INTERNATIONAL SMELTING AND REFINING COMPANY

REPORT ON AUDIT

YEAR ENDED DECEMBER 31ST [illegible]

Pogson, Peloubet & Co.
CERTIFIED PUBLIC ACCOUNTANTS

PODSON, PELOUBET & CO.

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New York

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To the Board of Directors,
International Smelting and Refining Company,
25 Broadway, 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 31st 1940, and present herewith a Comparative Balance Sheet, Comparative Income Account and Surplus Account, followed by various supporting schedules.

INVESTMENT IN AND OPERATIONS OF SUBSIDIARIES

The accounts of wholly owned subsidiaries have not been consolidated with those of International Smelting and Refining Company in this report. Three of the subsidiaries, New Jersey Storage and Warehouse Company, Raritan Copper Works, and Raritan Terminal and Transportation Company, are not operating, and the operations of the fourth subsidiary, International Building Association, are not an integral part of the operations of the parent company. The investment, including net advances, of International Smelting and Refining Company in its wholly owned subsidiaries amounted to $143,436.81 at December 31st 1940 and combined net loss of such companies amounted to $2,908.78 for the year 1940 (details page 19).

Investment, including noncurrent advances, in subsidiaries not wholly owned by the company amounted at December 31st 1940 to $3,978,239.91, a net decrease of $88,505.03 from December 31st 1939. This decrease resulted from writing off investment in and advances to Pelleyre Mining and Milling Company amounting to $379,745.54 offset by net advances during 1940, principally to Walker Mining Company, amounting to $291,240.51. The equity of the company in the combined net income of these subsidiaries amounted to $436,494.29 for the year 1940 (details page 17). A dividend of $365,733.50 was received from Mountain City Copper Company.

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OPERATIONS

For the year 1940 International Smelting and Refining Company operated at a net profit of $1,104,639.02, compared with a profit of $896,571.94 for the year 1939. Income or loss of the various plants and departments of the company compared with the respective investments, may be summarized as follows:

	Investment at December 31st 1940	Income or loss* of the year 1940	Income or loss* of the year 1939
Tooele plant	$ 5,896,462.05	175,950.65	170,980.77
Miami plant	1,471,374.64	76,659.47	19,309.14*
Ophir Hill plant	14,400.60#	48,043.75	82,707.52
Lead refinery	826,776.68	152,247.81	114,532.04*
Zinc oxide department	939,069.22	71,992.00*	49,590.31
White lead department	646,582.82	15,218.40	23,859.19
Raritan refinery	6,374,509.00	1,792,626.42	1,151,357.76
Raritan secondary metals department	2,775,780.27	62,223.03	321,386.68
Raritan electro-sheet department	287,321.17	10,948.84	19,729.06
	19,203,475.25	2,261,926.37	1,685,770.11
Investments and advances (investment in and advances to Pelleyre Mining and Milling Company, amounting to $379,745.54, written off in 1940) - details page 37	5,845,756.41	146,308.10*	155,074.43
	25,049,231.66	2,115,618.27	1,840,844.54
Items not allocated to departments (including estimated Federal income tax of $130,000.00 in 1939 and $271,477.25 in 1940 - details page 38	23,862.87	352,361.18*	193,439.26*
Net profit before interest on debentures and notes payable to affiliates		1,763,257.09	1,647,405.28
Interest on debentures		480,000.00*	480,000.00*
Interest on notes payable to affiliates		178,618.07*	270,833.34*
Net profit	$	1,104,639.02	896,571.94
Capital stock, surplus, and debentures and notes payable to affiliates	$ 25,073,094.53		

Excess of liabilities over assets.

Details of the above figures are shown on the Balance Sheet and Income Account, pages 11 and 12.

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WORKING CAPITAL

Changes in current position were as follows:

	December 31st 1939	December 31st 1940	Increase or decrease*
Current assets	$ 11,929,242.74	11,045,932.63	883,310.11*
Current liabilities	1,442,019.08	1,450,808.91	8,789.83
	$ 10,487,223.66	9,595,123.72	892,099.94*
Ratio	8.3 to 1	7.6 to 1	

In the foregoing comparison, advances by affiliates evidenced by notes, $5,000,000 payable to Anaconda Sales Company and $2,250,000 payable to Anaconda Copper Mining Company at December 31st 1939, and $4,750,000 payable to Anaconda Copper Mining Company at December 31st 1940, are not considered current liabilities.

DISTRIBUTION OF BALANCE SHEET AND INCOME ACCOUNT TO DEPARTMENTS

The detail schedules which support the Balance Sheet and Income Account are presented in eleven divisions, the nine principal operating departments:

1. Tooele plant,
2. Miami plant,
3. Ophir Hill plant,
4. Lead refinery,
5. Zinc oxide department,
6. White lead department,
7. Raritan refinery,
8. Raritan secondary metals department,
9. Raritan electro-sheet department, and

a tenth division,

10. Investments and advances,

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

11. 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 this division are shown on page 38.

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.

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FUNDS RECEIVED AND DISBURSED

Funds received and disbursed were as follows:

Funds made available:		
Operating profit, before deducting non-cash items and interest paid on debentures and notes payable to affiliates (details below)	$ 3,319,907.39	
Decrease in inventories (details below)	561,261.32	
Increase in current liabilities (principally taxes)	115,450.36	
Decrease in deferred charges	5,807.29	4,002,426.36
Funds disbursed:		
Decrease in notes payable to affiliates	2,500,000.00	
Interest paid on debentures and notes payable to affiliates	658,618.07	
Increase in amount receivable from Anaconda Sales Company	358,709.94	
Fixed assets purchased (details below)	257,243.28	
Increase in accounts receivable	218,640.17	
Net increase in investments in and advances to subsidiaries and sundry companies (details below)	180,798.18	4,174,009.64
Decrease in cash		$ 171,583.28

Operating profit, before deducting non-cash items and interest paid on debentures and notes payable to affiliates

Profit, per Income Account - page 10		$ 1,104,639.02
Add:		
Depreciation - on deliveries	$ 798,324.88	
- automotive equipment written off	1,715.45	
Loss on disposal or dismantlement of fixed assets, principally Rico and Akron plants	211,679.99	
Royalties received from sales of ore mined by North Lily Mining Company from properties of International Smelting and Refining Company	126,328.05	
Investment in and advances to Pelleyre Mining and Milling Company written off	379,745.54	
Sundry mining claims and options written off - Ophir Hill and Tooele	38,856.39	
Interest paid on debentures and notes payable to affiliates, shown separately above	658,618.07	2,215,268.37
As above		$ 3,319,907.39

Decrease (increase*) in inventories

Metals and manufactured products - finished (details below)	$ 1,243,166.46
- in process (increase)	606,549.67*
Supplies (increase)	75,355.47*
As above	$ 561,261.32

Of the above decrease in finished metals, a decrease of $661,203.96 in copper at Tooele and Miami plants is offset by an increase

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in material in process at those smelters amounting to $1,034,008.74.

Metals and manufactured products - finished

			Decrease or increase*
Copper (details below)	13,065,002	lb.	$ 1,464,099.02
Zinc (details below)	5,826,829	lb.	279,857.31
Lead (details below)	4,620,443*	lb.	230,656.95*
Silver (details below)	19,254.97*	oz.	9,422.99
Gold	1,206.829	oz.	39,966.63
Miscellaneous metals			70,285.23
Zinc oxide			7,821.92
White lead			379.45*
Electro-sheet copper fabricating cost			15,659.99
Prepaid billet cost			37,697.06*
Freight on consigned stocks			20,401.58
			1,638,781.21
Reserves for freight and refining			402,830.80
Decrease shown by Comparative Balance Sheet - page 9			1,235,950.41
Increase in depreciation included in inventories (details below)			7,216.05
As above			$ 1,243,166.46

Increase in depreciation included in inventories

	Pounds	Cents per lb.	Amount
Depreciation applicable to unsold 1940 production of Tooele lead	5,722,949	.131	$ 7,497.06
Depreciation applicable to 1939 inventory sold in 1940 - zinc oxide	180,069	.095	171.07
- white lead	51,133	.215	109.94
			281.01
			$ 7,216.05

Copper

Tooele plant:			
Deliveries from December 31st 1938 inventory	3,641,213	9.872	$ 359,465.90
Deliveries from 1939 accumulations	1,458,504	12.619	184,048.62
	5,099,717	10.658	543,514.52
Miami plant:			
Deliveries from December 31st 1938 inventory	1,600,604	10.070	161,174.75
Deliveries from 1939 accumulations	1,398,188	11.194	156,514.69
	2,998,792	10.594	317,689.44
Raritan refinery - deliveries from December 31st 1938 inventory	409,485	8.296	33,971.00
Raritan secondary metals department:			
Deliveries from 1939 accumulations	11,989,505	12.061	1,446,001.18
Less accumulations in 1940	7,432,497	11.801	877,077.12
	4,557,008	12.485	568,924.06
Net decrease, as above	13,065,002		$ 1,464,099.02

Zinc

Deliveries from December 31st 1939 inventory - zinc oxide department	5,826,829	4.803	$ 279,857.31

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	Pounds	Cents per lb.	Amount
Lead			
Lead refinery:			
Deliveries from 1939 accumulations	1,944,926	5.177	$ 100,900.46
Less accumulations in 1940	858,570	5.901	50,661.68
	1,086,356		50,238.78
White lead department - deliveries from December 31st 1938 inventory	16,150	4.600	558.90
	1,102,506		50,797.68
Tooele plant - accumulations in 1940	5,722,949	4.918	281,454.63
Net increase - as above	4,620,443		$ 230,656.95

	Ounces	Cents per oz.	
Silver			
Covered by affidavits - decrease in unsold 1939 production	44,423.56	71.0238	$ 31,551.29
Not covered by affidavits - 1940 accumulations	63,678.53	34.7500	22,128.30
Increase in quantity - as above	19,254.97		
Decrease in amount - as above			$ 9,422.99

Expenditures for fixed assets

Mines and mining claims - Miami	$ 18,458.54	
Lands - Raritan refinery	27,000.00	
Sundry mines and lands	476.64	45,935.18
Buildings and machinery - Raritan refinery	160,143.95	
- Other plants	57,305.12	217,449.07
		263,384.25
Less salvage received from assets sold		6,140.97
As above		$ 257,243.28

Net increase in investments in and advances to subsidiaries and sundry companies

Increases:			
Walker Mining Company		$ 271,394.90	
Felleyre Mining and Milling Company:			
Payments on option	$ 21,000.00		
Advances	4,420.66	25,420.66	
Copper Canyon operations:			
Expenditures on option	28,149.34		
Shares purchased	8,600.00	36,749.34	
Eureka Bullion Mining Company		1,277.14	
Sundry subsidiaries		523.61	335,365.65
Decreases:			
Mountain City Copper Company		98,955.43	
Sundry mining companies for ores and development		29,441.19	
Tooele Valley Railway Company		15,011.68	
Comet Coalition Mines Company		5,201.14	
Park Premier Mining Company		2,171.56	
International Building Association		3,666.47	
Sundry indirect subsidiaries		120.00	154,567.47
Net increase, as above			$ 180,798.18

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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 31st 1940. 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 were examined in detail and those considered bad or doubtful have been written off or have been provided for in reserve. 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.

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 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 now, as in the past, lie in the records of the company, it is of great value as a confirmation of the company's records and representations. Stocks of metals and products held for the company or its subsidiaries by others or held by the company for the account of others have 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 similer tests by independent auditors, they are given full consideration in determining the nature and extent of the tests made by us.

The accounts are presented in the same form and on the same basis as those of Anaconda Copper Mining Company, of which International Smelting and Refining Company is a wholly owned subsidiary.

Respectfully submitted,

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Certified Public Accountants

New York, July 25th 1941

Page	ASSETS		December 31st	
	FIXED ASSETS:			
14	Mines and mining claims and lands for metal producing and manufacturing plants			$
15	Buildings and machinery at reduction works, refineries and manufacturing plants		$ 26,460,316.73	
16	Less reserve for depreciation		17,026,396.78	
	Patents			
	Investments:			
17	Securities of subsidiaries - not wholly owned			
19	- wholly owned			
20	Other security investments			
	Indebtedness of subsidiaries - not current:			
18	Not wholly owned			
19	Wholly owned			
				1
	DEFERRED CHARGES:			
21	Prepaid expenses		21,489.72	
22	Deferred expenses		21,390.48	
	CURRENT AND OTHER ASSETS:			
	Current assets:			
	Supplies on hand		827,199.52	
	Metals and manufactured products - in process		1,453,038.70	
23	- finished		7,633,672.48	
	Accounts and notes receivable:			
24	Trade, less reserve		840,580.22	
25	Affiliates		27,392.04	
18	Subsidiaries - not wholly owned - current		755,883.06	
26	Cash		391,178.72	1
	Other assets:			
27	Advances to sundry mining companies, including advances on ores, less reserve		89,734.26	
	Advances to Tooele Valley Railway Company		119,911.68	
	Other accounts receivable		88.50	
				$ 2

Page	LIABILITIES			
	CAPITAL STOCK - issued and outstanding - 163,500 shares of the par value of $75.00 each			$ 1
	RESERVES:			
	For repairs	$	5,250.91	
28	For workmen's compensation insurance		34,079.24	
	CURRENT LIABILITIES:			
29	Accounts payable - trade		909,816.56	
	Wages payable		105,897.48	
30	Accrued taxes		231,440.52	
31	Other accrued liabilities		2,103.25	
25	Indebtedness - to affiliates		156,673.83	
	- to subsidiaries - not wholly owned		9,949.38	
19	- wholly owned		19,388.85	
	Employees' deposits		6,749.21	
32	DEBENTURES AND NOTES PAYABLE TO AFFILIATES			1
13	SURPLUS (deficit*)			
				$ 2

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TERNATIONAL SMELTING AND REFINING COMPANY

COMPARATIVE BALANCE SHEET

DECEMBER 31ST 1939 AND 1940

December 31st 1939		December 31st 1940		Increase or decrease#	
	$ 1,212,081.73		$ 1,102,805.32		$ 109,276.41#
$ 26,460,316.73		$ 25,977,619.84		$ 482,696.89#	
17,026,696.78	9,433,619.95	17,361,601.01	8,616,018.83	334,904.23	817,601.12#
	1.00		1.00		- -
	2,809,594.00		2,765,473.03		44,120.97#
	43,000.00		43,000.00		- -
	1,414,465.48		1,423,065.48		8,600.00
	731,366.74		1,212,766.88		481,400.14
	123,818.46		120,151.99		3,666.47#
	15,767,947.36		15,283,282.53		484,664.83#
21,489.72		17,978.96		3,510.76#	
21,390.48	42,880.20	47,243.29	65,222.25	25,852.81	22,342.05
827,199.52		902,554.99		75,355.47	
1,453,036.70		2,059,586.37		606,549.67	
7,633,672.48		6,397,722.07		1,235,950.41#	
840,580.22		1,053,735.19		213,154.97	
27,692.04		281,712.04		254,020.00	
755,883.06		131,026.53		624,856.53#	
391,178.72	11,929,242.74	219,595.44	11,045,932.63	171,583.28#	883,310.11#
89,734.26		60,293.07		29,441.19#	
119,911.68		104,900.00		15,011.68#	
88.50	209,734.44	- -	165,193.07	88.50#	44,541.37#
	$ 27,949,804.74		$ 26,559,630.48		$ 1,390,174.26#
	$ 12,262,500.00		$ 12,262,500.00		$ - -
$ 5,250.91		$ - -		$ 5,250.91#	
34,079.24	39,330.15	35,727.04	35,727.04	1,647.80	3,603.11#
909,816.56		902,134.22		7,682.34#	
105,897.48		95,373.37		10,524.11#	
231,440.52		352,660.97		121,220.45	
2,103.25		11,917.40		9,814.15	
156,673.83		48,292.31		108,381.52#	
9,949.38		13,719.82		3,770.44	
19,388.85		19,715.18		326.33	
8,749.21	1,442,019.08	8,995.64	1,450,808.91	246.43	8,789.83
	15,250,000.00		12,750,000.00		2,500,000.00#
	1,044,044.49*		60,594.53		1,104,639.02
	$ 27,949,804.74		$ 26,559,630.48		$ 1,390,174.26#

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YEARS ENDED DECEMBER 31ST 1939 AND 1940

Page		Year ended December 31st 1939		Year ended December 31st 1940		Increase or decrease#	
	Sales and tolls		$ 23,271,062.38		$ 27,841,404.22		$ 4,570,341.84
	Cost of sales		20,933,708.81		24,888,201.25		3,954,492.44
	Income from operations before deducting depreciation		2,337,353.57		2,953,202.97		615,849.40
	Other income:						
	Dividend from Mountain City Copper Company	$ 219,440.10		$ 365,733.50		$ 146,293.40	
33	Other dividends and interest - net	40,622.93		40,705.12		82.19	
34	Miscellaneous income	19,576.87	279,639.90	110,856.87	517,295.49	91,280.00	237,655.59
			2,616,993.47		3,470,498.46		853,504.99
32	Interest on debentures and notes payable to affiliates	750,833.34		658,618.07		92,215.27#	
	Expenses pertaining to non-operating units	44,963.86		52,513.71		7,549.85	
	United States income taxes - estimated	130,000.00	925,797.20	271,477.25	982,609.03	141,477.25	56,811.83
			1,691,196.27		2,487,889.43		796,693.16
	Deduct:						
16	Provision for depreciation	705,453.59		798,324.88		92,871.29	
35	Loss on disposal or dismantlement of fixed assets	89,170.74		205,179.99		116,009.25	
		794,624.33		1,003,504.87		208,880.54	
36	Expenditures on options not exercised	- -	794,624.33	379,745.54	1,383,250.41	379,745.54	588,626.08
	Net income		$ 896,571.94		$ 1,104,639.02		$ 208,067.08

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ASSETS	Tooele plant	
Mines and mining claims and lands	$ 355,398.18	
Buildings and machinery	7,101,420.81	
Reserve for depreciation - deduct*	5,772,495.31*	
Patents		
Investments:		
Securities of subsidiaries:		
Not wholly owned		
Wholly owned		
Other security investments		
Indebtedness of subsidiaries - not current:		
Not wholly owned		
Wholly owned		
Prepaid expenses	921.49	
Deferred expenses	3,277.70	
Supplies on hand	370,651.79	
Metals and manufactured products:		
In process	1,407,404.57	
Finished	2,524,693.46	
Accounts and notes receivable:		
Trade, less reserve	87,923.61	
Affiliates		
Subsidiaries not wholly owned - current	89,840.54	
Cash	100,989.25	
Advances to sundry mining companies, including advances on ores, less reserve	55,279.03	
Advances to Tooele Valley Railway Company		
	6,325,305.12	1,

LIABILITIES		
Reserve for workmen's compensation insurance	4,082.85	
Accounts payable - trade	333,812.96	
Wages payable	40,135.14	
Accrued taxes	16,698.45	
Other accrued liabilities		
Indebtedness - to affiliates	13,767.18	
- to subsidiaries - not wholly owned	13,719.82	
- wholly owned		
Employees' deposits	6,626.67	
	428,843.07	
Net investment (#denotes excess of liabilities over assets)	$ 5,896,462.05	1,

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INTERNATIONAL SMELTING AND REFINING COMPANY

BALANCE SHEET - DECEMBER 31ST 1940 - BY DEPARTMENT

	Tooele plant	Miami plant	Ophir Hill plant	Lead refinery	Zinc oxide department	White lea department
r S						
s and lands	$ 355,398.18	66,666.60		130,665.27	60,822.51	13,243.9
y	7,101,420.81	3,103,550.21		1,113,670.67	676,373.82	734,447.4
on - deduct*	5,772,495.31*	3,037,202.21*		706,352.72*	428,161.12*	476,994.4
				1.00		
iaries:						
tments					5,848.91	
idiaries - not current:						
	921.49	188.25		4,644.70		
	3,277.70				700.00	
	370,651.79	57,104.36		100,548.95	36,014.74	23,241.2
i products:						
	1,407,404.57	503,976.99		40,046.92	108,157.89	
	2,524,693.46	490,483.39		362,142.12	280,133.77	275,785.5
eivable:						
	87,923.61	320,547.43	1,971.55	21,386.71	213,279.05	76,941.6
lly owned - current	89,840.54					
	100,989.25	15,917.05		12,600.41	25,000.00	
ing companies, including , less reserve	55,279.03					
ley Railway Company						
	6,325,305.12	1,521,232.07	1,971.55	1,099,354.03	978,169.57	646,665.32
I T I E S						
compensation insurance	4,082.85		2,360.47	24,334.19		
le	333,812.96	22,903.68		214,060.84	38,782.24	82.50
	40,135.14	12,763.09		23,455.98		
	16,698.45	14,190.66	13,642.71	9,545.21		
ies					318.11	
liates	13,767.18			1,181.13		
idiaries - not wholly owned	13,719.82					
- wholly owned	6,626.67		368.97			
	428,843.07	49,857.43	16,372.15	272,577.35	39,100.35	82.50
es excess of liabilities	$ 5,896,462.05	1,471,374.64	14,400.60#	826,776.68	939,069.22	646,582.82

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hite lead epartment	Raritan refinery	Raritan secondary metals departments	Raritan electro-sheet department	Investments and advances - details page 37	Items not allocated to departments - details page 38	Eliminations*	Total - page 9
13,243.90	343,890.04	65,861.21	4,349.45	61,908.16			1,102,805.32
34,447.48	10,808,991.97	2,043,072.59	366,135.60	29,956.69			25,977,619.84
76,994.49*	6,040,996.49*	818,405.11*	80,993.56*				17,361,601.01
							1.00
				2,765,473.03			2,765,473.03
				43,000.00			43,000.00
				1,417,216.57			1,423,065.48
				1,212,766.88			1,212,766.88
				120,151.99			120,151.99
	10,358.41			1,866.11			17,978.96
		15,116.25		28,149.34			47,243.29
23,241.25	308,769.24			6,224.66			902,554.99
							2,059,586.37
75,785.50	961,359.79	1,474,018.33	9,105.71				6,397,722.07
76,941.68	229,827.15			70,000.00	31,858.01		1,053,735.19
	33,860.70				248,446.30	594.96*	281,712.04
	41,185.99						131,026.53
	29,589.80				35,498.93		219,595.44
				5,014.04			60,293.07
				104,900.00			104,900.00
46,665.32	6,726,836.60	2,779,663.27	298,597.20	5,866,627.47	315,803.24	594.96*	26,559,630.48
	4,949.53						35,727.04
82.50	283,482.59	3,883.00			5,126.41		902,134.22
	19,019.16						95,373.37
	31,713.00			1,155.88	265,715.06		352,660.97
	323.26		11,276.03				11,917.40
	12,840.06				21,098.90	594.96*	48,292.31
							13,719.82
				19,715.18			19,715.18
							6,995.64
82.50	352,327.60	3,883.00	11,276.03	20,871.06	291,940.37	594.96*	1,486,535.95
646,582.82	6,374,509.00	2,775,780.27	287,321.17	5,845,756.41	23,862.87	- -	25,073,094.53

Capital stock	$ 12,262,500.00
Surplus	60,594.53
	12,323,094.53
Debentures and notes payable to affiliates	12,750,000.00
As above	$ 25,073,094.53

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PNYC00000664

	Tooele plant	Miami plant	Ophir Hil plant
Sales of copper	$ 478,411.96	310,125.58	
lead	2,849,191.85		
silver	3,462,613.00	267,776.04	
gold	2,471,854.56	289,009.71	
miscellaneous metals	59,808.30		
zinc oxide			
white lead			
electro-sheet copper			
ores and concentrates	1,019,366.78		350,093.71
Tolls	1,067,005.41	986,065.87	
	11,408,251.86	1,852,977.20	350,093.71
Cost of sales	9,777,646.13	1,031,263.97	237,938.06
Interdepartment	1,288,611.53	681,202.28	
	11,066,257.66	1,712,466.25	237,938.06
Income or loss*	341,994.20	140,510.95	112,155.65
Provision for depreciation and loss on disposal or dismantlement of fixed assets	151,554.45	65,700.68	63,691.70
Income or loss* from operations	190,439.75	74,810.27	48,463.95
Other income:			
Dividends received from Mountain City Copper Company			
Other dividends and interest (paid*)-net	248.22*	121.20	
Miscellaneous income		1,728.00	285.00
	248.22*	1,849.20	285.00
Income or loss*	190,191.53	76,659.47	48,748.95
United States income taxes - estimated			
Expenses pertaining to nonoperating units	14,240.88		705.20
	14,240.88		705.20
Income or loss*	175,950.65	76,659.47	48,043.75
Interest on debentures and notes payable to affiliates			
Expenditure on options not exercised			
Net income or loss*	$ 175,950.65	76,659.47	48,043.75

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INCOME ACCOUNT BY DEPARTMENTS

le plant	Miami plant	Ophir Hill plant	Lead refinery	Zinc oxide department	White lead department	Raritan refinery	Raritan secondary metals department
78,411.96	310,125.58					20,860.50	4,893,501.8
349,191.85			236,822.16				
62,613.00	267,776.04		904,691.02			55,310.63	
71,854.56	289,009.71		270,336.74			8,882.16	
59,808.30						115,771.95	640,888.6
				2,324,606.74			
					967,060.85		
19,366.78		350,093.71	3,134.30	365,067.46			
67,005.41	986,065.87		442,526.29			5,670,366.02	
08,251.86	1,852,977.20	350,093.71	1,857,510.51	2,689,674.20	967,060.85	5,871,191.26	5,534,390.50
77,646.13	1,031,263.97	237,938.06	1,577,947.98	2,635,876.13	423,963.60	3,807,212.67	5,222,833.02
88,611.53	681,202.28		78,220.05	152.05	499,919.42	61,903.94	185,362.55
66,257.66	1,712,466.25	237,938.06	1,856,168.03	2,636,028.18	923,883.02	3,869,116.61	5,408,195.57
41,994.20	140,510.95	112,155.65	201,342.48	53,646.02	43,177.83	2,002,074.65	126,194.93
51,554.45	65,700.68	63,691.70	49,094.67	124,315.12	27,986.91	317,102.07	63,971.90
90,439.75	74,810.27	48,463.95	152,247.81	70,669.10*	15,190.92	1,684,972.58	62,223.03
248.22*	121.20			295.92	27.48		
	1,728.00	285.00				107,653.84	
248.22*	1,849.20	285.00		295.92	27.48	107,653.84	
90,191.53	76,659.47	48,748.95	152,247.81	70,373.18*	15,218.40	1,792,626.42	62,223.03
14,240.88		705.20		1,618.82			
14,240.88		705.20		1,618.82			
75,950.65	76,659.47	48,043.75	152,247.81	71,992.00*	15,218.40	1,792,626.42	62,223.03
5,950.65	76,859.47	48,043.75	152,247.81	71,992.00*	15,218.40	1,792,626.42	62,223.03

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	Raritan refinery	Raritan secondary metals department	Raritan electro-sheet department	Investments and advances - page 37	Items not allocated to departments - page 38	Inter-department eliminations*	Total - page 10
	20,860.50	4,893,501.83				243.20*	5,702,656.67
						499,830.17*	2,586,183.84
	55,310.63						4,690,390.69
	8,882.16						3,040,083.17
	115,771.95	640,888.67				9,553.35*	806,915.57
						424.12*	2,324,182.62
5						3,210.42*	963,850.43
			105,869.15				105,869.15
						450,921.46*	1,286,740.79
	5,670,366.02					1,831,432.30*	6,334,531.29
5	5,871,191.26	5,534,390.50	105,869.15			2,795,615.02*	27,841,404.22
0	3,807,212.67	5,222,833.02	81,550.00	9,393.66	82,576.03		34,888,201.25
2	61,903.94	185,362.55	243.20			2,795,615.02*	
2	3,869,116.61	5,408,195.57	81,793.20	9,393.66	82,576.03	2,795,615.02*	34,883,201.25
3	2,002,074.65	126,194.93	24,075.95	9,393.66*	82,576.03*		2,933,204.97
1	317,102.07	63,971.90	13,127.11	126,960.26			1,003,504.87
4	1,684,972.58	62,223.03	10,948.84	136,353.92*	82,576.03*		1,919,698.10
				365,733.50			365,733.50
5				38,816.64	1,692.10		40,705.12
	107,653.84			1,190.03			110,856.87
9	107,653.84			405,740.17	1,692.10		517,295.49
0	1,792,626.42	62,223.03	10,948.84	269,386.25	80,883.93*		2,466,993.59
					271,477.25		271,477.25
				35,948.81			54,513.71
				35,948.81	271,477.25		323,990.96
0	1,792,626.42	62,223.03	10,948.84	233,437.44	352,361.18*		2,143,002.63
					658,618.07		658,618.07
				379,745.54			379,745.54
				379,745.54	658,618.07		1,038,363.61
	1,792,626.42	62,223.03	10,948.84	146,308.10*	1,010,979.25*		1,104,639.02

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SURPLUS ACCOUNT

Balance December 31st 1939 (deficit)	$ 1,044.044.49
Net profit year ended December 31st 1940 - page 10	1,104,639.02
Per Balance Sheet December 31st 1940 (surplus) - page 9	$ 60,594.53

Investment in National Tunnel and Mines Company in this report is at the amount shown on the books of International Smelting and Refining Company which differs from that shown in the report on Anaconda Copper Mining Company and consolidated subsidiaries, in that the investment and Consolidated Surplus have there been reduced by $136,307.60, the amount of the deficit of Utah-Delaware Mining Company on dissolution in 1937.

PNYC0000066

MINES AND MINING CLAIMS AND LANDS

	Balance December 31st 1939	Additions	Other changes (increase or decrease*)	Balance December 31st 1940
Lands for metal producing and manufacturing plants:				
Tooele plant	$ 351,492.95	87.30	3,817.93 (1)	355,398.18
Miami plant	56,406.60	260.00	10,000.00 (2)	66,666.60
Lead refinery	130,665.27			130,665.27
Zinc oxide department	60,822.51			60,822.51
White lead department	13,243.90			13,243.90
Raritan refinery	315,523.79	27,000.00	1,366.25 (3)	343,890.04
Raritan secondary metals department	67,227.46		1,366.25*(3)	65,861.21
Raritan electro-sheet department	4,349.45			4,349.45
Investments and advances - Rico	2,480.00			2,480.00
	1,002,211.93	27,347.30	13,817.93	1,043,377.16
Mines and mining claims:				
Ophir Hill mines and water rights	6,000.00		6,000.00*(4)	
Investments and advances:				
Tooele	202,269.80	129.34	(126,328.05*(5)) (3,817.93*(1)) (27.15*(6)) (32,856.39*(4))	39,369.62
Miami	1,600.00	18,458.54		20,058.54
Per Balance Sheet - page 9	$ 1,212,081.73	45,935.18	155,211.59*	1,102,805.32

NOTE 1 - Transfer to correct distribution of additions of the year 1938.
2 - Repossession of property sold in year 1939 - details page 35.
3 - Reallocation of land at Perth Amboy.
4 - Relinquished options, and Ophir Hill property and options written off.
5 - Royalties received from sales of ore mined by North Lily Mining Company from properties of International Smelting and Refining Company.
6 - Transferred to buildings and machinery - Rico.

PNYC00000669

BUILDINGS AND MACHINERY

	Balance December 31st 1939	Construction	Deduct* sales and dismantlents - details page 35	Other changes (increase or decrease*)	Balance December 31st 1940
Tooele plant	$ 7,090,157.33	11,490.91	227.43*		7,101,420.81
Miami plant	3,096,892.52	6,657.69			3,103,550.21
Ophir Hill plant	170,198.49	2,528.60	172,727.09*		- -
Lead refinery	1,099,692.24	12,974.13	3,308.29*	4,312.59 (1)	1,113,670.67
Zinc oxide department	946,179.44	14,860.75	280,353.78*	4,312.59*(1)	676,373.82
White lead department	731,919.26	3,378.22	850.00*		734,447.48
Raritan refinery	10,565,697.02	159,643.95	43,529.44*	(1,715.45*(2)) (128,895.89 (3))	10,808,991.97
Raritan secondary metals department	2,251,193.56		2,400.00*	205,720.97*(3)	2,043,072.59
Raritan electro-sheet department	289,310.52			76,825.08 (3)	366,135.60
Investments and advances - Rico	219,076.35	5,914.82	195,061.63*	27.15 (4)	29,956.69
Per Balance Sheet - page 9	$ 26,460,316.73	217,449.07	698,457.66*	1,688.30*	25,977,619.84

NOTE 1 - Transfer between departments.

2 - Depreciation of automotive equipment written off.

3 - Reallocation of plant at Perth Amboy.

4 - Transfer from Mines and mining claims - Rico.

PNYC0000067

	Balance December 31st 1939	Depreciation on 1940 operations - details below	Deductions* for sales and dismantlements - page 35	Transfer between departments - (increase or decrease*)	Balance December 31st 1940
Tooele plant	$ 5,629,319.84	159,053.58	98.74*	15,779.37*	5,772,495.31
Miami plant	2,965,001.53	72,200.68			3,037,202.21
Ophir Hill plant	96,284.63	64,120.59	160,405.22*		- -
Lead refinery	560,491.58	46,763.90	902.76*		706,352.72
Zinc oxide department	584,837.24	37,381.88	194,058.00*		428,161.12
White lead department	450,207.58	27,439.43	652.52*		476,994.49
Raritan refinery	5,684,531.43	312,629.08	35,548.77*	79,384.75	6,040,996.49
Raritan secondary metals department	876,956.15	61,839.50	237.60*	120,122.94*	818,405.11
Raritan electro-sheet department	27,128.26	13,127.11		40,738.19	80,993.56
Investments and advances - Rico	51,938.54	10,955.18	78,673.09*	15,779.37	- -
Per Balance Sheet - page 9	$ 17,028,896.78	805,540.93	470,336.70*		17,361,601.01

Details of depreciation on 1940 operations

	Depreciation on 1940 operations - as above			Depreciation applicable to inventory		Depreciation applicable to 1940 sales - per Income Account - page 10
	Quantity	Rate	Amount	December 31st 1939	December 31st 1940	
Tooele plant:						
Lead plant	64,997,389 pounds	.131¢	$ 85,148.58	14,593.96	22,091.02	77,649.52
Sulphide concentrator	184,014 tons	22.500¢	41,403.15			41,403.15
Oxide concentrator			32,149.30			32,149.30
Salt Lake City furniture and ranch buildings			354.55			354.55
			159,053.58	14,593.96	22,091.02	151,556.52
Miami plant:						
Copper plant			65,742.94			
Anode furnace			6,457.74			
			72,200.68			72,200.68
Ophir Hill plant			64,120.59			64,120.59
Lead refinery	49,079.634 tons	89.000¢	43,678.20			
Furniture and fixtures			3,085.70			
			46,763.90			46,763.90
Zinc oxide department - East Chicago plant	39,349,346 pounds	.095¢	37,381.88	3,236.86	3,065.79	37,552.95
White lead department	12,776,483 pounds	.215¢	27,439.43	8,165.20	8,055.26	27,579.37
Raritan refinery			350,127.76			
Less amount applicable to plant used by secondary metals department and electro-sheet department			37,498.68			
			312,629.08			312,629.08
Raritan secondary metals department - cathodes	11,806.279 tons	$2.25	26,564.13			
Depreciation on refinery plant - as above			35,275.37			
			61,839.50			61,839.50
Raritan electro-sheet department	726,919 pounds	1.5¢	10,903.80			
Depreciation on refinery plant - as above			2,223.31			
			13,127.11			13,127.11
Investments and advances - Rico			10,955.18			10,955.18

PNYC0000671

INVESTMENT IN SECURITIES OF SUBSIDIARIES NOT WHOLLY OWNED

	Amount
Balance December 31st 1939	$ 2,809,594.00
Addition, year 1940: Pelleyre Mining and Milling Company - payment on option	21,000.00
	2,830,594.00
Deduction, year 1940: Investment in Pelleyre Mining and Milling Company written off	65,120.97
Per Balance Sheet, December 31st 1940 - page 9	$ 2,765,473.03

Details of balance at December 31st 1940

	Shares	Par value	Amount	Equity in income or loss*, year 1940
Mountain City Copper Company	1,462,934	$ 73,116.70	$ 1,143,281.33	$ 548,040.61
Walker Mining Company	882,042	882,042.00	882,049.50	146,373.75*
Other unconsolidated subsidiaries:				
Comet Coalition Mines Company	760,246	1[illegible]0,071.50	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	348.06*
North Lily Mining Company	475,000	47,500.00	66,527.78	36,270.79
Park Konold Mines Corporation	755,000	377,500.00	37,644.27	- -
Park Nelson Mining Company	755,000	377,500.00	1.00	- -
Park Premier Mining Company	1,015,000	253,750.00	1.00	- -
Victor Consolidated Mining Company	365,390	182,695.00	18,308.52	.95*
Yankee Consolidated Mining Company	501,005	50,100.50	20,040.20	1,094.35*
			740,142.20	
As above			$ 2,765,473.03	$ 436,494.29

Net increase in equity - year 1940

Equity in income, as above	$ 436,494.29
Less dividend received from Mountain City Copper Company	365,733.50
Net increase	$ 70,760.79

PNYC00000672

INVESTMENT IN AND INDEBTEDNESS OF SUBSIDIARIES NOT WHOLLY OWNED

	Indebtedness				Total investment and	
	Not current	Current	Total	Investment - page 17	indebtedness	Market quotations
Mountain City Copper Company	$	130,913.43	130,913.43	1,143,281.33	1,274,194.76	$ 4,571,668.75
Walker Mining Company	797,479.10		797,479.10	882,049.50	1,679,528.60	799,350.56
Comet Coalition Mines Company	26,617.67		26,617.67	340,891.71	367,509.38	71,273.06
Eureka Bullion Mining Company	20,709.51		20,709.51	187,923.49	208,633.00	181,440.00
Mountain View Mining Company				68,806.23	68,806.23	23,673.65
North Lily Mining Company				66,527.78	66,527.78	285,000.00
Park Konold Mines Corporation	112,294.47		112,294.47	37,644.27	149,938.74	13,212.50
Park Nelson Mining Company	29,062.90		29,062.90	1.00	29,063.90	15,100.00
Park Premier Mining Company	226,603.23		226,603.23	1.00	226,604.23	30,450.00
Victor Consolidated Mining Company				18,306.52	18,306.52	12,768.65
Yankee Consolidated Mining Company		38.10	38.10	20,040.20	20,078.30	8,767.59
Sundry indirect subsidiaries		75.00	75.00		75.00	
Per Balance Sheet, December 31st 1940 - page 9	$ 1,212,766.88	131,026.53	1,343,793.41	2,765,473.03	4,109,266.44	$ 6,012,724.76

	Total indebtedness		
	December 31st 1939	December 31st 1940	Increase or decrease*
Mountain City Copper Company	$ 229,868.86	130,913.43	98,955.43*
Walker Mining Company	525,784.20	797,479.10	271,694.90
Comet Coalition Mines Company	31,818.81	26,617.67	5,201.14*
Eureka Bullion Mining Company	19,432.37	20,709.51	1,277.14
Park Konold Mines Corporation	112,226.16	112,294.47	68.31
Park Nelson Mining Company	28,910.70	29,062.90	152.20
Park Premier Mining Company	228,774.79	226,603.23	2,171.56*
Pelleyre Mining and Milling Company	310,203.91		310,203.91*
Yankee Consolidated Mining Company	35.00	38.10	3.10
Sundry indirect subsidiaries	195.00	75.00	120.00*
	$ 1,487,249.80	1,343,793.41	143,456.39*

PNYC00000673

INVESTMENT IN AND INDEBTEDNESS OF WHOLLY OWNED SUBSIDIARIES

	Shares	Par value	Investment	Indebtedness - not current	Total investment and indebtedness	Net loss of the year 1940
International Building Association	10	$ 1,000.00	1,000.00	120,151.99	121,151.99	$ 2,223.05
New Jersey Storage and Warehouse Company	10	1,000.00	1,000.00		1,000.00	6.00
Raritan Copper Works	10	1,000.00	1,000.00		1,000.00	- -
Raritan Terminal and Transportation Company	400	40,000.00	40,000.00		40,000.00	679.73
Per Balance Sheet, December 31st 1940 - page 9			$ 43,000.00	120,151.99	163,151.99	
						$ 2,908.78

Less indebtedness to wholly owned subsidiaries:			
New Jersey Storage and Warehouse Company		$ 718.93	
Raritan Copper Works		1,000.00	
Raritan Terminal and Transportation Company		17,996.25	
Per Balance Sheet, December 31st 1940 - page 9			19,715.18
Net investment			143,436.81
The above net investment at December 31st 1940 is represented as follows:			
Assets:			
Lands, principally for resale		40,962.71	
Buildings and railroad construction	$ 31,063.64		
Less reserve for depreciation	21,487.45	9,576.19	
Prepaid expenses		60.00	
Installment house and land sales contracts		64,696.90	
Accounts receivable		1,136.89	
Cash		190.18	
		116,622.87	
Less liabilities:			
Accounts payable	2,906.66		
Taxes accrued	49.80		
Interest accrued	1.61	2,958.07	
Net assets			113,664.80
Difference, being accumulated operating deficits to December 31st 1940			$ 29,772.01

PNYC0000067

OTHER SECURITY INVESTMENTS

Balance December 31st 1939	$ 1,414,465.48
Additions - year 1940 - Copper Canyon Mining Company, 64,000 shares	8,600.00
Per Balance Sheet, December 31st 1940 - page 9	$ 1,423,065.48

Details of balance at December 31st 1940

	Par value	Shares	Amount
Zinc oxide department:			
Delaware Floor Products Company:			
Common stock	no par	26	$ 2,580.50
Second mortgage bonds	$ 2,600.00		2,600.00
National Fireproofing Corporation:			
Common stock	no par	7	65.01
Income debentures	200.00		200.00
Northwestern Terra Cotta Corporation stock	18.75	18.75	367.78
Viscosity Oil Corporation stock	no par	.75	35.62
			5,848.91
Investments and advances:			
Condor Gold Mining Company stock	4,632.30	61,764	4,632.29
Copper Canyon Mining Company	6,400	64,000	8,600.00
National Tunnel and Mines Company stock	no par	328,200	915,693.92
Park-Utah Consolidated Mines Company stock	69,800.00	69,800	441,157.50
Prince Consolidated Mining Company stock	80,000.00	800,000	47,132.86
			1,417,213.57
As above			$ 1,423,065.48

Investment in National Tunnel and Mines Company in this report is at the amount shown on the books of International Smelting and Refining Company which differs from that shown in the report on Anaconda Copper Mining Company and consolidated subsidiaries, in that the investment and Consolidated Surplus have there been reduced by $136,307.60, the amount of the deficit of Utah-Delaware Mining Company on dissolution in 1937.

PREPAID EXPENSES

	December 31st 1939	December 31st 1940	Increase decrease*
Prepaid insurance	$ 21,403.32	17,824.83	3,578.49*
Sundry	86.40	154.13	67.73
Per Balance Sheet - page 9	$ 21,489.72	17,978.96	3,510.76*

PNYC000006

DEFERRED EXPENSES

	December 31st 1939	December 31st 1940	Increase decrease*
Tooele plant:			
Expenditures on account of option to purchase stock of Copper Canyon Mining Company	$ - -	28,149.34	28,149.34
Prepaid rental	- -	1,240.00	1,240.00
Advance on purchase contract	2,157.96	1,711.60	446.36*
Prepaid lime sand royalty	1,225.91	- -	1,225.91*
Sundry deferred expenses	248.56	326.10	77.54
	3,632.43	31,427.04	27,794.61
Zinc oxide department - club memberships	1,000.00	700.00	300.00*
Raritan secondary metals department - blast furnace slag treatment expense	16,758.05	15,116.25	1,641.80*
Per Balance Sheet - page 9	$ 21,390.48	47,243.29	25,852.81

PNYC00000677

METALS AND MANUFACTURED PRODUCTS - FINISHED

		Tooele plant	Miami plant	Lead refinery	Zinc oxide department	White lead department	Raritan refinery	Raritan secondary metals department	Raritan electro-sheet department	Total
AMOUNT										
Copper	$	539,436.00	444,394.33				544,059.62	1,350,661.75		2,878,551.70
Zinc					43,646.74					43,646.74
Lead		780,894.35		50,661.68		10,607.46				842,163.49
Silver		674,262.87	52,146.05	321,267.55			144,843.80	1,402.39		1,193,922.66
Gold		621,104.32	76,088.36	10,212.89			259,897.72	1,183.37		968,486.66
Miscellaneous metals		4,406.88					3,920.67	379,001.12		387,328.67
Manufactured products:										
Zinc oxide					230,326.34					230,326.34
White lead						253,981.80				253,981.80
Electro-sheet copper									9,105.71	9,105.71
Prepaid billet cost							63,047.07			63,047.07
Prepaid freight, etc.					6,160.69	11,196.24				17,356.93
		2,620,104.42	572,628.74	382,142.12	280,133.77	275,785.50	1,015,768.88	1,732,248.63	9,105.71	6,887,917.77
Less reserves for freight, refining, etc.		95,410.96	82,145.35				54,409.09	258,230.30		490,195.70
Per Balance Sheet, December 31st 1940 - page 9	$	2,524,693.46	490,483.39	382,142.12	280,133.77	275,785.50	961,359.79	1,474,018.33	9,105.71	6,397,722.07
POUNDS										
Copper		5,464,220	4,413,218				6,558,072	13,432,497		29,868,007
Zinc					906,098					906,098
Lead		16,863,376		858,570		230,597				17,952,543
CENTS PER POUND										
Copper		9.872	10.070				8.296	10.055		9.638
Zinc					4.817					4.817
Lead		4.631		5.901		4.600				4.691

	Ounces	Price		Amount - as above
SILVER - total for all departments - covered by affidavits	1,096,886.01	71.0238¢	$	779,050.14
- not covered by affidavits	1,193,877.74	34.75		414,872.52
	2,290,763.75	52.1190¢	$	1,193,922.66
GOLD - total for all departments	28,416.265	34.08	$	968,486.66

PNYC0000678

ACCOUNTS AND NOTES RECEIVABLE - TRADE, LESS RESERVE

	Tooele plant	Miami plant	Ophir Hill plant	Lead refinery	Zinc oxide department	White lead department	Raritan refinery	Investments and advances	Items not allocated to departments	Total
From customers for tolls and for metals and manufactured products:										
Inspiration Consolidated Copper Company	$	23,086.60					28,820.07			51,906.67
Miami Copper Company		297,246.86								297,246.86
Mines Products Company							175,691.80			175,691.80
Sundry customers	62,323.71				213,279.05	116,275.19	20,187.67		31,858.01	443,923.63
	62,323.71	320,333.46			213,279.05	116,275.19	224,699.54		31,858.01	968,768.96
Advances to National Tunnel and Mines Company								70,000.00		70,000.00
Sundry debtors	25,599.90	213.97	1,971.55	21,386.71			5,127.61			54,299.74
	87,923.61	320,547.43	1,971.55	21,386.71	213,279.05	116,275.19	229,827.15	70,000.00	31,858.01	1,093,068.70
Less reserve for doubtful notes and accounts						39,333.51				39,333.51
Per Balance Sheet, December 31st 1940 - page 9	$ 87,923.61	320,547.43	1,971.55	21,386.71	213,279.05	76,941.68	229,827.15	70,000.00	31,858.01	1,053,735.19

PNYC00000679

ACCOUNTS WITH AFFILIATES

	December 31st 1939	December 31st 1940	Increase decrease*
Accounts receivable from:			
The American Brass Company	$ 1,025.39	2,277.12	1,251.73
Anaconda Sales Company (payable at Dec. 31, 1939)		248,446.30	248,446.30
Anaconda Wire and Cable Company	11,627.77	16,178.27	4,550.50
Chile Exploration Company	15,579.76	15,405.31	174.45*
	28,232.92	282,307.00	254,074.08
Net off accounts payable to:			
The American Brass Company		532.35	532.35
Anaconda Wire and Cable Company	540.98	62.61	478.27*
	540.88	594.96	54.08
Per Balance Sheet - page 9	$ 27,692.04	281,712.04	254,020.00
Accounts payable to:			
Anaconda Copper Mining Company	21,098.90	21,098.90	- -
The American Brass Company	- -	532.35	532.35
Anaconda Sales Company (receivable at Dec. 31, 1940)	110,263.64	- -	110,263.64*
Anaconda Wire and Cable Company	540.38	62.61	478.27*
Chile Steamship Company, Incorporated	10,118.53	7,104.23	3,014.30*
Montana Hardware Company	4,793.36	8,305.09	3,511.73
Tooele Valley Railway Company	10,399.40	11,784.09	1,384.69
	157,214.71	48,887.27	108,327.44*
Net off accounts receivable, as above	540.98	594.96	54.08
Per Balance Sheet - page 9	$ 156,673.83	48,292.31	108,381.52*

PNYC00000680

C A S H

Cash in banks:	
Chase National Bank, New York	$ 208,841.04
Continental National Bank and Trust Company of Salt Lake City, Utah	49,852.32
First National Bank of Salt Lake City, Tooele, Utah	49,882.90
Battle Mountain State Bank, Battle Mountain, Nevada	994.03
Valley National Bank, Globe, Arizona	15,767.05
First National Bank in East Chicago, Indiana	12,393.73
Firestone Park Trust and Savings Bank, Akron, Ohio	25,000.00
First Bank and Trust Company, Perth Amboy, New Jersey	29,297.99
	392,029.06
Less outstanding drafts on New York office, deposited in banks	173,342.11
	218,686.95
Petty cash	908.49
Per Balance Sheet, December 31st 1940 - page 9	$ 219,595.44

PNYC00000681

ADVANCES TO SUNDRY MINING COMPANIES,
INCLUDING ADVANCES ON ORES

	December 31st 1939	December 31st 1940	Increase decrease*
Ore purchase accounts:			
Good	$ 15,203.61	7,185.58	8,018.03*
Good but slow	3,999.50	1,652.53	2,346.97*
Fair but slow	91,351.05	42,552.82	48,798.23*
	110,554.16	51,390.93	59,163.23*
Other notes and accounts:			
Afterthought Mines Corporation	2,935.34	4,978.54	2,043.20
New Quincy Mining Company	- -	29,854.31	29,854.31
Panther Mines Company	9,982.70	9,788.19	194.51*
Rico Enterprise Mining Company	9,393.66	- -	9,393.66*
Sundry	217.26	7,737.29	7,520.03
	22,528.96	52,358.33	29,829.37
	133,083.12	103,749.26	29,333.86*
Less reserve for doubtful accounts	43,348.86	43,456.19	107.33
Per Balance Sheet, page 9	$ 89,734.26	60,293.07	29,441.19*

PNYC000006

RESERVE FOR WORKMEN'S COMPENSATION INSURANCE, ETC.

	Balance December 31st 1939	Additions - details below	Deductions - compensation paid, medical and hospital expenses, etc.	Per Balance Sheet, December 31st 1940 page 9
Tooele plant	$ 4,085.61	31,582.35	31,585.11	4,082.85
Ophir Hill	1,629.68	1,320.57	589.78	2,360.47
Lead refinery	13,642.25)	3,735.20	5,652.11	24,334.19
Zinc oxide department	8,652.43)			
White lead department	3,956.42)			
Raritan refinery	2,112.85	17,021.79	14,185.11	4,949.53
	$ 34,079.24	53,659.91	52,012.11	35,727.04

Details of additions - year 1940

	Total as above	Charged cost	Pay roll deductions
Tools plant	$ 31,582.35	23,146.12	8,436.23
Ophir Hill	1,320.57	1,032.57	288.00
Lead refinery	3,735.20	3,735.20	
Raritan refinery	17,021.79	17,021.79	
	$ 53,659.91	44,935.68	8,724.23

PNYC0000068.

ACCOUNTS PAYABLE - TRADE

Ore purchases - Tooele plant	$ 191,688.70
Reserve for unearned tolls - Raritan refinery	67,545 16
Sundry creditors	642,900 36
Per Balance Sheet, December 31st 1940 - page 9	$ 902,134.22

PNYC0000068

ACCRUED TAXES

	Tooele plant	Miami plant	Ophir Hill plant	Lead refinery	Raritan refinery	Investments and advances - Rico	Items not allocated to departments	Total
Federal old age benefits tax	$ 3,057.38	756.19		1,900.78	6,550.07		23.79	12,288.21
Federal and state unemployment insurance taxes	12,882.70	3,249.99		7,644.43	25,162.93		308.73*	48,631.32
Federal income taxes							256,000.00	256,000.00
Federal capital stock taxes							10,000.00	10,000.00
Real estate taxes	178.41	9,734.48	10,491.03			1,155.23		21,559.15
Utah mining occupation tax			3,151.68					3,151.68
Sundry	579.96	450.00				.65		1,030.61
Per Balance Sheet, December 31st 1940 - page 9	$ 16,698.45	14,190.66	13,642.71	9,545.21	31,713.00	1,155.88	265,715.06	352,660.97

PNYC00000685

OTHER ACCRUED LIABILITIES

Reserve for repairs - Raritan electro-sheet department (details below)	$ 11,276.03
Reserve for United States customs warehouse storage costs - Raritan	323.26
Liability for unpaid compensation insurance - Zinc oxide department, Akron	318.11
Per Balance Sheet, December 31st 1940 - page 9	$ 11,917.40

Details of Reserve for repairs - Raritan electro-sheet department

	Balance December 31st 1939	Additions - charged operating expense	Deductions - expended for repairs	Balance December 31st 1940
Reserve for lead anode renewals	$ 1,488.01	1,817.32	234.17	3,071.16
Reserve for drum surface renewals	3,762.90	5,451.91	1,009.94	8,204.87
As above	$ 5,250.91	7,269.23	1,244.11	11,276.03

PNYC00000686

DEBENTURES AND NOTES PAYABLE TO AFFILIATES

	15 year 6% debentures due 1950, held by Anaconda Copper Mining Company	Demand note, interest at 5%, payable to Anaconda Copper Mining Company	Time notes - details of payees and interest rates below	Total
Balance December 31st 1939	$ 8,000,000.00	2,250,000.00	5,000,000.00	15,250,000.00
Payments 1940 - details below			2,500,000.00	2,500,000.00
Per Balance Sheet, December 31st 1940 - page 9	$ 8,000,000.00	2,250,000.00	2,500,000.00	12,750,000.00
Interest accrued and paid				
Balance December 31st 1939	$ 21,098.90	- -	3,125.00	24,223.90
Accrued 1940, per Income Account - page 10	480,000.00	112,500.00	66,118.07	658,618.07
	501,098.90	112,500.00	69,243.07	682,841.97
Paid 1940	480,000.00	112,500.00	69,243.07	661,743.07
Balance December 31st 1940	$ 21,098.90	- -	- -	21,098.90

Details of time notes

Payable to Anaconda Sales Company:	
Balance December 31st 1939 - interest at 1-1/2%	$ 5,000,000.00
Payment June 15th 1940	1,000,000.00
Balance June 15th 1940 - interest at 1-3/4%	4,000,000.00
Payment August 31st 1940	500,000.00
Payment September 14th 1940	3,500,000.00
	$ - -
Payable to Anaconda Copper Mining Company:	
September 14th 1940 - interest at 1-3/4%	$ 3,500,000.00
Payment October 22nd 1940	1,000,000.00
Balance December 31st 1940 - interest at 1-3/4%	$ 2,500,000.00

Details of interest accrued on time notes

Payable to Anaconda Sales Company:	
December 31st 1939 to June 15th 1940 - 1-1/2% on $5,000,000	$ 34,375.00
June 15th 1940 to August 31st 1940 - 1-3/4% on $4,000,000	14,583.33
August 31st 1940 to September 14th 1940 - 1-3/4% on $3,500,000	2,430.54
	51,388.87
Payable to Anaconda Copper Mining Company:	
September 14th 1940 to October 22nd 1940 - 1-3/4% on $3,500,000	6,465.31
October 22nd 1940 to December 31st 1940 - 1-3/4% on $2,500,000	8,263.89
	14,729.20
Total, as above	$ 66,118.07

PNYC00000687

OTHER DIVIDENDS AND INTEREST

Interest received:		
On advances:		
To subsidiaries not wholly owned:		
Comet Coalition Mines Company	$ 1,787.28	
Eureka Bullion Mining Company	1,168.09	
	2,955.37	
Walker Mining Company	16,795.49	
	19,750.86	
Tooele Valley Railway Company	7,288.21	
International Building Association	4,797.57	31,836.64
On refund of capital stock tax		1,692.10
Miscellaneous - net		194.50
		33,723.24
Dividends received:		
Park Utah Consolidated Mines Company	6,980.00	
Miscellaneous	1.88	6,981.88
Per Income Account, year ended December 31st 1940 - page 10		$ 40,705.12

MISCELLANEOUS INCOME

Miami plant - rents		$ 1,728.00
Ophir Hill plant - rents		255.00
Raritan refinery:		
Record storage rentals	$ 1,350.00	
Copper storage rentals	87,532.32	
Discount on prepayment of taxes	3,008.08	
Loading and unloading lighters	15,763.44	107,653.84
Investments and advances:		
Park-Utah Consolidated Mines Company - reimbursement for dividends of prior years not received by the company	1,200.00	
Less outside property expense, Tooele	9.97	1,190.03
Per Income Account, year ended December 31st 1940 - page 10		$ 110,856.87

PNYC00000689

LOSS ON DISPOSAL OR DISMANTLEMENT OF FIXED ASSETS

	Cost of property sold or dismantled - pages 15 and 14	Accumulated depreciation - page 16	Net book value	Salvage less dismantling expense (add or deduct*)	Loss (profit#) - per Income Account year 1940 - page 10
Buildings and machinery:					
Tooele plant	227.43	98.74	128.69	130.76*	2.07#
Ophir Hill plant	172,727.09	160,405.22	12,321.87	12,750.76*	428.89#
Lead refinery	3,308.29	902.76	2,405.53	74.76*	2,330.77
Zinc oxide department	280,353.78	194,058.00	86,295.78	466.39	86,762.17
White lead department	850.00	682.52	167.48	240.06	407.54
Raritan refinery	43,529.44	35,548.77	7,980.67	3,507.68*	4,472.99
Raritan secondary metals department	2,400.00	267.60	2,132.40		2,132.40
Investments and advances - Rico	195,061.63	78,673.09	116,388.54	383.46*	116,005.08
	698,457.66	470,636.70	227,820.96	16,140.97*	211,679.99
Mines and mining claims and lands:					
Miami plant - repossession of property sold in 1939	10,000.00*		10,000.00*	3,500.00	6,500.00#
Total	$ 688,457.66	470,636.70	217,820.96	12,640.97*	205,179.99

PNYC0000690

EXPENDITURES ON OPTIONS NOT EXERCISED

Investment in and advances to Pelleyre Mining and Milling Company written off:		
Investment		$ 65,120.97
Advances - Balance December 31st 1939	$ 310,203.91	
Additions 1940	4,420.66	314,624.57
Per Income Account, year 1940 - page 10		$ 379,745.54

BALANCE SHEET ITEMS

Mines and mining claims and lands
Buildings and machinery
Investments:
  Securities of subsidiaries - not wholly owned
                                              - wholly owned
  Other security investments
  Indebtedness of subsidiaries - not current - not wholly own
                                                                      - wholly owned
Prepaid expenses
Deferred expenses
Supplies on hand
Accounts receivable - trade
Advances to sundry mining companies, including advances on
    ores, less reserve
Advances to Tooele Valley Railway Company

Accrued taxes
Indebtedness to subsidiaries wholly owned

Net investment $

INCOME ACCOUNT ITEMS

Cost of sales $
Provision for depreciation and loss on disposal or dismantleme
    of fixed assets

Other income:
  Dividend received from Mountain City Copper Company
  Other dividends and interest
  Miscellaneous income (expense*)

Income or loss*

Deduct:
  Expenses pertaining to nonoperating units
  Expenditures on options not exercised

Net income or loss* $

PNYC00000692

INVESTMENTS AND ADVANCES

DETAILS OF BALANCE SHEET AND INCOME ACCOUNT ITEMS

	Wholly owned subsidiaries	Mountain City Copper Company	Walker Mining Company	Other subsidiaries not wholly owned	National Tunnel and Mines Company	Park Conso M Co
d lands	$					
es - not wholly owned		1,143,281.33	882,049.50	740,142.20		
- wholly owned	43,000.00					
ts					915,693.92	441,
ries - not current - not wholly owned			797,479.10	415,287.78		
- wholly owned	120,151.99					
e					70,000.00	
companies, including advances on						
Railway Company						
	163,151.99	1,143,281.33	1,679,528.60	1,155,429.98	985,693.92	441,:
es wholly owned	19,715.18					
	19,715.18					
	$ 143,436.81	1,143,281.33	1,679,528.60	1,155,429.98	985,693.92	441,1
	$					
end loss on disposal or dismantlement						
ountain City Copper Company		365,733.50				
rest	4,797.57		16,795.49	2,955.37		6,98
ense*)						1,20
	4,797.57	365,733.50	16,795.49	2,955.37		8,18
	4,797.57	365,733.50	16,795.49	2,955.37		8,18
noperating units						
ot exercised				379,745.54*		
				379,745.54*		
	$ 4,797.57	365,733.50	16,795.49	376,790.17*		8,18

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Park-Utah Consolidated Mines Company	Prince Consolidated Mining Company	Condor Gold Mining Company	Afterthought Mines Company	Copper Canyon operations	Tooele Valley Railway Company	Rico	Mines department, outside exploration, etc.	Tota pag 11 an
						2,480.00	59,428.16	61,90
						29,956.69		29,95
								2,765,473
441,157.50	47,132.86	4,632.29		8,600.00				43,000
								1,417,216
								1,212,766
								120,151
						1,866.11		1,866
				28,149.34				28,149
						6,224.66		6,224
								70,000.
	35.50		4,978.54					5,014.
					104,900.00			104,900.
441,157.50	47,168.36	4,632.29	4,978.54	36,749.34	104,900.00	40,527.46	59,428.16	5,866,627.
						1,155.88		1,155.
								19,715.
						1,155.88		20,871.
41,157.50	47,168.36	4,632.29	4,978.54	36,749.34	104,900.00	39,371.58	59,428.16	5,845,756.
						9,393.66*		9,393.6
						126,960.26*		126,960.2
						136,353.92*		136,353.9
								305,733.5
6,980.00					7,288.21			38,816.6
1,200.00							9.97*	1,190.0
8,180.00					7,288.21		9.97*	405,740.1
8,180.00					7,288.21	136,353.92*	9.97*	269,386.2
						35,948.81*		35,948.81
								379,745.54
						35,948.81*		415,694.35
,180.00					7,288.21	172,302.73*	9.97*	146,308.10

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DETAILS OF ITEMS NOT ALLOCATED TO DEPARTMENTS

BALANCE SHEET ITEMS

Accounts receivable - trade - United States assay office		$ 31,858.01
- affiliates - Anaconda Sales Company		248,446.30
Cash - Chase National Bank, New York		35,498.93
		315,803.24
Accounts payable - trade - Chadbourne, Wallace, Parke & Whiteside	$ 5,038.62	
- Sundry	87.79	5,126.41
Taxes accrued - Federal income tax	256,000.00	
- Federal capital stock tax	10,000.00	
- Employer's portion of social security taxes on New York employees (debit*)	284.94*	265,715.06
Indebtedness to affiliates - Anaconda Copper Mining Company - interest accrued		21,098.90
		291,940.37
Excess of assets over liabilities - page 11		$ 23,862.87

INCOME ACCOUNT ITEMS

Cost of sales - General expense, New York office	$ 72,257.13	
Capital stock tax	10,316.90	
Sundry taxes	2.00	82,576.03
Interest received on refund of prior years' capital stock tax		1,692.10
		80,883.93
United States income tax - estimated		271,477.25
		352,361.18
Interest on debentures and notes payable to affiliates		658,618.07
Net loss - page 12		$ 1,010,979.25

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I N D E X

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