

N11775

ISR008019

Anaconda Copper Mining Company

CAPITAL STOCK

Authorized.	3,000,000 shares, \$50 each	\$150,000,000
Issued.	2,331,250 shares, \$50 each	116,562,500

OFFICERS

<i>Chairman of the Board</i>	JOHN D. RYAN
<i>President</i>	CORNELIUS F. KELLEY
<i>Vice-President</i>	B. B. THAYER
<i>Secretary and Treasurer</i>	A. H. MELIN
<i>General Auditor</i>	J. T. ROBERTS
<i>Assistant Secretary</i>	R. D. COLE
<i>Assistant Treasurer</i>	D. B. HENNESSY

DIRECTORS

William Rockefeller	John D. Ryan
B. B. Thayer	Cornelius F. Kelley
George H. Church	J. Horace Harding
Nicholas F. Brady	Andrew J. Miller
A. H. Melin	

OFFICES

ANACONDA, MONTANA
25 BROADWAY, NEW YORK.

15R008020

To the Shareholders of the Anaconda Copper Mining Company:

The following report covering the operations and business of the Company for the year 1920 is submitted:

The year opened with a strong demand for both copper and zinc, a broad buying movement which began in November, 1919, extending into February, and sales of metals covering deliveries to the end of the second quarter at fair prices seemed to promise a recovery from the depression resulting from the ending of the war and the unsettlement of the world's business due to that event.

The promise failed of fulfillment, for the buying of metals ceased during the first quarter and deliveries after August were at a rate below production, until during the last quarter the collapse in general business and industry, both domestic and foreign, brought business almost to a standstill. Prices were reduced below the cost of production and metals were forced upon the market, without attracting buyers of any reasonable quantities.

The reduced rate of production resulted in excessive costs, and rapidly accumulating stocks of unsold metals forced the closing of the mines in March and April of the present year.

The condition of the markets in metals since the Autumn of last year and until the present time is not different from that in all lines of industry, and in our opinion recovery will depend upon the revival of general business in this country and Europe.

It is our belief that signs are commencing to appear indicating a business and industrial recovery in which the metal producers will share, and that the demand for the products of our mines is certain to be restored as normal business conditions return.

The income for the year after payment of all direct expenses was \$9,335,253.18, and after deduction for interest paid and depreciation reserve, the net income was \$2,691,660.62.

Dividends were declared during the year amounting to \$6,993,750.00, or \$3.00 per share. Your Directors in December decided to omit the quarterly declaration, due to existing financial and business conditions.

A summary of operations and activities follows:

Mining Department

Mine Tonnage

The mines of the Company produced during the year 2,152,763.30 tons of ore and 7,557.11 tons of precipitates, or a total of 2,160,320.41 tons.

Development and Exploration

The operation of the Company's mines was curtailed throughout the entire year, but notwithstanding this fact, an amount of development work greater than that done the previous year was carried on, with very satisfactory results, and a large amount of repair work was done in the various shafts and levels of the different mines.

During the year there was done in the mines of the Company in the form of drifts, crosscuts, laterals, upraises and winzes, 22.55 miles of development, as compared with 20.39

miles in the year 1919. The shafts of the Company were sunk additional depths aggregating 829 feet.

The main shaft of the Steward mine was sunk 406 feet during the year, making a total depth of 3633 feet, and the ore disclosed by this work was of a better grade than that in many of the upper levels. This is the greatest depth yet attained in any of the shafts of the Company's mines, and the discovery of the ore referred to at depth encountered is considered of much importance.

At the Silver Bow mine, the No. 2 air shaft was sunk an additional 120 feet.

The Emily shaft of the Badger State mine was sunk 303 feet to the 1600 foot level.

Advantage was taken of the curtailment to complete repair work in a number of the shafts which were not producing during the year. The shafts of the Anaconda, Never Sweat, St. Lawrence, Bell, Original, Gold Hill, Pennsylvania air shaft, Leonard, Liquidator, Alex Scott, Moose and Nettie mines were retimbered for distances varying from 100 feet to 575 feet.

At the Tramway mine the station at the 1350 foot level was retimbered.

The Alex Scott shaft was enlarged to three compartments for a distance of 392 feet, while an additional compartment was added to the Moose and Nettie shafts for distances of 200 feet and 125 feet respectively.

Construction

At the High Ore mine three quintuplex electric pumps were installed on the 1200, 2200 and 2800 foot levels, and a ten inch lead-lined water column was placed in the shaft between the 2200 and 2800 foot levels.

A hoisting engine and head frame was put in place and operated on the Gold Hill shaft.

A triplex electric pump was placed on the 2100 foot level of the Berkeley mine, while a new ten inch air column was installed from the surface to the 1000 foot level.

At the Leonard mine, the blacksmith shop, boiler shop and construction shop were provided with new roofs, and an eleven inch wood-lined pump column was installed in the shaft.

A new roof was placed on the main hoist house of the West Colusa mine.

At the Badger State mine an ironclad building 40 x 40 feet was added to the carpenter shop. A new office building, constructed of steel, 33 x 60 feet was built. In the shaft a ten inch air column was put in place.

In addition to the above, all of the underground electrical fixtures and wiring, some of which had become somewhat antiquated, were replaced with the most modern appliances.

All of the stations and the shaft of the Anaconda mine were rewired, for lighting as well as power. One leaded steel armored 5000 volt, 3 conductor cable was put in place from the surface to the 2000 foot level. Steel armored cables have been placed in most of the mines in place of the old system, and everything possible has been done to safeguard the use of electric power underground, as well as at all other points.

Storage battery locomotives have been installed for underground haulage in all the new levels of the mines in place of the trolley system, and excellent results have been obtained from their use.

Ventilation

There was no diminution in the work of improving the ventilation in the mines, and it has made itself felt most appreciably throughout the underground workings.

In connection with this work nine electrically driven fans were installed at the different mines, having in total a capacity of 90,000 cubic feet of air per minute. Forty-two blowers were also installed, also 9.88 miles of canvas tubing for distributing the air.

The air shafts of the Never Sweat, St. Lawrence, Original, Pennsylvania and West Colusa mines, were smooth-surfaced with concrete slabs, in order to overcome the air friction occasioned by exposed shaft timbers.

Fireproofing

Fireproofing by means of the application of "gunite" was carried on in many of the mines. Both hoisting compartments of the Bel mine for a distance of 1681 feet were completed, the main station on the 2800 foot level and the power station on the same level were completed. All of the powder, fuse and cap magazines in many of the mines were fireproofed, and many thousand feet of crosscuts, mine exits, and surface adits to the shafts were covered. Every precaution known was taken to guard against underground fires and with very good success.

Reduction Department

Copper

The Copper Reduction Works treated for all companies during the year 2,319,336.76 tons of ore and other cupriferous material at Anaconda. No copper ores were treated at Great Falls, except a small tonnage of copper concentrates from Anaconda used for the fluxing of Zinc Plant residue. Of the total amount, 1,828,379.59 tons of ore were produced by the Company mines, 458,359.30 tons of ore were either purchased from or treated for other companies, and 32,617.87 tons of precipitates and cleanings were from the old plants at Anaconda and Butte.

At Anaconda there were produced 155,339,575 pounds of fine copper, 7,113,659.22 ounces of silver, and 32,530.302 ounces of gold. Of this production 138,763.065 pounds of fine copper, 6,420,026.20 ounces of silver, and 32,530.302 ounces of gold were produced by your Company.

The Electrolytic Copper Refinery at Great Falls produced during the year 145,149,892 pounds of cathodes, which were melted into shapes at Great Falls.

The Copper Leaching Plant at Anaconda treated during the year 484,352.61 tons of tailings and 43,271.94 tons of purchased ore, from which there were produced 5,037.30 tons of cement copper.

The Copper Concentrator also treated by flotation 181,033.83 tons of slimes from the ponds and 722,769.61 tons of tailings.

Zinc

The zinc plants at Anaconda and Great Falls treated during the year 443,582.39 tons of ore and other zinciferous material, of which amount 310,572.35 tons of ore were produced by the mines of the Company, and 133,010.04 tons of ore and concentrates were purchased from other companies.

At Great Falls there were produced during the year 101,332.458 pounds of electrolytic zinc, 5,255,452 pounds of zinc in dross, and residue from which were produced 12,536,-

088 pounds of lead, 2,173,080 pounds of copper, 2,073,348.56 ounces of silver, and 6,150,964 ounces of gold.

Rod and Wire Mill

Of the Company's production there were rolled into rods 74,596,737 pounds of copper. Of this amount, 22,326,473 pounds were manufactured into wire, of which 5,292,904 pounds were made into strand.

Construction

Anaconda

Very little construction work was done at Anaconda during the year 1920, the principal items being the completion of the 50-ton phosphate plant, which was begun in the latter part of 1919, and the completion of the arsenic refining plant, work on which was begun at the same time. Both of these plants were operated in a very satisfactory manner.

The 50-ton phosphate plant treated approximately 1500 tons per month of rock and produced about 900 tons per month of treble super-phosphate, containing about 47% available phosphoric acid.

This plant is a pilot plant intended for developing the process of producing high grade phosphate and demonstrating the marketability of the product. Plans are under way for the construction of a large commercial plant to treat 400 to 450 tons of rock per day, together with the necessary sulphuric acid plant.

The new arsenic refining plant, the remodeling of which was completed during the year, contains two refining furnaces each capable of producing about 200 tons per month of refined arsenic. Toward the end of the year a baghouse was constructed to recover the fume from the gases leaving the arsenic plant. The entire system operated in a most satisfactory manner.

The final dam for clarifying the water of the Deer Lodge River at Warm Springs was completed during the year.

A small experimental plant for the production of liquid sulphur dioxide and an experimental precipitator for the precipitation of copper from sulphate solutions by means of liquid sulphur dioxide were completed, and successfully operated during the year.

Great Falls

In connection with the zinc plant a warehouse 40 x 104 feet was constructed.

A very considerable advance was made during the year in connection with the treatment of zinc plant residue and bag house fume, by making the fume and the residue into briquettes and smelting the same in one of the old copper blast furnaces, which was remodeled for this purpose.

No construction work of note was done at either of the copper refineries.

At the rolling mill a double six-die wire drawing machine, a nine-die wire drawing machine and a seven-wire strander were added to the plant.

At the ferro-manganese plant considerable work was done during the year in the way of reconstructing the furnaces as they wore out. Two of the furnaces were rebuilt along new and improved lines and the electrode holders were very much improved. The plant for the last half of the year operated very satisfactorily, but as there was a decided falling off in the demand for ferro-manganese in the middle of December the operation of the plant was discontinued.

Subsidiary Departments and Companies

Coal Department

The mines at Diamondville, Wyoming, produced during the year 494,783.50 tons of coal. 260,112.50 tons of which were shipped to other departments of the Company, 189,771.25 tons were sold commercially and 44,899.75 tons were used at the coal mines.

The mines at Washoe, Montana, produced 207,767.90 tons of coal. 109,436.10 tons were shipped to other departments of the Company, 87,495.80 tons were sold commercially, and 10,836 tons were used at the coal mines.

The mines at Sand Coulee, Montana, produced 192,783.25 tons of coal. 89,332.95 tons were shipped to other departments of the Company, 103,042.30 tons were sold commercially, and 408.00 tons were used at the coal mines.

Lumber Department

The sawmills at Bonner, St. Regis, and Hope cut 92,863,620 feet of lumber and purchased 358,115 feet, of which 38,185,389 feet were shipped to the mines of the Company, 32,027,243 feet were sold commercially, 1,318,034 feet were used at the mills for repairs and construction, and 2,003,362 feet were supplied to the factory for manufacturing; or a total disposition of 73,534,028 feet, increasing the stock of finished lumber on hand by 19,689,707 feet, leaving a balance on December 31st, 1920, of 48,451,078 feet.

Phosphate Development

In the report covering operations for the year 1919, mention was made of a phosphate property which had been acquired in the vicinity of Garrison, Montana. Development work was begun in October, 1919, and during the remainder of that year a tunnel was driven on the phosphate bed for a distance of 74 feet, the last 60 feet of which averaged upwards of 4 feet in width, and a content of 30.15% phosphoric acid. During the year 1920 this tunnel was driven a distance of 518 feet, of which 478 feet was on the bed, the remainder being in crosscuts where faulting had occurred. The phosphate rock developed in this length of tunnel averaged about 4 feet in width and a content of 31.1% phosphoric acid.

Operations at this property were discontinued on September 27th, 1920, as it was deemed advisable to concentrate the work at the phosphate property located at Conda, near Soda Springs, Idaho.

Conda Phosphate Property

In addition to the claims originally purchased in the year 1919, arrangements for purchase of 21 additional claims were made in the year 1920, all containing phosphate rock, and 480 acres of land were purchased for plant site and townsite purposes. The townsite of Conda is located about 7½ miles southeast of Strachan, a station on the Oregon Short Line Railroad, and in order to develop the property it was necessary to construct 7½ miles of railroad connecting Conda and the mines with the main line of the Oregon Short Line Railroad. An agreement was arrived at with the Railroad Company, and contracts were let for the building of the railroad. Due to a comparatively open winter, work of building the railroad was carried on without interruption up to the end of the year, when all work was suspended until Spring. Track was, however, laid to the plant site and considerable ballasting was done. The first work train arrived at Conda on December 10th, and the first material was hauled over the road on December 31st.

Temporary buildings for housing the employees were built, a telephone line was completed to Soda Springs, and a 44,000 volt power line 7¼ miles in length was built to the plant, which furnished electric power with which to conduct operations. An electrically driven compressor was installed.

The property will be opened up by two adit tunnels. No. 1 adit was driven a distance of 391 feet to cut the east dipping bed, while adit No. 2, the portal of which was completed at the end of the year will be driven to cut the west dipping bed. It is expected that adit No. 1 will reach the phosphate bed about April, 1921. The surface tram line connecting adits No. 1 and No. 2 was 83% completed at the end of the year. The excavation for the plant site was 50% completed. Excavation was started for the pipe line through which water will be brought to the plant site, a distance of 7400 feet.

Material for a crushing and drying plant, ore bins, trestles, etc., was ordered, also storage battery, locomotives, cars and other necessary machinery.

It is estimated by the engineers in charge of the property that the plant will be ready to operate about August, 1921.

Butte, Anaconda and Pacific Railway

The Railway transported during the year 4,381,267 tons of ore and other freight and 241,250 passengers. The gross revenues were \$1,542,675.21; rental and miscellaneous receipts \$4,516.39; operating expenses \$1,295,241.69; taxes, interest and rental of leased lines \$232,146.79; net income \$19,803.12.

International Smelting Company

The smeltery of this Company, at Tooele, Utah, treated during the year 104,210.44 tons of copper ore, and 200,787.83 tons of lead ore, from which there were produced 9,909,763 pounds of fine copper, 46,130,752 pounds of fine lead, 4,182,881.41 ounces of silver, and 22,592.816 ounces of gold.

The copper smeltery at Miami, Arizona, treated during the year 355,912.41 tons of concentrates and purchased ores, from which there were produced 165,791,986 pounds of fine copper, 378,090.17 ounces of silver, and 5,379.814 ounces of gold.

International Lead Refining Company

The lead refinery of this Company at East Chicago, Indiana, treated during the year 23,457.38 tons of lead bullion from the Tooele plant, and 4,266.67 tons of purchased ore and other bullion, from which there were produced 49,173,237 pounds of common lead, 2,811,008 pounds of antimonial lead, 3,438,370.73 ounces of silver, and 11,897.158 ounces of gold.

Raritan Copper Works

The Raritan Copper Works, owing to the unsettled conditions of the copper trade, operated at reduced capacity in all departments during the entire year, the production of copper being only 46.3% of the total capacity of the plant, which caused a corresponding curtailment in the production of the precious metals.

During the year the installation of the oil system, whereby fuel oil was substituted for coal throughout the plant, was practically completed. This installation included the building of two storage tanks, each with a capacity of 55,000 barrels of oil, the laying of pipe lines from the docks to the storage tanks of the various departments of the plant, and the reconstruction of the fire boxes on the boilers of the furnaces to permit the use of fuel oil.

The copper furnaces have run more continuously with less repairs and labor charges than when using coal, while in the boiler-rooms results of tests have shown a marked increase of efficiency by the use of fuel oil over coal.

The Refinery of this Company at Perth Amboy, New Jersey, treated for all companies during the year 124,463.44 tons of copper bullion and 4,338,616.64 ounces of silver bullion, from which there were produced 245,473,190 pounds of fine copper, 14,320,831.81 ounces of silver, and 76,746,243 ounces of gold.

South America
Andes Copper Mining Company
Development

Churn drilling to the extent of 9,086 feet was done during the year, a large portion of which was confined to an area south of the main ore body, and a tonnage of 7,326,241 tons of ore, averaging 1.64% copper, was added to the ore reserves, making a total estimate of 128,262,503 tons, having a copper content of 1.49% copper.

About 2300 feet of the above drilling was represented by short holes drilled in order to more accurately determine the grade of ore in certain sections which had not been fully developed. There was also 4840 feet of small drifts, winzes and raises driven for the purpose of checking drill hole assays, and also for obtaining a sufficient tonnage of properly mixed ore that would represent an average sample of the oxide ore body and which could be used as feed to the experimental mill.

The amount of work done in drifts, up-raises and inclined shafts for the removal of waste and the development of the intermediate haulage level was 12,392 lineal feet.

108,000 tons of waste were removed during the year, the average tons per man per day in the latter part of the year was 22, demonstrating the efficiency of the caving system of mining as applied to this class of material.

An inclined shaft 422 feet in depth to facilitate development of a haulage level which will be used for mining the oxide ore body was completed during the year.

The main adit was advanced 3,142 feet, the total length at the end of the year being 11,142 feet. The work during the last half of the year was seriously interfered with on account of a large flow of water, amounting at times to upward of 10,000 gallons per minute. This, however, is gradually decreasing, and is lowering the water level in the ore body at the rate of three feet per day.

Water Supply

The survey of the proposed pipe line was finished in the month of May, 1920. The pipe line as located is 37.8 miles long, with an elevation at the intake of 11,715 feet and an elevation at the discharge of 9,695 feet. The total length of tunnels is 12,721 feet, of which 7,526 feet have been completed. The amount of tunnel work done during the past year was 1,955 feet.

Potrerillos Railway

The Potrerillos Railway, consisting of the main line from Pueblo Huido to the town-site of Potrerillos and the line connecting Barquito with the Chilean State Railroad at Chañaral, was operated satisfactorily during the year.

Property

Additional acreage was taken up in the year 1920, making a total of 272,275 acres owned by the Company.

Construction

The hospital, the carabineros' quarters and 43 new houses were completed during the year. The status of dwellings at the end of the year was, at the mine, 5 dwellings 100% complete; at Potrerillos 217 dwellings 92% complete; and at Barquito 14 dwellings 100% complete.

The temporary machine shop was finished and equipped. Its capacity is sufficient to take care of the ordinary needs of the mine and railroad, as operated at present.

Operations in general at the property were curtailed during the year by inability to secure fuel.

The experimental mill at Potrerillos was started January 25th, 1920. Various alterations were made to permit of thorough tests on the oxide ores by a leaching process, to be followed by sulphur dioxide precipitation and iron cementation. The leaching experiments carried on during the year indicated a consistent extraction of 92% of the copper content in the oxide ores treated.

The sulphur dioxide plant has been shipped to South America and should be in operation early in the year 1921. In the meantime tests on similar ores have been made at Anaconda, Montana. These experiments have fully corroborated the results obtained originally in the 1-ton plant at Anaconda and warrant the expectation of a very satisfactory recovery from the ores treated.

Due to shortage of fuel, the mill was shut down in September, 1920, but will be started up early in the year 1921.

Santiago Mining Company

Lo Aguirre Mine

The principal work done during the year was confined to the work of preparing the ore body for caving by driving haulage drifts and raises; also the development of the sulphide ore body mentioned in the last report. Winzes were sunk showing the body to extend a considerable distance below the tunnel level, but on account of the presence of water in the bottom of the winzes it was impossible to determine the exact extent of the ore. The work, however, proved that there was a substantial body of sulphide ore below the tunnel level. It will require the erection of machinery and pumps to prosecute this work further. The total work done on all faces amounted to 8,121 feet.

The construction work during the year consisted of 12 two-family houses, 2 five-room staff houses, powder magazine and a telephone line from Africana to Lo Aguirre.

Africana Mine

The total development for the year was 8,403 feet, consisting of the sinking of an additional 270 feet in Shaft No. 1 to a total depth of 858 feet, while in Shaft No. 2, 190 feet were sunk to a total depth of 423 feet, the balance being represented in drifts and crosscuts.

The results of the development work were quite satisfactory and would tend to indicate an extension of the ore bodies to the north and a weakening of the ore bodies in a southerly direction.

The copper in the Africana ores appears entirely in sulphide form, assaying 3.73% copper for ore so far developed.

Investments

(a) Mines and Mining Claims.—During the year your Company added to the mining claims owned by it in the Butte District, by purchasing either the whole or undivided interests in a number of outlying properties situated in promising districts. The amount expended in making these purchases was \$191,694.65. In addition, the sum of \$147,873.28 was paid during the year upon the contract for the purchase of phosphate lands situated in Idaho, and in acquiring adjacent property necessary for operating purposes.

(b) Walker Mining Company.—The operations of the Walker Mining Company were continued in 1920 under difficulties, due to shortage of labor.

There were mined and milled 41,825 tons, producing 7,338.92 tons of concentrates.

There were shipped to the International Smelter, Tooele, Utah, 2,295.43 tons of concentrates, containing 907,988 pounds of copper, 17,128.57 ounces of silver and 445.444 ounces of gold.

There was on hand at the concentrator and in transit December 31st, 1920, 7,660 tons, of which 2,572 was tonnage of concentrates on hand December 31st, 1919.

The new aerial tramway for the transportation of ore and concentrates to the railway and supplies from the railway to the mine, was completed in 1920.

The extension of the crosscut tunnel, a distance of 1,324 feet on the strike of the vein and through what is called the main ore body, was completed during the year.

A raise through this ore body from the tunnel to the No. 4 level, a distance of 348 feet, was completed during the year.

A raise from the tunnel to meet the incline shaft from the 3rd level was started.

The developments indicate that the ore body as now outlined will average better than 4% in copper values.

An electric haulage system was installed in the above mentioned tunnel, which will be used as the main haulage way from the ore body to the concentrator.

The installation of a new crusher, picking belt and conveyor is about 85% complete.

The additional housing facilities mentioned in last year's report were completed.

(c) Arizona Oil Company.—During the year this Company produced 395,641 barrels of oil and paid \$40.00 per share in dividends, of which your Company received \$326,400.00.

(d) Anaconda Lead Products Company.—The electrolytic white lead plant, located at East Chicago, Indiana, was put in operation on January 25, 1920, and immediately, as is usually the case in new process work, weaknesses in equipment and plant design developed, which from time to time were remedied and will be completely overcome in the near future.

The cellroom of the plant developed a greater tonnage than was anticipated, thereby throwing out of balance the filtering, drying and barreling departments.

The process operated satisfactorily, the grade of the product being excellent, establishing a new standard of whiteness for white lead. Construction and operation of the plant was seriously hampered by a scarcity of labor, which was remedied only toward the close of the year.

The plant made an output of 18 tons of white lead per day during the last month of the year.

(e) During the year your Company increased its holdings of stock of the Inspiration Consolidated Copper Company from 250,900 shares to 285,300 shares.

Financial Condition

Continued expenditures in South America, together with the carrying of abnormally heavy stocks of metals, necessitated the borrowing of additional money. Accordingly, your Directors in October authorized the sale of Series B. of the authorized bond issue, to the principal amount of \$25,000,000 at 7% per annum. These bonds were sold and the proceeds therefrom, and the distribution thereof, are reflected in the balance sheet attached hereto.

Attached hereto you will find a consolidated balance sheet showing the financial condition of the Company, and its Subsidiary Corporations, at the close of business December 31, 1920, and an income statement for the year, both certified to by Messrs. Pogson, Pelouber & Company, Certified Public Accountants.

You will note that certain changes have been made in the balance sheet, which are not the result of current operations for the year.

Up to the year 1914 Anaconda's balance sheet showed the status of that Company only. Since that date, because of the acquisition of subsidiary companies entirely owned by this Company, balance sheets of such Companies have been combined with that of this Company and so published.

Under the heading of "Investments" there has heretofore been included Anaconda's interest in Companies controlled though not entirely owned, as well as other investments. Due to the increasing importance of such Companies, particularly those owning the South American properties, and in order to more accurately present the status of this Company's interest, where more than 75% of the issued stock is owned, the assets and liabilities as the same appear upon their respective books are distributed under appropriate headings on the consolidated balance sheet attached hereto. The change does not imply a valuation of the properties of such Companies, which would show greatly in excess of the book values taken.

New York, N. Y., May 5th, 1921.

JOHN D. RYAN,
Chairman of the Board.

CORNELIUS F. KELLEY,
President.

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies

Consolidated Balance Sheet—31st December, 1920

ASSETS

FIXED:

Mines and Mining Claims, Coal Mines, Timber Lands, Water Rights and Lands for Reduction Works and Refineries, etc.	\$118,364,459.16	
Buildings and Machinery at Mines, Reduction Works, Refineries, Sawmills, Foundries, Waterworks, Rail- roads, Manufacturing Plants, etc.	75,019,735.27	
Investments in sundry companies.	15,975,377.34	
		<u>209,359,571.77</u>

CURRENT:

Supplies on hand, advances on Ores and Expenses prepaid	\$24,050,298.44	
Manufactured products and Merchandise held for sale..	3,980,697.16	
Metals in process and on hand—at cost.	32,536,182.89	
Accounts Receivable and Cash.	24,868,981.96	
		<u>85,436,160.45</u>
		<u>\$294,795,732.22</u>

We have examined into the affairs of the Anaconda Copper Mining Company and of its Subsidiary Companies and have verified the Assets, Liabilities and Income shown above. The Net Income is after deducting all Development expenditure of the year, Depletion of Coal and Timber Lands and Depreciation of Plants and Equipment.

We hereby certify that this Balance Sheet shows the financial condition at 31st December, 1920 of the Companies as an aggregate whole and that the accompanying Income Account for the year ending 31st December, 1920 is correct as stated.

POGSON, PELOUBET & CO.,
Certified Public Accountants.

New York and Butte, 23rd April, 1921.

N11775.01

ISR008031

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies
Consolidated Balance Sheet—31st December, 1920

LIABILITIES

CAPITAL STOCK of Anaconda Copper Mining Company:	
Authorized—3,000,000 shares of \$50.00 each; issued—	
2,331,250 shares	\$116,562,500.00
MINORITY INTERESTS in Subsidiary Companies.....	3,594,090.37
TEN YEAR SECURED GOLD BONDS, due 1st January, 1929:	
Authorized and issued— Series A, 6% \$25,000,000.00;	
Series B, 7% \$25,000,000.00.....	50,000,000.00
RESERVE FOR DEPRECIATION.....	22,310,819.88
CURRENT:	
Accounts and Wages Payable and Taxes and Interest	
Accrued	17,574,859.53
SURPLUS:	
Balance 31st December, 1919—Anaconda Copper Min-	
ing Company and Subsidiaries entirely owned.....	\$62,011,125.45
Additions through consolidating accounts of Subsidi-	
aries substantially owned and changes required in	
adjustment of prior years' taxes.....	27,044,426.37
	89,055,551.82
Net Income for the year ending 31st December, 1920,	
per Income Account annexed.....	2,691,660.62
	91,747,212.44
Deduct Dividends Nos. 79 to 81.....	6,993,750.00
	84,753,462.44
	<u>\$294,795,732.22</u>

NOTE—In order to comply with the Government Income Tax requirements for the purpose of computing depletion, an additional valuation of the mining property as of 1st March, 1913, has been recorded upon the books of the Company; but, for the sake of uniformity, the result of those entries has been omitted from the current statements.

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies

Consolidated Income Account—Year Ending 31st December, 1920

EXPENSE

Metals in process and on hand at beginning of year.....	\$28,705,373.47
Mining, including Development.....	17,943,878.52
Ore Purchases	13,813,410.19
Reduction, including Transportation of Ore.....	19,248,563.22
Refining and Selling, including Transportation of Metals.....	4,963,639.08
Cost of Manufactured products and Merchandise sold.....	5,664,682.26
Administration, Federal Taxes and loss on Government securities sold...	1,935,451.94
Balance carried down.....	8,020,163.93
	<u>\$100,295,166.61</u>

Amount charged off this year for Depreciation and Obsolescence of Mining Plants, Smelters, Refineries, etc.....	\$4,300,349.22
Interest	2,343,243.34
Balance, Net Income, carried to foregoing Balance Sheet.....	2,691,660.62

\$9,335,253.18

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ANACONDA COPPER MINING COMPANY
and Subsidiary Companies

Consolidated Income Account—Year Ending 31st December, 1920

INCOME

Sales of Metals	\$53,227,278.08
Sales of Manufactured products and Merchandise.....	7,716,975.88
Royalties, Tolls, Rentals, etc.....	6,814,729.76
Metals in process and on hand at end of year.....	32,536,182.89

\$100,295,166.61

Balance brought down	\$8,020,165.93
Income from Investments in sundry companies.....	1,315,087.25

\$9,335,253.18