# LIST OF CONSOLIDATED SUBSIDIARIES OF ANACONDA COPPER MINING COMPANY

## AT DECEMBER 31, 1941

| | Per cent owned by | | |
|---|---|---|---|
| | Anaconda Copper Mining Company | Subsidiaries | Minority |
| **Subsidiaries whose accounts are consolidated in the Consolidated Balance Sheet of Anaconda Copper Mining Company and 100% owned subsidiary companies, and in the general Consolidated Balance Sheet** | | | |
| The American Brass Company | 100 | | |
| The American Brass and Copper Company, Inc. | | 100 | |
| The American Brass Company of Texas | | 100 | |
| The American Metal Hose Company | | 100 | |
| Anaconda American Brass Limited | | 100 | |
| Canada Strip Mill, Limited | | 100 | |
| The French Manufacturing Corporation | | 100 | |
| Waterbury Brass Goods Company | | 100 | |
| Anaconda Sales Company | 100 | | |
| Copper Export Association, Incorporated | | 100 | |
| Andes Exploration Company of Maine | 100 | | |
| Butte, Anaconda and Pacific Railway Company | 100 | | |
| Columbia Amusement Company | 100 | | |
| Diamond Coal and Coke Company | 100 | | |
| Frontenac Exploration and Development Company | 100 | | |
| International Smelting and Refining Company | 100 | | |
| International Building Association | | 100 | |
| New Jersey Storage and Warehouse Company | | 100 | |
| Raritan Copper Works | | 100 | |
| Raritan Terminal and Transportation Company | | 100 | |
| Interstate Lumber Company | 100 | | |
| Mines Investment Corporation | 100 | | |
| Montana Hardware Company | 100 | | |
| Tooele Valley Railway Company | 100 | | |
| Washoe Copper Company | 100 | | |
| **Other subsidiaries whose accounts are consolidated in the general Consolidated Balance Sheet** | | | |
| Andes Copper Mining Company | 97.770 | | 2.230 |
| Potrerillos Railway Company | | 100 | |
| Butte Water Company | 99.650 | .165 | .185 |
| Chile Copper Company | 98.501 | | 1.499 |
| Chile Exploration Company | | 100 | |
| Chile Steamship Company Incorporated | | 100 | |
| Greene Cananea Copper Company | 98.364 | .002 | 1.634 |
| The Cananea Consolidated Copper Company, S.A. | | 100 | |
| Mayflower Mining Company | 88.833 | | 11.167 |
| Santiago Mining Company | 20.703 | 78.504 | .793 |
| Smokehouse Copper Mining Company | 99.031 | | .969 |
| West Mayflower Mining Company | 89.938 | | 10.062 |

to earlier deliveries made temporarily out of inventories, resulting in metal losses which offset the metal gains usually realized from scrap intake.

During the year the lead refinery and related plants of International Smelting and Refining Company at East Chicago, Indiana, were sold. A long term contract was negotiated for the refining of lead produced from the Montana operations of Anaconda Copper Mining Company and the output of lead bullion from the Tooele plant of International Smelting and Refining Company, both of which had formerly been refined at East Chicago.

Operations at the sulphide concentrator and lead smelter of International Smelting and Refining Company at Tooele resulted in profits of $530,017.14, as compared with losses in 1945 of $338,442.26, an increase of $868,459.40 in operating income. Volume of operations at these plants increased over 50%, and there was a decrease in smelting costs per ton of lead bullion produced. Costs of refining lead bullion under the contract with American Smelting and Refining Company, referred to above, were less than those formerly charged by the East Chicago lead refinery. Increases during the year in the market prices of lead, zinc, silver and copper were also a factor in the increased profit at Tooele. The balance of the increased profit at Tooele shown on page 4 is accounted for principally by the elimination of the 1945 operating loss of the copper smelter which was shut down throughout 1946.

<u>INCOME FROM AND INVESTMENT IN UNCONSOLIDATED SUBSIDIARIES</u>

Investment, including advances, in unconsolidated subsidiaries at December 31, 1945 and at December 31, 1946 is shown in the following table, together with market values based on market quotations of securities which

## LIST OF CONSOLIDATED SUBSIDIARIES OF ANACONDA COPPER MINING COMPANY

## AT DECEMBER 31, 1946

| | Per cent. owned by | | |
|---|---|---|---|
| | Anaconda Copper Mining Company | Subsidiaries | Minority |
| Subsidiaries whose accounts are consolidated in the Consolidated Balance Sheet of Anaconda Copper Mining Company and 100% owned subsidiary companies, and in the general Consolidated Balance Sheet | | | |
| The American Brass Company | 100 | | |
| The American Brass & Copper Co., Inc. | | 100 | |
| The American Brass Company of Texas | | 100 | |
| The American Metal Hose Company | | 100 | |
| Anaconda American Brass Limited | | 100 | |
| Canada Strip Mill Limited | | 100 | |
| The French Manufacturing Company | | 100 | |
| Kenosha Brass Company | | 100 | |
| Waterbury Brass Goods Corporation | | 100 | |
| Anaconda Alloys Corporation | 100 | | |
| Anaconda Sales Company | 100 | | |
| Copper Export Association, Inc. | | 100 | |
| Andes Exploration Co. of Maine | 100 | | |
| Butte, Anaconda & Pacific Railway Company | 100 | | |
| Columbia Amusement Company | 100 | | |
| Compania Sud-Americana Exploradora de Minas, S. A. | 100 | | |
| Frontenac Exploration and Development Company, Limited | 100 | | |
| International Smelting and Refining Company | 100 | | |
| New Jersey Storage and Warehouse Company | | 100 | |
| Raritan Terminal and Transportation Company | | 100 | |
| Interstate Lumber Company | 100 | | |
| Mines Investment Corporation | 100 | | |
| Montana Hardware Company | 100 | | |
| Tooele Valley Railway Company | 100 | | |
| Washoe Copper Company | 100 | | |
| Other subsidiaries whose accounts are consolidated in the general Consolidated Balance Sheet | | | |
| Andes Copper Mining Company | 97.927 | | 2.073 |
| Potrerillos Railway Company | | 100 | |
| Butte Water Company | 99.717 | .165 | .118 |
| Chile Copper Company | 99.172 | | .828 |
| Chile Exploration Company | | 100 | |
| Chile Steamship Company Incorporated | | 100 | |
| Greene Cananea Copper Company | 98.439 | .002 | 1.559 |
| The Cananea Consolidated Copper Company, S. A. | | 100 | |
| Mayflower Mining Company | 88.833 | | 11.167 |
| Santiago Mining Company | 20.703 | 78.504 | .793 |
| Smokehouse Copper Mining Company | 99.031 | | .969 |
| West Mayflower Mining Company | 89.938 | - | 10.062 |

LOSS ON DISPOSAL OR DISMANTLEMENT OF FIXED ASSETS

| | Cost of buildings, machinery, etc. sold or dismantled - page 59 | Accumulated depreciation - page 62 | Salvage, less dismantling expense | Loss (profit*) |
|---|---|---|---|---|
| Anaconda Copper Mining Company | $ 640,076.32 | 491,606.63 | 33,987.00 | 114,482.69 |
| The American Brass Company | 603,888.41 | 550,406.60 | 30,640.80 | 22,841.01 |
| Anaconda American Brass Ltd. | 1,189.00 | 1,189.00 | 111.90 | 111.90* |
| Butte, Anaconda and Pacific Railway Company | 23,777.46 | 14,719.91 | 9,225.60 | 168.05* |
| Copper Export Association, Incorporated | 402.36 | 402.36 | | - - |
| International Smelting and Refining Company: | | | | |
| Sale of plant at East Chicago, Ind. | 2,605,832.35 | 2,026,001.31 | 710,568.21 | 130,737.17* |
| Other | 13,108.52 | 13,108.52 | 3,041.51 | 3,041.51* |
| Interstate Lumber Company | 5,036.56 | 4,750.84 | 285.72 | - - |
| Montana Hardware Company | 389.43 | 274.39 | 50.00 | 65.04 |
| Per page 63 and per Profit and Loss Statement of registrant and 100% owned subsidiaries - page 34 | 3,893,700.41 | 3,102,459.56 | 787,910.74 | 3,330.11 |
| Andes Copper Mining Company | 12,481.53 | 12,161.44 | 320.09 | - - |
| Butte Water Company | 1,530.21 | 1,456.08 | 74.13 | - - |
| Chile Exploration Company | 275,998.59 | 275,544.42 | 454.17 | - - |
| Chile Steamship Company Incorporated | 4,847.53 | 2,847.53 | 2,000.00 | - - |
| The Cananea Consolidated Copper Company, S. A. | 4,762.51 | 1,525.39 | 3,237.12 | - - |
| Per page 63 and per Profit and Loss Statement of registrant and subsidiaries - page 33 | $ 4,193,320.78 | 3,395,994.42 | 793,996.25 | 3,330.11 |

### Miami, Arizona

The smelter at Miami was down from April 23d until November 17th, when operations were resumed to treat the accumulated concentrates shipped by the Miami Copper Company.

There were treated during the year 104,654.28 tons of concentrates and purchased ores, from which there were produced 50,818,557 pounds of fine copper, 120,897.19 ounces silver, and 1,258.185 ounces gold.

## International Lead Refining Company

The refinery at East Chicago, Indiana, treated 7,974.68 tons of lead bullion from the Tooele Plant, and 3,268.31 tons of purchased ore and bullion, from which there were produced 20,683,128 pounds common lead, 914.875 pounds antimonial lead, 2,612,959.96 ounces silver, and 9,020.993 ounces gold.

## Anaconda Lead Products Company

The plant was shut down from March 15th to October 16th. There were produced during the year 4,601,553 pounds of white lead; sales amounting to 5,559,418 pounds materially reduced the stocks on hand. The plant is now on an operating basis of about 20 tons of white lead daily.

## Walker Mining Company

Mining operations except development work at the Walker Mine and mill were discontinued throughout the year. The ore reserves at the end of the year were estimated at 900,000 tons, averaging 4.2% copper, carrying also values in silver and gold. The tramway to Spring Garden was completed. There are on hand at the mill more than 7,600 tons of concentrates, assaying 19.76% copper, 7.46 ozs. silver per ton, and .19 ozs. gold per ton, which will be shipped to Tooele when smelting operations are resumed.

## Arizona Oil Company

During the year the Arizona Oil Company produced 328,574 barrels of oil. Production was lower than in previous years, due to a strike of employees throughout the California oil fields, resulting in a temporary close-down of practically all companies operating in the Bakersfield district. Dividends of $13.70 per share were paid, your Company receiving $111,792.00 from this source.

## South America

### Andes Copper Mining Company

Curtailment of operations at Potrerillos went into effect at the beginning of the year, and in consequence the development work done was less than that of the previous year.

## Anaconda Lead Products Company

At East Chicago, Indiana, there were produced 15,290,364 pounds barrelled white lead, and 79,721 pounds pulp lead, all of which were sold. The plant is now operating on a basis of 25 tons daily.

## Walker Mining Company

Operations at the mine and mill were resumed on May 22nd. At the mine, ore broken amounted to 54,482 tons. At the concentrator there were treated 38,652 tons of ore, averaging 5.62% copper, producing 9,716 tons concentrates, averaging 21.08% copper, with a recovery of 95.59%. Shipments to the smelter amounted to 16,779 tons concentrates, and 3,046 tons crude ore, averaging 11.6% copper. Construction at the concentrator to bring the tonnage up to 275 tons per day was completed, and it is the intention to further increase the capacity to treat a reasonable proportion of ore newly developed.

## Arizona Oil Company

During the year the Arizona Oil Company produced 379,690 barrels of oil. Due to the bringing in of a large number of new wells in the State of California by various companies operating in that State, the stocks of unsold oil were greatly increased, with the result that prices rapidly declined. This condition had a bad effect on the earnings of the Oil Company and, in consequence, no dividends were disbursed during the year. On the other hand, the low price of California fuel oil has been a benefit to the International Smelting Company's smelter at Miami, Arizona.

## Andes Copper Mining Company

Operations at Potrerillos during the year 1922 were confined to mine development, operation of testing plant on both oxides and sulphide ores, advance of tunnels on La Ola pipe line, and miscellaneous work.

### Development

There was no churn drilling done during the year, but the work was confined to enlarging and finishing the main adit, driving of haulage levels, defining known ore body, and checking drill holes by upraises and drifts. The results were highly satisfactory, the drifts frequently disclosing ore of very much higher grade than that indicated by the drill holes originally bored.

gold. From the treatment of fume and flue dust there were obtained 369.58 tons crude arsenic, averaging 91.11% $As_2O_3$.

The Tooele Valley Railway Company handled during the year 429,062 tons of ore and miscellaneous freight.

### Miami, Arizona

At the Miami smelter there were treated 426,348.01 tons of concentrates and purchased ores, from which there were produced 189,900,983 pounds copper, 608,503.14 ounces silver and 7,506.667 ounces gold.

## International Lead Refining Company

### Lead Refinery

The refinery at East Chicago, Indiana, treated 52,096.01 tons of purchased ore and bullion, from which there were produced 97,118,093 pounds common lead, 6,376,821 pounds antimonial lead, 6,945,450.19 ounces silver and 20,328.121 ounces gold.

### Zinc Oxide

At East Chicago, the Pilot Plant operated from January 23rd to May 5th, and from December 1st to 31st, 1923. The main plant was completed and put in operation January 5th and operated satisfactorily throughout the remainder of the year. Production of merchantable zinc oxide amounted to 6,925,425 pounds.

At Akron, Ohio, a French process oxide furnace was completed and put in operation March 1st, operating to capacity throughout the remainder of the year. A second unit was completed and put in operation December 28, 1923. Production of merchantable zinc oxide amounted to 5,961,817 pounds.

## Anaconda Lead Products Company

The plant at East Chicago operated satisfactorily during the year.

There were produced 12,607,270 pounds barrelled white lead and 38,084 pounds pulp lead. The plant is producing at the rate of 25 tons white lead daily. 13,505,842 pounds white lead and 44,735 pounds pulp lead were sold.

## Walker Mining Company

Operations at the mine were continued throughout the year. 166,953 tons of ore were broken. A new concentrator with capacity of 750 tons ore per day was completed, and began

## International Lead Refining Company

### Lead Refinery

The refinery at East Chicago, Indiana, treated 57,479.23 tons of purchased ore and bullion, from which there were produced 105,637,507 pounds common lead, 5,930,688 pounds antimonial lead, 5,907,412.43 ounces silver and 18,112.925 ounces gold.

### Zinc Oxide

During the year, plant capacity was increased both at East Chicago, Indiana, and Akron, Ohio. All operations were satisfactory throughout the year.

Production of merchantable zinc oxide at East Chicago amounted to 12,153,418 pounds.

At Akron, the production of merchantable zinc oxide amounted to 29,730,677 pounds.

## Anaconda Lead Products Company

The plant at East Chicago was operated during the year.

There were produced 13,757,905 pounds barrelled white lead, of which 12,355,979 pounds were sold.

## Walker Mining Company

Operations at the mine were conducted throughout the year. 251,492 tons of ore were broken. The new concentrator fully met expectations, yielding an average recovery of 95.84%. 205,903.40 tons of ore, averaging 3.268% copper, were treated, from which 25,314.64 tons of concentrates, averaging 24.529% copper, were produced. There were delivered to the smelter and sold 25,747.35 tons of concentrates containing 12,659,429 pounds copper, 217,764.28 ounces silver, and 8,216.408 ounces gold.

## Arizona Oil Company

During the year, the Arizona Oil Company produced 353,026 barrels of oil. No dividends were paid.

## International Lead Refining Company

### Lead Refinery

The refinery at East Chicago, Indiana, treated 67,137.21 tons of lead bullion, from which there were produced 124,616,850 pounds of common lead, 6,592,715 pounds of antimonial lead, 7,571,423.79 ounces of silver, and 21,932.080 ounces of gold.

### Zinc Oxide

The manufacturing plants at East Chicago, Indiana, and at Akron, Ohio, were operated satisfactorily throughout the year.

There were produced 44,797,773 pounds of merchantable zinc oxide, of which 18,712,729 pounds were produced at East Chicago and 26,085,044 pounds were produced at Akron.

## Butte, Anaconda & Pacific Railway Company

The Railway transported during the year 5,384,543 tons of ore and other freight, and 22,851 passengers. The gross revenues were $1,725,586.04; operating expenses $1,364,945.44; taxes, interest, rentals of leased lines and loss on road and equipment retired due to abandonment of Georgetown Extension, less miscellaneous receipts, $188,255.50; net income, $172,385.10.

## Anaconda Lead Products Company

There were produced from the plant at East Chicago, Indiana, 11,323,101 pounds barrelled white lead, and 12,101,288 pounds were sold.

## Walker Mining Company

Operations at the mine were conducted throughout the year. 229,616 tons of ore were broken. The concentrator made an average recovery of 94.488%. 263,411 tons of ore, averaging 2.432% copper were treated, from which 25,079.01 tons of concentrates, averaging 24.731% copper, were produced. There were sold to the smelter 26,015.58 tons of concentrates and ore containing 12,764,496 pounds of copper, 230,808.45 ounces of silver and 8,749.911 ounces of gold.

## Arizona Oil Company

Operations of the Arizona Oil Company during the year resulted in the production of 362,413 barrels of oil. Distributions from Reserves to the extent of $293,760 were made by the Oil Company in 1925. From these distributions your Company received $146,880.

## South American Companies

## Andes Copper Mining Company

Work on general plant construction and on the preparation for mining operations was resumed in February, 1925. From the time of resumption of construction all divisions of the work have been carried forward at a very satisfactory rate, and at the end of the year were in advance of the delivery of structural material and equipment.

### Mine

Work during the year was done on the preparation of the South Sulphide orebody for mining; the removal of waste and storage of ore from the South Oxide orebody; the

### Miami, Arizona

During the year the Miami Plant treated a smaller tonnage than in 1925, resulting in a lesser production as compared with the previous year. There were treated 376,770.45 tons of concentrates and purchased ores, from which there were produced 173,591,080 pounds of copper, 459,795.14 ounces of silver, and 11,017.214 ounces of gold.

### Utah-Delaware Mine

During the year there were produced 11,112.02 tons of copper ore, and 134,169.88 tons of lead-zinc ores. In addition, 24,564.26 tons of lead-zinc ore were produced by leasers operating on a royalty basis.

### Rico, Colorado

During the year 1926, the International Smelting Company purchased a controlling interest in the Pelleyre Mining and Milling Company and purchased the old Pro-Patria Mill at Rico, Colorado. The mill has been remodelled for selective flotation of lead-zinc ores, with a capacity of 250 tons daily. The new mill was started November 1, 1926, and operated continuously for the remainder of the year, and during this period treated 10,675.55 tons of ore, from which there were produced 2,339.28 tons of zinc concentrates, averaging 48.90% zinc, and 1,566.97 tons of lead concentrates averaging 59.30% lead.

### North Lily Mine

Development work was done during the year on the property of the North Lily Mining Company in which the International Smelting Company holds a controlling interest. This property is located in the East Tintic District, near Eureka, Utah. The development work disclosed a body of lead-silver ore and the outlook as to future possibilities is promising.

## International Lead Refining Company

### Lead Refinery

The refinery at East Chicago, Indiana, treated 83,182.37 tons of lead bullion, from which there were produced 154,898,754 pounds of common lead, 8,112,230 pounds of antimonial lead, 8,319,378.70 ounces of silver, and 24,267.166 ounces of gold.

### Zinc Oxide

The manufacturing plants at East Chicago, Indiana, and at Akron, Ohio, were operated satisfactorily throughout the year.

There were produced 40,268,895 pounds of merchantable zinc oxide, of which 16,303,-339 pounds were produced at East Chicago, and 23,965,556 pounds were produced at Akron.

## Anaconda Lead Products Company

There were produced from the plant at East Chicago, Indiana, 12,726,707 pounds barrelled white lead, and 12,085,870 pounds were sold.

constituting the entire Board.

The President, Mr. Cornelius F. Kelley, acted as Chairman of the meeting, and the Secretary, Mr. E. O. Sowerwine, acted as Secretary.

The minutes of the regular meeting of the Board of Directors held on September 22, 1936 and the Special Meeting held on October 1, 1936, were read, and on motion duly made and seconded, unanimously approved.

The Chairman presented to the meeting statements of Net Income and of Net Current Assets, estimated as of September 30, 1936, which on motion, duly made and seconded, were approved and ordered placed on file.

On motion, duly made, seconded and carried, it was

RESOLVED, That the action of the Officers in approving the following appropriations be, and the same is hereby ratified, approved and confirmed:

(a) $2,167.00, for repairs to the East Chicago Office Building.

(b) $3,000.00, for the installation of a new pump at Perth Amboy.

The Chairman stated that the next business to come before the meeting was a proposal to dissolve Anaconda Lead Products Company, a wholly-owned subsidiary of the Company, liquidate its affairs and distribute and transfer all of its assets and property to its stockholders, in complete cancellation or redemption of all of its capital stock.

After discussion, and on motion duly made and seconded, the following preambles and resolution were unanimously adopted:

WHEREAS, this Company is the owner of all the outstanding capital stock of Anaconda Lead Products Company, a Delaware corporation; and

WHEREAS, in the opinion of this Board of Directors it is advisable to dissolve said Anaconda Lead Products Company, distribute all of its assets to its stockholders and liquidate its affairs:

NOW, THEREFORE, BE IT RESOLVED, that the proper officers of this Company be and they hereby are authorized and directed to take such action on behalf of this Company as owner of all the outstanding capital stock of Anaconda Lead Products Company as may be necessary or required under the laws of the State of Delaware to dissolve said Anaconda Lead Products Company, liquidate its affairs and distribute and transfer all of its assets and property to this Company in complete cancellation or redemption of all the stock of said Anaconda Lead Products Company.

On motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Mr. Willis T. Burns has been Manager of the Raritan Plant of this Company since 1926, and prior thereto had been in the employ of Anaconda Copper Mining Company for more than thirty years, and because of physical disability has requested that he be transferred to the retired list; and

The Chairman presented to the meeting statements of Net Income and of Net Current Assets, estimated as of September 30,1946, which on motion duly made and seconded, were approved and ordered placed on file.

On motion duly made, seconded and unanimously adopted, it was:

RESOLVED, that the action of the Officers of the Company in approving the following Appropriations be and the same hereby is ratified, approved and confirmed:

| No. | Description | Amount |
|---|---|---|
| 480 | Concrete loading platform for Baker Trucks at Perth Amboy. | $19,038.00 |
| 164 | Drilling a third deep well near reservoir in Pine Canyon and purchasing and installing new pump for well at Tooele Plant | 8,150.00 |

There was presented to the meeting the contract of sale between the Company and the Eagle-Picher Company executed September 27, 1946 covering the sale and transfer to the Eagle-Picher Company of a parcel of land on which the Company's East Chicago, Indiana, Plant is located, together with all buildings and improvements thereon, all fixtures, accessories, machines and machinery, lead and zinc bearing materials, materials and supplies, items made especially for the East Chicago Plant, items now on order by the Company and the assignment to the Eagle-Picher Company of the Company's U. S. Patents Nos. 2,156,420 and 2,174,559 for a consideration of $988,000 subject to any mutual revision upon the completion of the inventory of materials and supplies, which amount is to be paid as follows;

a. $500,000 was received from the Eagle-Picher Company upon the execution of the contract.

b. $475,000 is deposited in the Guaranty Trust Company of New York to be paid over to the Company upon the delivery to and acceptance by the Eagle-Picher Company of a deed and abstract of title covering the realty included in the contract of sale.

c. Balance of purchase price to be paid in cash by the Eagle-Picher Company to the Company on or before delivery and acceptance of the deed.

Water rates, power bills, real estate and personal property taxes will be apportioned as of October 1, 1946 and fire insurance on the buildings now in effect shall be maintained by the Company until the closing of the title.

After discussion it was on motion duly made, seconded and unanimously adopted;

RESOLVED, that the President or Vice President and Secretary or Assistant Secretary be and they hereby are authorized and empowered on behalf of the Company to execute and deliver to the Eagle-Picher Company a deed of the following described real estate belonging to the Company located in East Chicago, Indiana: