

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - APRIL 23RD 1940

ESTIMATED NET INCOME

	Month of March, 1940	Month of February 1940	Three Mos. ended Mar. 31, 1940	Three Mos. ended Mar. 31, 1939
Smelting Department	\$ 76,574	\$ 64,203	\$210,975	\$ 63,626
Bariten Copper Works - Refinery Department	155,231	212,194	576,635	298,461
- Secondary Department	1,715	31,171	48,010	120,078
Lead Refining Department	6,000	14,721	35,046	3,447
Zinc Oxide Department	8,201	5,777	6,828	43,680
White Lead Department	2,229	1,615	11,501	8,907
T o t a l	\$244,412	\$312,826	\$865,493	\$ 528,805
Add - Miscellaneous Income	2,420	2,420	7,406	10,289
	\$246,832	\$315,246	\$872,899	\$ 539,090
<u>DEDUCT:</u>				
Administrative Expenses	\$ 4,000	\$ 3,747	\$ 15,373	\$ 17,079
Miscellaneous Taxes	-	-	-	159
Capital Stock Tax	892	892	2,676	1,914
Interest -				
Six Percent. Debentures	40,000	40,000	120,000	120,000
Anaconda Copper Mining Company	9,375	9,375	28,125	28,125
Anaconda Sales Company	6,250	6,250	18,750	43,750
	\$ 60,517	\$ 60,264	\$184,924	\$ 211,027
	\$186,315	\$254,982	\$687,975	\$ 328,063
Less - Depreciation	76,789	69,376	217,016	160,285
	\$109,526	\$185,606	\$470,959	\$ 167,778
Less - Federal Income Tax	20,400	35,300	89,500	31,900
NET INCOME	\$ 87,126	\$150,306	\$381,459	\$ 135,878
Add - Net Income of Subsidiary Companies	24	24	200	25
CONSOLIDATED NET INCOME	\$ 87,150	\$150,330	\$381,259	\$ 135,622

CONSOLIDATED SURPLUS ACCOUNT

<u>BALANCE</u> - January 1, 1940	\$ 1,100,742
<u>ADD</u> - Net Income - Three Months ended March 31, 1940	381,259
<u>BALANCE</u> - MARCH 31, 1940	\$ 1,481,999

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INTERNATIONAL SELLING AND REFINING COMPANY
MEMORANDUM FOR DIRECTOR'S MEETING - APRIL 23RD 1940
ESTIMATED NET INCOME - SELLING DEPARTMENT

	Month of March 1940	Month of February 1940	Three Mos. ended Mar. 31st 1940	Three Mos. ended Mar. 31st 1939
Tooele Lead Plant	\$ 21,500	\$ 19,659	\$ 50,815	\$ 1,000
Tooele Copper Plant	25,000	21,351	54,205	40,157
Tooele Sulphide Concentrator	10,500	4	28,071	1,000
Ophir Mill Plant	24,244	26,592	65,613	53,840
Miami Plant	3,000	3,208	12,908	6,259
	<u>\$ 84,244</u>	<u>\$ 70,776</u>	<u>\$231,612</u>	<u>\$ 84,438</u>
Deduct -				
Tramway Operations	\$ 400	\$ 306	\$ 1,106	\$ 2,806
Outside Exploration	3,200	3,277	9,711	10,046
Selling Commission	2,900	1,817	5,905	4,150
Shutdown Expenses:				
Tooele Oxide Concentrator	640	645	1,925	1,950
Kico Plant	530	528	1,990	1,840
	<u>\$ 7,670</u>	<u>\$ 6,573</u>	<u>\$ 20,637</u>	<u>\$ 20,812</u>
	<u>\$ 76,574</u>	<u>\$ 64,203</u>	<u>\$210,975</u>	<u>\$ 63,626</u>
Less: Depreciation	<u>29,521</u>	<u>27,587</u>	<u>82,352</u>	<u>58,647</u>
<u>NET INCOME</u>	<u>\$ 47,053</u>	<u>\$ 36,616</u>	<u>\$128,623</u>	<u>\$ 4,979</u>

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - APRIL 23RD 1940
ESTIMATED NET INCOME - OPIR HILL OPERATIONS

	<u>Month of</u> <u>March</u> <u>1940</u>	<u>Month of</u> <u>February</u> <u>1940</u>	<u>Three Mos.</u> <u>ended Mar.</u> <u>31st 1940</u>	<u>Three Mos.</u> <u>ended Mar.</u> <u>31st 1939</u>
Concentrator Sales	\$ 57,840	\$ 52,514	\$161,797	\$121,765
Cost of Sales	<u>33,396</u>	<u>25,459</u>	<u>76,184</u>	<u>67,925</u>
Operating Profit	\$ 24,444	\$ 26,855	\$ 85,613	\$ 53,840
Depreciation	<u>8,900</u>	<u>9,000</u>	<u>26,398</u>	<u>26,398</u>
<u>NET INCOME</u>	<u>\$ 15,544</u>	<u>\$ 17,855</u>	<u>\$ 59,215</u>	<u>\$ 27,442</u>

Note: Investment of International Smelting and Refining Company in the above plant at March 31st 1940 amounted to \$191,350 (Depreciated Value - \$60,142).

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - APRIL 23RD 1940

NOTED NET INCOME - RARITAN COPPER WORKS

	Month of March 1940	Month of February 1940	Three Mos. ended Mar. 1st 1940	Three Mos. ended Mar. 1st 1939
<u>REFINERY DEPARTMENT:</u>				
Profit on Tolls	\$ 92,384	\$101,528	\$ 309,990	\$ 223,074
Profit on Premiums	54,178	99,741	233,820	55,221
Profit on Sales	3,500	3,922	10,128	3,789
Electro Sheet Department			1,114	5,098
	\$140,683	\$204,218	\$ 551,844	\$ 287,182
Add - Miscellaneous Earnings	7,548	6,867	28,539	15,782
	\$156,231	\$211,085	\$ 580,383	\$ 302,964
Deduct - General Expenses	\$ 1,000	\$ 891	\$ 3,748	\$ 4,139
- Experimental Expenses				364
	\$ 1,000	\$ 891	\$ 3,748	\$ 4,503
	\$155,231	\$212,194	\$ 576,635	\$ 298,461
Less - Depreciation	38,600	31,011	102,690	87,324
<u>NET INCOME</u>	<u>\$116,631</u>	<u>\$181,183</u>	<u>\$ 473,945</u>	<u>\$ 211,137</u>
<u>SECONDARY METAL DEPARTMENT:</u>				
Proceeds of Copper Deliveries	\$476,412	\$488,476	\$1,387,805	\$1,075,402
Value of Copper Deliveries	484,308	462,457	1,387,902	1,050,288
Copper Profit	\$ 7,096	\$ 6,019	\$ 27	\$ 25,114
Operating Profit	9,611	25,152	48,107	94,964
	\$ 1,715	\$ 31,171	\$ 48,010	\$ 120,078
Less - Depreciation	4,826	2,846	8,431	9,916
<u>NET INCOME</u>	<u>\$ 1,111</u>	<u>\$ 28,325</u>	<u>\$ 39,579</u>	<u>\$ 110,162</u>
Pounds of Copper Delivered	4,000,084	4,000,847	11,492,172	9,823,790
Profit per pound	.277¢	.250¢	.314¢	.255¢
Pounds of Copper Produced	4,265,112	5,512,329	15,339,502	14,329,076
Operating Profit per pound	.225¢	.456¢	.314¢	.263¢

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INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - APRIL 23RD 1940

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

	<u>Month of March 1940</u>	<u>Month of February 1940</u>	<u>Three Mos. ended Mar. 31st 1940</u>	<u>Three Mos. ended Mar. 31st 1939</u>
<u>LEAD REFINING DEPARTMENT:</u>				
Operating Income	\$ 6,000	\$ 14,721	\$ 35,046	\$ 34,477
Less - Depreciation	<u>4,100</u>	<u>4,355</u>	<u>12,496</u>	<u>2,785</u>
<u>NET INCOME</u>	<u>\$ 1,900</u>	<u>\$ 10,366</u>	<u>\$ 22,550</u>	<u>\$ 31,692</u>
<u>ZINC OXIDE DEPARTMENT:</u>				
Sales of Zinc Oxide	\$163,026	\$142,617	\$445,426	\$511,345
Cost of Sales	<u>154,475</u>	<u>148,310</u>	<u>438,101</u>	<u>464,247</u>
Less - Shutdown Expenses - Akron Plant	<u>8,551</u>	<u>1,005</u>	<u>7,325</u>	<u>47,098</u>
Less - Depreciation and Obsolescence	<u>2,620</u>	<u>2,270</u>	<u>7,158</u>	<u>8,187</u>
<u>NET INCOME</u>	<u>\$ 5,581</u>	<u>\$ 8,046</u>	<u>\$ 12,842</u>	<u>\$ 35,493</u>
Pounds of Zinc Oxide Sold	2,757,945	2,388,960	7,534,945	8,622,514
Sales Price	5.911¢	5.970¢	5.911¢	5.930¢
Cost of Sales	5.601¢	6.195¢	5.814¢	5.384¢
<u>WHITE LEAD DEPARTMENT:</u>				
Sales of Lead Products	\$ 41,173	\$ 50,214	\$ 145,710	\$187,124
Cost of Sales	<u>44,482</u>	<u>53,907</u>	<u>157,711</u>	<u>178,217</u>
Less - Depreciation	<u>1,122</u>	<u>1,307</u>	<u>3,889</u>	<u>4,902</u>
<u>NET INCOME</u>	<u>\$ 4,811</u>	<u>\$ 4,900</u>	<u>\$ 14,110</u>	<u>\$ 4,005</u>
Pounds of Lead Products Sold	533,711	633,686	1,870,588	2,405,894
Sales Price	7.714¢	7.925¢	7.789¢	7.778¢
Cost of Sales	8.334¢	8.507¢	8.431¢	7.408¢

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - APRIL 23RD 1940

NET CURRENT AND OTHER ASSETS - MARCH 31ST 1940

CURRENT ASSETS:

Supplies				\$ 821,888
Metals:				
In Process				1,197,331
Finished:				
Lead	17,153,484 lbs. -	4.711¢	\$ 808,149	
Copper	44,387,241 lbs. -	10.142¢	4,501,753	
Silver	2,493,813 ozs. -	52.40¢	1,306,880	
Gold	25,453 ozs. -	\$34.09¢	867,852	
By-Products			421,618	
			<u>\$7,906,252</u>	
Reserve for Freight and Refining Charges			407,754	7,438,498
Manufactured Products:				
Lead Products			\$ 341,505	
Zinc Oxide - Finished			465,000	
Raritan Copper Works - Electro Sheet			<u>23,158</u>	829,663
Accounts Receivable:				
Amcoconda Sales Company - Current Account			\$ 328,031	
Tolls			841,902	
Zinc Oxide			183,357	
Mountain City Copper Company			70,221	
Walker Mining Company			609,364	
Others			<u>319,521</u>	2,352,456
Cash				<u>531,508</u>
				<u>\$13,171,344</u>

CURRENT LIABILITIES:

Taxes		\$ 300,288	
Interest		191,099	
Accounts Payable:			
Inter-company:			
Amcoconda Sales Company - Note Payable		5,000,000	
Amcoconda Copper Mining Company - Note Payable		2,250,000	
Other		35,354	
Other Accounts Payable		1,462,379	
Wages Payable		<u>103,495</u>	9,342,615

BALANCE - NET CURRENT ASSETS

\$ 3,828,729

OTHER ASSETS:

Advances to sundry mining companies, including advances on ores, less reserve	\$ 94,827	
Installment house and land sales and other accounts receivable, less reserve	<u>60,678</u>	155,505

BALANCE - NET CURRENT AND OTHER ASSETS

\$ 3,984,234

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

	Month of March 1940	Three Mos. ended Mar. 31st 1940	Three Mos. ended Mar. 31st 1939	Percent. Increase Decrease
<u>SMELTER PRODUCTION</u>				
Copper - lbs. - Tons	3,695,435	10,499,436	8,744,359	20.0
- Tami	6,707,593	15,959,977	14,808,607	7.8
	<u>10,403,028</u>	<u>26,459,413</u>	<u>23,552,966</u>	12.3
Lead - lbs. - Tons	4,932,616	18,357,986	13,174,934	39.3
<u>SCRAP COPPER RECEIVED AT PERTH AMBOY</u>				
Recoverable contents - lbs.	3,400,275	14,360,915	11,623,007	23.5
<u>REFINERY PRODUCTION</u>				
Copper - lbs.	41,708,602	142,845,523	94,224,360	51.6
Lead - lbs.	8,934,368	27,450,920	20,258,128	35.5
Silver - ozs.	1,359,789	4,048,473	3,416,080	25.9
Gold - ozs.	22,787	73,959	51,487	43.6
<u>SALES</u>				
Copper - lbs.	3,477,276	13,058,464	8,704,490	44.7
Lead - lbs.	3,119,662	18,772,204	18,370,595	2.1
<u>DELIVERIES</u>				
Copper - lbs.	4,026,376	12,018,464	9,836,848	22.2
Lead - lbs.	6,318,433	14,873,061	16,822,024	2.2
<u>WING OXIDE</u>				
Production - lbs.	3,696,400	9,191,658	8,824,668	4.2
Deliveries - lbs.	2,758,000	7,535,806	8,623,682	...