

MEMORANDUM FOR DIRECTORS' MEETING - NOVEMBER 26TH 1940

ESTIMATED NET INCOME

	Month of October, 1940	Month of September 1940	Ten Months ended Oct. 31, 1940	Ten Months ended Oct. 31, 1939
Smelting Department	\$ 33,234	\$ 38,275	\$ 569,080	\$ 304,262
Marion Copper Works:				
Refining Department	174,489	156,006	1,731,074	1,160,230
Secondary Department	21,893	23,400	125,075	216,074
Lead Refining Department	6,181	28,120	148,570	7,222
Zinc Oxide Department	2,267	8,676	6,512	169,192
White Lead Department		9,053	29,074	49,530
Total	\$224,865	\$283,530	\$2,609,385	\$1,894,185
Add - Miscellaneous Income	2,000	2,568	41,540	30,528
	\$227,465	\$286,098	\$2,650,925	\$1,924,713
Deduct:				
Administrative Expenses	\$ 5,000	\$ 4,448	\$ 56,600	\$ 46,441
Miscellaneous Taxes	-	213	6,437	5,156
Capital Stock Tax	1,042	1,042	10,569	9,300
Interest:				
Six Percent. Debentures	40,000	40,000	398,901	398,901
Anaconda Copper Mining Company	14,412	12,097	101,309	93,750
Anaconda Sales Company	-	2,431	51,389	336,458
	\$60,254	\$56,231	\$654,609	\$690,006
Less - Depreciation	\$167,211	\$205,067	\$2,025,720	\$1,240,707
	54,214	57,704	670,091	509,759
Less - Federal Income Tax	\$112,977	\$147,963	\$1,255,049	\$ 670,948
	47,300	35,300	325,400	127,500
NET INCOME	\$ 85,897	\$112,463	\$1,028,229	\$ 543,448
Add - Net Income of Subsidiary Companies	74	74	-	-
CONSOLIDATED NET INCOME	\$ 85,971	\$112,537	\$1,028,273	\$ 542,861

CONSOLIDATED SURPLUS ACCOUNT

<u>BALANCE</u> - January 1, 1940	\$1,100,000
<u>ADD</u> - Net Income - Ten Months ended October 31, 1940	1,028,273
<u>BALANCE</u> - OCTOBER 31, 1940	\$2,128,273

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTOR'S MEETING - NOVEMBER 26, 1940
EXTENDED NET INCOME - SMELTING OPERATIONS

	Month of October 1940	Month of September 1940	Ten Months ended Oct. 31st 1940	Ten months ended Oct. 31st 1939
Tooele Lead Plant	\$ 5,241	\$ 13,444	\$18,620	\$ 73,254
Tooele Copper Plant	23,361	20,498	151,014	133,098
Tooele Sulphide Concentrator	5,412	9,933	102,826	39,561
Tooele Oxide Concentrator	700	727	5,908	10,593
Opbir Hill Plant	-	-	132,000	125,911
Miami Plant	<u>10,000</u>	<u>8,234</u>	<u>109,976</u>	<u>58,173</u>
	<u>\$ 44,714</u>	<u>\$ 54,836</u>	<u>\$668,344</u>	<u>\$440,590</u>
educt -				
Tramway Operations	\$ 700	\$ 790	\$ 4,052	\$ 10,100
Outside Exploration	7,000	7,451	49,926	76,380
Selling Commissions	1,800	4,244	25,860	18,976
Shutdown expenses -				
Oxide Concentrator	1,500	1,596	9,253	7,112
Sulphide Concentrator	-	-	-	0,405
Nickel Concentrator	480	480	5,000	4,647
Miami Plant	<u>-</u>	<u>-</u>	<u>5,171</u>	<u>1,508</u>
	<u>\$ 11,480</u>	<u>\$ 16,861</u>	<u>\$ 99,264</u>	<u>\$104,328</u>
	<u>\$ 33,234</u>	<u>\$ 38,275</u>	<u>\$509,600</u>	<u>\$304,262</u>
Less - Depreciation	<u>16,468</u>	<u>21,663</u>	<u>256,398</u>	<u>240,773</u>
<u>NET INCOME</u>	<u>\$ 16,766</u>	<u>\$ 16,612</u>	<u>\$312,692</u>	<u>\$ 83,489</u>

ISR002347

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM TO THE BOARD OF DIRECTORS - NOVEMBER 26TH 1940
ESTIMATED NET INCOME - NOVEMBER 30TH 1940

	Month of October, 1940	Month of September 1940	Ten Months ended Oct. 31, 1940	Ten Months ended Oct. 31, 1939
<u>PRIMARY DEPARTMENT:</u>				
Profit on Tolls	\$ 82,941	\$ 84,064	\$ 952,909	\$ 677,495
Profit on Premiums	94,575	68,718	607,522	365,021
Profit on Sales	4,846	4,824	55,837	44,090
Electro-Heat Department	4,100	4,337	32,504	27,681
	\$186,462	\$161,743	\$1,629,622	\$1,134,247
Add - Miscellaneous Earnings	7,000	7,554	159,935	66,971
	\$193,462	\$169,275	\$1,789,557	\$1,201,218
Deduct - General Expenses	\$ 1,500	\$ 807	\$ 12,641	\$ 12,749
Experimental Expenses	17,488	12,247	41,605	24,679
Selling Expenses	485	215	4,227	5,560
	\$ 18,973	\$ 13,269	\$ 58,473	\$ 42,988
	\$174,489	\$156,006	\$1,731,074	\$1,158,230
Less - Depreciation	29,113	25,480	298,955	230,550
<u>NET INCOME</u>	<u>\$145,376</u>	<u>\$130,526</u>	<u>\$1,432,119</u>	<u>\$ 927,680</u>
<u>SECONDARY METAL DEPARTMENT:</u>				
Proceeds of Copper Deliveries	\$22,425	\$34,532	\$4,414,358	\$4,327,257
Value of Copper Deliveries	311,770	332,407	4,454,069	4,276,795
Trading Profit	\$ 10,455	\$ 11,425	\$ 11,425	\$ 11,425
Add - Freight Differential	2,156	2,367	50,100	30,966
	\$ 12,611	\$ 13,792	\$ 61,525	\$ 42,391
Operating Profit	19,568	25,867	197,571	309,201
	\$ 31,849	\$ 34,659	\$ 133,602	\$ 174,689
Less - Buying and Selling Expenses	\$ 5,594	\$ 5,958	\$ 49,634	\$ 54,025
Shutdown Expense	8,162	7,521	15,833	-
	\$ 13,756	\$ 13,479	\$ 65,467	\$ 54,025
	\$ 21,893	\$ 21,180	\$ 125,075	\$ 120,664
Less - Depreciation	-	-	25,302	26,449
<u>NET INCOME</u>	<u>\$ 21,893</u>	<u>\$ 21,180</u>	<u>\$ 99,773</u>	<u>\$ 94,215</u>
Deliveries - Pounds	2,874,823	3,453,457	38,146,529	42,191,124
Trading Profit per pound	.004	.004	.004	.004
Freight Differential per pound	.005	.005	.005	.005
Net Operating Profit per pound	.009	.009	.009	.009
Net Income per pound	.009	.009	.009	.009

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS: EARNING - NOVEMBER 26, 1940

UNADJUSTED NET INCOME - LEAD REFINING, ZINC OXIDE AND WHITE LEAD DEPARTMENT

	Month of October 1940	Month of September 1940	Ten Months ended Oct. 31st 1940	Ten Months ended Oct. 31st 1940
<u>LEAD REFINING DEPARTMENT:</u>				
Operating Income	\$ 6,181	\$ 28,120	\$ 148,570	\$ 5,103
Less - Depreciation	2,838	4,327	37,831	9,372
<u>NET INCOME</u>	<u>\$ 3,343</u>	<u>\$ 23,793</u>	<u>\$ 110,739</u>	<u>\$ 5,731</u>
<u>ZINC OXIDE DEPARTMENT:</u>				
Sales of Zinc Oxide	\$ 245,943	\$ 234,180	\$ 1,826,867	\$ 1,984,322
Cost of Sales	248,892	225,254	1,817,822	1,806,192
	\$ 12,949	\$ 8,926	\$ 9,045	\$ 178,130
Less: Shutdown expenses - Akron Plant	250	250	2,533	8,338
	\$ 12,699	\$ 8,676	\$ 6,512	\$ 169,792
Less: Depreciation and Obsolescence	3,328	3,756	29,536	40,717
<u>NET INCOME</u>	<u>\$ 12,371</u>	<u>\$ 4,920</u>	<u>\$ 10,003</u>	<u>\$ 128,475</u>
Pounds of Zinc Oxide Sold	4,135,349	3,943,910	30,880,423	33,907,567
Sales Price	5.933¢	5.923¢	5.916¢	5.852¢
Cost of Sales	6.260¢	5.697¢	5.887¢	5.327¢
<u>WHITE LEAD DEPARTMENT:</u>				
Sales of Lead Products	\$ 70,425	\$ 100,399	\$ 810,349	\$ 980,381
Cost of Sales	68,158	91,346	781,275	930,841
	\$ 2,267	\$ 9,053	\$ 29,074	\$ 49,540
Less - Depreciation	1,867	2,578	21,035	25,898
<u>NET INCOME</u>	<u>\$ 400</u>	<u>\$ 6,475</u>	<u>\$ 8,039</u>	<u>\$ 23,642</u>
Pounds of Lead Products Sold	894,374	1,242,499	10,156,598	11,553,007
Sales Price	7.874¢	8.029¢	7.778¢	7.805¢
Cost of Sales	7.620¢	7.480¢	7.692¢	7.422¢

THE GREAT SALT LAKE MINING AND REFINING COMPANY

MEMORANDUM FOR DIRECTOR'S OFFICE - NOVEMBER 26, 1940

NET CURRENT AND OTHER ASSETS - OCTOBER 31, 1940

<u>CURRENT ASSETS:</u>				
Supplies				\$ 532,041
Metals:				
In Process				2,005,853
Finished:				
Lead	13,741,272 lbs. @	4.74¢	\$ 651,186	
Copper	26,027,576 lbs. @	9.38¢	2,440,387	
Silver	1,346,753 ozs. @	53.53¢	1,208,143	
Gold	25,710 ozs. @	34.08	876,339	
By-products			351,255	
			15,047,310	
Reserve for freight and refining			470,526	1,146,984
<u>Manufactured Products:</u>				
Lead Products			\$ 276,843	
Zinc Oxide - finished			24,500	
Written Copper Works - Electro Sheet			12,619	993,762
<u>Accounts receivable:</u>				
Anaconda Sales Company			\$ 579,092	
Wells			807,434	
Zinc Oxide			229,391	
Mountain City Copper Company			38,860	
Baker Mining Company			767,455	
Others			381,410	2,855,422
Cash				254,830
				<u>11,266,892</u>
<u>CURRENT LIABILITIES:</u>				
Taxes			\$ 500,224	
Interest			190,451	
Accounts Payable:				
Inter-company:				
Anaconda Copper Mining Company - Note Payable			4,750,000	
Others			28,792	
Other Accounts Payable			1,651,312	
Notes Payable			127,751	7,255,330
<u>BALANCE - NET CURRENT ASSETS</u>				<u>4,933,562</u>
<u>OTHER ASSETS:</u>				
Advances to sundry mining companies, including				
advances on ores, less reserve			\$ 21,088	
motelment house and land sales and other				
accounts receivable - less reserve -			53,005	144,953
<u>BALANCE - NET CURRENT AND OTHER ASSETS</u>				<u>\$ 5,078,515</u>

1SR002350

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS: SMELTING - NOVEMBER 26, 1940

SALES, DELIVERIES AND PRODUCTION - ALL QUANTITIES

	<u>Month of</u> <u>October</u> <u>1940</u>	<u>Ten Months</u> <u>ended Oct.</u> <u>31st 1940</u>	<u>Ten Months</u> <u>ended Oct.</u> <u>31st 1939</u>	<u>Percent</u> <u>Increase</u>
<u>COPPER PRODUCTION:</u>				
Copper - lbs. - Totals:				
Custom	615,959	4,877,296	4,648,735	4.9
Toll	4,486,513	37,106,473	27,103,751	36.9
Miami:				
Custom	785,629	2,815,976	1,019,121	176.3
Toll	8,572,586	49,215,274	49,634,200	.
	<u>14,460,687</u>	<u>93,013,019</u>	<u>82,405,807</u>	12.9
Lead - lbs. - Totals	3,046,486	54,770,183	40,996,436	33.6
<u>TOTAL COPPER RECEIVED AND SMELTED:</u>				
Recoverable Contents - lbs.	3,691,643	40,292,049	38,689,919	4.1
<u>REFINERY PRODUCTION:</u>				
Copper - lbs.	40,392,639	437,961,607	330,506,221	32.5
Lead - lbs.	6,236,964	83,593,872	68,978,883	21.1
Silver - lbs.	1,478,918	14,105,592	10,014,166	40.8
Gold - lbs.	20,325	216,285	157,411	37.4
<u>SALES:</u>				
Copper - lbs.:				
Totals	2,000,000	5,250,000	5,000,000	5.0
Miami	-	2,750,000	-	-
Baritan - Refinery	31,948	145,083	95,348	52.1
- Secondary	<u>3,804,087</u>	<u>33,140,807</u>	<u>51,395,182</u>	.
	<u>5,836,035</u>	<u>41,285,870</u>	<u>56,490,530</u>	.
Lead - lbs.	2,445,258	57,310,432	64,321,628	.
<u>DELIVERIES:</u>				
Copper - lbs.:				
Totals	750,000	3,500,000	2,950,856	18.6
Miami	-	2,250,000	-	-
Baritan - Refinery	31,948	145,083	95,348	52.1
- Secondary	<u>2,874,823</u>	<u>38,146,430</u>	<u>42,191,124</u>	.
	<u>3,656,771</u>	<u>44,041,493</u>	<u>45,237,328</u>	.
Lead - lbs.	2,477,856	53,753,512	60,303,368	.
<u>ZINC OXIDE:</u>				
Production - lbs.	3,936,600	31,062,497	55,016,261	.
Deliveries - lbs.	4,135,600	30,883,933	35,913,975	.

1SR002351