

PLEASE REPLY TO:

1429 SYLVAN STREET
VAN NUYS, CALIFORNIA
91411

January 30, 1959

The Commander in Chief
United States Pacific Fleet
Honolulu, Hawaii

Dear Sir:

Reference is made to the contract dated November 10, 1955, between The Commander in Chief, U. S. Pacific Fleet, and this Corporation covering the recovery of scrap and salvage materials within the Saipan District, Trust Territory of the Pacific Islands.

In accordance with the provisions of the contract, we have forwarded to The Naval Administrator, Saipan District, our statements of account covering resales made during the years 1957 and 1958.

As a matter of information only, we are attaching herewith two copies of our preliminary analysis of the royalty account for the two-year period ending December 31, 1958. The data indicated therein was taken from our records, and of course, is subject to final audit by certified public accountants.

Our analysis indicates that the Corporation is presently indebted to The Commander in Chief in the amount of \$40,538.71, covering royalties due to December 31, 1958.

However, two shipments of nonferrous scrap were made from the Saipan District during 1958 for transshipment to the United States for sale in this country. As soon as the sales are completed, the contractor will immediately report to the Naval Administrator, Saipan District.

Very truly yours,

MICRONESIA METALS & MINING CO., Inc.