

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JULY 23RD 1940

ESTIMATED NET INCOME

	Month of June 1940	Month of May 1940	Six Months ended June 30, 1940	Six Mos. ended June 30, 1939
Smelting Department	\$ 36,093	\$ 69,552	\$ 420,725	\$ 98,227
Haritan Copper Works:				
Refinery Department	121,942	192,370	1,075,143	583,404
Secondary Department	4,107	4,772	24,643	146,738
Lead Refining Department	8,800	2,458	70,073	1,955
Zinc Oxide Department	2,371	10,000	879	83,655
White Lead Department	4,362	1,905	5,222	26,815
T o t a l	\$169,401	\$232,271	\$1,588,350	\$ 940,794
Add - Miscellaneous Income	17,453	2,697	30,641	21,470
	<u>\$186,854</u>	<u>\$234,968</u>	<u>\$1,618,991</u>	<u>\$ 962,264</u>
DEDUCT:				
Administrative Expenses	\$ 5,000	\$ 5,129	\$ 33,851	\$ 28,025
Miscellaneous Taxes	-	1,586	2,192	1,007
Capital Stock Tax	392	892	5,300	6,000
Silver affidavit adjustment	-	-	-	47,057
Interest:				
Six Percent Debentures	40,000	40,000	240,000	238,901
Anaconda Copper Mining Company	9,375	9,375	56,250	56,250
Anaconda Sales Company	6,250	6,250	37,500	46,458
	<u>+ 61,517</u>	<u>\$ 63,232</u>	<u>\$ 375,093</u>	<u>\$ 463,698</u>
	\$125,337	\$171,736	\$1,243,898	\$ 498,566
Less - Depreciation	72,249	75,692	441,632	327,477
	\$ 53,088	\$ 96,044	\$ 802,266	\$ 171,089
Less - Federal Income Tax	11,100	20,100	107,700	32,500
NET INCOME	\$ 41,988	\$ 75,944	\$ 634,566	\$ 138,589
Add - Net Income of Subsidiary Companies	- 00	- 00	- 00	- 00
CONSOLIDATED NET INCOME	\$ 41,988	\$ 75,944	\$ 634,566	\$ 138,589

CONSOLIDATED SURPLUS ACCOUNT

BALANCE - January 1, 1940	\$ 1,071,742
ADD - Net Income - Six Months ended June 30, 1940	633,511
BALANCE - JUNE 30, 1940	<u>\$ 1,705,253</u>

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JULY 23RD 1940

ESTIMATED NET INCOME - SMELTING DEPARTMENT

	Month of June 1940	Month of May 1940	Six Months ended June 30, 1940	Six Months ended June 30, 1939
Tooele Lead Plant	\$ 6,447	\$ 12,686	\$ 87,964	\$ 430
Tooele Copper Plant	5,967	20,076	97,821	72,571
Tooele Sulphide Concentrator	6,648	16,706	64,367	6,975
Ophir Hill Plant	10,571	13,968	131,864	80,591
Miami Plant	<u>13,000</u>	<u>13,861</u>	<u>79,417</u>	<u>11,850</u>
	<u>\$ 42,633</u>	<u>\$ 77,297</u>	<u>\$ 461,433</u>	<u>\$ 171,555</u>
Deduct -				
Tramway Operations	\$ 340	\$ 344	\$ 2,107	\$ 5,496
Outside Exploration	3,300	3,313	16,435	46,569
Selling Commission	1,500	2,647	13,879	10,244
Shutdown Expenses:				
Miami Plant	-	-	-	8,506
Oxide Concentrator	900	906	4,815	120
Rico Concentrator	<u>500</u>	<u>535</u>	<u>3,472</u>	<u>2,393</u>
	<u>\$ 6,540</u>	<u>\$ 7,745</u>	<u>\$ 40,708</u>	<u>\$ 73,328</u>
	<u>\$ 36,093</u>	<u>\$ 69,552</u>	<u>\$ 420,725</u>	<u>\$ 98,227</u>
Less: Depreciation	<u>29,539</u>	<u>33,851</u>	<u>180,946</u>	<u>130,442</u>
<u>NET INCOME</u>	<u>\$ 6,554</u>	<u>\$ 35,701</u>	<u>\$ 239,779</u>	<u>\$ 42,885</u>

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INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JULY 23RD 1940.
RELATED NET INCOME - OPHIR HILL OPERATIONS

	Month of June 1940	Month of May 1940	Six Months ended June 30, 1940	Six Months ended June 30, 1939
Concentrator Sales	\$ 40,493	\$ 45,787	\$311,954	\$209,527
Cost of Sales	<u>29,922</u>	<u>31,819</u>	<u>180,090</u>	<u>128,936</u>
Operating Profit	\$ 10,571	\$ 13,968	\$131,864	\$ 80,591
Depreciation	<u>11,145</u>	<u>12,429</u>	<u>59,260</u>	<u>50,934</u>
<u>NET INCOME</u>	<u>\$ 374</u>	<u>\$ 1,539</u>	<u>\$ 72,604</u>	<u>\$ 29,657</u>

Note:- Investment of International Smelting and Refining Company in the above plant at June 30, 1940, amounted to \$191,350 (Depreciated Value \$32,298)

INTERNATIONAL SALTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JULY 23, 1940
ESTIMATED NET INCOME - BRITAIN COPPER WORKS

	Month of June 1940	Month of May 1940	Six Months ended June 30th 1940	Six Months ended June 30th 1939
<u>REFINERY DEPARTMENT:</u>				
Profit on Tolls	\$ 86,034	\$141,521	\$ 648,744	\$ 386,710
Profit on Premiums	22,139	36,500	343,488	158,407
Profit on Sales	5,291	5,194	28,677	12,459
Electro Sheet Department	<u>1,173</u>	<u>235</u>	<u>1,399</u>	<u>10,954</u>
	-114,637	\$182,259	\$1,019,650	\$ 568,430
Add - Miscellaneous Earnings	<u>8,779</u>	<u>11,248</u>	<u>63,900</u>	<u>34,919</u>
	<u>\$123,416</u>	<u>\$193,507</u>	<u>\$1,082,550</u>	<u>\$ 603,249</u>
Deduct - General Expenses	\$ 1,000	\$ 1,137	\$ 6,933	\$ 7,476
Experimental Expenses	<u>474</u>	<u>-</u>	<u>474</u>	<u>12,369</u>
	<u>\$ 1,474</u>	<u>\$ 1,137</u>	<u>\$ 7,407</u>	<u>\$ 19,844</u>
	\$121,942	\$192,370	\$1,075,143	\$ 583,404
Less - Depreciation	<u>27,893</u>	<u>30,572</u>	<u>192,927</u>	<u>131,946</u>
<u>NET INCOME</u>	<u>\$ 94,049</u>	<u>\$161,798</u>	<u>\$ 882,216</u>	<u>\$ 451,458</u>
<u>SECONDARY METAL DEPARTMENT:</u>				
Proceeds of Copper Deliveries	\$396,193	-501,049	-2,398,229	\$2,058,090
Value of Copper Deliveries	<u>411,068</u>	<u>539,784</u>	<u>2,764,633</u>	<u>2,105,161</u>
Copper Profit	\$ 14,875	\$ 32,235	\$ 366,404	\$ 54,121
Operating Profit	<u>10,708</u>	<u>14,963</u>	<u>71,649</u>	<u>193,809</u>
	\$ 10,708	\$ 14,963	\$ 71,649	\$ 193,809
Less - Depreciation	<u>4,954</u>	<u>2,992</u>	<u>19,421</u>	<u>19,246</u>
<u>NET INCOME</u>	<u>\$ 5,754</u>	<u>\$ 11,971</u>	<u>\$ 52,228</u>	<u>\$ 174,563</u>
Pounds of Copper Delivered	3,560,023	4,562,877	24,771,195	19,701,012
Profit per pound	.113	.113	.113	.113
Pounds of Copper Produced	4,145,515	4,611,841	28,043,365	28,153,705
Operating Profit per pound	.258	.373	.325	.688

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JULY 23, 1940

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

	Month of June 1940	Month of July 1940	Six Months ended June 30th 1940	Six Months ended June 30th 1939
<u>LEAD REFINING DEPARTMENT:</u>				
Operating Income	\$ 3,800	\$ 2,458	\$ 70,073	\$ 1,955
Less - Depreciation	<u>3,800</u>	<u>2,979</u>	<u>21,800</u>	<u>5,339</u>
<u>NET INCOME</u>	<u>\$ 5,640</u>	<u>\$ 71</u>	<u>\$ 48,273</u>	<u>\$ 1,729</u>
<u>ZINC OXIDE DEPARTMENT:</u>				
Sales of Zinc Oxide	\$172,985	\$147,958	\$767,530	\$1,109,376
Cost of Sales	<u>190,264</u>	<u>157,860</u>	<u>765,571</u>	<u>1,019,634</u>
	\$ 2,721	\$ 1,098	\$ 2,409	\$ 39,742
Less - Shutdown Expenses, Akron Plant	<u>350</u>	<u>340</u>	<u>1,530</u>	<u>6,087</u>
	\$ 2,371	\$ 758	\$ 879	\$ 33,655
Less - Depreciation	<u>3,101</u>	<u>2,518</u>	<u>15,538</u>	<u>17,929</u>
<u>NET INCOME</u>	<u>\$ 1,750</u>	<u>\$ 1,000</u>	<u>\$ 10,157</u>	<u>\$ 65,727</u>
Pounds of Zinc Oxide sold	3,264,958	2,651,014	16,355,307	19,880,673
Sales Price	5.910¢	5.531¢	5.918¢	5.376¢
Cost of Sales	5.827¢	5.958¢	5.902¢	5.400¢
<u>WHITE LEAD DEPARTMENT:</u>				
Sales of Lead Products	\$116,417	\$106,951	\$430,856	\$473,567
Cost of Sales	<u>112,055</u>	<u>104,946</u>	<u>433,969</u>	<u>446,752</u>
	\$ 4,362	\$ 1,905	\$ 6,887	\$ 26,815
Less - Depreciation	<u>2,962</u>	<u>2,790</u>	<u>11,285</u>	<u>12,765</u>
<u>NET INCOME</u>	<u>\$ 1,400</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 14,050</u>
Pounds of Lead Products sold	1,440,635	1,344,723	5,447,364	6,177,564
Sales Price	8.281¢	7.946¢	7.909¢	7.665¢
Cost of Sales	7.779¢	7.804¢	7.965¢	7.252¢

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INTERNATIONAL SHELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JULY 23, 1940

NET CURRENT AND OTHER ASSETS - JUNE 30, 1940

CURRENT ASSETS:

Supplies				\$ 922,571
Metals:				
In Process				2,203,176
Finished:				
Lead	15,582,493 lbs. @	4.815¢	\$ 750,318	
Copper	35,733,591 lbs. @	9.470¢	3,384,122	
Silver	2,335,534 oss. @	54.599¢	1,275,176	
Gold	29,174 oss. @	\$34.864	1,017,138	
By-Products			334,650	
			<u>\$6,811,404</u>	
Reserve for Freight and Refining			803,306	6,008,098
Manufactured Products:				
Lead Products			\$ 350,377	
Zinc Oxide - Finished			396,400	
Raritan Copper Works - Electro Sheet			<u>16,642</u>	763,419
Accounts Receivable:				
Anaconda Sales Company - Current Account			\$ 395,657	
Tolls			774,557	
Zinc Oxide			174,253	
Mountain City Copper Company			86,696	
Walker Mining Company			723,827	
Others			<u>391,385</u>	2,546,375
Cash				<u>142,643</u>

12,491,282

CURRENT LIABILITIES:

Taxes		\$ 339,675	
Interest		79,166	
Accounts Payable:			
Inter-company:			
Anaconda Sales Company - Note Payable		4,000,000	
Anaconda Copper Mining Company - Note Payable		2,250,000	
Other		29,453	
Other Accounts Payable		1,468,809	
Wages Payable		<u>108,007</u>	8,325,110

BALANCE - NET CURRENT ASSETS

\$ 4,166,172

OTHER ASSETS:

Advances to sundry mining companies, including advances on ores, less reserve		\$ 09,218	
Installment house and land sales and other accounts receivable - less reserve		<u>57,473</u>	146,691

BALANCE - NET CURRENT AND OTHER ASSETS

\$ 4,312,863

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INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JULY 23, 1940
SALES, DELIVERIES AND PRODUCTION - ALL DEPARTMENTS

	Month of June 1940	Six Months ended June 30th 1940	Six Months ended June 30th 1939	Percent Increase
<u>SMELTER PRODUCTION</u>				
Copper - lbs. - Tootle	2,974,511	21,239,316	17,617,796	14.1
- Miami	6,489,128	30,199,960	30,665,725	1.5
	<u>9,463,639</u>	<u>51,439,276</u>	<u>48,283,521</u>	4.4
Lead - lbs. - Tootle	6,753,118	34,443,667	22,503,492	53.1
<u>SCRAP COPPER RECEIVED AT PORT ARMOY</u>				
Recoverable contents - lbs.	2,973,145	25,267,114	23,342,207	9.2
<u>REFINERY PRODUCTION</u>				
Copper - lbs.	35,045,717	254,012,561	178,796,526	42.1
Lead - lbs.	8,196,706	48,125,966	38,933,761	23.6
Silver - oss.	1,532,884	8,597,236	6,627,759	42.6
Gold - oss.	20,094	137,891	87,859	53.4
<u>SALES</u>				
Copper - lbs.	4,860,023	25,266,532	22,398,317	12.8
Lead - lbs.	8,651,102	37,346,718	39,665,620	5.1
<u>DELIVERIES</u>				
Copper - lbs.	3,560,823	26,319,365	20,269,379	29.9
Lead - lbs.	3,261,901	32,237,695	36,740,146	12.5
<u>ZINC OXIDE</u>				
Production - lbs.	3,220,400	17,075,960	18,965,555	11.1
Deliveries - lbs.	3,265,200	16,337,546	22,436,150	37.1