

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS: MINTING - JULY 25TH 1939

ESTIMATED NET INCOME

	Month of June 1939	Month of May 1939	1x Months ended June 30, 1939	Six Months ended June 30, 1938
Smelting Department	\$ 51,812	\$ 17,525	\$ 83,813	\$121,367
Barren Copper Works:				
Refinery Department	77,165	107,508	582,666	329,561
Secondary Department	10,073	10,551	163,930	5,502
Lead Refining Department	0,000	0,000	3,317	75,397
Zinc Oxide Department	18,137	15,097	102,559	29,006
White Lead Department	5,550	9,242	23,241	17,258
Total	\$155,537	\$165,843	\$759,528	\$ 80,871
Add - Miscellaneous Income	3,971	3,808	21,556	20,504
	\$159,508	\$169,651	\$781,084	\$101,375
Deduct:				
Administrative Expenses	\$ 6,000	\$ 5,213	\$ 40,426	\$ 23,609
Miscellaneous Taxes	75	-	854	11,370
Capital Stock Tax	1,000	1,000	6,000	6,750
Interest -				
Six Percent. Debentures	40,000	40,000	240,000	238,901
Amescon Copper Mining Company	9,375	9,375	56,250	55,787
Amescon Sales Company	14,582	14,583	87,900	87,021
	\$ 71,035	\$ 70,171	\$411,030	\$423,438
	\$ 88,473	\$ 99,474	\$550,054	\$446,876
Less - Depreciation	58,685	60,432	346,273	273,364
NET INCOME	\$ 29,788	\$ 39,042	\$203,781	\$ 71,535
Add - Net Income of Subsidiary Companies	140	140	506	123
CONSOLIDATED NET INCOME	\$ 29,648	\$ 38,902	\$203,383	\$ 71,658

CONSOLIDATED SURPLUS ACCOUNT

BALANCE - January 1st 1939	\$1,760,037
Add - Net Income - Six Months ended June 30, 1939	203,383
BALANCE - JUNE 30TH 1939	\$1,762,054

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JULY 29TH 1939

ESTIMATED NET INCOME - SMELTING DEPARTMENT

	<u>Month of</u> <u>June</u> <u>1939</u>	<u>Month of</u> <u>May</u> <u>1939</u>	<u>Six Months</u> <u>ended June</u> <u>30, 1939</u>	<u>Six Months</u> <u>ended June</u> <u>30, 1938</u>
Tooele Lead Plant	\$ 6,000	\$ 5,748	\$ 1,300	\$ 10,946
Tooele Copper Plant	15,000	18,496	85,901	36,265
Tooele Sulphide Concentrator	6,830	854	4,574	60,689
Ophir Hill Plant	11,066	3,932	82,727	-
Miami Plant	<u>2,000</u>	<u>1,113</u>	<u>4,043</u>	<u>4,335</u>
	<u>\$ 40,896</u>	<u>\$ 26,229</u>	<u>\$178,547</u>	<u>\$ 51,685</u>
Deduct:				
Silver Affidavit Adjustment	\$ -	\$ -	\$ 47,037	\$ -
Expenses - Operating Tramway	900	942	5,496	5,154
Shutdown Expenses:				
Miami Plant	-	-	-	23,469
Rico Plant	540	541	3,325	3,258
Tooele Sulphide Concentrator	644	619	3,433	-
Tooele Oxide Concentrator	1,200	1,315	6,095	2,693
Outside Exploration	3,200	2,900	18,400	18,533
Selling Commission	<u>2,600</u>	<u>2,387</u>	<u>10,926</u>	<u>16,575</u>
	<u>\$ 9,084</u>	<u>\$ 8,704</u>	<u>\$ 94,732</u>	<u>\$ 69,882</u>
	<u>\$ 31,812</u>	<u>\$ 17,525</u>	<u>\$ 83,815</u>	<u>\$ 11,112</u>
Less - Depreciation	<u>26,022</u>	<u>28,722</u>	<u>149,876</u>	<u>93,429</u>
<u>NET INCOME</u>	<u>\$ 5,790</u>	<u>\$ 11,197</u>	<u>\$ 60,001</u>	<u>\$ 1,144</u>

ISR002464

INTERNATIONAL SALTINE AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JULY 25TH 1939
ESTIMATED NET INCOME - OTHER MILL OPERATIONS

	<u>Apr., 1939</u>	<u>May, 1939</u>	<u>Six Months ended June 30, 1939</u>
Concentrator Sales	\$36,403	\$34,753	\$241,724
Cost of Sales	<u>25,332</u>	<u>30,826</u>	<u>157,068</u>
Operating Profit	\$11,066	\$ 3,927	\$ 82,656
Other Income	<u>—</u>	<u>25</u>	<u>72</u>
	\$11,066	\$ 3,952	\$ 82,727
Depreciation and Depletion	<u>10,000</u>	<u>10,322</u>	<u>50,847</u>
<u>NET INCOME</u>	<u>\$ 1,066</u>	<u>\$ 6,770</u>	<u>\$ 31,880</u>

Note: Investment of International Smelting and Refining Company in the above plant at June 30th 1939 amounted to \$191,350.

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JULY 25th 1939
ESTIMATED NET INCOME - HARTMAN COPPER CORP.

	Month of June 1939	Month of May 1939	Six Months ended June 30th 1939	Six Months ended June 30th 1938
<u>REFINERY DEPARTMENT:</u>				
Profit on Tolls	\$ 47,914	\$ 61,254	\$ 393,532	\$ 233,115
Profit on Premiums	25,367	37,816	151,586	90,367
Profit on Sales	678	6,047	12,461	15,900
Electro Sheet Department	2,511	2,082	10,833	7,800
	\$ 76,492	\$ 107,199	\$ 568,432	\$ 346,782
Add - Miscellaneous Earnings	6,930	6,193	34,818	29,681
	\$ 83,422	\$ 113,392	\$ 603,250	\$ 376,463
Deduct - General Expenses	\$ 1,000	\$ 1,288	\$ 7,621	\$ 7,291
Shutdown Expenses	-	-	-	20,776
Experimental Expenses	3,257	4,596	12,263	18,815
	\$ 4,257	\$ 5,884	\$ 19,884	\$ 46,882
	\$ 77,165	\$ 107,508	\$ 583,366	\$ 329,561
Less - Depreciation	22,280	21,611	111,246	146,486
<u>NET INCOME</u>	<u>\$ 54,885</u>	<u>\$ 85,891</u>	<u>\$ 472,120</u>	<u>\$ 183,075</u>
<u>SECONDARY METAL DEPARTMENT:</u>				
Sales of Copper	\$351,612	\$337,757	\$2,082,716	\$1,210,874
Cost of Sales	331,379	320,359	1,877,085	1,187,900
	\$ 20,233	\$ 17,398	\$ 185,631	\$ 22,974
Profit on By-products	1,193	1,634	2,731	4,000
	\$ 21,426	\$ 19,032	\$ 188,362	\$ 26,974
Deduct - Selling Commissions	\$ 4,530	\$ 4,461	\$ 25,843	\$ 16,496
Shutdown Expenses	-	-	-	9,024
Experimental Expenses	1	-	5,589	352
	\$ 4,531	\$ 4,461	\$ 31,432	\$ 25,872
	\$ 16,895	\$ 16,551	\$ 163,990	\$ 5,100
Less - Depreciation	3,093	3,521	12,846	8,329
<u>NET INCOME</u>	<u>\$ 13,780</u>	<u>\$ 13,030</u>	<u>\$ 144,084</u>	<u>\$ 11,071</u>
Pounds of Copper Sold	3,500,015	3,354,208	19,701,012	12,735,818
Sales Price	10.046¢	10.069¢	10.572¢	9.508¢
Cost of Sales	9.468¢	9.551¢	9.630¢	9.327¢

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JULY 25TH 1939

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

	Month of June 1939	Month of May 1939	Six Months ended June 30, 1939	Six Months ended June 30, 1938
<u>LEAD REFINING DEPARTMENT:</u>				
Operating Income	\$ 6,000	\$ 680	\$ 3,317	\$ 75,397
Less - Depreciation	<u>740</u>	<u>828</u>	<u>5,428</u>	<u>4,547</u>
<u>NET INCOME</u>	<u>\$ 5,260</u>	<u>\$ 1,508</u>	<u>\$ 2,111</u>	<u>\$ 79,944</u>
<u>ZINC OXIDE DEPARTMENT:</u>				
Sales of Zinc Oxide	\$206,395	\$191,565	\$1,109,404	\$616,442
Cost of Sales	<u>187,358</u>	<u>174,918</u>	<u>1,000,655</u>	<u>637,626</u>
	\$ 19,037	\$ 16,647	\$ 108,749	\$ 21,184
Less: Shutdown Expenses - Akron Plant	<u>900</u>	<u>750</u>	<u>6,390</u>	<u>7,822</u>
	\$ 18,137	\$ 15,897	\$ 102,359	\$ 29,006
Less: Depreciation and Obsolescence	<u>3,380</u>	<u>3,114</u>	<u>26,447</u>	<u>10,265</u>
<u>NET INCOME</u>	<u>\$ 14,757</u>	<u>\$ 12,581</u>	<u>\$ 76,112</u>	<u>\$ 39,271</u>
Pounds of Zinc Oxide Sold	3,562,155	3,281,945	18,880,592	10,876,423
Sales Price	5.794¢	5.877¢	5.876¢	5.667¢
Cost of Sales	5.260¢	5.330¢	5.300¢	6.000¢
<u>WHITE LEAD DEPARTMENT:</u>				
Sales of Lead Products	\$130,565	\$ 96,848	\$ 472,577	\$355,627
Cost of Sales	<u>115,015</u>	<u>87,606</u>	<u>448,336</u>	<u>372,985</u>
	\$ 15,550	\$ 9,242	\$ 23,241	\$ 17,358
Less: Depreciation	<u>3,200</u>	<u>2,642</u>	<u>12,790</u>	<u>10,308</u>
<u>NET INCOME</u>	<u>\$ 2,350</u>	<u>\$ 6,600</u>	<u>\$ 10,511</u>	<u>\$ 27,666</u>
Pounds of Lead Products Sold	1,565,332	1,267,013	6,161,276	5,011,630
Sales Price	7.712¢	7.644¢	7.654¢	7.096¢
Cost of Sales	7.389¢	6.914¢	7.277¢	7.442¢

ISR002467

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTOR'S MEETING - JULY 25TH 1932

NET CURRENT AND OTHER ASSETS - JUNE 30TH 1932

CURRENT ASSETS:

Supplies					\$ 747,277
Metals:					
in Process					1,508,982
Finished:					
Lead	12,792,824	lbs. :	4.4794	\$ 575,106	
Copper	2,028,060	lbs. :	9.3899	4,792,042	
Silver	2,613,668	ozs. :	89.3949	1,290,774	
Gold	30,419,382	ozs. :	134.061	1,035,515	
By-products				271,366	
				\$8,008,623	
Less - Reserve for Freight and Refining Charges				440,339	7,647,684
Manufactured Products:					
Lead Products				\$ 343,930	
Zinc Oxide - Finished				549,276	
Refined Copper Works - Electro Sheet				20,030	913,236
Accounts Receivable:					
Tells				\$ 450,201	
Zinc Oxide				173,580	
Mountain City Copper Company				570,809	
Walker Mining Company				543,976	
Others				559,371	2,297,337
Cash					397,356
					\$3,571,072

CURRENT LIABILITIES:

Taxes				\$ 95,374	
Interest				82,500	
Accounts Payable:					
Inter-company:					
Amescon Sales Company - Current Account				2,668,472	
Amescon Sales Company - Note Payable				5,000,000	
Amescon Copper Mining Company - Note Payable				2,250,000	
Other				25,424	
Other Accounts Payable				1,125,694	
Notes Payable				71,955	11,332,439

BALANCE - NET CURRENT ASSETS

\$ 2,038,452

OTHER ASSETS:

Advances to smelter mining companies, including advances on ores, less reserve				\$ 135,722	
Installment House and land sales and other accounts receivable, less reserve				72,686	208,408

BALANCE - NET CURRENT AND OTHER ASSETS

\$ 2,247,860

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JULY 25TH 1939
SALES, DELIVERIES AND PRODUCTION - ALL DEPARTMENTS

	Month of JUNE 1939	Six Months ended June 30, 1939	Six Months ended June 30, 1938	Percent. Increase Decrease
<u>SMELTER PRODUCTION</u>				
Copper - Lbs. - Totals	3,547,290	18,617,786	10,782,821	72.6
- Miami	6,46,360	30,665,725	13,628,519	125.0
	<u>2,763,450</u>	<u>49,285,511</u>	<u>24,411,440</u>	101.9
Lead - Lbs. - Totals	2,807,326	22,505,492	28,239,887	20.3
<u>SCRAP COPPER RECEIVED AT BYRON ARROY</u>				
Recoverable Contents - Lbs.	3,779,419	23,342,207	18,009,790	29.6
<u>REFINERY PRODUCTION</u>				
Copper - Lbs.	23,664,780	178,794,326	103,396,462	71.9
Lead - Lbs.	3,375,095	38,968,638	34,876,232	11.7
Silver - Oms.	854,458	6,027,759	6,345,354	7.9
Gold - Oms.	11,423	89,839	76,779	17.0
<u>SALES</u>				
Copper - Lbs.	4,111,297	22,407,781	17,824,568	25.7
Lead - Lbs.	7,902,452	40,180,172	35,999,735	11.6
<u>DELIVERIES</u>				
Copper - Lbs.	3,500,000	20,278,842	15,844,443	27.9
Lead - Lbs.	7,401,453	37,314,698	30,526,369	22.9
<u>ZINC OXIDE</u>				
Production - Lbs.	3,361,600	18,943,454	10,387,477	72.9
Deliveries - Lbs.	3,563,400	18,889,209	10,800,301	73.6