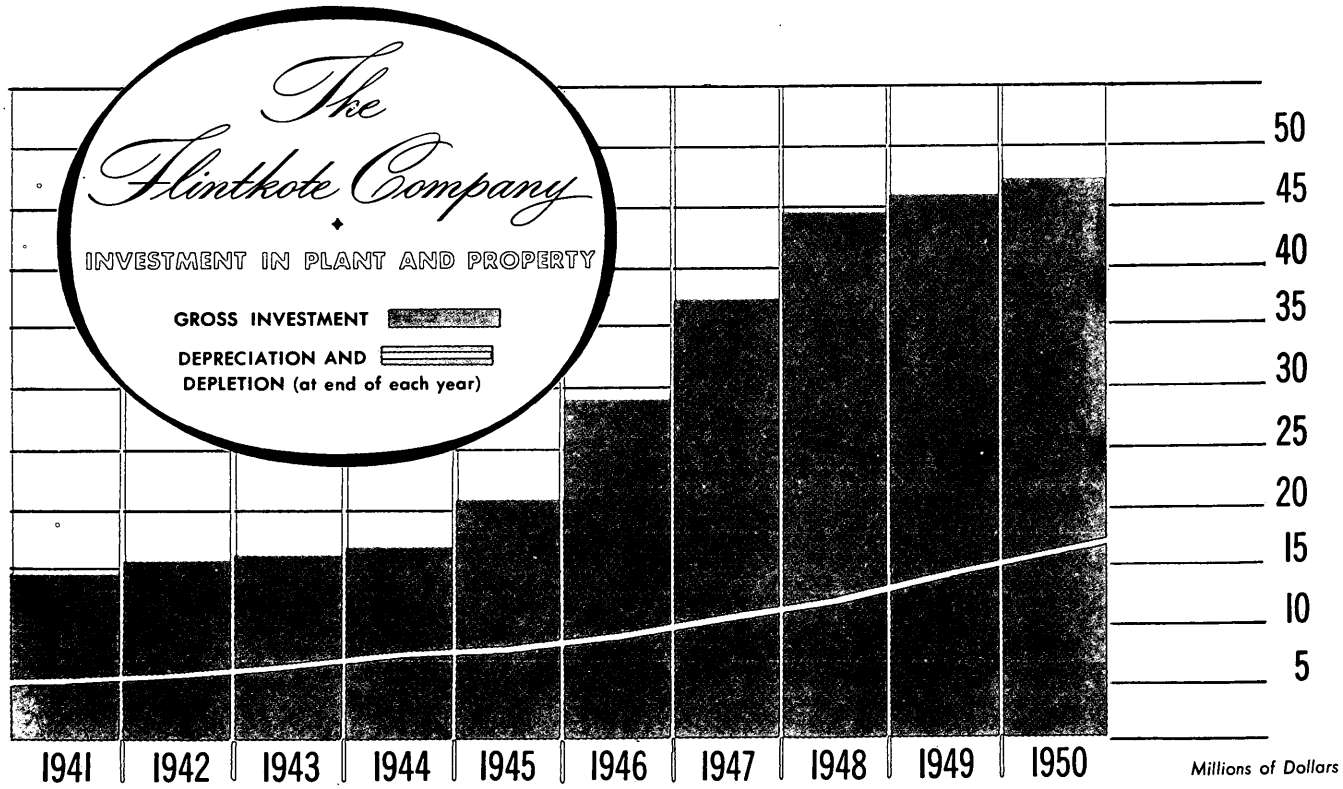
The Company's timber properties in Alabama and Mississippi continued to improve as a result of sound forestry practice and neighboring land owners were encouraged to take advantage of the Company's experience. A satisfactory supply of pulp wood adjacent to the Company's Meridian, Mississippi, plant permitted the development of these properties to their best economic advantage.

Mr. J. H. Setinsky was elected Vice President in Charge of Manufacturing of the Company.

The results of the year's operations reflect the efforts of the officers and employees of your Company, and I am confident that the experience which the Company gained during the late war should serve it well in meeting its share of the burdens imposed upon our country during these trying times.

New York, New York
February 14, 1951

President



Auditor's Report

Lybrand, Ross Bros. & Montgomery
CERTIFIED PUBLIC ACCOUNTANTS

NEW YORK, PHILADELPHIA, CHICAGO, BOSTON, BALTIMORE, WASHINGTON, PITTSBURGH, DETROIT, CLEVELAND, CINCINNATI, ROCKFORD, LOUISVILLE, ST. LOUIS, ATLANTA, DALLAS, HOUSTON, SAN FRANCISCO, LOS ANGELES, SEATTLE, LONDON, PARIS

To the Board of Directors and Stockholders,
The Flintkote Company,
New York, N. Y.

We have examined the consolidated balance sheets of THE FLINTKOTE COMPANY and its Subsidiaries Consolidated as of December 31, 1950 and 1949 and the related statements of income and earned surplus for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets and statements of income and earned surplus present fairly the consolidated financial position of The Flintkote Company and its subsidiaries consolidated at December 31, 1950 and 1949, and the results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Lybrand, Ross Bros. & Montgomery

New York, January 31, 1951.

Comparative Statement of

CONSOLIDATED EARNED SURPLUS

(FROM JANUARY 1, 1933)

FOR THE YEARS ENDED DECEMBER 31, 1950 AND 1949

	1950	1949	Increases Decreases*
Balance, January 1	$20,133,576.02	$17,802,746.13	$ 2,330,829.89
Add:			
Consolidated net income, as annexed	7,703,254.80	5,825,579.16	1,877,675.64
Excess of paid-in amount over cost of $4 cumulative preferred stock retired, 2,080 shares, 1950; 2,170 shares, 1949	13,634.32	17,958.23	4,323.91*
	$27,850,465.14	$23,646,283.52	$ 4,204,181.62
Deduct:			
Cash dividends paid on:			
$4 cumulative preferred stock ($4.00 per share)	$ 350,200.00	$ 367,870.00	$ 17,670.00*
Common stock ($3.00 per share, 1950; $2.50 per share, 1949)	3,781,305.00	3,144,837.50	636,467.50
	$ 4,131,505.00	$ 3,512,707.50	$ 618,797.50
Balance, December 31 (Notes 2 and 3)	$23,718,960.14	$20,133,576.02	$ 3,585,384.12

The accompanying notes are an integral part of the above comparative statement of consolidated earned surplus.

Financial Data

THE FLINTKOTE COMPANY AND

Comparative Consolid

at December 31

Assets	1950	1949	Increases Decreases*
Cash in banks and on hand	$ 8,785,724.87	$ 8,482,177.60	$ 303,547.27
United States Government securities at amortized cost (market quotations, 1950, $12,725,317; 1949, $10,709,693)	12,736,012.59	10,706,980.00	2,029,032.59
Accounts and notes receivable:			
Customers, less allowance for doubtful items, 1950, $401,550; 1949, $418,869	8,141,925.75	5,013,528.04	3,128,397.71
Other	254,259.04	272,509.21	18,250.17*
	$29,917,922.25	$24,475,194.85	$ 5,442,727.40
Inventories, at the lower of average cost or market:			
Finished goods	$ 2,551,404.73	$ 2,542,762.52	$ 8,642.21
Raw materials, felt and operating supplies	5,485,560.45	3,790,091.19	1,695,469.26
	$ 8,036,965.18	$ 6,332,853.71	$ 1,704,111.47
Total current assets	$37,954,887.43	$30,808,048.56	$ 7,146,838.87
Plant and property, as written down at December 31, 1932 plus subsequent additions at cost:			
Land	$ 1,139,530.74	$ 1,138,521.15	$ 1,009.59
Buildings and land fixtures	$14,943,238.73	$14,725,158.41	$ 218,080.32
Machinery and equipment	29,599,869.37	28,219,923.58	1,379,945.79
Furniture and fixtures	811,523.33	775,174.12	36,349.21
Construction in progress	738,981.41	263,656.83	475,324.58
Mine and timberlands	605,845.43	612,875.09	7,029.66*
	46,699,458.27	44,596,788.03	2,102,670.24
Less, Allowance for depreciation and depletion	16,447,112.68	14,311,968.63	2,135,144.05
	$30,252,345.59	$30,284,819.40	$ 32,473.81*
Totals	$31,391,876.33	$31,423,340.55	$ 31,464.22*
Investments, at cost (including foreign subsidiary, not consolidated, 1950, $71,757; 1949, $19,630)	$ 91,762.92	$ 39,636.00	$ 52,126.92
Patents, royalty contracts, other rights and good will, as written down at December 31, 1932 plus cost of good will subsequently acquired	$ 956,867.84	$ 956,867.84	$ —
Prepaid and deferred expenses (including unamortized past service premium under Group Retirement Pension Plan; 1950, $380,731; 1949, $442,711)	$ 1,243,706.00	$ 973,529.22	$ 270,176.78
	$71,639,100.52	$64,201,422.17	$ 7,437,678.35

The accompanying notes are an integral part of

Comparative Statement of

CONSOLIDATED INCOME

FOR THE YEARS ENDED DECEMBER 31, 1950 AND 1949

	1950	1949	Increases Decreases*
Net sales	$83,879,811.56	$67,815,156.55	$16,064,655.01
Cost of goods sold	59,495,103.28	49,235,578.23	10,259,525.05
Gross profit on sales	24,384,708.28	18,579,578.32	5,805,129.96
Selling, administrative and general expenses	8,771,384.72	8,083,894.60	687,490.12
	15,613,323.56	10,495,683.72	5,117,639.84
Royalty revenue, net	190,686.35	129,688.14	60,998.21
Other income:			
Cash discount on purchases	220,365.77	166,418.28	53,947.49
Commissions	192,477.20	94,099.39	98,377.81
Interest and dividends	166,485.60	144,953.12	21,532.48
Gain arising from increase in Canadian exchange rate	60,326.96		60,326.96
Miscellaneous	137,485.01	61,170.67	76,314.34
	$16,581,150.45	$11,092,013.32	$ 5,489,137.13
Other charges:			
Cash discount on sales	$ 1,415,209.38	$ 1,115,733.49	$ 299,475.89
Interest on 3% promissory note	169,312.50	180,000.00	10,687.50*
Loss arising from decrease in Canadian exchange rate		145,763.06	145,763.06*
Past service premium under Group Retirement Pension Plan	61,980.16	59,247.85	2,732.31
Miscellaneous	148,781.35	175,220.69	26,439.34*
	$ 1,795,283.39	$ 1,675,965.09	$ 119,318.30
Income before federal, state and foreign taxes	$14,785,867.06	$ 9,416,048.23	$ 5,369,818.83
Federal, state and foreign taxes:			
Federal income tax (less adjustment in 1949 of prior years' accrual, $300,000)	$ 5,950,000.00	$ 3,250,000.00	$ 2,700,000.00
Federal excess profits tax	550,000.00		550,000.00
State and foreign taxes	582,612.26	340,469.07	242,143.19
	$ 7,082,612.26	$ 3,590,469.07	$ 3,492,143.19
Net income for the year	$ 7,703,254.80	$ 5,825,579.16	$ 1,877,675.64
Provision for depreciation and depletion included above	$ 2,596,319.17	$ 2,495,590.02	$ 100,729.15

The accompanying notes are an integral part of the above comparative statement of consolidated income.

Notes to Financial Statements

1. Net assets of the Canadian subsidiaries, translated at appropriate rates of exchange, amounted to approximately 7 per cent of the consolidated net assets at both December 31, 1950 and 1949, and the related net earnings represented approximately 7 per cent and 4 per cent of the consolidated net earnings for the years ended on those dates.

2. The agreement dated March 22, 1948 for the issue of a 3% promissory note due March 15, 1968 provides that the company shall prepay, without premium, the principal amount of $150,000 in each of the years 1951 and 1952 and $300,000 in each of the years 1953 through 1967. On March 15, 1951 and annually thereafter, the company may prepay, without premium, not to exceed $300,000 principal amount, and may at any time prepay the note in whole or in part at premiums ranging from 3% to ⅛% of the principal amount so prepaid.

The agreement also imposes certain restrictions on the purchase, redemption or retirement of any shares of the capital stock of the company oustanding on March 22, 1948, and on the declaration or payment of dividends or any other distribution other than in stock of the company upon any shares of its capital stock. At December 31, 1950, $13,403,454.22 of the consolidated earned surplus was free of such restrictions.

3. The terms of issue of the $4 cumulative preferred stock include certain restrictions on declaration or payment of dividends on the common stock other than dividends payable in stock of the company ranking junior to the $4 cumulative preferred stock. At December 31, 1950, the consolidated earned surplus was free of such restrictions.

Such terms of issue also provide that the company shall, on or before December 31 of each year, either purchase for retirement or redeem 2,000 shares of such preferred stock, or set aside as a sinking fund an amount sufficient to redeem, at $107 per share plus an amount equal to dividends accrued, any of such shares not previously purchased or redeemed. The required number of shares had been purchased at December 31, 1950.

COMPARATIVE CONDENSED CONSOLIDATED BALANCE

Assets

	1950	1949	1948
Cash	$ 8,785,725	$ 8,482,178	$ 6,234,781
United States Government securities	12,736,013	10,706,980	8,202,901
Dominion of Canada securities			
Excess profits tax refund bonds due January 1, 1946			
Accounts and notes receivable (less allowances)	8,396,184	5,286,037	6,105,610
Inventories:			
Finished goods	2,551,405	2,542,763	2,892,743
Raw materials and supplies	5,485,560	3,790,091	5,836,778
Total	$ 8,036,965	$ 6,332,854	$ 8,729,521
Total current assets	$37,954,887	$30,808,049	$29,272,813
Cash sinking fund for redemption of debentures			
Plant and property:			
Gross	$47,838,989	$45,735,309	$44,692,684
Allowance for depreciation and depletion	16,447,113	14,311,969	12,312,214
Net	$31,391,876	$31,423,340	$32,380,470
Investments at cost or less (including foreign subsidiary not consolidated)	91,763	39,636	39,637
Patents, royalty contracts, other rights and good will	956,868	956,868	956,868
Post-war refund of excess profits tax			
Prepaid and deferred expenses	1,243,706	973,529	1,202,580
Total	$71,639,100	$64,201,422	$63,852,368

Liabilities

Accounts payable, accruals, etc.	$ 4,617,776	$ 2,941,467	$ 3,196,356
Dividends payable			
Notes payable within one year	150,000	150,000	
Accrued federal, state and other taxes	7,367,972	4,136,638	5,759,143
Reserves for self-insurance, product guarantees and contingencies	406,146	385,274	339,727
Total current liabilities	$12,541,894	$ 7,613,379	$ 9,295,226
Notes payable after one year	$ 5,400,000	$ 5,850,000	$ 6,000,000
Fifteen year 3% debentures			

*After deducting U.S. Treasury Tax Notes

Capital

Capital stock:			
Cumulative preferred	$ 9,651,688	$ 9,871,668	$10,104,120
Common	20,939,145	20,939,145	20,864,770
	30,590,833	30,810,813	30,968,890
Surplus from January 1, 1933:			
Capital surplus			
Earned surplus	23,718,960	20,133,576	17,802,746
	54,309,793	50,944,389	48,771,636
Less, Cost of cumulative preferred stock to be retired	612,587	206,346	214,494
	$53,697,206	$50,738,043	$48,557,142
Total	$71,639,100	$64,201,422	$63,852,368

COMPARATIVE CONDENSED STATEMENT OF CONSOLIDATED INCOME

(Prepared in condensed form similar to that required by the

	1950	1949	1948
Net sales	$83,879,811	$67,815,156	$81,297,857
Cost of sales	59,495,103	49,235,578	59,250,889
Gross profit	24,384,708	18,579,578	22,046,968
Royalties received, less participation by others	322,653	285,193	445,953
	24,707,361	18,864,771	22,492,921
Selling, licensing, administrative and general expenses	9,234,641	8,506,914	9,184,585
	15,472,720	10,357,857	13,308,336
Other income	777,141	466,641	777,848
	16,249,861	10,824,498	14,086,184
Income deductions	1,795,283	1,675,965	1,643,448
	14,454,578	9,148,533	12,442,736
Provision for income and excess profits taxes and contingencies	6,751,323	3,322,954	4,694,053
Net income	$ 7,703,255	$ 5,825,579	$ 7,748,683

) ITS SUBSIDIARIES CONSOLIDATED

lated Balance Sheet

, 1950 and 1949

Liabilities	1950	1949	Increases Decreases*
Accounts payable, trade and miscellaneous	$ 3,728,192.05	$ 2,191,674.18	$ 1,536,517.87
Promissory note, 3%, prepayment due March 15, 1951 (Note 2)	150,000.00	150,000.00	–
Accrued pay rolls, container deposits, royalties, etc.	889,584.02	749,792.57	139,791.45
Accrued federal, state and other taxes	7,367,972.46	4,136,638.43	3,231,334.03
Reserves for self-insurance and product guarantees	406,145.74	385,274.09	20,871.65
Total current liabilities	$12,541,894.27	$ 7,613,379.27	$ 4,928,515.00
Promissory note, 3%, due March 15, 1968 (Note 2)	$ 5,400,000.00	$ 5,850,000.00	$ 450,000.00*
Capital			
Capital stock:			
$4 cumulative preferred stock without par value; entitled upon involuntary liquidation to $100 per share, and upon voluntary liquidation or redemption (except through sinking fund) to $110 per share on or before March 15, 1951 and thereafter at diminishing amounts (not less than $107 per share) plus in each case an amount equal to accrued dividends (Note 3):			
Authorized and issued, 91,000 shares, 1950; 93,080 shares, 1949	$ 9,651,687.50	$ 9,871,667.50	$ 219,980.00*
Common stock without par value:			
Authorized 2,500,000 shares; issued and outstanding, 1,260,435 shares, 1950 and 1949	20,939,145.06	20,939,145.06	–
	30,590,832.56	30,810,812.56	219,980.00*
Earned surplus from January 1, 1933, statement annexed (Notes 2 and 3)	23,718,960.14	20,133,576.02	3,585,384.12
	54,309,792.70	50,944,388.58	3,365,404.12
Less, Cost of $4 cumulative preferred stock purchased for retirement, 5,800 shares, 1950; 2,080 shares, 1949 (Note 3)	612,586.45	206,345.68	406,240.77
	$53,697,206.25	$50,738,042.90	$ 2,959,163.35
	$71,639,100.52	$64,201,422.17	$ 7,437,678.35

the above comparative consolidated balance sheet.

AND ITS SUBSIDIARIES CONSOLIDATED

SHEET AT DECEMBER 31, 1941 THROUGH 1950

1947	1946	1945	1944	1943	1942	1941
$ 5,978,735	$ 6,490,200	$ 3,183,058	$ 3,232,301	$ 3,286,635	$ 2,026,492	$ 1,826,366
5,198,759	5,637,549	7,791,222	9,866,346	4,863,895	2,612,205	
	50,000	90,500	90,090	45,045		
		212,152	208,439			
6,635,218	5,365,191	2,580,715	3,278,649	3,203,789	4,562,725	3,070,641
1,714,650	1,281,055	1,333,373	888,380	846,660	1,095,468	1,107,919
5,269,904	4,631,101	3,207,257	2,878,383	2,267,596	2,325,610	2,366,275
$ 6,984,554	$ 5,912,156	$ 4,540,630	$ 3,766,763	$ 3,114,256	$ 3,421,078	$ 3,474,194
$24,797,266	$23,455,096	$18,398,277	$20,442,588	$14,513,620	$12,622,500	$ 8,371,201
			$ 102,000			
$37,431,942	$29,248,600	$20,860,329	$16,823,261	$16,112,953	$15,794,255	$14,876,015
10,652,977	9,423,128	8,611,560	7,781,005	7,005,432	6,347,623	5,752,339
$26,778,965	$19,825,472	$12,248,769	$ 9,042,256	$ 9,107,521	$ 9,446,632	$ 9,123,676
39,638	40,914	40,909	40,909	46,855	46,855	47,236
956,868	956,868	746,837	1	1	1	1
				309,500	201,000	
551,690	523,216	386,717	432,613	184,463	176,292	180,651
$53,124,427	$44,801,566	$31,821,509	$30,060,367	$24,161,960	$22,493,280	$17,722,765
$ 4,559,104	$ 4,357,319	$ 3,182,720	$ 2,480,405	$ 2,153,757	$ 2,233,559	$ 1,506,184
591,961						
5,608,911	2,898,665*	1,377,590*	3,575,419*	1,829,630*	3,507,484*	204,783*
309,161	249,064	275,961	431,863	378,274	227,287	199,491
$11,069,137	$ 7,505,048	$ 4,836,271	$ 6,487,687	$ 4,361,661	$ 5,968,330	$ 1,910,458
			$ 3,000,000	$ 3,000,000		
$10,203,213	$10,606,250	$ 7,856,250	$ 3,589,657	$ 3,740,783	$ 3,900,000	$ 3,900,000
18,411,995	18,411,995	12,486,995	10,588,537	7,020,007	7,020,007	6,858,260
28,615,208	29,018,245	20,343,245	14,178,194	10,760,790	10,920,007	10,758,260
				73,921	68,859	68,859
13,540,778	8,491,986	6,641,993	6,518,870	6,128,340	5,690,239	4,985,188
42,155,986	37,510,231	26,985,238	20,697,064	16,963,051	16,679,105	15,812,307
100,696	213,713		124,384	162,752	154,155	
$42,055,290	$37,296,518	$26,985,238	$20,572,680	$16,800,299	$16,524,950	$15,812,307
$53,124,427	$44,801,566	$31,821,509	$30,060,367	$24,161,960	$22,493,280	$17,722,765

FOR THE YEARS ENDED DECEMBER 31, 1941 THROUGH 1950

Securities and Exchange Commission for registration statements.)

1947	1946	1945	1944	1943	1942	1941
$73,625,154	$52,577,403	$37,021,503	$37,280,966	$30,998,161	$31,906,952	$27,151,169
52,864,631	39,710,108	28,757,225	27,600,679	23,424,644	23,303,022	19,493,881
20,760,523	12,867,295	8,264,278	9,680,287	7,573,517	8,603,930	7,657,288
454,424	398,170	395,538	382,158	415,878	409,372	458,683
21,214,947	13,265,465	8,659,816	10,062,445	7,989,395	9,013,302	8,115,971
7,947,669	6,709,730	5,396,902	4,678,955	4,418,871	4,581,494	4,366,072
13,267,278	6,555,735	3,262,914	5,383,490	3,570,524	4,431,808	3,749,899
604,084	468,582	324,674	266,435	287,826	219,208	275,282
13,871,362	7,024,317	3,587,588	5,649,925	3,858,350	4,651,016	4,025,181
1,233,607	994,386	976,824	848,751	777,431	616,698	526,437
12,637,755	6,029,931	2,610,764	4,801,174	3,080,919	4,034,318	3,498,744
4,835,376	2,319,208	967,479	3,323,780	1,830,643	2,516,164	1,761,083
$ 7,802,379	$ 3,710,723	$ 1,643,285	$ 1,477,394	$ 1,250,276	$ 1,518,154	$ 1,737,661

YOUR COMPANY MAKES MANY THINGS

BUILDING MATERIALS

The wide line of Flintkote Building Materials finds many uses in all types of construction work. Your Company's products are used in the construction, maintenance, modernization and repair of residential as well as farm buildings and both commercial structures and industrial installations.

Asphalt Roofing & Siding Products

Flintkote Asphalt Shingles are the style leaders of the roofing industry, combining rugged construction and durable roof protection with a wide variety of beautiful color tones.

Tapered Strip Shingles; Thikbut Strip Shingles; Hexagon Strip Shingles; Individual Shingles; Embossed Strip Brick Sidings; Mineral Surfaced Roll Roofings; Smooth Surfaced Roll Roofings; Cold Process Built-Up Roofing Materials; Hot Built-Up Roofing Materials; Roof Coatings and Plastic Cements; Emulsified Asphalt Roof Coatings.

Insulation Products

Flintkote Decorative Insulation Boards do four important jobs; build, decorate, insulate and reduce noise. These versatile products are especially adaptable to the refinishing and modernization of basement, attic and other rooms, and for the redecoration of stores, churches, restaurants and other commercial structures. This board is available in a number of harmonizing color blends and decorative finishes.

Flintkote Structural Boards, such as sheathing, lath and building boards, are also an important item in the Flintkote line.

Flintkote Insulating Wool is made of Fiberglas*, a highly efficient, long-lasting insulation material that cannot burn or settle in place.

Decorative Plank; Decorative Tile; Leth-R-Grain Board. Sheathing Board; Building Board; Insulation Lath; Roof Insulation. Batts and Roll Blankets, Bantam Batts; Pouring Wool.

Asbestos-Cement Roofing & Siding Products

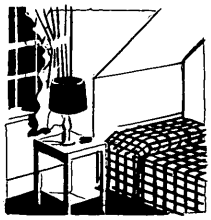
Flintkote Asbestos-Cement products, used in both new construction and in the remodeling of older homes, feature long-lasting protection from fire and weather plus an attractive finish in many different textures and color hues.

Asbestos-Cement Shingles; Asbestos-Cement Sidings; Textured and Smooth Surfaces with Tapertex, Waveline and Shake Designs.

Insulated Siding Products

Flintkote Insulated Sidings are available in a wide variety of colorful modern designs. This popular siding material not only gives beauty to the exterior of old houses, but provides added comfort and fuel savings, through insulation, in both winter and summer.

Brick Design; Stone Design; Shingle Design; Shake Design; Ashlar Stone Design; Tapertex Design.

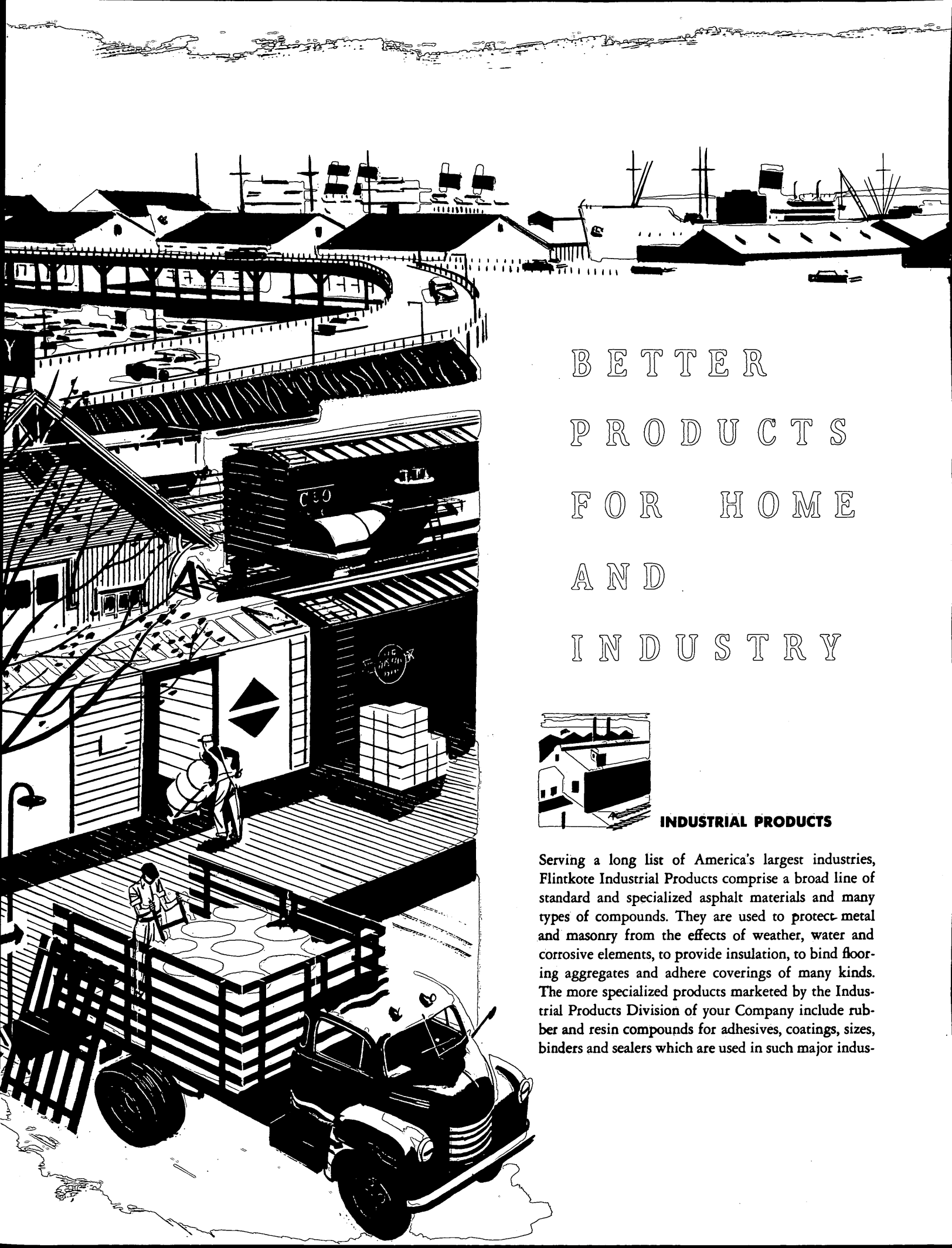


Wallboard Products

Flintkote Thriftex is a light, strong wallboard suitable for general utility use. Flintkote Hardboards are smooth and hard and can be easily painted and worked.

Thriftex Wallboard; Hardboard; Tempered Hardboard.

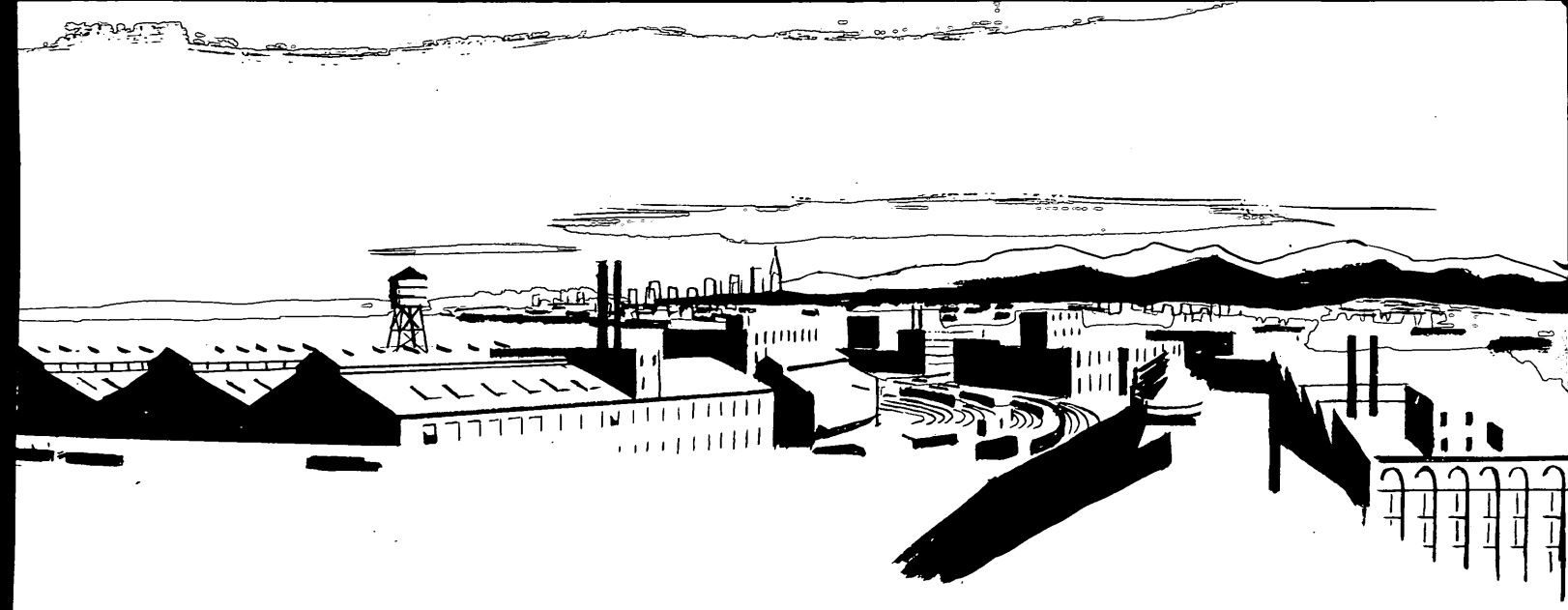
**T.M. Reg. U.S. Pat. Off.—Mfg. by Owens-Corning Fiberglas Corp.*



BETTER PRODUCTS FOR HOME AND INDUSTRY

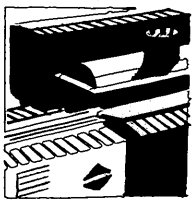
INDUSTRIAL PRODUCTS

Serving a long list of America's largest industries, Flintkote Industrial Products comprise a broad line of standard and specialized asphalt materials and many types of compounds. They are used to protect metal and masonry from the effects of weather, water and corrosive elements, to provide insulation, to bind flooring aggregates and adhere coverings of many kinds. The more specialized products marketed by the Industrial Products Division of your Company include rubber and resin compounds for adhesives, coatings, sizes, binders and sealers which are used in such major indus-



tries as automotive, paper, textile, shoe, rubber, paving and packaging.

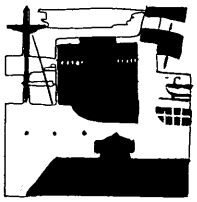
Asphalt Emulsions (Hydralt); Asphalt Cut-Backs; Asphalt Saturated Membrane; Caulking Compounds; Cove Base Cement (Atlas); Dispersions of Elastomers (Syntex); Export Packaging Specialties; Floor Tile Underlayment; Floor Tile Cements; Floor Lining Felt; Industrial Adhesives and Cements; Insulation Coating (Thermalkote); Linoleum Paste and Cement (Atlas); Mastic Floor Emulsions; Moisture Barrier Coatings; Non-slip Floor Coating (Flintdek); Paper Laminant (Flintbond); Paper Sizing (Flintsize); Primers and Coatings for Metal and Masonry; Rubber Mastic Underlayment (Permakote); Rubber-Asphalt Pavement Joint Sealer (Flintseal); Rubber Tile Cement; Rubberized Asphalt Adhesives; Rubber and Resin Compounded Cements and Latices; Spandrel Cloth; Wallboard Cements (Atlas); Wall Coating (Binderseal); Wall Tile Cements.



RAILWAY PRODUCTS

The Flintkote Railway Products produced by your Company find wide use on rolling stock as well as on rights of way, equipment and structures. Many of these products are manufactured to individual railroad specifications.

Asphalt Protective Coatings; Cold-laid Mastic Floorings; Building Materials; Car Cements; Insulation Coatings; Materials for Waterproofing and Dampproofing Systems.



MARINE PRODUCTS

Flintkote Marine Products fill specialized needs of naval and merchant shipping programs in shipbuilding, remodeling and craft preservation, including protection of shore installations.

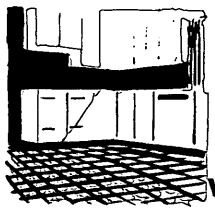
Decking Underlayment (Permaset); Non-Slip Deck Coating (Flintdek); Marine Adhesives; Marine Bituminous Enamel; Marine Insulation Coatings; Marine Bulkhead, Bilge and Tank Protective Coatings.

PAPERBOARD PRODUCTS

The Pacific coast plants of The Flintkote Company, in addition to building materials and industrial products, manufacture boxboard, container-board and containers, cartons and boxes for packaging and shipping various products.

Chipboard; Manila Board; Coated Boards; Folding Cartons; Set-up Boxes; Liner Board; Liner for gypsum wall board; Corrugating medium; Corrugated shipping containers.

Mulch papers, an agricultural product, used as soil covering to retard moisture, evaporation and weed growth, are also produced by this division of your Company.



WALL AND FLOOR COVERING

The Tile-Tex Division of your Company and The Flintkote Company of Canada, Ltd., a wholly owned subsidiary, manufacture and distribute a colorful, distinctively styled line of Asphalt and Plastic Floor and Wall Tile.

FLOORING TILE The Asphalt and Plastic Tile are low-cost, extremely-durable floorings available in wide varieties of sizes and colors. They are resilient, moisture-resistance products, some types of which are grease proof and grease resistant, making them adaptable to either residential, commercial or industrial installations.

Asphalt Floor Tile (Tile-Tex); Plastic Asbestos Floor Tile (Flexachrome and Vitachrome); Greaseproof Floor Tile (Tuff-Tex); Tile-Tex Trim, Bases and Accessory Strips; Tile-Tex Adhesives; Tile-Tex Cleaning and Polishing Materials.

WALL TILE The Wall Tile is a plastic asbestos product, made from asbestos fibers, special resins and durable, colorful pigments. This attractive tile is extremely desirable as a bathroom and kitchen wall surface material.

Plastic Asbestos Wall Tile (Mura-Tex); Mura-Tex Trim, Bases and Accessory Strips; Mura-Tex Wall Finish.

AUTOMOTIVE PRODUCTS

Flintkote Automotive Products, supplied to the manufacturers of America's most popular automobiles, serve to make vehicles safer, quieter and more comfortable by isolating and deadening noise, protecting against corrosion and sealing out dirt, air and mositure.

Anti-Squeak Compounds; Asphalt Adhesives; Body Protective Coatings; Crack Sealers; Mastic Products; Non-Inflammable Adhesives; Rubber Cements; Sound Deadening Felts; Spray-On Deadeners; Underbody Coatings.

INTENSIFYING THE DEMAND FOR FLINTKOTE PRODUCTS

Consumer Advertising

Your Company is telling millions of customers, such as yourself, about Flintkote Building Materials through the medium of national shelter and farm magazines. A series of advertisements from The Flintkote Company is also appearing in a large news magazine. This phase of your Company's advertising should greatly aid in the Flintkote sales effort for the coming year.

Trade Advertising

Selling Flintkote's varied products to technical and industrial buyers, through advertising, calls for a diversification of trade publications. Your Company, through a list of 30 leading trade journals, disseminates interesting and useful product news and information to those people in industry who are responsible for the ultimate purchasing of your Company's products.

Promotional Literature

Attractive informative literature is a highly essential tool in the distribution and sale of your Company's products. New folders and booklets are constantly being prepared and old pieces of literature brought up to date. Your Company has long been recognized as a leader in this vital type of sales promotion.

Awards

The Flintkote Company has been a consistent winner in the Financial World magazine's yearly competition for Annual Report awards. Your Company has won a "Best of Industry Oscar"— in four of the last five competitions held by this publication.

THE FLINTKOTE COMPANY

EXECUTIVE OFFICES

30 Rockefeller Plaza, New York 20, N.Y.

DISTRICT OFFICES

Atlanta • Boston • Chicago Heights • Denver • Detroit

East Rutherford • Lockport, New York • Los Angeles • Meridian • New Orleans

Portland, Oregon • Salt Lake City

San Francisco • Seattle • Waco

Washington, D. C. • Whippany

London

Montreal • St. John's • Toronto

Hilo • Honolulu

OPERATING SUBSIDIARIES

The Flintkote Company of Canada Limited

The Flintkote Company (Nfld.) Limited

Flintkote Mines Limited

Industrial Asphalts Company, Limited *(An English Company)*

The Patent and Licensing Corporation

FLINTKOTE

PROTECTION

BETTER PRODUCTS FOR HOME AND INDUSTRY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STATE OF CALIFORNIA
REPRESENTED BY THE
DIRECTOR OF PUBLIC WORKS

CALIFORNIA
COLFAX QUADRANGLE

Topography by R.R.Monbeck and R.G.Stevenson in 1932

(Auburn) 1/62500

AUBURN 8.6 MI.
ROSEVILLE (U.S. 99 E) 25 MI.

8 MI. TO CALIF. 49
AUBURN 14 MI.

APPROXIMATE MEAN DECLINATION, 1932

TRUE NORTH — MAGNETIC NORTH — 17°

ROAD CLASSIFICATION

HARD-SURFACE ALL WEATHER ROADS — DRY WEATHER ROADS

Heavy-duty — 4 LANE | 6 LANE — Improved dirt

Medium-duty — 4 LANE | 6 LANE — Unimproved dirt

Loose-surface, graded, or narrow hard-surface

U. S. Route — State Route

Scale 1/125000

1 ½ 0 1 2 3 4 5 6 7 8 9 Miles

3000 1500 0 3000 6000 9000 12000 Yards

5000 0 5000 10000 15000 20000 25000 Feet

1 0 1 2 3 4 5 6 Kilometers

Contour interval 100 feet.
Datum is mean sea level

FOR SALE BY U.S. GEOLOGICAL SURVEY, FEDERAL CENTER, DENVER, COLORADO OR WASHINGTON 25, D.C.
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

DIAGRAM OF TOWNSHIP

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

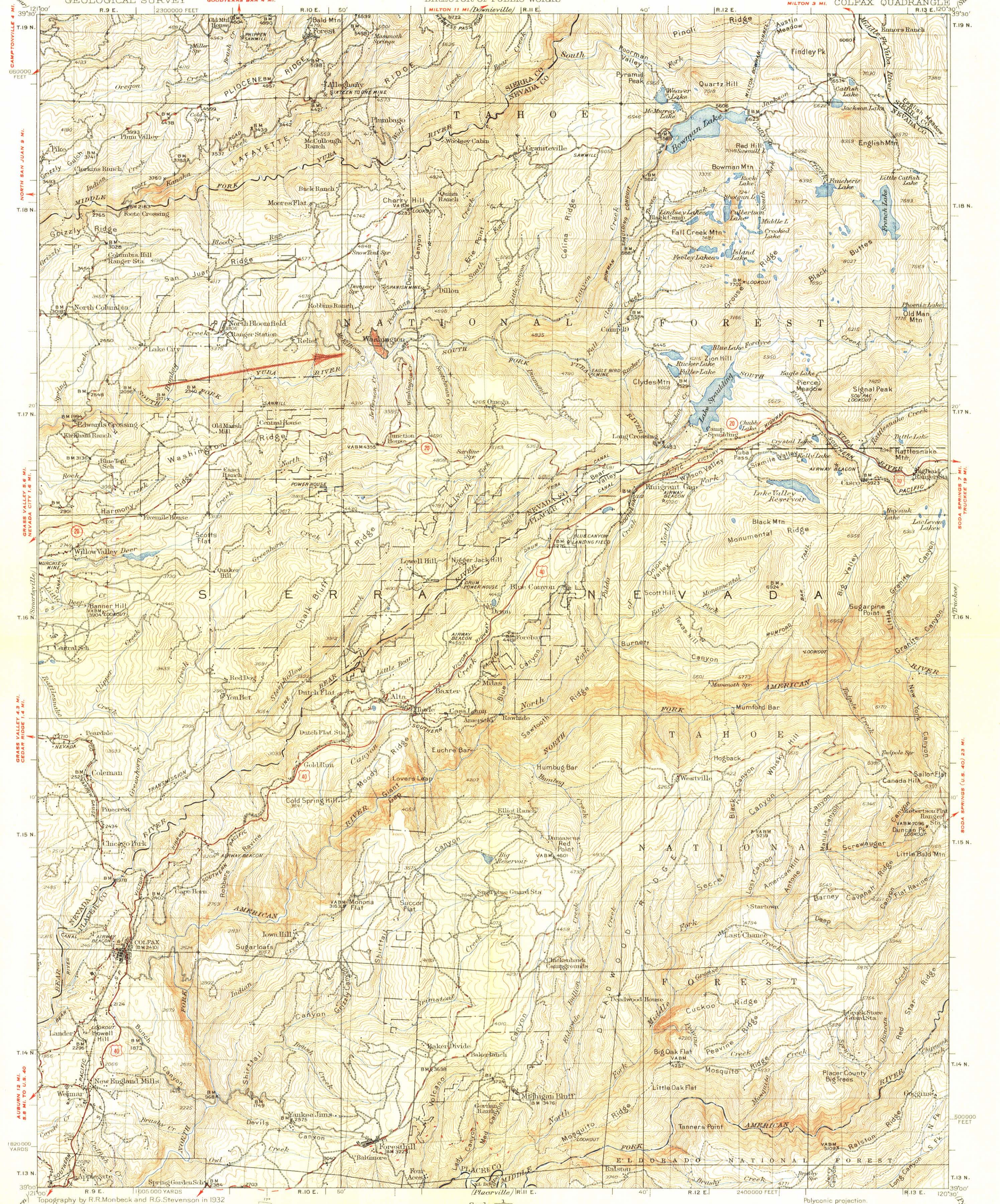
Polyconic projection.
5000 yard grid based on U.S. zone system, G
20000 foot grid based on California (2) rectangular coordinate system
Map of the Banner Hill quadrangle, scale 1:14,400, contour interval 20 feet, from a more detailed survey of the mining area adjacent to Banner Hill, is Available

COLFAX, CALIF.
Edition of 1938
reprinted 1950
N3900-W12030/30

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STATE OF CALIFORNIA
REPRESENTED BY THE
DIRECTOR OF PUBLIC WORKS

CALIFORNIA
COLFAX QUADRANGLE



Topography by R.R.Monbeck and R.G.Stevenson in 1932

AUBURN 8.6 MI.
ROSEVILLE (U.S. 99 E) 25 MI.

8 MI. TO CALIF. 49
AUBURN 14 MI.

TRUE NORTH
MAGNETIC NORTH
17°
APPROXIMATE MEAN DECLINATION, 1932

ROAD CLASSIFICATION

HARD-SURFACE ALL WEATHER ROADS		DRY WEATHER ROADS	
Heavy-duty	4 LANE 6 LANE	Improved dirt	
Medium-duty	4 LANE 6 LANE	Unimproved dirt	
Loose-surface, graded, or narrow hard-surface			

U. S. Route State Route

Scale $\frac{1}{125000}$

1 ½ 0 1 2 3 4 5 6 7 8 9 Miles

3000 1500 0 3000 6000 9000 12000 Yards

5000 0 5000 10000 15000 20000 25000 Feet

1 0 1 2 3 4 5 6 Kilometers

Contour interval 100 feet

Datum is mean sea level

DIAGRAM OF TOWNSHIP

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Polyconic projection.
5000 yard grid based on U.S. zone system, G
20000 foot grid based on California (2) rectangular coordinate system

Map of the Banner Hill quadrangle, scale 1:14,400, contour interval 20 feet, from a more detailed survey of the mining area adjacent to Banner Hill, is Available

COLFAX, CALIF.

Edition of 1938
reprinted 1950
N3900-W12030/30

FOR SALE BY U.S. GEOLOGICAL SURVEY, FEDERAL CENTER, DENVER, COLORADO OR WASHINGTON 25, D.C.
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STATE OF CALIFORNIA
REPRESENTED BY THE
DIRECTOR OF PUBLIC WORKS

CALIFORNIA
COLFAX QUADRANGLE

(Bidwell Bar) GOODYEARS BAR 4 MI. MILTON 11 MI. (Downieville) MILTON 3 MI. (Sierraville)

Topography by R.R.Monbeck and R.G.Stevenson in 1932

(Auburn) $\frac{1}{62500}$

AUBURN 8.6 MI.
ROSEVILLE (U.S. 99 E) 25 MI.

8 MI. TO CALIF. 49
AUBURN 14 MI.

(Placerville) (Pyramid Peak)

TRUE NORTH MAGNETIC NORTH 17°
APPROXIMATE MEAN DECLINATION, 1932

ROAD CLASSIFICATION

HARD-SURFACE ALL WEATHER ROADS — DRY WEATHER ROADS
Heavy-duty — 4 LANE | 6 LANE — Improved dirt
Medium-duty — 4 LANE | 6 LANE — Unimproved dirt
Loose-surface, graded, or narrow hard-surface
U. S. Route ○ State Route

Scale $\frac{1}{125000}$

1 ½ 0 1 2 3 4 5 6 7 8 9 Miles

3000 1500 0 3000 6000 9000 12000 Yards

5000 0 5000 10000 15000 20000 25000 Feet

1 0 1 2 3 4 5 6 Kilometers

Contour interval 100 feet
Datum is mean sea level

DIAGRAM OF TOWNSHIP

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Polyconic projection.
5000 yard grid based on U.S. zone system, G
20000 foot grid based on California (2) rectangular coordinate system
Map of the Banner Hill quadrangle, scale 1:14,400, contour interval 20 feet, from a more detailed survey of the mining area adjacent to Banner Hill, is Available

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A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST