

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - MARCH 26TH 1940

ESTIMATED NET INCOME

	<u>Month of February 1940</u>	<u>Month of January 1940</u>	<u>Two Months ended Feb. 29th 1940</u>	<u>Two Months ended Feb. 28th 1939</u>
Smelting Department	\$ 50,475	\$ 77,621	\$128,096	\$ 42,287
Baritan Copper Works - Refinery Dept.	212,362	209,409	421,571	199,462
- Secondary Dept.	31,171	15,123	46,294	89,233
Lead Refining Department	3,400	14,324	11,324	1,005
Zinc Oxide Department	3,770	3,268	7,038	26,061
White Lead Department	2,521	2,007	4,528	1,000
Total	\$281,545	\$313,618	\$595,163	\$350,659
ADD - Miscellaneous Income	2,465	2,465	4,930	6,443
	<u>\$284,010</u>	<u>\$316,083</u>	<u>\$600,093</u>	<u>\$357,102</u>
DEDUCT:				
Administrative Expenses	\$ 4,500	\$ 7,636	\$ 12,136	\$ 13,104
Capital Stock Tax	892	892	1,784	1,274
Interest -				
Six Percent. Debentures	40,000	40,000	80,000	80,000
Anacosta Copper Mining Company	7,375	7,375	14,750	18,750
Anacosta Sales Company	6,250	6,250	12,500	29,167
	<u>\$ 61,017</u>	<u>\$ 64,153</u>	<u>\$125,170</u>	<u>\$142,295</u>
	\$222,993	\$251,930	\$474,923	\$214,807
Less - Depreciation	66,922	66,480	133,402	93,357
	\$156,071	\$185,450	\$341,521	\$121,450
Less - Federal Income Tax	29,700	35,200	64,900	23,100
NET INCOME	\$126,371	\$150,250	\$276,621	\$ 98,350
ADD - Net Income of Subsidiary Companies	1	1	2	1
CONSOLIDATED NET INCOME	\$126,340	\$150,219	\$276,559	\$ 97,949

CONSOLIDATED SURPLUS ACCOUNT

<u>BALANCE - January 1, 1940</u>	\$ 1,170,442
<u>ADD - Net Income - Two Months ended February 29th 1940</u>	<u>276,559</u>
<u>BALANCE - FEBRUARY 29TH 1940</u>	<u>\$ 1,447,001</u>

INTERNATIONAL MELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - MARCH 26TH 1940
ESTIMATED NET INCOME - SMELTING DEPARTMENT

	Month of February 1940	Month of January 1940	Two Months ended Feb. 29th 1940	Two Months ended Feb. 29th 1939
Tooele Lead Plant	\$ 18,400	\$ 17,428	\$ 35,828	\$ 10,711
Tooele Copper Plant	8,500	7,850	16,350	35,251
Tooele Sulphide Concentrator	1,070	17,658	18,728	0,040
Ophir Hill Plant	26,855	34,777	61,632	32,728
Miami Plant	<u>5,000</u>	<u>6,700</u>	<u>11,700</u>	<u>6,537</u>
	<u>\$ 57,825</u>	<u>\$ 84,413</u>	<u>\$ 142,238</u>	<u>\$ 57,265</u>
Deduct -				
Tramway Operations	\$ 400	\$ 400	\$ 800	\$ 2,800
Outside Exploration	3,600	3,633	7,233	5,978
Selling Commission	2,100	1,187	3,287	1,987
Shutdown Expenses -				
Tooele Sulphide Concentrator	-	-	-	1,308
Tooele Oxide Concentrator	650	640	1,290	1,628
Rico Plant	<u>600</u>	<u>932</u>	<u>1,532</u>	<u>1,277</u>
	<u>\$ 7,350</u>	<u>\$ 6,792</u>	<u>\$ 14,142</u>	<u>\$ 14,978</u>
	\$ 50,475	\$ 77,621	\$ 128,096	\$ 42,287
Less: Depreciation	<u>25,188</u>	<u>22,553</u>	<u>47,741</u>	<u>35,308</u>
<u>NET INCOME</u>	<u>\$ 25,287</u>	<u>\$ 55,068</u>	<u>\$ 80,355</u>	<u>\$ 6,979</u>

INTERNATIONAL SWEETING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - MARCH 26TH 1940

ESTIMATED NET INCOME - OTHER HILL OPERATIONS

	Month of February 1940	Month of January 1940	Two Months ended Feb. 29th 1940	Two Months ended Feb. 28th 1939
Concentrator Sales	\$ 52,314	\$ 59,483	\$111,797	\$ 60,800
Cost of Sales	<u>25,459</u>	<u>24,706</u>	<u>50,165</u>	<u>28,072</u>
Operating Profit	\$ 26,855	\$ 34,777	\$ 61,632	\$ 32,728
Depreciation	<u>9,000</u>	<u>8,992</u>	<u>17,992</u>	<u>18,000</u>
<u>NET INCOME</u>	<u>\$ 17,855</u>	<u>\$ 25,785</u>	<u>\$ 43,640</u>	<u>\$ 14,728</u>

Note: Investment of International Sweeting and Refining Company in the above plant at February 29th 1940 amounted to \$191,350 (Depreciated Value - \$69,042).

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - MARCH 26TH 1940
ESTIMATED NET INCOME - RARITAN COPPER WORKS

	Month of February 1940	Month of January 1940	Two Months ended Feb. 29th 1940	Two Months ended Feb. 28th 1939
<u>REFINERY DEPARTMENT:</u>				
Profit on Tolls	\$101,952	\$116,078	\$218,030	\$148,631
Profit on Premiums	99,741	79,961	179,702	38,898
Profit on Sales	3,922	2,705	6,627	2,770
Electro Sheet Department		198		2,011
	\$204,642	\$198,942	\$403,584	\$192,310
Add - Miscellaneous Earnings	8,720	12,124	20,844	10,406
	\$213,362	\$211,066	\$424,428	\$202,716
Deduct - General Expenses	1,000	1,857	2,857	3,254
	\$212,362	\$209,209	\$421,571	\$199,462
Less - Depreciation	31,011	31,079	64,090	42,471
<u>NET INCOME</u>	<u>\$181,351</u>	<u>\$178,130</u>	<u>\$357,481</u>	<u>\$156,991</u>
<u>SECONDARY METAL DEPARTMENT:</u>				
Proceeds of Copper Deliveries	\$488,476	\$422,917	\$911,393	\$744,796
Value of Copper Deliveries	482,457	421,137	903,594	719,166
Copper Profit	\$ 6,019	\$ 1,780	\$ 7,799	\$ 25,630
Operating Profit	25,152	13,343	38,495	63,623
	\$ 31,171	\$ 15,123	\$ 46,294	\$ 89,253
Less - Depreciation	2,846	2,752	5,605	6,596
<u>NET INCOME</u>	<u>\$ 28,325</u>	<u>\$ 12,364</u>	<u>\$ 40,689</u>	<u>\$ 82,657</u>
Pounds of Copper Delivered	4,000,847	3,491,241	7,492,088	6,907,829
Profit per pound	.150¢	.051¢	.104¢	.376¢
Pounds of Copper Produced	5,512,329	5,562,061	11,074,390	7,325,189
Operating Profit per pound	.456¢	.240¢	.348¢	.682¢

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - MARCH 26TH 1940

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

	Month of February 1940	Month of January 1940	Two Months ended Feb. 29th 1940	Two Months ended Feb. 29th 1939
<u>LEAD REFINING DEPARTMENT:</u>				
Operating Income	\$ 14,324	\$ 14,324	\$ 11,324	\$ 11,324
Less: Depreciation	4,300	4,355	8,655	1,718
<u>NET INCOME</u>	<u>\$ 10,024</u>	<u>\$ 9,969</u>	<u>\$ 2,669</u>	<u>\$ 9,606</u>
<u>ZINC OXIDE DEPARTMENT:</u>				
Sales of Zinc Oxide	\$142,617	\$140,191	\$282,808	\$319,965
Cost of Sales	147,987	136,473	284,460	291,567
	\$ 5,370	\$ 3,718	\$ 1,652	\$ 28,398
Less: Shutdown Expenses - Akron Plant	400	450	850	2,327
	\$ 5,770	\$ 3,268	\$ 2,502	\$ 26,061
Less: Depreciation and Obsolescence	2,270	2,268	4,538	5,129
<u>NET INCOME</u>	<u>\$ 1,100</u>	<u>\$ 1,000</u>	<u>\$ 1,140</u>	<u>\$ 20,932</u>
Pounds of Zinc Oxide Sold	2,388,960	2,388,205	4,777,165	5,403,459
Sales Price	5.970¢	5.870¢	5.920¢	5.921¢
Cost of Sales	6.195¢	5.715¢	5.955¢	5.396¢
<u>WHITE LEAD DEPARTMENT:</u>				
Sales of Lead Products	\$ 50,214	\$ 54,322	\$104,536	\$ 76,853
Cost of Sales	53,907	60,249	114,156	79,652
	\$ 3,693	\$ 5,927	\$ 9,620	\$ 12,799
Less: Depreciation	1,307	1,466	2,773	2,135
<u>NET INCOME</u>	<u>\$ 2,386</u>	<u>\$ 2,890</u>	<u>\$ 6,847</u>	<u>\$ 5,919</u>
Pounds of Lead Products Sold	633,686	703,190	1,336,876	1,032,428
Sales Price	7.925¢	7.725¢	7.819¢	7.444¢
Cost of Sales	8.507¢	8.737¢	8.539¢	7.715¢

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - MARCH 26TH 1940

NET CURRENT AND OTHER ASSETS - FEBRUARY 27TH 1940

CURRENT ASSETS:

Supplies				\$ 810,604
Metals:				
In Process				1,179,780
Finished:				
Lead	18,753,897 lbs. "	4.675¢	\$ 876,676	
Copper	45,129,969 lbs. "	10.184¢	4,595,966	
Silver	2,542,658 ozs. "	51.891¢	1,317,410	
Gold	25,252 ozs. "	\$34.846	879,951	
By-Products			427,321	
			<u>\$8,099,396</u>	
Reserve for Freight and Refining Charges			407,752	7,631,444
Manufactured Products:				
Lead Products			\$ 304,363	
Zinc Oxide Finished			484,000	
Raritan Copper Works - Electro Sheet			<u>30,031</u>	818,394
Accounts Receivable:				
Anaconda Sales Company - Current Account			\$ 335,947	
Tolls			882,295	
Zinc Oxide			142,096	
Mountain City Copper Company			81,617	
Palmer Mining Company			576,794	
Other Accounts Receivable			<u>332,314</u>	2,352,063
Cash				<u>215,276</u>
				<u>\$13,007,761</u>

CURRENT LIABILITIES:

Taxes		\$ 255,857	
Interest		135,474	
Accounts Payable:			
Inter-company:			
Anaconda Sales Company - Note Payable		5,000,000	
Anaconda Copper Mining Company - Note Payable		2,250,000	
Other		37,788	
Other Accounts Payable		1,429,316	
Notes Payable		<u>105,294</u>	9,214,429

BALANCE - NET CURRENT ASSETS

\$ 3,793,332

OTHER ASSETS:

Advances to sundry mining companies, including advances on ores, less reserve		\$ 105,418	
Installment houses and land sales and other accounts receivable, less reserve		<u>63,773</u>	169,191

BALANCE - NET CURRENT AND OTHER ASSETS

\$ 3,962,523

INTERNATIONAL SELLING AND REFINING COMPANY
MEMORANDUM FOR DIRECTOR'S MEETING - MARCH 26TH 1940
SALES, DELIVERIES AND PRODUCTION - ALL DEPARTMENTS

	Month of February 1940	Two Months ended Feb. 29th 1940	Two Months ended Feb. 28th 1939	Percent. Increase
<u>SMELTER PRODUCTION</u>				
Copper - lbs. - Totals	3,376,906	6,804,001	5,912,755	15.1
- Miami	5,554,186	9,252,344	9,779,443	.1
	<u>8,931,092</u>	<u>16,056,345</u>	<u>15,692,198</u>	2.3
Lead - lbs. - Totals	6,651,480	13,425,370	9,021,225	48.8
<u>SCRAP COPPER RECEIVED AT PINTA ARROY</u>				
Recoverable Contents - lbs.	4,916,392	10,960,640	7,152,096	53.3
<u>REFINERY PRODUCTION</u>				
Copper - lbs.	50,305,662	101,136,921	60,499,998	67.2
Lead - lbs.	8,929,792	18,516,552	12,560,533	47.3
Silver - oss.	1,430,427	2,688,684	2,175,035	23.6
Gold - oss.	25,559	51,172	34,699	47.3
<u>SALES</u>				
Copper - lbs.	9,500,947	9,561,188	5,644,402	69.4
Lead - lbs.	12,593,829	15,652,542	12,601,436	24.2
<u>DELIVERIES</u>				
Copper - lbs.	4,000,847	7,892,088	6,817,601	15.8
Lead - lbs.	5,246,963	8,554,628	8,733,401	.2
<u>ZINC OXIDE</u>				
Production - lbs.	3,844,800	6,719,600	5,350,678	25.6
Deliveries - lbs.	2,389,600	4,777,805	5,404,227	...