

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JULY 28, 1942

ESTIMATED NET INCOME

	Month of June 1942	Month of May 1942	Six Months ended June 30, 1942	Six Months ended June 30, 1941
Smelting Department	\$ 29,294	\$ 20,561	\$171,479	\$ 314,711
Raritan Copper Works	114,875	128,424	584,440	2,050,757
Lead Refining Department	778	15,331	31,557	51,114
Zinc Oxide Department	5,344	10,369	20,487	43,120
White Lead Department	2,000	1,272	48,858	40,414
	<u>\$136,047</u>	<u>\$123,793</u>	<u>\$769,947</u>	<u>\$1,225,690</u>
Add - Miscellaneous Income	4,732	4,632	19,964	42,243
Dividend-Mountain City Copper Co.	-	-	-	146,293
Park Utah Cons. Mines Co.	-	-	-	5,980
	<u>\$140,779</u>	<u>\$128,425</u>	<u>\$789,911</u>	<u>\$1,421,206</u>
Deduct:				
Administrative Expenses	\$ 6,500	\$ 6,735	\$ 41,752	\$ 34,082
Miscellaneous Taxes	-	1,453	1,861	5,576
Capital Stock Tax	1,875	1,875	11,250	10,000
Interest-				
Six Per Cent Debentures	40,000	40,000	240,000	240,000
Anaconda Copper Mining Company	9,740	9,740	58,437	72,243
	<u>\$ 58,115</u>	<u>\$ 59,803</u>	<u>\$353,300</u>	<u>\$ 361,901</u>
	<u>\$ 82,664</u>	<u>\$ 68,622</u>	<u>\$436,611</u>	<u>\$1,059,305</u>
Less - Depreciation and Obsolescence	<u>48,043</u>	<u>45,969</u>	<u>301,689</u>	<u>428,616</u>
	<u>\$ 34,621</u>	<u>\$ 22,653</u>	<u>\$134,922</u>	<u>\$ 630,689</u>
Less - Federal Income Tax	<u>19,000</u>	<u>12,500</u>	<u>74,200</u>	<u>121,000</u>
<u>NET INCOME</u>	<u>\$ 15,621</u>	<u>\$ 10,153</u>	<u>\$ 60,722</u>	<u>\$ 509,689</u>
Add - Net Income of Subsidiary Companies	<u>58</u>	<u>58</u>	<u>431</u>	<u>1,449</u>
<u>CONSOLIDATED NET INCOME</u>	<u>\$ 15,563</u>	<u>\$ 10,095</u>	<u>\$ 60,291</u>	<u>\$ 511,138</u>

CONSOLIDATED SURPLUS ACCOUNT

<u>BALANCE</u> - January 1, 1942	\$ 135,509
<u>ADD</u> - Net Income - Six Months Ended June 30, 1942	<u>60,291</u>
<u>BALANCE</u> - June 30, 1942	<u>\$ 195,800</u>

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JULY 28, 1942
ESTIMATED NET INCOME - SMELTING DEPARTMENT

	Month of June 1942	Month of May 1942	Six Months ended June 30, 1942	Six Months ended June 30, 1941
Tooele Lead Plant	\$25,726	\$17,851	\$126,726	\$ 87,462
Tooele Copper Plant	9,172	13,846	44,582	148,655
Tooele Sulphide Concentrator	5,252	3,430	2,904	74,286
Slag Plant	16,308	15,357	84,238	-
Miami Plant	<u>12,000</u>	<u>14,909</u>	<u>56,033</u>	<u>54,127</u>
	<u>\$39,610</u>	<u>\$30,841</u>	<u>\$219,511</u>	<u>\$364,530</u>
Deduct:				
Tramway Operations	\$ 175	\$ 174	\$ 957	\$ 1,565
Outside Exploration	7,500	8,091	30,614	24,414
Selling Commission	1,996	1,370	12,281	24,113
Shutdown Expenses:				
Oxide Concentrator	<u>645</u>	<u>645</u>	<u>4,180</u>	<u>573</u>
	<u>\$10,316</u>	<u>\$10,280</u>	<u>\$ 48,032</u>	<u>\$ 49,819</u>
	<u>\$29,294</u>	<u>\$20,561</u>	<u>\$171,479</u>	<u>\$314,711</u>
Less Depreciation	<u>17,010</u>	<u>16,430</u>	<u>105,517</u>	<u>122,060</u>
<u>NET INCOME</u>	<u>\$12,284</u>	<u>\$ 4,131</u>	<u>\$ 65,962</u>	<u>\$192,651</u>

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INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JULY 28, 1942
ESTIMATED NET INCOME - RARITAN COPPER WORKS

	Month of June 1942	Month of May 1942	Six Months ended June 30, 1942	Six Months ended June 30, 1941
Profit on Tolls	\$ 78,564	\$ 79,594	\$345,099	\$ 582,727
Profit on Premiums	30,342	38,927	170,742	310,610
Profit on Sales	3,023	6,054	54,606	133,646
Electro Sheet Department	107	646	7,295	26,134
Secondary Metal Department	-	-	-	17,329
Miscellaneous Income	<u>4,599</u>	<u>4,947</u>	<u>35,814</u>	<u>47,557</u>
	<u>\$116,635</u>	<u>\$130,168</u>	<u>\$598,966</u>	<u>\$1,083,345</u>
Less - General Expenses	\$ 1,000	\$ 996	\$ 7,995	\$ 5,492
Selling Expenses	760	748	6,531	10,497
Experimental Expenses	-	-	-	16,599
	<u>\$ 1,760</u>	<u>\$ 1,744</u>	<u>\$ 14,526</u>	<u>\$ 32,588</u>
	<u>\$114,875</u>	<u>\$128,424</u>	<u>\$584,440</u>	<u>\$1,050,757</u>
Less - Depreciation	<u>26,188</u>	<u>24,371</u>	<u>154,159</u>	<u>192,524</u>
<u>NET INCOME</u>	<u>\$ 88,687</u>	<u>\$104,053</u>	<u>\$430,281</u>	<u>\$ 858,233</u>

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JULY 28TH 1942

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

	Month of June 1942	Month of May 1942	Six Months ended June 30, 1942	Six Months ended June 30, 1941
<u>LEAD REFINING DEPARTMENT</u>				
Operating Income	\$ 778	\$ 13,331	\$ 31,657	\$ 51,114
Less - Depreciation	<u>2,899</u>	<u>2,700</u>	<u>19,663</u>	<u>21,896</u>
<u>NET INCOME</u>	<u>\$ 3,677</u>	<u>\$ 16,031</u>	<u>\$ 11,994</u>	<u>\$ 29,218</u>
<u>ZINC OXIDE DEPARTMENT</u>				
Sales of Zinc Oxide	\$21,455	\$64,411	\$462,800	\$1,298,331
Cost of Sales	<u>26,799</u>	<u>75,000</u>	<u>529,287</u>	<u>1,529,637</u>
	\$ 5,344	\$ 10,589	\$ 66,487	\$ 231,306
Less - Depreciation	<u>246</u>	<u>728</u>	<u>5,267</u>	<u>19,448</u>
<u>NET INCOME</u>	<u>\$ 5,390</u>	<u>\$ 11,317</u>	<u>\$ 71,754</u>	<u>\$ 250,754</u>
Pounds of Zinc Oxide Sold	259,050	766,150	5,544,559	20,472,052
Sales Price	8.282¢	8.407¢	8.247¢	6.342¢
Cost of Sales	10.345¢	9.789¢	9.546¢	7.471¢
<u>WHITE LEAD DEPARTMENT</u>				
Sales of Lead Products	\$84,070	\$78,020	\$719,475	\$ 746,593
Cost of Sales	<u>86,070</u>	<u>79,292</u>	<u>670,617</u>	<u>706,179</u>
	\$ 2,000	\$ 1,272	\$ 48,858	\$ 40,414
Less - Depreciation	<u>1,700</u>	<u>1,740</u>	<u>17,209</u>	<u>19,317</u>
<u>NET INCOME</u>	<u>\$ 3,700</u>	<u>\$ 3,012</u>	<u>\$ 31,649</u>	<u>\$ 21,097</u>
Pounds of Lead Products Sold	920,281	844,145	8,330,681	9,289,946
Sales Price	9.128¢	9.242¢	8.636¢	8.037¢
Cost of Sales	9.345¢	9.393¢	8.050¢	7.602¢

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JULY 28TH 1942
SALES, DELIVERIES AND PRODUCTION - ALL DEPARTMENTS

	Month of June 1942	Six Months ended June 30, 1942	Six Months ended June 30, 1941	Per cent Increase 1942-1941
<u>SMELTER PRODUCTION:</u>				
Copper - lbs. - Tootle:				
Custom	547,978	3,341,609	1,388,893	140.6
Toll	1,954,226	9,998,744	20,661,882	21.0
Miami:				
Custom	257,500	2,041,277	2,692,543	14.1
Toll	7,917,019	40,697,576	30,369,666	34.0
	<u>10,676,723</u>	<u>56,079,206</u>	<u>55,112,984</u>	1.8
Lead - lbs. - Tootle	4,686,801	26,240,378	30,950,095	15.1
<u>SCRAP COPPER RECEIVED AT PERTH AMBOY:</u>				
Total	1,029,066	9,005,683	19,212,373	53.1
Less - Fabricators' Toll	<u>634,889</u>	<u>7,473,914</u>	<u>9,228,526</u>	19.0
Custom	<u>394,177</u>	<u>1,531,769</u>	<u>9,983,847</u>	34.7
<u>REFINERY PRODUCTION:</u>				
Copper - Gross	44,112,542	199,246,161	275,848,737	27.0
Less - Toll Scrap	<u>634,889</u>	<u>7,473,914</u>	<u>9,228,526</u>	19.0
	<u>43,477,653</u>	<u>191,772,247</u>	<u>266,620,211</u>	28.1
Lead - lbs.	6,449,405	43,392,937	48,411,976	10.1
Silver - ozs.	1,254,245	7,522,142	8,202,927	8.5
Gold - ozs.	13,778	87,402	122,518	28.7
<u>SALES:</u>				
Copper - lbs.				
Tootle	900,000	2,675,504	6,192,575	50.0
Miami	300,000	2,500,000	2,260,000	10.6
Baritan - Refinery	<u>400,598</u>	<u>1,628,982</u>	<u>6,546,801</u>	75.1
	<u>1,600,598</u>	<u>6,804,486</u>	<u>14,999,376</u>	54.9
Lead - lbs.	4,841,420	24,233,089	39,813,467	39.1
<u>DELIVERIES:</u>				
Copper - lbs.				
Tootle	250,000	2,130,000	8,675,000	70.4
Miami	-	2,450,000	4,360,000	45.3
Baritan - Refinery	<u>440,598</u>	<u>1,550,408</u>	<u>16,203,654</u>	91.1
	<u>690,598</u>	<u>6,130,408</u>	<u>29,238,654</u>	10.0
Lead - lbs.	5,081,479	25,820,721	36,644,271	27.0
<u>ZINC OXIDE:</u>				
Production - lbs.	521,600	7,167,296	20,369,353	100.0
Deliveries - lbs.	259,200	5,544,946	20,473,711	100.0

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JULY 25, 1942

NET CURRENT AND OTHER ASSETS - JUNE 30, 1942

CURRENT ASSETS:

Supplies			\$1,197,868
Metals:			
In Process			2,776,623
Finished:			
Lead	13,152,411 lbs. @ 4.951¢	\$ 651,216	
Copper	14,816,682 lbs. @ 9.117¢	1,350,394	
Silver	2,124,774 ozs. @ 44.090¢	936,813	
Gold	20,022 ozs. @ \$34.123	683,212	
By-Products		64,540	
		\$3,686,675	
Reserve for Freight and Refining		208,906	3,477,769
Manufactured Products			
Lead Products		\$ 363,497	
Zinc Oxide - Finished		387,600	
Raritan Copper Works - Electro Sheet Department		7,894	758,991
Accounts Receivable:			
Tolls		\$1,135,059	
Zinc Oxide		30,229	
Others		837,573	
		\$2,002,861	
Reserve for Doubtful Accounts		45,585	1,956,276
Cash			297,425
			\$10,464,952

CURRENT LIABILITIES:

Taxes	\$ 644,334	
Interest	79,537	
Accounts Payable:		
Inter-company:		
Anaconda Sales Company	1,195,235	
Anaconda Copper Mining Company - Notes Payable	2,500,000	
Others	22,482	
Other Accounts Payable	1,535,207	
Wages Payable	105,108	6,081,903

NET CURRENT ASSETS

\$ 4,383,049

OTHER ASSETS:

Advances to sundry mining companies, including advances on ores, less reserve	\$ 295,877	
Instalment house and land sales and other accounts receivable, less reserve	54,088	349,965

BALANCE - NET CURRENT AND OTHER ASSETS:

\$ 4,733,014

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