

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - SEPTEMBER 26TH 1939

ESTIMATED NET INCOME

	Month of August 1939	Month of July 1939	Eight Months ended August 31, 1939	Eight Months ended August 31, 1938
Smelting Department	\$ 41,378	\$ 39,419	\$ 128,936	\$ 194,631
Raritan Copper Works - Refinery Department	123,897	96,205	803,504	390,801
Secondary Department	21,231	21,151	206,312	35,255
Lead Refining Department	4,043	1,839	7,791	106,556
Zinc Oxide Department	13,997	20,238	136,354	11,326
White Lead Department	4,380	1,270	32,716	31,662
Total	\$200,840	\$180,122	\$1,300,031	\$ 11,371
Add - Miscellaneous Income	4,908	4,008	29,485	27,827
	<u>\$205,748</u>	<u>\$184,130</u>	<u>\$1,329,516</u>	<u>\$ 39,198</u>
<u>DEDUCT:</u>				
Administrative Expenses	\$ 6,000	\$ 6,617	\$ 52,642	\$ 33,373
Miscellaneous Taxes	3,696	97	4,801	15,437
Capital Stock Tax	1,000	1,000	8,000	7,840
Interest -				
Six Percent. Debentures	40,000	40,000	318,901	318,901
Anaconda Copper Mining Company	9,375	9,375	75,000	74,897
Anaconda Sales Company	12,500	12,500	111,458	116,747
	<u>\$ 72,571</u>	<u>\$ 69,589</u>	<u>\$ 570,802</u>	<u>\$ 567,195</u>
	\$133,177	\$114,541	\$ 758,714	\$ 527,997
Less - Depreciation	<u>56,171</u>	<u>49,418</u>	<u>456,849</u>	<u>352,145</u>
	\$ 77,006	\$ 65,123	\$ 301,865	\$ 880,142
Less - Federal Income Tax	<u>14,600</u>	<u>12,300</u>	<u>57,400</u>	-
<u>NET INCOME</u>	<u>\$ 62,406</u>	<u>\$ 52,823</u>	<u>\$ 244,465</u>	<u>\$ 880,142</u>
Add - Net Income of Subsidiary Companies	<u>10</u>	<u>10</u>	<u>490</u>	<u>188</u>
<u>CONSOLIDATED NET INCOME</u>	<u>\$ 62,396</u>	<u>\$ 52,813</u>	<u>\$ 243,975</u>	<u>\$ 879,954</u>

CONSOLIDATED SURPLUS ACCOUNT

<u>BALANCE</u> - January 1st 1939	\$1,966,037
Add - Net Income - Eight Months ended August 31, 1939	243,975
<u>BALANCE</u> - AUGUST 31ST 1939	<u>\$1,722,062</u>

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - SEPTEMBER 26TH 1939

ESTIMATED NET INCOME - SMELTING DEPARTMENT

	Month of August 1939	Month of July 1939	Eight Months ended August 31st 1939	Eight Months ended August 31st 1938
Tooele Lead Plant	\$ 8,268	\$ 21,170	\$ 30,796	\$ 39,860
Tooele Copper Plant	20,590	16,544	109,705	25,420
Tooele Sulphide Concentrator	8,950	1,722	17,646	44,873
Tooele Oxide Concentrator	700	741	7,577	-
Ophir Hill Plant	7,994	7,631	97,368	-
Miami Plant	5,000	9,650	27,500	14,414
	<u>\$ 51,502</u>	<u>\$ 57,458</u>	<u>\$ 290,592</u>	<u>\$ 73,727</u>
Deduct:				
Silver Affidavit Adjustment	\$ -	\$ -	\$ 43,175	\$ -
Expenses - Operating Tramway	1,150	1,144	7,790	6,786
Shutdown Expenses -				
Miami Plant	-	8,506	8,506	23,470
Rico Plant	600	600	3,561	2,850
Tooele Sulphide Concentrator	874	462	4,773	6,429
Tooele Lead Plant	-	-	-	9,260
Tooele Oxide Concentrator	800	829	7,644	5,870
Tooele Copper Plant	-	-	-	16,268
Outside Exploration	5,000	4,700	72,464	26,820
Selling Commission	1,700	1,798	13,743	23,251
	<u>\$ 10,124</u>	<u>\$ 18,089</u>	<u>\$ 161,656</u>	<u>\$ 120,904</u>
	\$ 41,378	\$ 39,419	\$ 128,936	\$ 134,631
Less - Depreciation	25,583	21,408	201,896	117,568
<u>NET INCOME</u>	<u>\$ 15,795</u>	<u>\$ 18,036</u>	<u>\$ 72,960</u>	<u>\$ 316,299</u>

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - SEPTEMBER 26TH 1939
ESTIMATED NET INCOME - OPHIR HILL OPERATIONS

	<u>August 1939</u>	<u>July 1939</u>	<u>Eight Months ended August 31st 1939</u>
Concentrator Sales	\$ 36,664	\$ 33,522	\$308,327
Cost of Sales	<u>28,703</u>	<u>28,391</u>	<u>211,063</u>
Operating Profit	\$ 7,961	\$ 5,131	\$ 97,264
Other Income	<u>33</u>	<u>-</u>	<u>104</u>
	\$ 7,994	\$ 5,131	\$ 97,368
Depreciation	<u>7,500</u>	<u>7,499</u>	<u>54,500</u>
<u>NET INCOME</u>	<u>\$ 494</u>	<u>\$ 2,368</u>	<u>\$ 42,868</u>

Note: Investment of International Smelting and Refining Company in the above plant at August 31st 1939 amounted to \$191,350.

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - SEPTEMBER 26TH 1939
ESTIMATED NET INCOME - RARITAN COPPER WORKS

	Month of August 1939	Month of July 1939	Eight Months ended August 31st 1939	Eight Months ended August 31st 1938
<u>REFINERY DEPARTMENT:</u>				
Profit on Tolls	\$ 82,574	\$ 70,962	\$ 540,246	\$ 302,067
Profit on Premiums	28,919	23,032	210,358	86,670
Profit on Sales	4,689	2,675	19,823	14,489
Electro Sheet Department	5,855	1,299	18,007	11,723
	\$122,037	\$ 97,968	\$ 788,434	\$ 414,949
Add - Miscellaneous Earnings	6,800	6,395	48,013	36,502
	\$128,837	\$104,363	\$ 836,447	\$ 451,451
Deduct - General Expenses	\$ 1,000	\$ 1,927	\$ 10,393	\$ 10,005
Shut down Expenses	-	-	-	26,907
Experimental Expenses	3,940	6,241	22,550	83,738
	\$ 4,940	\$ 8,168	\$ 32,943	\$ 60,650
	\$123,897	\$ 96,205	\$ 803,504	\$ 390,801
Less - Depreciation	23,014	21,712	176,672	188,675
<u>NET INCOME</u>	<u>\$100,883</u>	<u>\$ 74,493</u>	<u>\$ 626,832</u>	<u>\$ 202,126</u>
<u>SECONDARY METAL DEPARTMENT:</u>				
Sales of Copper	\$605,613	\$444,910	\$3,133,239	\$1,611,309
Cost of Sales	777,697	421,496	2,896,278	1,610,516
	\$ 27,916	\$ 23,414	\$ 236,961	\$ 793
Profit on By-Products	1,027	3,464	14,221	1,436
	\$ 28,943	\$ 26,878	\$ 251,182	\$ 2,229
Deduct - Selling Commissions	\$ 7,712	\$ 5,727	\$ 39,281	\$ 21,425
Shut down Expenses	-	-	-	15,707
Experimental Expenses	-	-	5,589	352
	\$ 7,712	\$ 5,727	\$ 44,870	\$ 37,484
	\$ 21,231	\$ 21,151	\$ 206,312	\$ 35,255
Less - Depreciation	-	-	19,846	8,331
<u>NET INCOME</u>	<u>\$ 21,231</u>	<u>\$ 21,151</u>	<u>\$ 186,466</u>	<u>\$ 43,586</u>
Pounds of Copper Sold	6,061,549	4,503,780	30,266,341	16,977,923
Sales Price	9.991¢	9.879¢	10.352¢	9.491¢
Cost of Sales	9.531¢	9.359¢	9.569¢	9.486¢

INTERNATIONAL SMOELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - SEPTEMBER 26TH 1939

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

	Month of August 1939	Month of July 1939	Eight Months ended August 31st 1939	Eight Months ended August 31st 1938
<u>LEAD REFINING DEPARTMENT:</u>				
Operating Income	\$ 4,043	\$ 1,839	\$ 7,791	\$ 106,556
Less: Depreciation	<u>1,200</u>	<u>857</u>	<u>7,394</u>	<u>4,550</u>
<u>NET INCOME</u>	<u>\$ 5,243</u>	<u>\$ 982</u>	<u>\$ 15,185</u>	<u>\$ 111,106</u>
<u>ZINC OXIDE DEPARTMENT:</u>				
Sales of Zinc Oxide	\$191,913	\$205,488	\$1,507,051	\$ 929,606
Cost of Sales	<u>176,916</u>	<u>184,230</u>	<u>1,362,350</u>	<u>930,645</u>
	\$ 14,997	\$ 21,258	\$ 144,693	\$ 1,039
Less: Shutdown Expenses - Akron Plant	<u>1,000</u>	<u>1,000</u>	<u>8,339</u>	<u>10,287</u>
	\$ 13,997	\$ 20,258	\$ 136,354	\$ 11,326
Less: Depreciation and obsolescence	<u>3,194</u>	<u>3,371</u>	<u>33,013</u>	<u>15,482</u>
<u>NET INCOME</u>	<u>\$ 10,803</u>	<u>\$ 16,867</u>	<u>\$ 103,341</u>	<u>\$ 26,806</u>
Pounds of Zinc Oxide Sold	3,362,548	3,550,305	25,793,445	16,424,114
Sales Price	5.708¢	5.789¢	5.843¢	5.660¢
Cost of Sales	5.261¢	5.190¢	5.282¢	5.764¢
<u>WHITE LEAD DEPARTMENT:</u>				
Sales of Lead Products	\$118,440	\$ 80,583	\$ 672,589	\$ 552,086
Cost of Sales	<u>114,060</u>	<u>79,313</u>	<u>639,873</u>	<u>583,748</u>
	\$ 4,380	\$ 1,270	\$ 32,716	\$ 11,662
Less: Depreciation	<u>3,180</u>	<u>2,075</u>	<u>18,028</u>	<u>16,274</u>
<u>NET INCOME</u>	<u>\$ 1,200</u>	<u>\$ 805</u>	<u>\$ 14,688</u>	<u>\$ 47,936</u>
Pounds of Lead Products Sold	1,530,824	1,011,941	8,720,329	7,894,980
Sales Price	7.737¢	7.963¢	7.712¢	6.993¢
Cost of Sales	7.450¢	7.838¢	7.337¢	7.393¢

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INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - SEPTEMBER 26TH 1939

NET CURRENT AND OTHER ASSETS - AUGUST 31ST 1939

CURRENT ASSETS:

Supplies					\$ 742,375
Metals:					
In Process					1,455,518
Finished:					
Lead	18,941,236	lbs. @	4.574¢	\$ 866,372	
Copper	46,056,219	lbs. @	9.388¢	4,323,709	
Silver	2,804,908	ozs. @	50.50¢	1,416,581	
Gold	33,715	ozs. @	\$ 34.037	1,147,584	
By-Products				407,062	
				<u>\$8,161,308</u>	
Less - Reserve for Freight and Refining				397,744	7,763,564
Manufactured Products:					
Lead Products				\$ 309,875	
Zinc Oxide - Finished				507,450	
Electro Sheet				<u>18,008</u>	835,333
Accounts Receivable:					
Tolls				\$ 403,371	
Zinc Oxide				162,350	
Mountain City Copper Company				456,240	
Walker Mining Company				547,323	
Others				<u>553,546</u>	2,122,831
Cash					<u>468,982</u>
					<u>\$13,388,603</u>

CURRENT LIABILITIES:

Taxes				\$ 153,660	
Interest				196,250	
Inter-company:					
Anaconda Sales Company - Current Account				1,920,414	
Anaconda Sales Company - Note Payable				5,000,000	
Anaconda Copper Mining Company - Note Payable				2,250,000	
Other				34,785	
Other Accounts Payable				<u>1,398,574</u>	
Wages Payable				<u>102,535</u>	11,056,218

BALANCE - NET CURRENT ASSETS

\$ 2,332,385

OTHER ASSETS:

Advances to sundry mining companies, including advances on ores, less reserve				\$ 149,509	
Installment House and land sales and other accounts receivable, less reserve				<u>71,839</u>	221,348

BALANCE - NET CURRENT AND OTHER ASSETS

\$ 2,553,733

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - SEPTEMBER 26TH 1939

SALES, DELIVERIES AND PRODUCTION - ALL DEPARTMENTS

	Month of ended August 1939	Eight Months ended August 31st 1939	Eight Months ended August 31st 1938	Percent. Increase Decrease
<u>SMELTER PRODUCTION</u>				
Copper - Lbs. - Totals	3,334,905	24,989,536	10,862,936	130.0
- Miami	<u>7,041,957</u>	<u>37,707,682</u>	<u>23,166,878</u>	62.8
	<u>10,376,862</u>	<u>62,697,218</u>	<u>34,028,814</u>	84.3
Lead - Lbs. - Totals	5,646,106	33,874,528	32,450,049	4.4
<u>SCRAP COPPER RECEIVED AT PERTH AMBOY</u>				
Recoverable Contents - Lbs.	4,206,372	31,172,119	20,137,277	54.8
<u>REFINERY PRODUCTION</u>				
Copper - Lbs.	37,527,778	247,048,576	137,108,737	80.2
Lead - Lbs.	9,177,041	54,375,861	34,449,762	57.8
Silver - Ozs.	786,804	7,820,944	7,736,233	1.1
Gold - Ozs.	16,090	121,731	95,866,629	26.9
<u>SALES:</u>				
Copper - Lbs.	4,002,956	40,765,514	22,885,729	78.1
Lead - Lbs.	5,827,851	48,161,137	43,169,598	11.6
<u>DELIVERIES:</u>				
Copper - Lbs.	4,578,107	32,624,056	20,835,729	56.5
Lead - Lbs.	6,811,549	45,415,135	42,575,339	6.7
<u>ZINC OXIDE:</u>				
Production - Lbs.	3,628,800	26,190,266	14,880,725	76.0
Deliveries - Lbs.	3,359,000	25,795,130	16,428,966	57.0

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