INTERNATIONAL SMELTING AND REFINING COMPANY

N10109

INTERNATIONAL SMELTING AND REFINING COMPANY

REPORT ON AUDIT

YEAR ENDED DECEMBER 31, 1944

Pogson, Peloubet & Co.

Certified Public Accountants

I N D E X

POGSON, PELOUBET & CO.
CERTIFIED PUBLIC ACCOUNTANTS

NEW YORK
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LONDON

25 BROADWAY, NEW YORK 4, N. Y.

COPY

To the Board of Directors,
International Smelting and Refining Company,
25 Broadway,
New York 4, New York.

Dear Sirs:

We have made a general audit of the books and accounts of INTERNATIONAL SMELTING AND REFINING COMPANY for the year ended December 31, 1944, and present the various statements listed on the opposite page.

The accounts of New Jersey Storage and Warehouse Company and Raritan Terminal and Transportation Company, wholly owned subsidiaries, which are not operating, have not been consolidated with those of International Smelting and Refining Company in this report.

International Smelting and Refining Company is a 100% owned consolidated subsidiary of Anaconda Copper Mining Company. This report, while complete and inclusive for International Smelting and Refining Company, is principally a supplementary amplification of the report on audit of Anaconda Copper Mining Company and subsidiary companies. It shows the portion of the consolidated accounts of Anaconda Copper Mining Company relating to International Smelting and Refining Company on the same basis and under the same classifications as shown in the consolidated report, but in somewhat greater detail. In the consolidated accounts of Anaconda Copper Mining Company and subsidiary companies the investment of International Smelting and Refining Company in shares of National Tunnel & Mines Company (acquired in exchange for shares of Utah-Delaware Mining Company) has been reduced by $136,307.60 to reflect losses of Utah-Delaware Mining Company during the period of its inclusion in such consolidated accounts. This reduction has also been given effect to in this report as shown on pages 12 and 21.

FINANCIAL

Summarized, the changes in financial condition during the year were as follows:

	At December 31, 1943	At December 31, 1944	Decrease* or increase in investment
Fixed assets, less reserves applicable thereto	$ 14,797,949.75	14,060,874.19	737,075.56*
Deferred charges	1,904,913.06	2,274,520.85	369,607.79
Current and other assets - net, except notes payable to Anaconda Copper Mining Company	6,531,752.67	6,716,903.70	185,151.03
	23,234,615.48	23,052,298.74	182,316.74*
Reserves for workmen's compensation insurance	58,544.09	52,376.64	6,167.45*
Equity of Anaconda Copper Mining Company	$ 23,176,071.39	22,999,922.10	176,149.29*

The equity of Anaconda Copper Mining Company at December 31, 1944 is represented by:

Capital stock	$ 12,262,500.00
Notes	10,500,000.00
Surplus	237,422.10
As above	$ 22,999,922.10

and represents investment in the following net assets:

Principal smelting, refining and manufacturing plants (details page 3)	$ 15,972,783.64
Securities of and advances to other companies, etc. (details pages 4 and 40)	7,027,138.46
As above	$ 22,999,922.10

The decrease in equity during the year 1944 is the result of the net

loss for the year	$ 94,300.61
Advances to International Building Association written off	110,848.68
Investment in International Building Association written off	1,000.00
	206,149.29
Less overaccrual of Federal income tax for the year 1943	30,000.00
Decrease, as above	$ 176,149.29

Changes in current position were as follows:

	December 31, 1943	December 31, 1944	Increase or decrease*
Current assets	$ 10,219,504.30	8,291,256.17	1,928,248.13*
Current liabilities	3,976,112.00	1,892,795.76	2,083,316.24*
	$ 6,243,392.30	6,398,460.41	155,068.11
Current ratio	2.6 to 1	4.4 to 1	

OPERATIONS

Operations of International Smelting and Refining Company for the past three years compare as follows:

	Year 1942	Year 1943	Year 1944
Gross sales and earnings	$ 20,341,958.03	22,046,552.29	21,918,993.90
Net profit on plant operations	$ 1,042,376.83	764,377.88	412,217.10
Income (loss*) from sundry investments	192,598.21	67,745.23*	110,605.27*
	1,234,975.04	696,632.65	301,611.83
Interest paid to Anaconda Copper Mining Company on debentures and notes	596,875.00	596,875.00	395,912.44
Provision for Federal income taxes - estimated	180,700.00	30,000.00	- -
Provision for contingencies		297,642.94	- -
	777,575.00	924,517.94	395,912.44
Net Income (Loss*)	$ 457,400.04	227,885.29*	94,300.61*

Gross profit on operations of the various plants and departments of the company and income from sundry investments for the past three years together with the respective investment therein at December 31, 1944 are shown in the following summary:

Net Profit (Loss*) on Plant Operations

	Year 1942	Year 1943	Year 1944	Investment at December 31, 1944
Tooele plant	$ 28,320.46	394,775.34*	344,208.98*	4,552,484.04
Copper Canyon lease				1,257,380.07
Miami plant	121,098.88	133,925.85	147,172.64	1,594,017.85
Lead refinery	36,773.18*	32,969.95	36,223.72	754,932.17
Zinc oxide department	150,804.77*	90,618.19*	1,890.97*	570,632.78
White lead department	19,177.67*	16,823.58*	21,701.99*	595,416.05
Raritan refinery	1,203,389.23	1,216,453.14	729,523.18	6,706,081.71
Raritan electro-sheet department	15,600.35*	34,409.58*	21,545.80*	287,775.99
Not allocated (details page 41)	88,075.77*	82,344.37*	111,354.70*	345,937.02*
Gross profit on plant operations - as above	$ 1,042,376.83	764,377.88	412,217.10	15,972,783.64

Details of the above figures for 1944 are shown on the Balance Sheet and Income Account by departments on pages 13 and 14 respectively.

Income (loss*) from sundry investments

	Year 1942	Year 1943	Year 1944	Investment at December 31, 1944
Mountain City Copper Company, dividends	$ 219,440.10	- -	- -	996,987.93
National Tunnel and Mines Company, interest	20,833.31	44,365.37	48,751.09	2,729,386.32
Walker Mining Company, interest	12,379.24	- -	- -	200,142.21
Other investments and advances net loss* (details page 40)	60,054.44*	112,110.60*	159,356.36*	3,100,622.00
Income (loss*) from investments - per page 3	$ 192,598.21	67,745.23*	110,605.27*	7,027,138.46

Dividends of $146,293.40, received during the year from Mountain City Copper Company were credited to investment in that company.

Details of the above figures are shown on the Balance Sheet and Income Account by departments on pages 13 and 14 respectively.

INVESTMENTS IN WHOLLY OWNED SUBSIDIARIES

The net investment of International Smelting and Refining Company in its wholly owned subsidiaries amounted to $17,103.47 at December 31, 1944. Net income of these companies for the year 1944 was $1,627.74. During 1944 International Building Association was liquidated with a loss of $84,562.08 which included interest of $3,309.51 accrued on advances by International Smelting and Refining Company. Details page 18.

INVESTMENTS IN OTHER COMPANIES

Investments, including noncurrent advances, in subsidiaries not wholly owned and in other companies amounted to $5,220,959.83 at December 31, 1944 compared with $5,407,125.36 at December 31, 1943, as shown by the following table:

	December 31, 1943	December 31, 1944
Subsidiaries not wholly owned:		
Mountain City Copper Company	$ 1,143,281.33	996,987.93
National Tunnel & Mines Company - see below	2,797,394.89	
Walker Mining Company	200,000.00	200,142.21
Other subsidiaries	769,558.78	797,553.01
	4,910,235.00	1,994,683.15
Other companies:		
National Tunnel & Mines Company - see below		2,729,386.32
Park Utah Consolidated Mines Company	441,157.50	441,157.50
Prince Consolidated Mining Company	47,132.86	47,132.86
Copper Canyon Mining Company	8,600.00	8,600.00
	496,890.36	3,226,276.68
As above	$ 5,407,125.36	5,220,959.83

By reason of the merger of National Tunnel & Mines Company with Utah Metal and Tunnel Company, the stock interest of Anaconda Copper Mining Company and subsidiaries was less than 50% at December 31, 1944.

Market values of the above securities based on market quotations of securities which are quoted on various stock exchanges amounted to $4,412,319.70

at December 31, 1944 compared with $3,601,294.38 at December 31, 1943 (details on pages 20 and 21).

The company's share of the combined net income of subsidiaries not wholly owned amounted to $85,551.64 for the year 1944, compared with a loss of $217,431.80 for the year 1943. Dividends received from Mountain City Copper Company amounting to $146,293.40 were credited to investment in that company.

There is included in the Income Accounts of the years 1943 and 1944 the following income and expense relating to the above investments:

	Year 1943	Year 1944
Interest on advances	$ 48,239.91	52,739.40
Dividends	- -	6,980.00
Less reserved for advances	- -	51,982.06*
Net income from investments	$ 48,239.91	6,737.34

STATEMENT OF FUNDS RECEIVED AND DISBURSED

Funds were made available to the company during the year as follows:		
Operating profit before deducting non-cash items and interest paid on debentures and notes payable to Anaconda Copper Mining Company (details below)	$ 1,085,626.77	
Decrease in inventories (details page 6)	1,370,382.65	
United States Treasury tax notes disposed of	250,000.00	
Decrease in accounts receivable (details page 6)	151,950.00	
Dividends received credited to investment in Mountain City Copper Company	146,293.40	
Cash received from dissolution of International Building Association	20,204.14	
Fixed assets disposed of	862.14	3,025,319.10
Funds were disbursed as follows:		
Decrease in indebtedness to Anaconda Sales Company	1,941,593.58	
Increase in deferred items (details page 6)	436,486.19	
Interest paid on debentures and notes payable	395,912.44	
Fixed assets purchased (details page 7)	245,405.43	
Decrease in current liabilities other than indebtedness to Anaconda Sales Company	111,722.66	3,131,120.30
Resulting in a decrease in cash of		$ 105,801.20

Operating profit before deducting non-cash items and interest paid on debentures and notes payable to Anaconda Copper <u>Mining Company</u>		
Net loss* per income account - page 11		$ 94,300.61*
Add back charges to income not requiring cash:		
Depreciation (details page 17)	$ 654,443.42	
Glacier Peak option written off	60,710.95	
Advances to subsidiary companies written off (details page 6)	51,982.06	
Loss on dismantlement or sale of fixed assets (details page 39)	15,411.13	
Sundry	1,467.38	
	784,014.94	
Add back interest paid on debentures and notes payable to Anaconda Copper Mining Company	395,912.44	1,179,927.38
As above		$ 1,085,626.77

Advances to subsidiary companies written off

Comet Coalition Mines Company	$ 45,949.88
Yankee Consolidated Mining Company	4,085.48
Mountain View Mining Company	1,946.70
Total advances written off - per page 5	$ 51,982.06

Decrease in inventories

Metals and manufactured products - finished (details page 25)	$ 869,792.02
- in process	421,890.27
Supplies	78,700.36
Net decrease per page 5	$ 1,370,382.65

Decrease in accounts receivable

Current:			
Accounts receivable - trade			$ 212,309.08
Accounts with subsidiaries not wholly owned, principally Mountain City Copper Company			19,065.38
Accounts with affiliates			2,339.25
Decrease in current receivables			233,713.71
Not current:			
Net increase in advances to subsidiaries not wholly owned; principally North Lily Mining Company		$ 80,118.50	
Net increase in advances to sundry companies and individuals (details page 31):			
Advances made	$ 338,005.76		
Less payments received	315,443.19		
	22,562.57		
Accounts written off or reserved for	891.84	21,670.73	
		101,789.23	
Decrease in advances to Tooele Valley Railway Company	17,809.85		
Decrease in installment land sales contracts	2,215.67	20,025.52	
Net increase in receivables - not current			81,763.71
Net decrease, per page 5			$ 151,950.00

Increase in deferred items - net

Mine development:	
Guild Adams lease operations	$ 237,307.93
Victoria lease operations	122,589.95
Copper Canyon operations	82,458.62
Glacier Peak project operations	357.62
Total increase (details page 22)	442,714.12
Less decrease in other deferred items	6,227.93
Net increase, per page 5	$ 436,486.19

Expenditures for fixed assets

Mines and mining claims and lands:	
Guild Adams lease	$ 96,616.56
Salt Lake City office, principally development of Tintic District	72,764.33
Total (details page 15)	169,380.89
Buildings and machinery (details page 16)	76,024.54
Total expenditures, per page 5	$ 245,405.43

DISTRIBUTION OF BALANCE SHEET AND INCOME ACCOUNT TO DEPARTMENTS

The detail schedules which support the Balance Sheet and Income Account by departments (pages 13 and 14 respectively) are presented in ten divisions, the eight principal operating departments:

1. Tooele plant,
2. Copper Canyon lease,
3. Miami plant,
4. Lead refinery,
5. Zinc oxide department,
6. White lead department,
7. Raritan refinery,
8. Raritan electro-sheet department, together with

a ninth division,

9. Investments and advances,

which includes the activities of the company other than the principal smelting, refining and manufacturing operations, and a tenth division,

10. Items not allocated to departments.

In making this rearrangement, the accounts of the company as shown on its various ledgers have been redistributed and allocated to the departments to which they apply, except for a few items for which there is no exact basis for allocation and which are shown separately in the last division mentioned above. Details of accounts which appear in the ninth and tenth divisions are shown on pages 40 and 41 respectively.

Land at East Chicago, and land, buildings and machinery, and reserve for depreciation at Perth Amboy have been allocated among the various departments on a basis believed to be approximately correct.

SCOPE OF AUDIT

We have made a general audit of the books and records of International Smelting and Refining Company and its subsidiary corporations for the calendar year ended December 31, 1944. In connection with our audit we examined or tested the accounting records of the company and its subsidiaries and other supporting evidence and made a general review of the accounting methods, including the system of internal check and control and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions except in the case of Miami plant, which is not examined by the company's own internal auditors.

In the case of all other companies and departments we satisfied ourselves that International Smelting and Refining Company and all subsidiary companies were included in the scope of the work of the internal auditors of the company.

We examined into the sufficiency of the internal audit and examined the reports of the internal auditors.

Investments, securities, cash, notes receivable and payable, debentures and capital stock have been verified by inspection, certificate or correspondence and found in order.

Accounts receivable, where these are of material amount, were tested by selecting certain accounts for confirmation by direct communication with the debtors or, where possible, by direct comparison with the books and records of the debtors. The company's internal auditors have also verified the accounts receivable of certain departments by direct communication with the debtors and, while such confirmation by internal auditors cannot be substituted for a similar procedure by the company's independent auditors, it has been given full consideration in determining the nature and extent of our verification of accounts receivable. Trade and installment accounts receivable and advances to sundry mining companies were examined in detail and those considered bad or doubtful have been written off or have been provided for in reserve.

Certificates of responsible officials have been received certifying to the correctness of quantities, descriptions and ownership of inventories and we have made tests of the clerical accuracy of the inventories.

In accordance with what is now generally agreed to be accepted auditing procedure, our audit included physical tests of inventories. Inventories at all plants are not tested nor is a complete count made of inventories at any one plant. Inventories are not all tested at the close of the calendar year and the physical tests are in no way intended as a substitute for the taking of physical inventories by company employees. The purpose is to establish the existence of a proper system for taking and recording physical inventories and to satisfy ourselves that the systems are operating effectively and as planned. In the course of this work, a very substantial part (measured in money value) of the physical inventories is actually inspected by us. While this inspection is not our primary evidence of the existence and value of the inventories which must lie in the records of the company, it is of great value as a confirmation of the company's records and representations. Of stocks of metals and products held for the company or its subsidiaries by others or held by the company for the accounts of others a substantial part has been verified by direct communication. It is the general practice of the company's internal auditors to make physical tests from time to time of inventories of supplies and, while these tests cannot take the place of similar tests by independent auditors, they are given full consideration in determining the nature and extent of the tests made by us.

Fixed assets, including investments, are carried at cash cost or, in the case of properties acquired for securities of the company, at the original par value of such securities. The values of fixed assets are shown on this basis and do not indicate current values, which could be established only by current appraisals. All other assets are carried at cash cost.

We received during the year the usual courtesy from the officers and staff throughout the company.

Respectfully submitted,

Pogson Peloubet & Co

Certified Public Accountants

New York, June 18, 1945

[redacted]

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Respectfully submitted,

Pogson, Peloubet & Co

Certified Public Accountants

New York, June 18, 1945

INTERNATIONAL SMELTING A

COMPARATIVE BAL

DECEMBER 31, 19

A S S E T S

Page		Decemb
	FIXED ASSETS:	
15	Mines and mining claims, water rights and lands for metal producing and manufacturing plants	
16	Buildings and machinery at mines, reduction works, refineries and manufacturing plants	$ 27,198,943.
17	Less reserve for depreciation	19,280,760.
	Patents	
	Investments:	
18	Securities of subsidiaries - wholly owned	
19	- not wholly owned	
21	Other investments	
	Indebtedness of subsidiaries - not current:	
20	Wholly owned	
	Not wholly owned	
	FUNDS PROVIDED BY GOVERNMENT AGENCY - expended or on hand	
	DEFERRED CHARGES:	
22	Mine development	1,830,959.
23	Prepaid expenses	70,833.
24	Deferred expenses	3,119.
	CURRENT AND OTHER ASSETS:	
	Current assets:	
13	Supplies on hand	1,194,903.
13	Metals and manufactured products - in process	2,564,898.
25	- finished	4,001,518.
	Accounts and notes receivable:	
26	Trade, less reserve	1,504,196.
27	Affiliates	26,596.
28	Subsidiaries - not wholly owned - current	49,341.
	United States Government securities	250,000.
29	Cash	628,049.
	Other assets:	
30	Installment land sales and other accounts receivable, less reserve	8,288.
31	Advances to sundry mining companies, including advances on ores, less reserve	182,197.
	Advances to Tooele Valley Railway Company	97,875.

L I A B I L I T I E S

Page		
32	CAPITAL STOCK - issued and outstanding - 163,500 shares of the par value of $75.00 each	
	ADVANCES BY GOVERNMENT AGENCY	
33	RESERVE FOR WORKMEN'S COMPENSATION INSURANCE	
	CURRENT LIABILITIES:	
34	Accounts and wages payable	$ 1,277,113.
35	Accrued taxes	42,059.
27	Indebtedness - to affiliates	2,589,406.
18	- to subsidiaries - wholly owned	20,468.
28	- not wholly owned	47,063.
36	DEBENTURES AND NOTES PAYABLE TO ANACONDA COPPER MINING COMPANY	
12	SURPLUS	

ATIONAL SMELTING AND REFINING COMPANY

COMPARATIVE BALANCE SHEET

DECEMBER 31, 1943 AND 1944

	December 31, 1943		December 31, 1944		Decrease or increase*	
		$ 1,268,615.68		$ 1,450,588.94		$ 181,973.26*
es	$ 27,198,943.43		$ 27,242,920.04		$ 43,976.61*	
	19,280,760.20	7,918,183.23	19,894,595.62	7,348,324.42	613,835.42*	569,858.81
		1.00		1.00		- -
		42,000.00		41,000.00		1,000.00
		2,625,163.58		1,699,483.86		925,679.72
		496,890.36		3,226,276.68		2,729,386.32*
		162,024.48		- -		162,024.48
		2,285,071.42		295,199.29		1,989,872.13
		14,797,949.75		14,060,874.19		737,075.56
		300,000.00		- -		300,000.00
	1,830,959.71		2,212,962.88		382,003.17*	
	70,833.39		56,951.83		13,881.56	
	3,119.96	1,904,913.06	4,606.14	2,274,520.85	1,486.18*	369,607.79*
	1,194,903.38		1,116,203.02		78,700.36	
	2,564,898.98		2,143,008.71		421,890.27	
	4,001,518.04		3,108,310.60		893,207.44	
	1,504,196.83		1,346,952.60		157,244.23	
	26,596.34		24,257.09		2,339.25	
	49,341.36		30,275.98		19,065.38	
	250,000.00		- -		250,000.00	
	628,049.37	10,219,504.30	522,248.17	8,291,256.17	105,801.20	1,928,248.13
	8,288.00		21,502.97		13,214.97*	
1	182,197.02		216,874.82		34,677.80*	
	97,875.35	288,360.37	80,065.50	318,443.29	17,809.85	30,082.92*
		$ 27,510,727.48		$ 24,945,094.50		$ 2,565,632.98
		$ 12,262,500.00		$ 12,262,500.00		- -
		300,000.00		- -		300,000.00
		58,544.09		52,376.64		6,167.45
	$ 1,277,113.77		$ 1,260,014.35		$ 17,099.42	
	42,059.64		2,534.90*		44,594.54	
	2,589,406.55		610,738.97		1,978,667.58	
	20,468.22		23,896.53		3,428.31*	
	47,063.82	3,976,112.00	680.81	1,892,795.76	46,383.01	2,083,316.24
		10,500,000.00		10,500,000.00		- -
		413,571.39		237,422.10		176,149.29
		$ 27,510,727.48		$ 24,945,094.50		$ 2,565,632.98

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INTERNATIONAL SMELTING AND REFINING COMPANY

COMPARATIVE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1943 AND 1944

Page		Year ended December 31, 1943		Year ended December 31, 1944		In[illegible]
14	Sales and tolls		$ 22,046,552.29		$ 21,918,993.90	
	Other income:					
37	Dividend and interest received - net	$ 64,637.59		$ 72,475.94		$ 7,[illegible]
38	Miscellaneous income	11,182.71	75,820.30	9,218.58	81,694.52	1,[illegible]
			22,122,372.59		22,000,688.42	
	Less:					
14	Cost of sales	20,743,109.86		21,029,222.04		286,[illegible]
17	Provision for depreciation	682,755.97		654,443.42		28,[illegible]
39	Loss (gain*) on disposal or dismantlement of fixed assets	125.89*		15,411.13		15,[illegible]
36	Interest on debentures and notes payable to Anaconda Copper Mining Company	596,875.00		395,912.44		200,[illegible]
	United States income tax - estimated	30,000.00		- -		30,[illegible]
	Provision for contingencies	297,642.94	22,350,257.88	- -	22,094,989.03	297,[illegible]
	Net loss		$ 227,885.29		$ 94,300.61	

INTERNATIONAL SMELTING AND REFINING COMPANY

SURPLUS ACCOUNT

YEAR ENDED DECEMBER 31, 1944

Balance December 31, 1943	$ 413,571.39
Overaccrual of Federal income tax for the year 1943	30,000.00
Investment in International Building Association written off	1,000.00*
Advances to International Building Association written off	110,848.68*
Net loss* of the year 1944 - page 11	94,300.61*
Per Balance Sheet, December 31, 1944 - page 10	$ 237,422.10

Investment in National Tunnel and Mines Company in this report, as in the report on Anaconda Copper Mining Company and consolidated subsidiaries, has been reduced from the amount shown on the books of International Smelting and Refining Company by $136,307.60, the amount of the deficit of Utah-Delaware Mining Company on dissolution in 1937.

		Total - page 10	Eliminations*	Tooele plant
A S S E T S				
FIXED ASSETS:				
Mines and mining claims, water rights and lands	$	1,450,588.94		368,919.
Buildings and machinery		27,242,920.04		7,843,086.
Reserve for depreciation*		19,894,595.62*		6,494,343.
Patents		1.00		
Investments:				
Securities of subsidiaries:				
Wholly owned		41,000.00		
Not wholly owned		1,699,483.86		
Other investments		3,226,276.68		
Indebtedness of subsidiaries - not wholly owned - not current		295,199.29		
DEFERRED CHARGES:				
Mine development		2,212,962.88		
Prepaid expenses		56,951.83		22,914.
Deferred expenses		4,606.14		4,597.
CURRENT ASSETS:				
Supplies on hand		1,116,203.02		395,589.
Metals and manufactured products:				
In process		2,143,008.71		1,335,807.
Finished		3,108,310.60		943,918.
Accounts and notes receivable:				
Trade, less reserve		1,346,952.60		90,359.
Affiliates		24,257.09	2,493.35*	4,507.
Subsidiaries - not wholly owned - current		30,275.98	722.16*	19,338.
Cash		522,248.17		198,814.
OTHER ASSETS:				
Installment, house and land sales and other accounts receivable		21,502.97		21,502.
Advances to sundry mining companies, including advances on ores, less reserve		216,874.82		161,828.
Advances to Tooele Valley Railway Company		80,065.50		
	$	24,945,094.50	3,215.51*	4,916,843.
L I A B I L I T I E S				
RESERVE for workmen's compensation insurance	$	52,376.64		27,341.
CURRENT LIABILITIES:				
Accounts and wages payable		1,260,014.35		311,834.
Accrued taxes		2,534.90*		23,464.
Indebtedness - to affiliates		610,738.97	2,493.35*	1,037.
- to subsidiaries - wholly owned		23,896.53		
- not wholly owned		680.81	722.16*	680.
		1,945,172.40	3,215.51*	364,359.
NET INVESTMENT	$	22,999,922.10	- -	4,552,484.
CAPITAL STOCK	$	12,262,500.00		
SURPLUS		237,422.10		
		12,499,922.10		
NOTES PAYABLE TO ANACONDA COPPER MINING COMPANY		10,500,000.00		
As above	$	22,999,922.10		

SHEET - DECEMBER 31, 1944 - BY DEPARTMENTS

Details of total

	Eliminations*	Tooele plant	Copper Canyon lease	Miami plant	Lead refinery	Zinc oxide department	White lead department	Raritan refinery
4		368,919.89		56,419.72	130,665.27	22,073.16	13,243.90	409,751.
4		7,843,086.42		3,103,550.21	1,171,386.25	638,140.45	796,350.58	13,143,560.
2*		6,494,343.11*		3,103,550.21*	845,532.40*	490,578.80*	607,665.52*	8,239,264.
)					1.00			
)								
5								
3			8,600.00					
9								
3			1,146,219.50					
3		22,914.21	5,247.66	1,616.27	2,330.20			22,180.
4		4,597.82			8.32			
2		395,589.74	67,108.43	102,877.77	106,395.46	31,004.16	25,450.23	345,108.
1		1,335,807.54		609,684.78	137,011.50	45,955.91		14,548.
)		943,918.54		114,746.86*	220,184.76	254,123.33	277,271.59	1,515,728.
)		90,359.61	13,336.70	987,859.63	13,529.28	51,071.99	90,812.46	88,535.
9	2,493.35*	4,507.86			10,159.11		133.64	11,949.
3	722.16*	19,338.42						11,659.
7		198,814.51	1,214.99	15,076.61	6,741.68	25,000.00		81,816.
7		21,502.97						
2		161,828.91	44,850.53	10,195.38				
)								
)	3,215.51*	4,916,843.33	1,286,577.81	1,668,983.30	952,880.43	576,790.20	595,596.88	7,405,576.
4		27,341.95			6,445.87	5,979.33	180.83	12,428.
5		311,834.63	20,616.32	60,204.12	185,257.41			663,540.
0*		23,464.48	7,859.26	14,107.85	5,973.20			21,458.
7	2,493.35*	1,037.42		653.48	271.78	178.09		2,066.
3								
1	722.16*	680.81	722.16					
-	3,215.51*	364,359.29	29,197.74	74,965.45	197,948.26	6,157.42	180.83	699,494.
	- -	4,552,484.04	1,257,380.07	1,594,017.85	754,932.17	570,632.78	595,416.05	6,706,081.

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[redacted]

			Zinc oxide department	White lead department	Raritan refinery	Raritan electro-sheet department	Investments and advances - details page 40	Items not allocated to departments - details page 41
	[illegible]	[illegible]	[illegible]	13,243.90	409,751.25	4,349.45	445,166.30	
	[illegible]	[illegible]	[illegible]	796,350.58	13,143,560.89	393,328.28	153,516.96	
	[illegible]	[illegible]	[illegible]	607,665.52*	8,239,264.29*	113,661.29*		
		1.00						
							41,000.00	
							1,699,483.86	
							3,217,676.68	
							295,199.29	
					22,180.33		1,066,743.38	
	[illegible]	[illegible]					2,663.16	
	[illegible]	[illegible]	31,004.16	25,450.23	345,108.77		42,668.46	
	[illegible]	[illegible]	45,955.91		14,548.98			
	[illegible]	[illegible]	254,123.33	277,271.59	1,515,728.85	11,830.39		
	[illegible]	[illegible]	51,071.99	90,812.46	88,535.45		11,447.48	
		[illegible]		133.64	11,949.83			
					11,659.72			
	[illegible]	6,741.68	25,000.00		81,816.60		4,145.38	189,438.40
	[illegible]						80,065.50	
	[illegible]	[illegible]	576,790.20	595,596.88	7,405,576.38	295,846.83	7,059,776.45	189,438.40
		6,445.87	5,979.33	180.83	12,428.66			
		[illegible]			663,540.19	8,070.84	6,996.47	3,494.37
		[illegible]			21,458.83		1,744.99	77,143.51*
		[illegible]	178.09		2,066.99			609,024.56
							23,896.53	
		[illegible]	6,157.42	180.83	699,494.67	8,070.84	32,637.99	535,375.42
			570,632.78	595,416.05	6,706,081.71	287,775.99	7,027,138.46	345,937.02*

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	Total - page 11	Inter-department elimination	Tooele plant	Miami plant	
Sales of copper	$ 2,165,479.65		1,444,223.99	583,508.02	
zinc	41,143.80	53,972.88*			
lead	2,669,881.91	647,516.63*	2,793,851.59		
silver	2,904,034.33		1,779,724.31	215,391.06	
gold	2,337,815.40		938,975.92	135,466.61	
miscellaneous metals	327,254.73	797.16*	49,242.74		
zinc oxide	1,403,960.89	225.48*			
white lead	1,106,178.23	853.85*			
electro-sheet copper	39,993.17				
residue, ores, etc.	1,833,643.21	33,861.63*	1,722,275.18		
Premium payment on production in excess of quota	279,126.81		279,126.81		
Tolls	6,810,481.77	2,502,656.07*	753,202.72	2,673,618.42	
Sales and tolls	21,918,993.90	3,239,883.70*	9,760,623.26	3,607,984.11	1,
Cost of sales	21,029,222.04		9,075,914.73	1,754,430.59	1,
Interdepartment		3,239,883.70*	791,250.23	1,708,108.88	
	21,029,222.04	3,239,883.70*	9,867,164.96	3,462,539.47	1,
(Income or loss*)	889,771.86		106,541.70*	145,444.64	
Provision for depreciation and loss (or gain#) on disposal or dismantlement of fixed assets	669,854.55		244,572.99		
Income or loss* from operations	219,917.31		351,114.69*	145,444.64	
Other income:					
Dividends and interest received - net	72,475.94		6,506.81		
Miscellaneous income	9,218.58		398.90	1,728.00	
	81,694.52		6,905.71	1,728.00	
(Income or loss*)	301,611.83		344,208.98*	147,172.64	
Interest on debentures and notes payable to Anaconda Copper Mining Company	395,912.44				
Net income or loss*	$ 94,300.61*		344,208.98*	147,172.64	

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ENDED DECEMBER 31, 1944 - BY DEPARTMENTS

	Details of total						
lant	Lead refinery	Zinc oxide department	White lead department	Raritan refinery	Raritan electro-sheet department	Investments and advances - page 40	Items not allocated to departments - page 41
3.02				137,747.64			
		95,116.68					
	523,546.95						
1.06	566,389.10			342,529.86			
5.61	390,271.48			873,101.39			
				278,809.15			
		1,404,186.37					
			1,107,032.08				
					39,993.17		
	13,698.84	131,530.82					
3.42	437,047.30			5,449,269.40			
4.11	1,930,953.67	1,630,833.87	1,107,032.08	7,081,457.44	39,993.17		
0.59	1,768,224.14	1,598,753.54	457,507.70	6,027,213.62	58,888.69	176,184.33	112,104.70
8.88	91,512.87	12,648.64	634,867.99	1,495.09			
9.47	1,859,737.01	1,611,402.18	1,092,375.69	6,028,708.71	58,888.69	176,184.33	112,104.70
4.64	71,216.66	19,431.69	14,656.39	1,052,748.73	18,895.52*	176,184.33*	112,104.70*
	34,992.94	21,322.66	36,358.38	329,957.30	2,650.28		
4.64	36,223.72	1,890.97*	21,701.99*	722,791.43	21,545.80*	176,184.33*	112,104.70*
				.07		65,219.06	750.00
8.00				6,731.68		360.00	
.00				6,731.75		65,579.06	750.00
.64	36,223.72	1,890.97*	21,701.99*	729,523.18	21,545.80*	110,605.27*	111,354.70*
							395,912.44
2.64	36,223.72	1,890.97*	21,701.99*	729,523.18	21,545.80*	110,605.27*	507,267.14*

MINES AND MINING CLAIMS, WATER RIGHTS AND LANDS

	Balance December 31, 1943	Additions	Other changes - add - see notes below	Balance December 31, 1944
Lands for metal producing plants:				
Tooele plant	$ 353,665.89			353,665.89
Miami plant	56,191.60			56,191.60
Lead refinery	130,665.27			130,665.27
Raritan refinery	409,751.25			409,751.25
	950,274.01			950,274.01
Lands for manufacturing plants:				
Zinc oxide department	22,073.16			22,073.16
White lead department	13,243.90			13,243.90
Raritan electro-sheet department	4,349.45			4,349.45
	39,666.51			39,666.51
Other lands:				
Tooele	2,654.63	7.00	6,342.37(1)	9,004.00
Miami	228.12			228.12
	2,882.75	7.00	6,342.37	9,232.12
Water rights - Tooele			6,250.00(2)	6,250.00
Total lands and water rights	992,823.27	7.00	12,592.37	1,005,422.64
Mines and mining claims:				
Investments and advances				
Salt Lake City office	162,095.68	72,757.33		234,853.01
Miami	20,058.54			20,058.54
Guild-Adams lease	93,638.19	96,616.56		190,254.75
Total mines and mining claims	275,792.41	169,373.89	- -	445,166.30
Per Balance Sheet - page 10	$ 1,268,615.68	169,380.89	12,592.37	1,450,588.94

NOTE 1 - Lands transferred and sold:

Lands in Tooele, Utah transferred to International Smelting and Refining Company by International Building Association	$ 6,493.47
Less sale of four lots in Salt Lake City acquired from Diamond Coal and Coke Company in 1943 (see page 38)	151.10
As above	$ 6,342.37

2 - Water rights transferred to International Smelting and Refining Company by International Building Association:

122½ shares Middle Canyon Irrigation Company stock	$ 4,310.00
Water rights	1,940.00
As above	$ 6,250.00

BUILDINGS AND MACHINERY

	Balance December 31, 1943	Construction
Tooele plant	$ 7,855,569.02	17,949.95
Miami plant	3,103,550.21	
Lead refinery	1,153,825.51	17,560.74
Zinc oxide department	628,529.17	9,611.28
White lead department	789,724.32	6,626.26
Raritan refinery	13,140,610.43	3,656.63
Raritan electro-sheet department	393,328.28	
Investments and advances - Guild-Adams lease	133,806.49	20,619.68
Per Balance Sheet - page 10	$ 27,198,943.43	76,024.54

NOTE 1 - Hospital building transferred to International Smelting and Refining Company

NOTE 2 - Depreciation of automotive equipment written off.

NOTE 3 - Equipment scrapped at Guild Adams lease charged to development.

BUILDINGS AND MACHINERY

	Balance December 31, 1943	Construction	Deduct* sales and dismantlements - details page 39	Other changes - add or deduct*	Balance December 31, 1944
	$ 7,855,569.02	17,949.95	34,124.01*	3,691.46 (1)	7,843,086.42
	3,103,550.21				3,103,550.21
	1,153,825.51	17,560.74			1,171,386.25
	628,529.17	9,611.28			638,140.45
	789,724.32	6,626.26			796,350.58
	13,140,610.43	3,656.63		706.17*(2)	13,143,560.89
	393,328.28				393,328.28
ums lease	133,806.49	20,619.68	148.00*	761.21*(3)	153,516.96
	$ 27,198,943.43	76,024.54	34,272.01*	2,224.08	27,242,920.04

d to International Smelting and Refining Company by International Building Association.

quipment written off.

Adams lease charged to development.

RESERVE FOR DEPRE

	Balance December 31, 1943
Tooele plant	$ 6,296,661.41
Miami plant	3,103,550.21
Lead refinery	810,539.46
Zinc oxide department	469,160.10
White lead department	580,531.02
Raritan refinery	7,909,306.99
Raritan electro-sheet department	111,011.01
Per Balance Sheet - page 10	$ 19,280,760.20

Details of depreciation on 1944 operations

	Depreciation applicable to 1944 opera		
	Straight-line method		Production met
	Cost	Rate	Quantity
Tooele plant:			
Lead plant			42,851,938 pounds
Sulphide concentrator			101,275.525 tons
Oxide concentrator	$ 617,706.09	5%	
Slag plant	512,846.78	20%(2)	
Automotive equipment	2,681.07	25%	
Lead refinery			36,955.008 tons
Furniture and fixtures	19,066.17	5% to 20%	
Zinc oxide department	638,140.45	3.3564%(3)	
White lead department:			
White lead production			12,604,849 pounds
White lead retreated			15,850 pounds
			12,620,699 pounds
Raritan refinery			164,978.650 tons
Raritan electro-sheet department			176,686 pounds
Per Income Account, year 1944 - page 11			

NOTE 1 - Depreciation reserve on hospital building transferred to Intern
Building Association.
2 - Accrued on monthly balances.
3 - Rate based on remaining life expectancy.

VE FOR DEPRECIATION

ance ber 31, 943	Depreciation on 1944 operations - details below	Other addition to reserve - see note below	Deductions* for sales and dismantlements - page 39	Balance December 31, 1944
6,661.41	214,874.28	957.26(1)	18,149.84*	6,494,343.11
3,550.21				3,103,550.21
0,539.46	34,992.94			845,532.40
9,160.10	21,418.70			490,578.80
0,531.02	27,134.50			607,665.52
9,306.99	329,957.30			8,239,264.29
1,011.01	2,650.28			113,661.29
0,760.20	631,028.00	957.26	18,149.84*	19,894,595.62

o 1944 operations - as above

oduction method

tity	Rate	Amount		Depreciation applicable to inventory December 31, 1943	Depreciation per Income Account - page 11
8 pounds	.131¢	$ 56,136.04		14,191.54	70,327.58
5.525 tons	22.500¢	22,787.00			22,787.00
		30,885.30			30,885.30
		104,395.67			104,395.67
		670.27			670.27
			214,874.28	14,191.54	229,065.82
.008 tons	89.000¢	32,889.96			
		2,102.98	34,992.94		34,992.94
			21,418.70		21,418.70
:9 pounds					
0 pounds					
9 pounds	.215¢		27,134.50	9,223.88	36,358.38
8.650 tons	$ 2.00		329,957.30		329,957.30
6 pounds	1.500¢		2,650.28		2,650.28
			$ 631,028.00	23,415.42	654,443.42

ed to International Smelting and Refining Company by International

INVESTMENT IN WHOLLY OWNED SUBSIDIARIES

		Shares	Par value	Investment	Net loss (income*) of the year 1944 - see Note 1 below
New Jersey Storage and Warehouse Company		10	$1,000.00	$ 1,000.00	$ 6.00
Raritan Terminal and Transportation Company		400	- -	40,000.00	1,633.74*
					1,627.74*
International Building Association (2)		10	1,000.00	- -	84,562.08
Per Balance Sheet, December 31, 1944 - page 10				$41,000.00	$82,934.34
Less indebtedness to wholly owned subsidiaries:					
New Jersey Storage and Warehouse Company			$ 694.93		
Raritan Terminal and Transportation Company			23,201.60		
Per Balance Sheet, December 31, 1944 - page 10				23,896.53	
Net investment				17,103.47	
The above net investment at December 31, 1944 is represented as follows:					
Assets:					
Lands			7,891.34		
Railroad construction	$ 20,065.35				
Less reserve for depreciation	20,065.35		- -		
			7,891.34		
Less liabilities:					
Taxes accrued			541.67		
Net assets				7,349.67	
Difference, being accumulated operating deficits to December 31, 1944				$ 9,753.80	
Net investment - December 31, 1943				$183,556.26	
Advances to International Building Association written off			$110,848.68		
Assets of International Building Association transferred to International Smelting and Refining Company			51,175.80		
Net increase in indebtedness to Raritan Terminal and Transportation Company and New Jersey Storage and Warehouse Company			3,428.31		
Investment in International Building Association written off			1,000.00	166,452.79	
Net investment - December 31, 1944 - as above				$ 17,103.47	

NOTE 1 - Net loss shown above includes intercompany surplus adjustment for overaccrual of 1943 Federal income tax of $62.48 for Raritan Terminal and Transportation Company.

2 - Investment in International Building Association was written off at December 31, 1944, that company then being in the process of dissolution.

INVESTMENT IN SECURITIES OF SUBSIDIARIES NOT WHOLLY OWNED

	Shares	Par value	Amount	Equity in income or loss* Year 1944
Mountain City Copper Company	1,462,934	$ 73,146.70	$ 996,987.93	$ 88,216.98
Walker Mining Company	882,042	882,042.00	- -	
Other unconsolidated subsidiaries:				
Comet Coalition Mines Company	760,246	190,071.50	340,891.71	- -
Eureka Bullion Mining Company	756,000	37,800.00	187,923.49	- -
Mountain View Mining Company	728,420	72,842.00	68,806.23	583.08*
North Lily Mining Company	475,000	47,500.00	66,527.78	1,996.57*
Victor Consolidated Mining Company	365,390	182,695.00	18,306.52	46.54*
Yankee Consolidated Mining Company	501,005	50,100.50	20,040.20	39.15*
			702,495.93	
				$ 85,551.64
Per Balance Sheet, December 31,1944 - page 10			$ 1,699,483.86	

INVESTMENT IN AND INDEBTEDNESS OF SUBSIDIARIES NOT WHOLLY OWNED

	Investment - page 19	Indebtedness - not current	Total	Market quotations December 31, 1944
Mountain City Copper Company	$ 996,987.93		996,987.93	$ 2,925,868.00
Walker Mining Company	- -	200,142.21	200,142.21	44,102.10
Comet Coalition Mines Company	340,891.71		340,891.71	144,446.74
Eureka Bullion Mining Company	187,923.49	27,328.47	215,251.96	107,730.00
Mountain View Mining Company	68,806.23		68,806.23	18,210.50
North Lily Mining Company	66,527.78	67,728.61	134,256.39	228,000.00
Victor Consolidated Mining Company	18,306.52		18,306.52	9,134.75
Yankee Consolidated Mining Company	20,040.20		20,040.20	11,272.61
Per Balance Sheet, December 31, 1944 - page 10	$ 1,699,483.86	295,199.29	1,994,683.15	$ 3,488,764.70

Indebtedness not current	December 31, 1943	December 31, 1944	Decrease* or increase
National Tunnel & Mines Company(1)	$ 2,018,008.57		2,018,008.57*
Walker Mining Company	200,000.00	200,142.21	142.21
Comet Coalition Mines Company	39,745.40		39,745.40*
Eureka Bullion Mining Company	21,780.68	27,328.47	5,547.79
Mountain View Mining Company	1,934.20		1,934.20*
North Lily Mining Company		67,728.61	67,728.61
Yankee Consolidated Mining Company	3,560.26		3,560.26*
Sundry indirect subsidiaries	42.31		42.31*
Per Balance Sheet - page 10	$ 2,285,071.42	295,199.29	1,989,872.13*

NOTE 1. Not a subsidiary at December 31, 1944.

OTHER INVESTMENTS

	Par value of stock. Face value of note	Shares	Amount	Market quotations December 31, 1944
Copper Canyon Mining Company stock	$ 6,400.00	64,000	$ 8,600.00	$ 23,680.00
National Tunnel & Mines Company stock (1) (2)	328,200.00	328,200	779,386.32	615,375.00
National Tunnel & Mines Company note (3)	1,950,000.00		1,950,000.00	- -
Park Utah Consolidated Mines Company stock	69,800.00	69,800	441,157.50	174,500.00
Prince Consolidated Mining Company stock	80,000.00	800,000	47,132.86	110,000.00
Per Balance Sheet December 31, 1944 - page 10			$ 3,226,276.68	$ 923,555.00

NOTE 1 - Investment in the stock of National Tunnel & Mines Company in this report, as in the report on Anaconda Copper Mining Company and consolidated subsidiaries, has been reduced from the amount shown on the books of International Smelting and Refining Company by $136,307.60, the amount of the deficit of Utah-Delaware Mining Company on dissolution in 1937.

NOTE 2 - Transferred from "Investment in subsidiaries not wholly owned," upon merger of National Tunnel & Mines Company with Utah Metal and Tunnel Company.

NOTE 3 - Transferred from "Indebtedness of subsidiaries not wholly owned" upon merger of National Tunnel & Mines Company with Utah Metal and Tunnel Company.

MINE DEVELOPMENT

	Balance December 31, 1943	Expenditures year 1944, less proceeds of ore sales	Mine development written off	Balance December 31, 1944
Copper Canyon lease - details below	$ 1,063,760.88	82,458.62		1,146,219.50
Guild-Adams lease	582,456.72	237,307.93		819,764.65
Victoria lease	124,388.78	122,589.95		246,978.73
Glacier Peak project	60,353.33	357.62	60,710.95	- -
Per Balance Sheet - page 10	$ 1,830,959.71	442,714.12	60,710.95	2,212,962.88

Details of Copper Canyon lease

Original development expenditures:		
Mines, mining claims, etc.		$ 6,973.29
Buildings, machinery and equipment		600,475.63
Mine development		172,543.74
General expense		54,461.79
Plant facilities		3,603.63
		838,058.08
Less - royalty received	$ 2,317.13	
- miscellaneous income received during development	26.49	2,343.62
Total original development expenditures		835,714.46
Inventory of ore on hand at December 31, 1944		45,100.85
Operating loss (exclusive of reimbursement of development expenditures, per contract - see note):		
Year 1942	158,986.75	
Year 1943	19,263.66	
Year 1944	87,153.78	265,404.19
As above		$ 1,146,219.50

NOTE - Reimbursement of original development expenditures, per contract, at $1.25 per ton produced would increase operating losses shown above, as follows:

Year 1942	90,844.90 tons	$ 113,556.13
Year 1943	104,252.00 tons	130,315.00
Year 1944	80,117.49 tons	100,146.86
	275,214.39 tons	$ 344,017.99

PREPAID EXPENSES

	December 31, 1943	December 31, 1944	Decrease increase*
Prepaid insurance	$ 70,642.57	55,476.25	15,166.32
Prepaid taxes	7.50	- -	7.50
Sundry	183.32	1,475.58	1,292.26*
Per Balance Sheet - page 10	$ 70,833.39	56,951.83	13,881.56

DEFERRED EXPENSES

	December 31, 1943		December 31, 1944	
Tooele plant:				
Slag hauling	$ 3,053.97		$ 4,597.82	
Sundry deferred expenses, principally employees' expense accounts	65.99	3,119.96	- -	4,597.82
Lead refinery:				
Deferred expenses in connection with depreciation in inventory		- -		8.32
Per Balance Sheet - page 10		$ 3,119.96		$ 4,606.14

AMOUNT	Total December 31, 1943	Decrease or increase*	Total December 31, 1944	T p
Copper	$ 1,850,821.01	307,891.55	1,542,929.46	280
Zinc	118,083.01	28,168.05	89,914.96	
Lead	541,242.69	131,708.27	409,534.42	383
Silver	711,145.01	36,769.72	674,375.29	280
Gold	665,514.82	12,140.69	653,374.13	106
Miscellaneous metals	119,516.78	82,868.46	36,648.32	2
Manufactured products:				
Zinc oxide	170,509.79	8,540.35	161,969.44	
White lead	300,222.88	48,862.40	251,360.48	
Electro-sheet copper	18,805.19	6,974.80	11,830.39	
Prepaid billet cost	91,040.02	47,533.39	43,506.63	
Prepaid freight	9,308.80	246.32*	9,555.12	
	4,596,210.00	711,211.36	3,884,998.64	1,054
Less reserves for freight, refining, etc.	594,691.96	181,996.08	776,688.04	110
Per Balance Sheet - page 10	$ 4,001,518.04	893,207.44	3,108,310.60	943
Decrease in depreciation included in above inventories - details page 17		23,415.42		
Per page 6		$ 869,792.02		

POUNDS				
Copper	20,059,219	2,758,420	17,300,799	2,
Zinc	1,503,200	343,172	1,160,028	
Lead	11,249,340	2,257,557	8,991,783	8,

CENTS PER POUND			
Copper	9.227		8.918
Zinc	7.855		7.751
Lead	4.811		4.555

SILVER - total for all departments - not covered by affidavits - produced prior tc
- covered by affidavits

As above

GOLD - total for all departments - as above

	Details of total at December 31, 1944						
31,	Tooele plant	Miami plant (credit*)	Lead refinery	Zinc oxide department	White lead department	Raritan refinery	Raritan electro-sheet department
29.46	280,961.39	28,983.38				1,232,984.69	
14.96				89,914.96			
34.42	383,430.77		7,508.73		18,594.92		
75.29	280,907.12	18,236.57	210,122.05			165,109.55	
74.13	106,844.79	47,542.03				498,987.31	
48.32	2,428.42		2,553.98			31,665.92	
59.44				161,969.44			
50.48					251,360.48		
30.39							11,830.39
36.63						43,506.63	
55.12				2,238.93	7,316.19		
98.64	1,054,572.49	94,761.98	220,184.76	254,123.33	277,271.59	1,972,254.10	11,830.39
38.04	110,653.95	209,508.84				456,525.25	
10.60	943,918.54	114,746.86*	220,184.76	254,123.33	277,271.59	1,515,728.85	11,830.39

0,799	2,846,000	287,837				14,166,962
0,028				1,160,028		
1,783	8,582,373		118,377		291,033	

3.918	9.872	10.070				8.703
751				7.751		
555	4.468		6.343		6.389	

	Ounces	Price	Amount - as above
iced prior to August 15, 1942	1,797,413.44	34.75 ¢	$ 624,601.16
	70,080.92	71.0238	49,774.13
	1,867,494.36	36.1112¢	$ 674,375.29
	19,[illegible].096	$ 34.3536	$ 653,374.13

	Total December 31, 1943	Total December 31, 1944	Tooele plant	Coppe Canyo leas
For tolls and for metals and manufactured products:				
Inspiration Consolidated Copper Company	$ 143,476.00	$ 199,857.59	$	
International Minerals and Metals Company	37,950.01	- -		
Metals Reserve Company	228,290.76	40,996.10		
Miami Copper Company	628,197.90	570,038.73		
Sundry customers	254,217.02	412,695.01	10,717.80	
	1,292,131.69	1,223,587.43	10,717.80	
For premiums on production in excess of quota - Metals Reserve Company	181,763.81	49,552.42	36,901.12	12,651
Sundry debtors	75,300.36	119,645.62	42,740.69	685
	1,549,195.86	1,392,785.47	90,359.61	13,336
Less reserve for doubtful notes and accounts	44,999.03	45,832.87		
Per Balance Sheet - page 10	$1,504,196.83	$1,346,952.60	$90,359.61	13,336.

NTS AND NOTES RECEIVABLE - TRADE, LESS RESERVE

Total ember 31, 1944	Tooele plant	Copper Canyon lease	Miami plant	Lead refinery	Zinc oxide department	White lead department	Raritan refinery	Investments and advances
			Details of total at December 31, 1944					
99,857.59	$		199,857.59					
- -								
40,996.10							40,996.10	
70,038.73			565,394.13				4,644.60	
12,695.01	10,717.80		214,207.90		81,165.61	106,551.71	51.99	
23,587.43	10,717.80		979,459.62		81,165.61	106,551.71	45,692.69	
49,552.42	36,901.12	12,651.30						
19,645.62	42,740.69	685.40	8,400.01	13,529.28			42,842.76	11,447.48
92,785.47	90,359.61	13,336.70	987,859.63	13,529.28	81,165.61	106,551.71	88,535.45	11,447.48
45,832.87					30,093.62	15,739.25		
6,952.60	$90,359.61	13,336.70	987,859.63	13,529.28	51,071.99	90,812.46	88,535.45	11,447.48

[redacted]

ACCOUNTS WITH AFFILIATES - CURRENT

		December 31, 1943	December 31, 1944	Decrease increase*
Accounts receivable from:				
The American Brass Company	$		111.37	111.37*
Anaconda Copper Mining Company			10,159.11	10,159.11*
Anaconda Wire and Cable Company		26,566.47	11,428.80	15,137.67
Chile Exploration Company		29.87	50.49	20.62*
Chile Steamship Company Incorporated		- -	492.81	492.81*
Tooele Valley Railway Company		86.29	4,507.86	4,421.57*
		26,682.63	26,750.44	67.81*
Net off accounts payable to:				
Anaconda Copper Mining Company			2,239.01	2,239.01*
Anaconda Wire and Cable Company			254.34	254.34*
Tooele Valley Railway Company		86.29	- -	86.29
		86.29	2,493.35	2,407.06*
Per Balance Sheet - page 10	$	26,596.34	24,257.09	2,339.25
Accounts payable to:				
The American Brass Company	$	631.33	- -	631.33
Anaconda Copper Mining Company		21,290.69	2,239.01	19,051.68
Anaconda Sales Company (current account)		2,548,379.13	606,785.55	1,941,593.58
Anaconda Wire and Cable Company		- -	254.34	254.34*
Chile Steamship Company Incorporated		159.57	- -	159.57
Montana Hardware Company		2,798.00	3,953.42	1,155.42*
Tooele Valley Railway Company		16,234.12	- -	16,234.12
		2,589,492.84	613,232.32	1,976,260.52
Net off accounts receivable as above		86.29	2,493.35	2,407.06*
Per Balance Sheet - page 10	$	2,589,406.55	610,738.97	1,978,667.58

ACCOUNTS WITH SUBSIDIARIES NOT WHOLLY OWNED - CURRENT

	December 31, 1943	December 31, 1944	Decrease or increase*
Accounts receivable from:			
Mountain City Copper Company	$ 50,048.83	30,975.64	19,073.19
Sundry indirect subsidiaries	49.24	22.50	26.74
	50,098.07	30,998.14	19,099.93
Net off accounts payable to:			
Mountain City Copper Company	714.40	722.16	7.76*
Sundry indirect subsidiaries	42.31	- -	42.31
	756.71	722.16	34.55
Per Balance Sheet - page 10	$ 49,341.36	30,275.98	19,065.38
Accounts payable to:			
Mountain City Copper Company	$ 714.40	722.16	7.76*
North Lily Mining Company	46,906.13	- -	46,906.13
Sundry indirect subsidiaries	200.00	680.81	480.81*
	47,820.53	1,402.97	46,417.56
Net off accounts receivable - as above	756.71	722.16	34.55
Per Balance Sheet - page 10	$ 47,063.82	680.81	46,383.01

C A S H

	December 31, 1943	December 31, 1944
Cash in banks:		
Chase National Bank, New York	$ 268,068.52	192,916.[illegible]
Continental National Bank and Trust Company of Salt Lake City, Utah	214,223.24	123,479.82
First National Bank of Salt Lake City, Tooele, Utah	49,977.98	90,909.33
Walker Bank and Trust Company, Salt Lake City, Utah	- -	80,597.30
Nevada Bank of Commerce - Battle Mountain Branch, Battle Mountain, Nevada	644.34	725.91
Valley National Bank, Globe, Arizona	11,056.54	18,042.10
First National Bank in East Chicago, Indiana	15,635.04	15,682.90
First National Bank of Nevada - Yerington Branch, Yerington, Nevada	5,500.00	4,064.44
Firestone Park Trust and Savings Bank, Akron, Ohio	25,000.00	25,000.00
First Bank and Trust Company, Perth Amboy, New Jersey	78,876.35	78,044.10
	668,982.01	629,462.13
Less outstanding drafts on New York office, deposited in banks	41,922.99	108,468.54
	627,059.02	520,993.59
Petty cash	990.35	1,254.58
Per Balance Sheet - page 10	$ 628,049.37	522,248.17

INSTALLMENT LAND SALES AND OTHER ACCOUNTS RECEIVABLE - LESS RESERVE

	Balance December 31, 1943	Transferred from International Building Association	Other changes - net addition (see note 1 below)	Deduct payments received year 1944	Balance December 31, 1944
Tooele:					
House sales contracts	$ - -	15,493.99	705.71(1)	2,631.47	13,568.23
Installment land sale - Tom Buzziani's contract	8,288.00			353.26	7,934.74
Cash in closed bank - Tooele County State Bank	107.33			107.33	- -
	8,395.33	15,493.99	705.71	3,092.06	21,502.97
Less reserve for doubtful accounts	107.33			107.33	- -
Per Balance Sheet - page 10	$ 8,288.00	15,493.99	705.71	2,984.73	21,502.97

NOTE (1) Details of other changes:

Charges (debits):		
Taxes	$ 403.59	
Interest	240.50	
Fire insurance	136.50	
Water, sewer and irrigation assessments	46.11	826.70
Deductions (credits):		
Discounts allowed in full payment of contracts	57.64	
Transferred to sundry debtors (page 26)	63.35	120.99
Net - as above		$ 705.71

ADVANCES TO SUNDRY MINING COMPANIES,
INCLUDING ADVANCES ON ORES - LESS RESERVE

	Balance December 31, 1943	Additions year 1944
Ore purchase accounts:		
Advances - good	$ 22,208.84	290,210.2
- good but slow	300.00	-
- fair but slow	537.59	-
- Ash Peak lease	- -	18,795.9
	23,046.43	309,006.1
Other notes and accounts:		
Copper Canyon Mining Company	32,353.83	12,000.0
Snyder Mines, Inc.	173,211.32	6,214.8
Sundry - Tooele plant	2,658.93	
- Copper Canyon lease	215.68	10,784.6
	208,439.76	28,999.5
	231,486.19	338,005.7
Less reserve for doubtful accounts	49,289.17	354.2
Per Balance Sheet - page 10	$ 182,197.02	337,651.5
Tooele plant:		
Ore purchase accounts	$ 23,046.43	290,210.2
Snyder Mines, Inc.	173,211.32	6,214.8
Sundry accounts	2,658.93	
	198,916.68	296,425.0
Less reserve for doubtful accounts	49,289.17	354.2
	149,627.51	296,070.8
Copper Canyon lease:		
Copper Canyon Mining Company	32,353.83	12,000.0
Sundry accounts	215.68	10,784.6
	32,569.51	22,784.6
Miami plant:		
Ore purchase account - Ash Peak lease	- -	18,795.9
	$ 182,197.02	337,651.5

NOTE 1 - Transferred from classification "Good" to "Good but slow"

2 - Account written off

3 - Transferred from Accounts and notes receivable - trade

CAPITAL STOCK

		Shares	Amount
Issued and outstanding - per Balance Sheet - page 10 (details below)		163,500	$ 12,262,500.00

Date issued	Issued by International Smelting Company to Anaconda Copper Mining Company for:	Par value	Shares	Amount
May 27, 1914	Properties of International Smelting and Refining Company	$ 100.00	95,000	$ 9,500,000.00
Nov. 30, 1915	Cash	100.00	25,000	2,500,000.00
	Total stock issued by International Smelting Company	100.00	120,000	$ 12,000,000.00
	Issued by International Smelting and Refining Company to Anaconda Copper Mining Company for:			
Dec. 21, 1934	120,000 shares of International Smelting Company stock	75.00	120,000	$ 9,000,000.00
Dec. 21, 1934	(Together with $8,000,000 principal amount 15-year 6% debentures) Properties of International Lead Refining Company and Raritan Copper Works	75.00	30,000	2,250,000.00
Oct. 1, 1936	Properties of Anaconda Lead Products Company	75.00	13,500	1,012,500.00
	Issued and outstanding - as above	75.00	163,500	12,262,500.00
	Unissued	75.00	36,500	2,737,500.00
			200,000	$ 15,000,000.00

RESERVE FOR WORKMEN'S COMPENSATION INSURANCE

	Balance December 31, 1943	Additions - details below	Deductions - compensation paid, medical and hospital expenses, etc.	Balance December 31, 1944
Tooele plant	$ 31,305.05	31,509.27	35,472.37	27,341.95
Lead refinery	7,808.90	4,253.15	5,616.18	6,445.87
Zinc oxide department	7,938.07	1,567.92	3,526.66	5,979.33
White lead department	1,592.26	1,290.91	2,702.34	180.83
Raritan refinery	9,899.81	14,786.63	12,257.78	12,428.66
Per Balance Sheet - page 10	$ 58,544.09	53,407.88	59,575.33	52,376.64

Details of additions - year 1944

	Total - as above	Charged cost	Pay roll deductions
Tooele plant	$ 31,509.27	22,068.80	9,440.47
Lead refinery	4,253.15	4,253.15	
Zinc oxide department	1,567.92	1,567.92	
White lead department	1,290.91	1,290.91	
Raritan refinery	14,786.63	14,786.63	
	$ 53,407.88	43,967.41	9,440.47

ACCOUNTS AND WAGES PAYABLE

		December 31, 1943	December 31, 1944
Ore purchases - Tooele plant	$	149,196.70	142,578.31
Reserve for unearned tolls - Raritan refinery		387,776.62	506,625.34
Wages payable - details below		105,346.27	110,882.86
Payroll deductions for employees' war bond purchases		25,352.75	30,125.99
Employees' deposits - Tooele plant		12,917.67	7,104.43
Reserve for repairs - Raritan electro-sheet department - details below		6,587.90	8,070.84
Sundry accounts payable		589,935.86	454,626.58
Per Balance Sheet - page 10	$	1,277,113.77	1,260,014.35

Details of Wages payable

Tooele plant	$	22,113.91	24,403.61
Copper Canyon lease		6,708.92	12,900.24
Miami plant		19,346.14	17,157.93
Lead refinery		20,909.35	17,114.64
Raritan refinery		35,277.76	37,799.58
Investments and advances		990.19	1,506.86
As above	$	105,346.27	110,882.86

Details of Reserve for repairs - Raritan electro-sheet department

		Balance December 31, 1943	Additions - charged operating expense.	Deductions - expended for repairs	Balance December 31, 1944
Reserve for lead anode renewals	$	2,857.32	189.00	47.24	2,999.08
Reserve for drum surface renewals		3,730.58	2,738.53	1,397.35	5,071.76
As above	$	6,587.90	2,927.53	1,444.59	8,070.84

ACCRUED TAXES

	Total December 31, 1945	Total December 31, 1944	Details of total … Tooele Plant	Copper Canyon lease	Miami Plant	Le… refi…
Federal old age benefits tax	$ 16,[illegible].00	$ 15,190.62	$ 4,915.70	156.50	1,384.95	1,95…
Federal and state unemployment insurance taxes	52,848.74	44,818.15	18,073.59	1,948.43	4,800.42	4,04…
Federal income tax	49,977.27*	79,977.29*				
Federal capital stock tax	5,000.00	2,500.00				
Real estate taxes	15,581.05	11,791.94		5,774.33	5,558.01	
Sundry	1,711.14	3,141.66	477.19		2,364.47	
Per Balance Sheet - page 10	$ 42,059.64	$ 2,534.90*	$ 23,464.48	7,859.26	14,107.85	5,97…

* - Denotes debit

NOTE (1) - Debit represents overpayment of 1941 Federal income tax.

PNYC00000896

DEBENTURES AND NOTES PAYABLE TO ANACONDA COPPER MINING COMPANY

		15 year 6% debentures	Demand notes interest at 5%	Time note interest at 1 3/4%	Time note interest at 2%	Time note interest at 1 3/4%	Total
Balance December 31, 1943	$	8,000,000.00	2,250,000.00	250,000.00			10,500,[illegible]
Retirements:							
Fifteen-year 6% debentures retired June 27,1944		8,000,000.00					8,000,000.[illegible]
Demand note dated October 15, 1935 retired June 27, 1944			2,000,000.00				2,000,000.[illegible]
Demand note dated August 31, 1936 retired June 27, 1944			250,000.00				250,000.[illegible]
Note dated June 15, 1944 - term 6 months - retired June 27, 1944				250,000.00			250,000.[illegible]
Total retirements	$	8,000,000.00	2,250,000.00	250,000.00			10,500,000.[illegible]
Additions:							
Note dated June 27, 1944,due December 31, 1950	$				8,000,000.00		8,000,000.[illegible]
Note dated June 27, 1944, due December 31, 1947						2,500,000.00	2,500,000.[illegible]
Per Balance Sheet, December 31, 1944 - page 10	$				8,000,000.00	2,500,000.00	10,500,000.[illegible]
Interest accrued and paid							
Balance December 31, 1943	$	21,098.90		191.79			21,290.[illegible]
Accrued 1944, per Income Account - page 11		234,638.80	55,020.48	2,139.15	81,758.24	23,355.77	395,91[illegible]
		255,737.70	55,020.48	2,330.94	81,758.24	23,355.77	417,205.1[illegible]
Paid 1944		255,737.70	55,020.48	2,330.94	80,000.00	21,875.00	414,[illegible]
Balance December 31, 1944	$	- -	- -	- -	1,758.24	480.77	2,2[illegible]

PNYC00000897

DIVIDEND AND INTEREST RECEIVED - NET

	Year 1943		Year 1944	
Interest received - net:				
On advances:				
To wholly owned subsidiaries:				
International Building Association		$ 3,707.24		$ 3,309.51
To subsidiaries not wholly owned:				
Comet Coalition Mines Company	$ 2,155.62		$ 2,418.67	
Eureka Bullion Mining Company	1,365.65		1,372.35	
Yankee Consolidated Mining Company	152.04		197.29	
To other companies partly owned:				
National Tunnel & Mines Company	44,365.37		48,751.09	
Prince Consolidated Mining Company	201.25	48,239.91	- -	52,739.40
On other accounts:				
Tooele Valley Railway Company	2,705.79		2,190.15	
Snyder Mines, Inc.	7,841.54		6,214.89	
Miscellaneous - net	2,143.11	12,690.44	1,041.99	9,447.03
		64,637.59		65,495.94
Dividends received:				
Park Utah Consolidated Mines Company		- -		6,980.00
Per Income Account - page 11		$ 64,637.59		$ 72,475.94

MISCELLANEOUS INCOME

		Year 1943		Year 1944
Tooele Plant:				
Profit on sale of land (details below)		- -		$ 398,90
Miami Plant:				
Rents		$ 1,692.00		1,728.00
Raritan Refinery:				
Record storage rents	$ 1,350.00		$ 1,350.00	
Copper storage rents	2,723.93		4,594.94	
Discount on prepayment of taxes	3,715.04		- -	
Loading and unloading lighters - net	1,008.85		786.74	
Boring out American Brass Company copper moulds - net	270.89	9,068.71	- -	6,731.68
Investments and advances:				
Outside property income, Tooele - net	412.00		360.00	
Ophir Hill rents	10.00	422.00	- -	360.00
Per Income Account - page 11		$ 11,182.71		$ 9,218.58

Details of profit on sale of land

Four lots in Clearmont Subdivision, Salt Lake City:

Sales price	$ 550.00
Cost (see Note 1, page 15)	151.10
Profit, as above	$ 398.90

NET LOSS ON DISPOSAL OR DISMANTLEMENT OF FIXED ASSETS

	Cost of buildings and machinery sold or dismantled - page 16	Accumulated depreciation - page 17	Deduct salvage less dismantling expense	Loss (gain*)
Tooele plant	$ 34,124.01	18,149.84	467.00	15,507.17
Zinc Oxide department (Akron plant salvage)	- -	- -	96.04	96.04*
Investments and advances: Guild-Adams lease	148.00	- -	148.00	- -
	$ 34,272.01	18,149.84	711.04	
Per Income Account, year 1944 - page 11				$ 15,411.13

LANCE SHEET ITEMS	Total - pages 13 and 14	Wholly owned subsidiaries	Mountain City Copper Company	Walker Mining Company	Other subsidiari not wholl owned
FIXED ASSETS:					
Mines and mining claims and lands	$ 445,166.30				
Buildings and machinery	153,516.96				
Investments:					
Securities of subsidiaries:					
Wholly owned	41,000.00	41,000.00			
Not wholly owned	1,699,483.86		996,987.93		702,495.9
Other investments	3,217,676.68				
Indebtedness of subsidiaries not wholly owned - not current	295,199.29			200,142.21	95,057.0
DEFERRED CHARGES:					
Mine development	1,066,743.38				
Prepaid expenses	2,663.16				
CURRENT ASSETS:					
Supplies on hand	42,668.46				
Accounts and notes receivable - trade, less reserve	11,447.48				
Cash	4,145.38				
OTHER ASSETS:					
Advances to Tooele Valley Railway Company	80,065.50				
	7,059,776.45	41,000.00	996,987.93	200,142.21	797,553.01
CURRENT LIABILITIES:					
Accounts and wages payable	6,996.47				
Accrued taxes	1,744.99				
Indebtedness to subsidiaries wholly owned	23,896.53	23,896.53			
	32,637.99	23,896.53			
INVESTMENT	$ 7,027,138.46	17,103.47	996,987.93	200,142.21	797,553.01
OME ACCOUNT ITEMS					
Cost of sales	$ 176,184.33				51,982.06
Loss from operations	176,184.33				51,982.06
Other income:					
Dividend and interest received - net	65,219.06	3,309.51			3,988.31
Miscellaneous income	360.00				
	65,579.06	3,309.51			3,988.31
Net Loss (income*)	$ 110,605.27	3,309.51*			47,993.75

[redacted]

Details of total

…iaries wholly …ed	National Tunnel & Mines Company	Park-Utah Consolidated Mines Company	Prince Consolidated Mining Company	Victoria lease operations	Guild-Adams lease operations	Tooele Valley Railway Company	Mines department outside exploration, etc.
					190,254.75		254,911.5…
					153,516.96		
…95.93							
	2,729,386.32	441,157.50	47,132.85				
…57.08							
				246,978.73	819,764.65		
				788.74	1,874.42		
				18,100.90	23,847.92		719.64
		6,980.00		8.79	4,458.69		
				80.94	4,064.44		
						80,065.50	
…53.01	2,729,386.32	448,137.50	47,132.86	265,958.10	1,197,781.83	80,065.50	255,631.19
				4,482.74	2,513.73		
				329.84	1,415.15		
				4,812.58	3,928.88		
…3.01	2,729,386.32	448,137.50	47,132.86	261,145.52	1,193,852.95	80,065.50	255,631.19
…2.06							124,202.27
…82.06							124,202.27
…88.31	48,751.09	6,980.00				2,190.15	
							360.00
…88.31	48,751.09	6,980.00				2,190.15	360.00
…93.75	48,751.09*	6,980.00*				2,190.15*	123,842.27

[redacted]

DETAILS OF ITEMS NOT ALLOCATED TO DEPARTMENTS

BALANCE SHEET ITEMS

Assets:			
Cash - Chase National Bank, New York			$ 189,438.40
Liabilities:			
Accounts payable:			
Chadbourne, Wallace, Parke and Whiteside	$ 3,500.00		
Sundry (debit*)	5.63*	3,494.37	
Taxes accrued:			
Federal income tax (debit*)	79,977.27*		
Federal capital stock tax	2,500.00		
New York state franchise tax	300.00		
Employer's portion of social security taxes on New York employees	33.76	77,143.51*	
Indebtedness to affiliates:			
Anaconda Copper Mining Company:			
Interest accrued, etc.	2,239.01		
Anaconda Sales Company:			
Current account	606,785.55	609,024.56	
Total liabilities			535,375.42
Excess of liabilities over assets - page 13			$ 345,937.02

INCOME ACCOUNT ITEMS

Cost of sales:		
Administrative expenses, New York office	$ 106,991.13	
Capital stock tax	3,750.00	
Employer's portion of social security taxes on New York employees	1,061.57	
Sundry taxes	302.00	112,104.70
Other income:		
Interest received on United States Treasury tax notes (credit*)		750.00*
Loss, per pages 3 and 14		111,354.70
Interest on debentures and notes payable to Anaconda Copper Mining Company		395,912.44
Net loss—page 14		$ 507,267.14

ALPHABETICAL INDEX