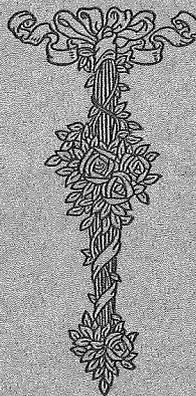


REPORT OF THE
OLD DOMINION
COMPANY



FOR THE YEAR ENDING
DECEMBER 31st, 1921

Old Dominion Company

CAPITAL STOCK

Authorized and issued, full paid, \$8,750,000.00
350,000 shares, at par \$25.00

Officers

President

CHARLES S. SMITH

Vice-President

WALTER DOUGLAS

Directors

Cleveland H. Dodge

Arthur C. James

Cleveland E. Dodge

Charles S. Smith

Walter Douglas

E. Hayward Ferry

J. Waldo Smith

Clerk

WILLIAM M. BRADLEY

Assistant Clerk and Treasurer

CHARLES H. ALTMILLER

Comptroller

JOHN MACNAIR

OFFICE: 50 CONGRESS STREET, BOSTON

The Annual Meeting of Stockholders is held
on the last Wednesday of March in each year.

*To the Stockholders of
Old Dominion Company:*

The Directors herewith submit the following report of operations of the Company for the year 1921, together with a Balance Sheet and Income Account.

As an effect of the generally poor business conditions prevailing at the commencement of the year, there was a greatly decreased demand for copper. Even with the curtailed output, the demand was insufficient to absorb production, and the stock of unsold metal increased alarmingly. Your Directors, therefore, decided that the only remedy for this condition was to stop production altogether and, as a consequence, the mine and smelter were closed on April 12th. To prevent the mine from being flooded it was necessary to continue the operation of the mine pumps and, in addition, a small amount of development work was carried on and a few necessary repairs made to the plant. In other respects all expenses were cut to the lowest possible point. All employes were laid off except the heads of departments and a small force to do the work contemplated.

Production:

The total production for the year, including custom ores, was as follows:

Lbs. Refined Copper	Ounces Silver	Ounces Gold
7,389,648	71,155. $\frac{13}{100}$	1,186. $\frac{887}{1000}$

14,902,677 pounds of refined copper were sold and delivered at an average price of 12.813 cents per pound.

The year opened with the selling price of copper at 13 cents per pound and with such a poor market that the price fell to 12 $\frac{3}{8}$ cents per pound in March and April. Although a greater demand resulted in a better price during May, the summer months experienced a poor market with sales as low as 12 cents per pound. There was a decided improvement in the last three months of the year with the price advancing to 14 cents per pound. Stopping production at your mine, as well as practically all other copper mines, resulted in an encouraging decrease in stocks of copper at the close of the year.

Ore Extraction:

The tonnage of ore extracted during 1921 compares with the previous year as follows:

	1921 Dry Tons	1920 Dry Tons
Smelting Ore	19,967	64,810
Concentrating Ore	40,672	182,606
Converting Ore	1,114	1,695
Total	<u>61,753</u>	<u>249,111</u>

The average grade of ore extracted during 1921 compares as follows with the previous year:

	1921 % Cu.	1920 % Cu.
Average Smelting Ore	6.80	6.63
Average Concentrating Ore	4.56	4.15
Average Converting Ore	5.72	3.39
Average Grade of Ore Extracted	<u>5.31</u>	<u>4.79</u>

Exploration and Development:

The total amount of development work done in 1921 compares as follows with the previous year:

	1921 Feet	1920 Feet
Sinking	65	139
Drifting	5,681	22,249
Raising	1,945	5,312
Intermediate Work	743	3,926
Total	<u>8,434</u>	<u>31,626</u>

After the stopes were closed down only a small amount of development work was done. This was confined to "key" work on the 18th and 20th levels, and while it will be of great value when operations are resumed, and will expedite the development of new ore reserves, none of it was done on the ore bodies. Consequently no ore was added to reserves after April. Prior to that an increase of 4,335 tons was made in oxidized smelting ore reserves, while concentrating reserves

decreased 25,000 tons. Almost the entire decrease in concentrating reserves is accounted for by the writing off of low grade ore which could not be mined under existing cost and market conditions, and which will not be worth going back after at a later time.

During the first four months of the year development was continued on the new ore body on the 16 east with satisfactory results. A raise in block 60 E shows the ore to extend 105 feet above the level. The smelting ore on the 19th and 20th levels West was further proved up by intermediate drifts and raises. The greatest proven thickness is now 54 feet and the proven length along the vein is over 300 feet with the ore still extending westward. The occurrence of this ore is quite irregular, but the body is undoubtedly of considerable importance. The ore body on the Maggie vein was proven for an additional 84 feet in length and the east face is still in good ore.

In the last eight months of the year development was confined to the 18th and 20th levels. The footwall drift from the "A" shaft was connected with the hanging wall drift of the "K" shaft on the latter level and a crosscut run into the hanging wall opposite the "A" shaft. From the crosscut a winze was started for the 24th level to tap and drain the water away from the "A" shaft. This winze was 65 feet deep at the end of the year. The footwall drift was extended eastward on the 18th level and the vein crosscut in block 59 E. At this point there were two feet of good ore and some low grade material. Work on both levels will be continued in 1922.

General Plant Operations:

A total of 1,389.6 million gallons of water was pumped from the mine during the year, or a daily average of 3.807 million gallons.

In the Concentrating Department 44,279 tons of an average grade of 4.67% copper were milled, including custom ore.

In the Smelting Department there were 33,351 tons of charge smelted.

The new Diesel engine was put in operation shortly after the mine was shut down and has proved an economy which will pay its cost in one year.

Conclusion:

While compared with previous years, the average cost of labor and of certain commodities was lower, there will be further reductions in almost all supplies as soon as existing stocks are used up. Globe has long suffered from higher freight rates than other camps in Arizona and should be placed on a parity. The rates on fuel oil and copper bullion were materially lowered and, since January 1, 1922, substantial reductions have been made on these and other commodities. If sufficient skilled labor can be secured, with the resumption of production, it should be possible to make copper considerably more cheaply than in the last two years.

In July the Company sold the balance of its unissued Capital Stock, 52,929 shares at par, \$25 per share, \$1,323,225. All of this stock not taken by the stockholders was taken, without commission or premium, by Phelps Dodge Corporation.

For the Directors,

CHARLES S. SMITH, *President.*

Boston, March 9th, 1922.

OLD DOMINION COMPANY
BALANCE SHEET, 31st DECEMBER, 1921

Assets

Fixed:

Mines and Mining Claims	\$13,035,503.39	
Plant and Equipment	4,149,632.80	
Investments in Sundry Companies	5,000.00	
		\$17,190,136.19

Current:

Materials and Supplies on hand and Expenses Pre-paid	\$436,965.48	
Finished Metals on hand—copper at cost, silver and gold at market	840,803.12	
Copper sold Copper Export Association, Inc. (Carried at cost, less amount received on account) ...	396,536.20	
Accounts Receivable	145,719.59	
Cash and Marketable Securities	171,747.01	
		1,991,771.40
		\$19,181,907.59

Liabilities

Capital Stock:

Authorized and Issued 350,000 shares of \$25 each	\$8,750,000.00
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Current:

Loans and Accounts Payable	1,382,402.04
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Reserves:

For Depletion	\$3,878,498.11	
For Depreciation	3,596,561.12	
		7,475,059.23

Surplus:

Balance 31st December, 1920	\$3,056,502.03	
Loss for Year 1921—per Income Account	1,482,055.71	
		1,574,446.32
		\$19,181,907.59

OLD DOMINION COMPANY
INCOME ACCOUNT
YEAR ENDING 31st DECEMBER, 1921

Income:

Sales of Copper, Silver and Gold \$1,987,997.45

Expenses:

Mining, Treating and Re- fining	\$2,675,914.77	
Selling, general and admin- istrative	66,165.69	
Expenditure during suspen- sion of operations	372,232.26	
Depreciation of Plant	142,527.54	
Depletion of Mines	82,661.04	
Interest	130,551.86	
		3,470,053.16

Loss for the year 1921—carried to Balance
Sheet \$1,482,055.71

We have examined into the affairs of the Old Dominion Company for the year ending 31st December, 1921, and have verified the Assets, Liabilities and Loss shown above. We hereby certify that this Balance Sheet shows the financial condition of the Company at 31st December, 1921, and that the accompanying Income Account for the year ending 31st December, 1921, is correct as stated.

POGSON, PELOUBET & CO.,
Certified Public Accountants.

New York, 3rd March, 1922.

DIVIDENDS PAID TO DECEMBER 31, 1921

No.	Transfer Books Closed	Payable	Per Shares	No. of Shares	Amount
1	Nov. 15, 1905	Dec. 15, 1905	\$0.50	280,097	\$140,048.50
2	May 31, 1906	June 15, 1906	.50	281,589	140,794.50
3	July 19, 1907	Aug. 1, 1907	1.00	293,245	293,245.00
4	Nov. 30, 1908	Dec. 19, 1908	.50	293,245	146,622.50
5	Mar. 5, 1909	Mar. 19 1909	.50	293,245	146,622.50
6	June 1, 1909	June 19, 1909	.50	293,245	146,622.50
7	Sept. 2, 1909	Sept. 20, 1909	.50	293,245	146,622.50
8	Dec. 14, 1909	Jan. 4, 1910	.50	293,245	146,622.50
9	Mar. 17, 1910	April 5, 1910	.50	293,245	146,622.50
10	June 22, 1910	July 6, 1910	.25	293,245	73,311.25
11	Sept. 22, 1910	Oct. 6, 1910	.25	293,245	73,311.25
12	Dec. 19, 1910	Jan. 6, 1911	.25	293,245	73,311.25
13	Mar. 20, 1911	April 6, 1911	.25	293,245	73,311.25
14	June 20, 1911	July 6, 1911	.50	293,245	146,622.50
15	Sept. 20, 1911	Oct. 6, 1911	.50	293,245	146,622.50
16	Dec. 20, 1911	Jan. 6, 1912	1.00	293,245	293,245.00
17	Mar. 20, 1912	April 6, 1912	.75	293,245	219,933.75
18	June 13, 1912	July 2, 1912	1.00	293,353	293,353.00
19	Sept. 16, 1912	Oct. 2, 1912	1.25	293,353	366,691.25
20	Dec. 10, 1912	Jan. 3, 1913	1.25	293,353	366,691.25
21	Mar. 19, 1913	April 8, 1913	1.25	293,353	366,691.25
22	June 12, 1913	July 8, 1913	1.25	293,353	366,691.25
23	Sept. 18, 1913	Oct. 8, 1913	1.25	293,353	366,691.25
24	Dec. 15, 1913	Jan. 6, 1914	1.25	293,353	366,691.25
25	Mar. 18, 1914	April 7, 1914	1.00	293,353	293,353.00
26	June 18, 1914	July 7, 1914	1.00	293,353	293,353.00
27	Sept. 24, 1914	Oct. 8, 1914	.25	293,353	73,338.25
28	Dec. 16, 1914	Dec. 30, 1914	.50	293,353	146,676.50
29	Mar. 4, 1915	Mar. 30, 1915	.50	293,353	146,676.50
30	June 15, 1915	June 30, 1915	1.00	293,353	293,353.00
31	Sept. 15, 1915	Sept. 30, 1915	1.50	293,353	440,029.50
32	Dec. 15, 1915	Dec. 31, 1915	2.00	293,353	586,706.00
33	Mar. 15, 1916	Mar. 31, 1916	2.50	293,353	733,382.50
34	June 15, 1916	June 30, 1916	3.00	293,353	880,059.00
35	Sept. 14, 1916	Sept. 29, 1916	3.00	293,353	880,059.00
36	Dec. 14, 1916	Dec. 29, 1916	3.50	293,353	1,026,735.50
37	Mar. 14, 1917	Mar. 30, 1917	3.00	296,969	890,907.00
Stock of Record:					
38	June 16, 1917	June 28, 1917	3.00	297,071	891,213.00
39	Sept. 24, 1917	Sept. 28, 1917	1.00	297,071	297,071.00
40	Dec. 10, 1917	Dec. 31, 1917	1.00	297,071	297,071.00
41	Mar. 22, 1918	Mar. 29, 1918	1.00	297,071	297,071.00
42	June 15, 1918	June 28, 1918	1.00	297,071	297,071.00
43	Sept. 17, 1918	Sept. 30, 1918	1.00	297,071	297,071.00
44	Dec. 17, 1918	Dec. 31, 1918	1.00	297,071	297,071.00
Total					\$14,405,260.00