

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JANUARY 23RD 1940

ESTIMATED NET INCOME

	Month of December 1939	Month of November 1939	Twelve Months ended Dec. 31, 1939	Twelve Months ended Dec. 31, 1938
Smelting Department	\$ 15,582	\$ 48,938	\$ 293,967	\$ 332,107
Raritan Copper Works - Refinery Department	152,538	197,455	1,510,222	660,528
- Secondary Department	44,554	30,790	316,746	23,002
Lead Refining Department	4,100	896	1,500	11,730
Zinc Oxide Department	134	7,906	168,802	17,301
White Lead Department	33	4,139	55,322	41,461
Total	\$208,625	\$290,124	\$2,346,559	\$ 342,239
Add - Miscellaneous Income	2,881	2,881	41,681	25,499
Dividend - Mountain City Copper Company	219,444	-	219,444	-
	<u>\$430,950</u>	<u>\$293,005</u>	<u>\$2,607,684</u>	<u>\$ 367,738</u>
DEDUCT:				
Administrative Expenses	\$ 6,000	\$ 6,176	\$ 80,613	\$ 54,145
Miscellaneous Taxes	-	-	5,156	15,862
Capital Stock Tax	790	790	9,500	11,750
Silver adjustment	-	-	37,658	-
Interest -				
Six Percent Debentures	40,000	40,000	480,000	480,000
Anaconda Copper Mining Company	9,375	9,375	112,500	112,500
Anaconda Sales Company	9,375	12,500	158,333	178,620
	<u>\$ 65,540</u>	<u>\$ 68,841</u>	<u>\$ 883,760</u>	<u>\$ 848,877</u>
	<u>\$365,410</u>	<u>\$224,164</u>	<u>\$1,723,924</u>	<u>\$ 431,137</u>
Less - Depreciation	62,799	76,530	733,062	488,855
	<u>\$302,611</u>	<u>\$147,634</u>	<u>\$ 990,862</u>	<u>\$ 909,794</u>
Less - Federal Income Tax	26,700	28,100	130,000	-
NET INCOME	\$275,911	\$119,534	\$ 860,862	\$ 909,794
Add - Net Income of Subsidiary Companies	15	15	335	5,341
CONSOLIDATED NET INCOME	\$275,926	\$119,549	\$ 860,027	\$ 915,135

CONSOLIDATED SURPLUS ACCOUNT

<u>BALANCE</u> - January 1, 1939	\$1,300,007
<u>ADD</u> - Net Income - Twelve Months ended December 31, 1939	860,027
<u>BALANCE</u> - DECEMBER 31, 1939	<u>\$2,160,034</u>

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INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JANUARY 23RD 1940

ESTIMATED NET INCOME - SMELTING DEPARTMENT

	Month of December 1939	Month of November 1939	Twelve Mos. ended Dec. 31st 1939	Twelve Mos. ended Dec. 31st 1938
Tooele Lead Plant	\$ 137	\$ 39,196	\$113,500	\$ 4,766
Tooele Copper Plant	11,173	4,842	125,263	44,157
Tooele Sulphide Concentrator	5,527	5,421	35,787	3,777
Tooele Oxide Concentrator	-	-	10,593	3,694
Ophir Hill Plant	40,700	11,174	174,557	598
Miami Plant	5,000	575	63,750	11,733
	<u>\$ 25,282</u>	<u>\$ 61,208</u>	<u>\$223,450</u>	<u>\$ 22,227</u>
Deduct:				
Bad Debts	\$ -	\$ -	\$ 68,076	\$ 4,037
Tramway Operations	1,200	1,200	12,500	10,581
Outside Exploration	5,500	5,940	91,773	40,426
Selling Commission	1,600	2,895	23,472	29,622
Shutdown Expenses -				
Tooele Lead Plant	-	-	-	9,260
Tooele Copper Plant	-	-	-	18,709
Tooele Sulphide Concentrator	-	827	7,986	10,175
Tooele Oxide Concentrator	900	887	11,400	8,488
Rico Plant	500	521	5,768	9,313
Miami Plant	-	-	8,508	37,619
	<u>\$ 9,700</u>	<u>\$ 12,270</u>	<u>\$229,483</u>	<u>\$178,230</u>
	<u>\$ 15,582</u>	<u>\$ 48,938</u>	<u>\$293,967</u>	<u>\$ 1,167</u>
Less: Depreciation	<u>21,779</u>	<u>31,314</u>	<u>296,576</u>	<u>139,811</u>
<u>NET INCOME</u>	<u>\$ 6,177</u>	<u>\$ 17,624</u>	<u>\$ 2,509</u>	<u>\$ 1,167</u>

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INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JANUARY 23RD 1940
ESTIMATED NET INCOME - OPIR HILL OPERATIONS

	<u>December 1939</u>	<u>November 1939</u>	<u>Twelve Mos. ended Dec. 31st 1939</u>
Concentrator Sales	\$ 63,510	\$ 42,039	\$500,613
Cost of Sales	<u>22,810</u>	<u>30,905</u>	<u>322,862</u>
Operating Profit	\$ 40,700	\$ 11,134	\$177,751
Other Income	<u>-</u>	<u>39</u>	<u>206</u>
	\$ 40,700	\$ 11,173	\$177,957
Depreciation	<u>9,000</u>	<u>8,975</u>	<u>95,273</u>
<u>NET INCOME</u>	<u>\$ 31,700</u>	<u>\$ 2,198</u>	<u>\$ 82,684</u>

Note: Investment of International Smelting and Refining Company in the above plant at December 31st 1939 amounted to \$191,350 (Depreciated Value - \$96,077).

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INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JANUARY 23RD 1940
ESTIMATED NET INCOME - RARITAN COPPER WORKS

	Month of December 1939	Month of November 1939	Twelve Mos. ended Dec. 31st 1939	Twelve Mos. ended Dec. 31st 1938
<u>REFINERY DEPARTMENT:</u>				
Profit on Tolls	\$ 90,534	\$122,921	\$ 912,950	\$ 499,863
Profit on Premiums	43,093	53,774	459,888	160,296
Profit on Sales	5,690	4,482	50,661	18,087
Electro Sheet Department	<u>2,296</u>	<u>5,468</u>	<u>35,446</u>	<u>15,455</u>
	\$141,613	\$186,645	\$1,458,945	\$ 693,701
Add - Miscellaneous Earnings	<u>12,000</u>	<u>11,944</u>	<u>90,914</u>	<u>59,212</u>
	\$153,613	\$198,589	\$1,549,859	\$ 752,913
Deduct - General Expenses	\$ 1,000	\$ 993	\$ 14,742	\$ 15,714
Shutdown Expenses	-	-	-	62,156
Experimental Expenses	<u>75</u>	<u>141</u>	<u>24,895</u>	<u>14,515</u>
	\$ 1,075	\$ 1,134	\$ 39,637	\$ 92,385
	\$154,538	\$197,455	\$1,580,222	\$ 660,528
Less - Depreciation	<u>29,314</u>	<u>32,448</u>	<u>292,311</u>	<u>269,175</u>
<u>NET INCOME</u>	<u>\$123,224</u>	<u>\$165,007</u>	<u>\$1,287,911</u>	<u>\$ 391,353</u>
<u>SECONDARY METAL DEPARTMENT:</u>				
Sales of Copper	\$297,657	\$328,671	\$4,984,551	\$2,978,917
Cost of Sales	<u>254,871</u>	<u>298,085</u>	<u>4,632,888</u>	<u>2,914,712</u>
	\$ 42,786	\$ 30,586	\$ 351,663	\$ 64,205
Profit on By-Products	<u>5,080</u>	<u>4,120</u>	<u>32,518</u>	<u>8,087</u>
	\$ 47,866	\$ 34,706	\$ 384,181	\$ 72,292
Deduct - Selling Commissions	\$ 3,312	\$ 3,916	\$ 61,842	\$ 38,578
Shutdown Expenses	-	-	-	40,221
Experimental Expenses	-	-	<u>5,593</u>	<u>14,095</u>
	\$ 3,312	\$ 3,916	\$ 67,435	\$ 92,894
	\$ 44,554	\$ 30,790	\$ 316,746	\$ 10,002
Less - Depreciation	<u>3,315</u>	<u>3,487</u>	<u>29,252</u>	<u>13,751</u>
<u>NET INCOME</u>	<u>\$ 41,239</u>	<u>\$ 27,303</u>	<u>\$ 287,494</u>	<u>\$ 34,300</u>
Pounds of Copper Sold	2,503,847	3,000,109	47,695,080	30,095,388
Sales Price	11.888¢	10.955¢	10.451¢	9.898¢
Cost of Sales	10.179	9.936¢	9.714¢	9.685¢

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INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JANUARY 23RD 1940

ESTIMATED NET INCOME - LEAD REFINING, ZINC OXIDE AND WHITE LEAD DEPARTMENTS

	Month of December 1939	Month of November 1939	Twelve Mos. ended Dec. 31st 1939	Twelve Mos. ended Dec. 31st 1938
<u>LEAD REFINING DEPARTMENT:</u>				
Operating Income	\$ 4,100	\$ 896	\$ 1,500	\$ 41,330
Less: Depreciation	<u>3,012</u>	<u>2,500</u>	<u>36,147</u>	<u>7,984</u>
<u>NET INCOME</u>	<u>\$ 1,088</u>	<u>\$ 396</u>	<u>\$ 1,147</u>	<u>\$ 33,346</u>
<u>ZINC OXIDE DEPARTMENT:</u>				
Sales of Zinc Oxide	\$231,109	\$222,690	\$2,478,375	\$1,690,250
Cost of Sales	<u>230,715</u>	<u>254,034</u>	<u>2,299,128</u>	<u>1,657,324</u>
	\$ 394	\$ 8,656	\$ 179,247	\$ 32,926
Less: Shutdown Expenses - Akron Plant	<u>600</u>	<u>750</u>	<u>10,445</u>	<u>15,655</u>
	\$ 134	\$ 7,906	\$ 168,802	\$ 17,271
Less: Depreciation and Obsolescence	<u>3,737</u>	<u>4,262</u>	<u>48,716</u>	<u>28,077</u>
<u>NET INCOME</u>	<u>\$ 1,559</u>	<u>\$ 3,644</u>	<u>\$ 120,086</u>	<u>\$ 10,398</u>
Pounds of Zinc Oxide Sold	3,933,305	4,486,655	42,327,507	29,705,485
Sales Price	5.875¢	5.855¢	5.855¢	5.690¢
Cost of Sales	5.857¢	5.662¢	5.432¢	5.579¢
<u>WHITE LEAD DEPARTMENT:</u>				
Sales of Lead Products	\$ 58,632	\$ 88,490	\$1,127,504	\$ 946,661
Cost of Sales	<u>58,715</u>	<u>84,351</u>	<u>1,072,182</u>	<u>990,122</u>
	\$ 83	\$ 4,139	\$ 55,322	\$ 1,461
Less: Depreciation	<u>1,642</u>	<u>2,519</u>	<u>30,060</u>	<u>28,552</u>
<u>NET INCOME</u>	<u>\$ 1,207</u>	<u>\$ 1,620</u>	<u>\$ 25,262</u>	<u>\$ 1,013</u>
Pounds of Lead Products Sold	782,529	1,194,802	14,537,750	13,778,765
Sales Price	7.493¢	7.696¢	7.756¢	6.884¢
Cost of Sales	7.503¢	7.336¢	7.375¢	7.185¢

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INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JANUARY 23RD 1940

NET CURRENT AND OTHER ASSETS - DECEMBER 31ST 1939

CURRENT ASSETS:

Supplies				\$ 822,734
Metals:				
In Process				
Finished:				1,356,401
Lead	14,086,474 lbs.	4.866¢	\$ 685,484	
Copper	42,420,719 lbs.	10.062¢	4,268,422	
Silver	2,240,346 ozs.	50.262¢	1,126,061	
Gold	27,535 ozs.	34.046	937,477	
By-Products			447,343	
			<u>\$7,468,787</u>	
Less - Reserve for Freight and Refining			367,906	7,096,881
Manufactured Products:				
Lead Products			\$ 264,769	
Zinc Oxide - Finished			566,000	
Haritan Copper Works - Electro Sheet			<u>24,766</u>	855,535
Accounts Receivable:				
Tolls			\$ 631,352	
Zinc Oxide			252,295	
Mountain Cit. Copper Company			120,873	
Walker Mining Company			510,813	
Others			<u>532,898</u>	2,048,231
Cash				<u>390,531</u>
				<u>\$12,570,313</u>

CURRENT LIABILITIES:

Taxes		\$ 192,240	
Interest		23,125	
Accounts Payable:			
Inter-company:			
Anaconda Sales Company - Current Account		115,681	
Anaconda Sales Company - Note Payable		5,000,000	
Anaconda Copper Mining Company - Note Payable		2,250,000	
Other		17,566	
Other Accounts Payable		1,499,513	
Wages Payable		<u>111,186</u>	9,209,311

BALANCE - NET CURRENT ASSETS

\$ 3,361,002

OTHER ASSETS:

Advances to sundry mining companies including advances on ore, less reserve	\$ 113,892	
Installment house and land sales and other accounts receivable, less reserve	<u>68,376</u>	182,268

BALANCE - NET CURRENT AND OTHER ASSETS

\$ 3,543,270

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INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JANUARY 23RD 1940

SALES, DELIVERIES AND PRODUCTION - ALL DEPARTMENTS

	<u>Month of</u> <u>December,</u> <u>1939</u>	<u>Twelve Mos.</u> <u>ended Dec.</u> <u>31, 1939</u>	<u>Twelve Mos.</u> <u>ended Dec.</u> <u>31, 1938</u>	<u>Percent</u> <u>Increase</u>
<u>SMELTER PRODUCTION</u>				
Copper - Lbs. - Tooele	3,326,853	38,789,464	16,284,445	138.2
- Miami	6,184,044	63,378,464	34,775,102	82.2
	<u>9,510,897</u>	<u>102,167,928</u>	<u>51,059,547</u>	100.1
Lead - Lbs. Tooele	5,951,375	49,379,407	46,756,048	5.6
<u>SCRAP COPPER RECEIVED AT</u> <u>PERTH AMBOY</u>				
Recoverable Contents - Lbs.	6,407,812	49,135,822	37,627,534	30.6
<u>REFINERY PRODUCTION</u>				
Copper - Lbs.	42,305,853	415,196,012	249,699,480	66.3
Lead - Lbs.	6,570,112	80,490,879	59,126,497	36.1
Silver - Ozs.	1,447,366	12,571,503	10,702,869	17.5
Gold - Ozs.	29,537	211,654	141,954	49.1
<u>SALES</u>				
Copper - Lbs.	4,152,098	65,667,737	36,457,979	80.1
Lead - Lbs.	1,702,689	71,618,121	60,684,924	18.0
<u>DELIVERIES</u>				
Copper - Lbs.	3,552,991	52,290,428	35,284,780	48.2
Lead - Lbs.	1,322,363	68,667,525	60,287,765	13.9
<u>ZINC OXIDE</u>				
Production - Lbs.	2,886,400	40,711,316	26,524,964	59.2
Deliveries - Lbs.	3,934,000	42,335,059	29,712,726	42.5

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