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TABELL'S MARKET LETTER September 14, 1962

INTERNATIONAL MINERALS & CHEMICAL CORP.

Current Price	47
Current Dividend	$1.60
Current Yield	3 4%
Long Term Debt	$56,289,316
$4 Cum. Pfd. Stock	98,330 shs
Common Stock	2,642,841 shs
Sales -1961-62	$149,000,000
Earned Per Sh. 1961-62	$3.04
Mkt. Range 1962-61	57 - 34

Some twenty-one months ago this letter suggested the purchase of International Minerals & Chemical at the then current price of 32. At that time, the Dow-Jones Industrial average was around its present price. IGL, of course, today selling at 47, has performed considerably better than the average over the period. There is little reason to suspect that it will not continue to do so.

This thought is occasioned by the fact that the writer has spent the past two days, along with other representatives of the financial community, touring IGL's potash mine and refinery at Esterhazy, Saskatchewan The tour was most impressive Sinking the 3,378-foot shaft was probably the most difficult mining project ever completed in the Western Hemisphere The exact contribution that the project will ultimately be able to make to IGL's per-share earnings is difficult to calculate, but the company has stated it has a target of an average 10% annual return on its $40 million investment in the project. This would approximate $1.50 per share, or a 50% earnings increase from this source alone The above figure, however, should only be a rough guide as such complexities as tax exmptions, etc., must be considered. It should also be noted that eventual completion of a second shaft should double output.

There has been a great deal of talk in financial circles about the impact that Esterhazy, and other major potash projects now scheduled, will have on the volatile supply-demand situation in this commodity. This talk has led to doubts that (a) Esterhazy would be able to sell its full output and, (b) that the price of potash will remain stable. Management has some persuasive arguments to counter this thesis, pointing out, first of all, that Esterhazy has natural markets which, due to location and other factors, it alone can best serve, and secondly, that the new output will be introduced gradually over the next few years so that impact on price should not be great.

While the Esterhazy project is admittedly important, it should be fitted into the over-all International Minerals picture IGL is, basically, a company serving agriculture. To fully describe the company's potential, the overworked term, "growth industry" must be applied The magnitude of the world population explosion is familiar to everyone. It is patently apparent that food production must grow sharply and that more intensive fertilization must take place. IGL's position for supplying basic fertilizer ingredients in world markets is unique.

There are three major elements of plant nutrition: nitrogen, phosphorus and potassium, the only commercial source of the latter being potash IGL has long been a major producer of the last two commodities, producing potash from leased deposits at Carlsbad, New Mexico, and phosphate rock in Florida A recently announced joint venture with Northern Natural Gas will put the company in a position to market anhydrous ammonia, a major source of nitrogen, and thus give it a position in all three basic fertilizer elements.

Since fertilizer, as pointed out above, is a bulk commodity, the company's position in regard to shipping points is also interesting. It will be shipping potash from both Esterhazy and Carlsbad. It is now shipping phosphate from Florida, and is a partner with French interests in a West Africa phosphate mine. Eventual shipment from this point would open additional markets Putting all this together, the company has pointed out that they will be able to compete in every major market of the world outside the communist block

Over the near-term, despite a projected lower first half, the company's earnings should show a reasonably good increase over the $3.04 earned in the year ended June 30, 1962 The technical pattern of the stock has not been destroyed by the recent market break and indicates considerably higher levels over the long term. We continue to feel that IGL is one of the better growth opportunities presently available

ANTHONY W. TABELL
WALSTON & CO. INC.

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