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REPORT ON AUDIT

YEAR ENDED DECEMBER 31, [illegible]

POGSON, PELOUBET & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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POGSON, PELOUBET & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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COPY

To the Board of Directors,
International Smelting and Refining Company,
25 Broadway,
New York 4, 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 31, 1945, and present the various statements listed on the opposite page.

The accounts of New Jersey Storage and Warehouse Company and Raritan Terminal and Transportation Company, wholly owned subsidiaries, which are not operating, have not been consolidated with those of International Smelting and Refining Company in this report.

International Smelting and Refining Company is a 100% owned consolidated subsidiary of Anaconda Copper Mining Company. This report, while complete and inclusive for International Smelting and Refining Company, is principally a supplementary amplification of the Report on Audit of Anaconda Copper Mining Company and subsidiary companies. It shows the portion of the consolidated accounts of Anaconda Copper Mining Company relating to International Smelting and Refining Company on the same basis and under the same classifications as shown in the consolidated report, but in somewhat greater detail.

FINANCIAL

Summarized, the changes in financial condition during the year were as follows:

	December 31, 1944	December 31, 1945	Decrease* or increase in investment
Current assets	$ 8,291,256.17	8,577,533.53	286,277.36
Deferred charges and other assets	2,592,964.14	259,089.51	2,333,874.63*
Fixed assets	14,060,874.19	8,597,482.39	5,463,391.80*
Total assets	24,945,094.50	17,434,105.43	7,510,989.07*
Current liabilities	1,892,795.76	1,486,789.38	406,006.38*
Reserve for workmen's compensation insurance	52,376.64	67,698.20	15,321.56
Total liabilities, except for notes payable to Anaconda Copper Mining Company	1,945,172.40	1,554,487.58	390,684.82*
Equity of Anaconda Copper Mining Company	$ 22,999,922.10	15,879,617.85	7,120,304.25*

The equity of Anaconda Copper Mining Company is represented by:

Notes	$ 10,500,000.00	- -	10,500,000.00*
Capital stock	12,262,500.00	15,000,000.00	2,737,500.00
Surplus	237,422.10	879,617.85	642,195.75
As above	$ 22,999,922.10	15,879,617.85	7,120,304.25*

and represents investment in the following net assets:

Principal smelting, refining and manufacturing plants (details page 4)	$ 14,715,403.57	14,741,778.08	26,374.51
Securities of and advances to other companies, etc. (details page 41)	8,284,518.53	1,137,839.77	7,146,678.76*
As above	$ 22,999,922.10	15,879,617.85	7,120,304.25*

The decrease in equity during the year 1945 is accounted for by the

repayment of notes		$ 10,500,000.00
of which part was paid by the issue of capital stock of the par value of		2,737,500.00
(the balance being paid by sale of certain assets to Anaconda - see page 3)		
Net decrease due to repayment of debt		7,762,500.00
offset by net income of the year	$ 505,888.15	
and reversal of reserve for investment in National Tunnel & Mines Company (one of the assets sold to Anaconda)	136,307.60	642,195.75
Net decrease, as above		$ 7,120,304.25

The change in current position was as follows:

	December 31, 1944	December 31, 1945	Increase or decrease*
Current assets	$ 8,291,256.17	8,577,533.53	286,277.36
Current liabilities	1,892,795.76	1,486,789.38	406,006.38*
	$ 6,398,460.41	7,090,744.15	692,283.74
Current ratio	4.4 to 1	5.8 to 1	

SETTLEMENT OF INDEBTEDNESS TO ANACONDA COPPER MINING COMPANY

During the year the company settled its indebtedness to Anaconda Copper Mining Company, represented by notes payable of $10,500,000.00, as follows:

As of March 27, 1945, International Smelting and Refining Company issued 36,500 shares of its capital stock to Anaconda Copper Mining Company, thereby completing the issuance of its total authorized capital stock. The par value of the shares issued, $2,737,500, was applied to the reduction of certain notes of the company payable to Anaconda Copper Mining Company. As of April 19, 1945, the company paid off the balance of such notes by transferring its investment in various mining companies and properties to Anaconda Copper Mining Company.

The net effect of these two transactions is shown below:

Capital stock of International Smelting and Refining Company issued to Anaconda Copper Mining Company - 36,500 shares - par value $75.00 each				$ 2,737,500.00
Assets sold to Anaconda Copper Mining Company:				
Capital stock of:				
Copper Canyon Mining Company			$ 8,600.00	
Mountain City Copper Company			996,987.93	
National Tunnel & Mines Company			915,693.92	
North Lily Mining Company			66,527.78	
Park-Utah Consolidated Mines Company			441,157.50	
Prince Consolidated Mining Company			47,132.86	2,476,099.99
Notes and accrued interest of:	Notes	Interest	Total	
National Tunnel & Mines Company	$ 1,950,000.00	2,537.67	1,952,537.67	
Snyder Mines, Incorporated	141,040.41	5,455.16	146,495.57	
Tooele Valley Railway Company	103,136.57	581.39	103,717.96	
	$ 2,194,176.98	8,574.22		2,202,751.20
Leases and interest on expenditures:	Expenditures	Interest	Total	
Copper Canyon lease	$ 1,280,518.22	201,211.02	1,481,729.24	
Guild-Adams lease	1,288,852.12	82,585.52	1,371,437.64	
Victoria lease	296,830.49	14,168.90	310,999.39	
	$ 2,866,200.83	297,965.44		3,164,166.27
				10,580,517.46
Indebtedness to Anaconda Copper Mining Company repaid:	Principal amount	Interest	Total	
Note dated June 27,1944	$2,500,000.00	13,581.73	2,513,581.73	
Note dated June 27,1944	8,000,000.00	45,157.97	8,045,157.97	
	$10,500,000.00	58,739.70		10,558,739.70
Net amount credited to International Smelting and Refining Company				$ 21,777.76

OPERATIONS

Operations of International Smelting and Refining Company for the past three years compare as follows:

	Year 1943	Year 1944	Year 1945
Gross sales and earnings	$ 22,046,552.29	21,918,993.90	19,587,706.70
Net profit on plant operations	$ 764,377.88	412,217.10	341,442.49
Income (loss*) from sundry investments - page 5	67,745.23*	110,605.27*	26,279.28
Reimbursement of interest on lease expenditures			297,965.44
	696,632.65	301,611.83	665,687.21
Interest paid to Anaconda Copper Mining Company on debentures and notes	596,875.00	395,912.44	56,500.69
Provision for Federal income taxes - estimated	30,000.00		103,298.37
Provision for contingencies	297,642.94		
	924,517.94	395,912.44	159,799.06
Net Income (Loss*)	$ 227,885.29*	94,300.61*	505,888.15

Net profit on operations of the various plants and departments of the company and income from sundry investments for the past three years together with the respective investment therein at December 31, 1945 are shown in the following summary:

Net Profit (Loss*) on plant operations

	Year 1943	Year 1944	Year 1945	Investment at December 31, 1945
Tooele plant	$ 394,775.34*	344,208.98*	439,979.09*	4,319,552.69
Miami plant	133,925.85	147,172.64	11,911.49	1,213,288.11
Lead refinery	32,969.95	36,223.72	40,358.34	741,319.56
Zinc oxide department	90,618.19*	1,890.97*	73,431.83	864,975.51
White lead department	16,823.58*	21,701.99*	19,265.33*	445,099.24
Raritan refinery	1,216,453.14	729,523.18	831,863.17	6,394,539.75
Raritan electro-sheet department	34,409.58*	21,545.80*	15,457.07*	286,058.66
Not allocated (details page 42)	82,344.37*	111,354.70*	141,420.85*	476,944.56
Net profit on plant operations - as above	$ 764,377.88	412,217.10	341,442.49	14,741,778.08

Details of the above figures for 1945 are shown on the Balance Sheet and Income Account by departments on pages 14 and 15 respectively.

Income (Loss*) from sundry investments

	Year 1943	Year 1944	Year 1945	Investment at December 31, 1945
National Tunnel & Mines Company, interest	$ 44,365.37	48,751.09	14,558.22	- -
Walker Mining Company, loss on note	- -	- -	44,273.75*	- -
Other investments and advances (details page 41)	112,110.60*	159,356.36*	55,994.81	1,137,839.77
Income (Loss*) from investments - per page 4	$ 67,745.23*	110,605.27*	26,279.28	1,137,839.77

Details of the above figures for 1945 are shown on the Balance Sheet and Income Account by departments on pages 14 and 15 respectively.

INVESTMENTS IN WHOLLY OWNED SUBSIDIARIES

The net investment of International Smelting and Refining Company in its wholly owned subsidiaries (New Jersey Storage and Warehouse Company and Raritan Terminal and Transportation Company) amounted to $16,952.31 at December 31, 1945. Net income of these companies for the year 1945 was $595.88. Details page 29.

INVESTMENTS IN OTHER COMPANIES

Investments, including noncurrent advances, in subsidiaries not wholly owned and in other companies amounted to $664,889.01 at December 31, 1945 compared with $5,220,959.83 at December 31, 1944, as shown by the following table:

	December 31, 1944	December 31, 1945
Investment (including noncurrent advances) in companies sold to Anaconda Copper Mining Company April 19, 1945:		
Copper Canyon Mining Company	$ 8,600.00	- -
Mountain City Copper Company	996,987.93	- -
National Tunnel & Mines Company	2,729,386.32	- -
North Lily Mining Company	134,256.39	- -
Park-Utah Consolidated Mines Company	441,157.50	- -
Prince Consolidated Mining Company	47,132.86	- -
	4,357,521.00	- -
Investment in companies retained by International Smelting and Refining Company:		
Comet Coalition Mines Company	340,891.71	340,891.71
Eureka Bullion Mining Company	215,251.96	216,821.01
Mountain View Mining Company	68,806.23	68,806.23
Victor Consolidated Mining Company	18,306.52	18,306.52
Yankee Consolidated Mining Company	20,040.20	20,063.54
	663,296.62	664,889.01
Indebtedness of Walker Mining Company, less reserve	200,142.21	- -
As above	$ 5,220,959.83	664,889.01

There is included in the Income Accounts of the years 1944 and 1945 the following income and expense relating to the above investments:

		Year 1944	Year 1945
Income - interest on advances	$	52,739.40	16,670.57
- dividends		6,980.00	
		59,719.40	16,670.57
Expense - reserved for advances		51,982.06	2,317.63
- loss on settlement of note of Walker Mining Company			44,273.75
		51,982.06	46,591.38
Net Income or Loss* from investments	$	7,737.34	29,920.81*

Based upon quotations of the Salt Lake Stock Exchange, the capital stock of companies retained by International Smelting and Refining Company had a market value of $487,089.18 at December 31, 1945, compared with $334,896.70 for the same companies at December 31, 1944 (details page 31).

The company's share of the combined net income of such companies (all being subsidiaries not wholly owned) amounted to $586.75 for the year 1945, whereas its equity in their combined net loss for the year 1944 amounted to $668.77.

STATEMENT OF FUNDS RECEIVED AND DISBURSED

Funds were made available to the company during the year as follows:

Operating profit before deducting non-cash items and excluding net interest received from Anaconda Copper Mining Company (details page 7)		$ 901,396.96
Fixed assets disposed of		5,787.89
Decrease in accounts receivable (excluding account with Anaconda Sales Company shown separately below) (details page 7)		355,591.46
Increase in liabilities (excluding account with Anaconda Sales Company shown separately below)		236,129.84
Net proceeds from sale of securities to Anaconda Copper Mining Company, April 19, 1945 (details page 3)		21,777.76
		1,520,683.91

Funds were disbursed as follows:

Change in account with Anaconda Sales Company:		
Balance December 31, 1944 - payable	$ 606,785.55	
Balance December 31, 1945 - receivable	384,990.57	
	991,776.12	
Increase in inventories (details page 7)	65,440.81	
Increase in deferred items, principally Tintic District development	110,971.44	
Fixed assets purchased	44,197.13	
Additional cost in 1945 to date of sale of assets sold to Anaconda Copper Mining Company, principally expenditures on Copper Canyon, Guild-Adams and Victoria leases	168,601.37	1,380,[illegible]
Resulting in an increase in cash (exclusive of that of leases) of		$ 139,[illegible]

Operating profit before deducting non-cash items and interest

Net Income, per Income Account - page 12			$ 505,888.15
Add back charges to income not requiring cash:			
Accounts written off or reserved for:			
Walker Mining Company		$ 44,273.75	
Other		3,328.37	
		47,602.12	
Depreciation		591,110.73	
		638,712.85	
Less sundry items		1,739.29	636,973.56
			1,142,861.71
Interest received from Anaconda Copper Mining Company on lease expenditures:			
Applicable to 1945 (January 1 to April 19)		18,500.15	
Applicable to prior years		279,465.29	
		297,965.44	
Less interest paid on notes payable to Anaconda Copper Mining Company		56,500.69	241,464.75
Per page 6			$ 901,396.96

Decrease in accounts receivable

Current:			
Decrease in accounts receivable - trade			$ 157,481.43
Decrease in accounts with affiliates, principally Anaconda Copper Mining Company			14,290.12
			171,771.55
Less increase in accounts with subsidiaries not wholly owned - Victor Consolidated Mining Company			187.50
Decrease in current receivables			171,584.05
Noncurrent:			
Net decrease in advances to subsidiaries not wholly owned, principally Walker Mining Company		$ 151,604.19	
Net decrease in advances to sundry mining companies (details page 25):			
Payments received	$ 384,415.26		
Less advances made	347,582.34	36,832.92	
Decrease in installment house and land sales contracts		7,245.38	
		195,682.49	
Less increase in accounts with affiliates, principally North Lily Mining Company		11,675.08	
Net decrease in receivables - not current			184,007.41
Net decrease in accounts receivable, per page 6			$ 355,591.46

Increase in inventories

Increase in finished metals and manufactured products (details page 20)	$ 479,983.31
Less decrease in metals and manufactured products in process	339,800.44
Net increase in metals and manufactured products	140,182.87
Deduct decrease in supplies	74,742.06
Net increase, per page 6	$ 65,440.81

FEDERAL INCOME TAX

Net income or loss of International Smelting and Refining Company has been included in the consolidated income and excess profits tax returns filed by Anaconda Copper Mining Company since 1941. That part of the total 1945 taxes to be apportioned to International Smelting and Refining Company was not known in time to be included in the accounts for 1945 and therefore the estimated 1945 tax accrued in this report is necessarily tentative, although an estimated tax saving due to use of the consolidated basis was taken into account.

AMORTIZATION OF EMERGENCY PLANT FACILITIES

Expenditures by International Smelting and Refining Company for emergency plant facilities, amounting to $513,281.89, have been fully amortized for Federal income tax pumposes, as permitted under the Presidential Proclamation of September 29, 1945 in accordance with the provisions of the Internal Revenue Code. The statements in this report, however, are not on the tax basis, but include amortization of these facilities at the rate of 20 per cent. for the year 1945 (as in prior years) and the Federal income tax deduction in the 1945 Income Account has been computed on this basis.

The remaining balance at December 31, 1945 of facilities unamortized, amounting to $93,706.71, will be written off in the company's corporate accounts in subsequent years. This unamortized balance is, however, offset by credits to be received from Anaconda Copper Mining Company, representing the company's share of a reduction in consolidated 1945 Federal income tax and refunds for prior years arising from the additional amortization allowable for tax purposes. Pending settlement of refund claims and determination of the amount of the 1945 consolidated tax, it is not possible to determine the portion thereof to be allocated to International Smelting and Refining Company.

DISTRIBUTION OF BALANCE SHEET AND INCOME ACCOUNT TO DEPARTMENTS

The Balance Sheet and Income Account by departments (pages 14 and 15 respectively) and their supporting schedules are presented in nine divisions, as follows:

1. Tooele plant
2. Miami plant
3. Lead refinery (including Bismuth refinery and Mixed Metals department)
4. Zinc oxide department
5. White lead department
6. Raritan refinery
7. Raritan electro-sheet department
8. Investments and advances
9. Not allocated

The first seven divisions above, comprising the principal operating departments of the company, include smelting, refining and manufacturing operations. The eighth division takes in other activities, chiefly of a financial nature, and the ninth is composed of a few items for which there is no exact basis for allocation to the other divisions listed. Details of accounts which appear in the last two divisions are given on pages 41 and 42 respectively. In making this arrangement, the accounts of the company as shown on its various ledgers have been redistributed and allocated to the appropriate division above. Land at East Chicago and land, buildings and equipment at Perth Amboy have been allocated among the various departments on a basis believed to be approximately correct.

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 31, 1945. 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 their 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.

We examined into the sufficiency of the internal audit and examined the reports of the internal auditors.

Investments, securities, cash, notes receivable and capital stock have been verified by inspection, certificate or correspondence and found in order.

Trade and installment accounts receivable and advances to sundry mining companies were examined in detail and those considered bad or doubtful have been written off or provided for in reserve. Accounts receivable 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 debtor. This work has been carried out in conjunction with the company's internal audit staff.

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. 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 all 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 system is 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 lie in the records of the company, it is of great value as a confirmation of the company's records and representations. Of stocks of metals and manufactured products held for the company by others or held by the company for the account of others a substantial part has been verified by direct communication or, where possible, by direct comparison with the books and records of such other companies. 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 similar tests by independent auditors, they are given full consideration in determining the nature and extent of the tests made by us.

Fixed assets, including investments, are carried at cash cost or, in the case of properties acquired for securities of the company, at the original par value of such securities. The values of fixed assets are shown on this basis and do not indicate current values, which could be established only by current appraisals. All other assets are carried at cash cost except patents, which have been written down to the nominal value of one dollar.

We received during the year the usual courtesy from the officers and staff throughout the company.

Respectfully submitted,

Certified Public Accountants

New York, November 19, 1946

INTERNATIONAL SMEL

COMPARATI

DECEMBER

Page	ASSETS	Dec	
	CURRENT ASSETS:		
16	Cash		$
	Accounts and notes receivable:		
17	Trade, less reserve	$ 1,346,952.60	
18	Affiliates - current	24,257.09	
19	Subsidiaries not wholly owned - current	30,275.98	
20	Metals and manufactured products, finished and in process		
14	Supplies on hand		
	DEFERRED CHARGES AND OTHER ASSETS:		
21	Mine development		
22	Prepaid expenses		
23	Deferred expenses		
24	Installment land sales and advances to sundry mining companies, less reserve		
	Advances to Tooele Valley Railway Company		
	FIXED ASSETS:		
26	Mines and mining claims, water rights and lands for metal producing and manufacturing plants		
27	Buildings and machinery at mines, reduction works, refineries and manufacturing plants	27,242,920.04	
28	Less reserve for depreciation	19,894,595.62	
	Patents		
	Investments:		
29	Securities of subsidiaries - wholly owned	41,000.00	
30	- not wholly owned	1,699,483.86	
	Other investments	3,226,276.68	
	Indebtedness not current:		
18	Affiliates		
19	Subsidiaries not wholly owned	295,[illegible]99.29	

Page	LIABILITIES, CAPITAL STOCK AND SURPLUS	
	CURRENT LIABILITIES:	
32	Accounts and wages payable	$ 1,
33	Accrued taxes (debit #)	
18	Indebtedness - to affiliates	
29	- to subsidiaries - wholly owned	
19	- not wholly owned	
34	NOTES PAYABLE TO ANACONDA COPPER MINING COMPANY	
35	RESERVE FOR WORKMEN'S COMPENSATION INSURANCE	
36	CAPITAL STOCK - 200,000 shares authorized of $75 par value each:	
	Issued and outstanding - 163,500 shares	
	- 200,000 shares	
13	SURPLUS	

LTING AND REFINING COMPANY

IVE BALANCE SHEET

31, 1944 AND 1945

cember 31, 1944		December 31, 1945			Decrease or increase*	
522,248.17			$ 656,584.84		$ 134,336.67*	
		$ 1,173,168.47			173,784.13	
		423,686.83			399,429.74*	
1,401,485.67		187.50	1,597,042.80		30,088.48	
5,251,319.31			5,391,502.18		140,182.87*	
1,116,203.02	8,291,256.17		932,403.71	8,577,533.53	183,799.31	286,277.3
2,212,962.88			213,747.65		1,999,215.23	
56,951.83			33,676.44		23,275.39	
4,606.14			9,185.26		4,579.12*	
238,377.79			2,480.16		235,897.63	
80,065.50	2,592,964.14			259,089.51	80,065.50	2,333,874.6
1,450,588.94			1,168,192.37		282,396.57	
		26,383,901.42				
7,348,324.42		19,739,905.10	6,643,996.32		704,328.10	
1.00			1.00			
		41,000.00				
		635,968.15			1,063,515.71	
					3,226,276.68	
		79,403.69			79,403.69*	
5,261,959.83	14,060,874.19	28,920.86	785,292.70	8,597,482.39	266,278.43	5,463,391.8
	$ 24,945,094.50			$ 17,434,105.43		$ 7,510,989.07
,260,014.35			$ 1,388,767.34		$ 128,752.99*	
2,534.90#			57,194.20		59,729.10*	
610,738.97			16,780.15		593,958.82	
23,896.53			24,047.69		151.16*	
680.81	1,892,795.76			1,486,789.38	680.81	406,006.3
	10,500,000.00					10,500,000.0
	52,376.64			67,698.20		15,321.5
	12,262,500.00					
				15,000,000.00		2,737,500.0
	237,422.10			879,617.85		642,195.7
	$ 24,945,094.50			$ 17,434,105.43		$ 7,510,989.07

INTERNATIONAL SMELTING AND REFINING COMPANY

COMPARATIVE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1944 AND 1945

Page		Year ended December 31, 1944		Year ended December 31, 1945		Increase or decrease*	
15	Sales and tolls		$ 21,918,993.90		$ 19,587,706.70		$ 2,331,287.20*
	Other income:						
37	Reimbursement by Anaconda Copper Mining Company of interest on lease expenditures			$ 297,965.44		$ 297,965.44	
37	Other interest and dividends received - net	$ 72,475.94		10,405.96		62,069.98*	
38	Miscellaneous income	9,218.58	81,694.52	6,593.24	314,964.64	2,625.34*	233,270.12
			22,000,688.42		19,902,671.34		2,098,017.08*
	Less:						
15	Cost of sales	21,029,222.04		18,648,072.26		2,381,149.78*	
28	Provision for depreciation	654,443.42		591,110.73		63,332.69*	
39	Gain# or loss on disposal or dismantlement of fixed assets	15,411.13		2,198.86#		17,609.99*	
34	Interest on notes payable to Anaconda Copper Mining Company	395,912.44	22,094,989.03	56,500.69	19,293,484.82	339,411.75*	2,801,504.21*
	Income (loss*)		94,300.61*		609,186.52		703,487.13
40	Federal income tax - estimated				103,298.37		103,298.37
13	Net Income (Loss*)		$ 94,300.61*		$ 505,888.15		$ 600,188.76

INTERNATIONAL SMELTING AND REFINING COMPANY

SURPLUS ACCOUNT

YEAR ENDED DECEMBER 31, 1945

Balance December 31, 1944:		
Surplus per books	$ 373,729.70	
Write down of investment in National Tunnel & Mines Company by amount of deficit of Utah-Delaware Mining Company on dissolution in 1937	136,307.60	
Surplus per audit report		237,422.10
Reversal of reduction above on account of sale of investment in National Tunnel & Mines Company to Anaconda Copper Mining Company in 1945		136,307.60
Net income of the year 1945 - page 12		505,885.15
Per Balance Sheet, December 31, 1945 - page 11		$ 879,617.85

BALANCE SHEET - DECEMBER 31,

ASSETS	Total - page 11	Elimin- ations*	Tooele plant	[illegible]
CURRENT ASSETS:				
Cash	$ 656,584.84		372,182.83	[illegible]
Accounts and notes receivable:				
Trade, less reserve	1,173,168.47		218,335.38	67
Affiliates - current	423,686.83	161.74*	24,334.69	
Subsidiaries not wholly owned - current	187.50		187.50	
Metals and manufactured products, finished and in process	5,391,502.18		2,032,496.58	69
Supplies on hand	932,403.71		362,138.85	5
DEFERRED CHARGES AND OTHER ASSETS:				
Mine development	213,747.65			
Prepaid expenses	33,676.44		12,787.89	[illegible]
Deferred expenses	9,185.26		9,185.26	
Installment land sales and advances to sundry mining companies, less reserve	2,480.16		42,174.38	[illegible]
FIXED ASSETS:				
Mines and mining claims, water rights and lands	1,168,192.37		368,768.83	5
Buildings and machinery	26,383,901.42		7,137,790.28	3,10
Less* reserve for depreciation	19,739,905.10*		5,979,404.18*	3,10
Patents	1.00			
Investments:				
Securities of subsidiaries - wholly owned	41,000.00			
- not wholly owned	635,968.15			
Indebtedness not current:				
Affiliates	79,403.69		73.68	
Subsidiaries not wholly owned	28,920.86			
	17,434,105.43	161.74*	4,601,051.97	1,50
LIABILITIES				
CURRENT LIABILITIES:				
Accounts and wages payable	1,388,767.34		216,074.93	27
Accrued taxes	57,194.20		18,065.34	14,
Indebtedness - to affiliates	16,780.15	161.74*	15,538.82	
- to subsidiaries wholly owned	24,047.69			
RESERVE for workmen's compensation insurance	67,698.20		31,820.19	
	1,554,487.58	161.74*	281,499.28	29
NET INVESTMENT - December 31, 1945	$ 15,879,617.85	- -	4,319,552.69	1,21
CAPITAL STOCK	$ 15,000,000.00			
SURPLUS	879,617.85			
As above	$ 15,879,617.85			
NET INVESTMENT - December 31, 1944 (deficit#) - for comparison	$ 22,999,922.10		4,552,484.04	1,59

1, 1945 - BY DEPARTMENTS

Details of total							
Miami plant	Lead refinery	Zinc oxide department	White lead department	Raritan refinery	Raritan electro-sheet department	Investments and advances - details page 41	Items not allocated to departments - details page 42
8,822.41	3,983.88	25,000.00		101,902.36			144,693.36
677,626.15	79,927.22	41,150.27	47,957.62	108,171.83 14,523.31			384,990.57
692,258.47 58,711.31	358,554.97 97,816.38	620,811.78 26,926.63	194,305.16 23,604.03	1,485,076.97 363,206.51	7,998.25		
2,181.96	1,564.88			17,141.71		213,747.65	
9,594.95							49,289.17*
56,419.72 .103,550.21 .103,550.21*	130,665.27 1,146,545.81 848,823.14* 1.00	22,073.16 640,977.22 507,074.54*	13,243.90 796,350.58 627,859.01*	409,751.25 13,165,359.04 8,553,576.70*	4,349.45 393,328.28 119,617.32*	162,920.79	
						41,000.00 635,968.15	
						79,330.01 28,920.86	
,505,614.97	970,236.27	869,864.52	447,602.28	7,111,556.28	286,058.66	1,161,887.46	480,394.76
278,035.48 14,291.38	214,027.32 6,137.45 43.24			675,611.52 20,267.92 1,359.83			5,018.09 1,967.89*
						24,047.69	
	8,708.70	4,889.01	2,503.04	19,777.26			
292,326.86	228,916.71	4,889.01	2,503.04	717,016.53		24,047.69	3,450.20
,213,288.11	741,319.56	864,975.51	445,099.24	6,394,539.75	286,058.66	1,137,839.77	47[illegible],[illegible]44.56
,594,017.85	754,932.17	570,632.78	595,416.05	6,706,081.71	287,775.99	8,284,518.53	[illegible]7.02#

INCOME ACCOUNT - YEAR ENDED I

		Total - page 12	Inter-department elimination*	Tooele plant	Miami plant
Sales of copper	$	1,214,393.43	205.79*	656,614.15	370,896.36
zinc		237,852.94	32,890.72*		
lead		2,966,159.57	547,586.07*	2,386,853.59	
silver		2,533,173.49		1,478,159.69	170,093.07
gold		1,812,825.15		553,659.62	151,861.60
miscellaneous metals		236,824.75		52,336.93	
zinc oxide		1,279,325.76	254.88*		
white lead		734,398.29	261.52*		
electro-sheet copper		43,689.07			
residue, ores, etc.		1,819,330.55	46,454.15*	1,810,413.71	
Premium payment on production in excess of quota		389,386.79		389,386.79	
Tolls		6,320,346.91	2,358,331.82*	338,474.56	2,553,830.98
Sales and tolls		19,587,706.70	2,985,984.95*	7,665,899.04	3,246,682.01
Cost of sales (credit*)		18,648,072.26		7,310,673.15	1,488,346.69
Interdepartment			2,985,984.95*	601,166.96	1,748,094.35
		18,648,072.26	2,985,984.95*	7,911,840.11	3,236,441.04
(Income or loss*)		939,634.44		245,941.07*	10,240.97
Provision for depreciation less net gain on disposal or dismantlement of fixed assets		588,911.87		196,225.19	
Income or loss* from operations		350,722.57		442,166.26*	10,240.97
Other income:					
Reimbursement by Anaconda Copper Mining Company of interest on lease expenditures		297,965.44			
Other interest and dividends received - net (debit*)		10,405.96		2,088.23	57.48*
Miscellaneous income		6,593.24		98.94	1,728.00
		314,964.64		2,187.17	1,670.52
(Income or loss*)		665,687.21		439,979.09*	11,911.49
Interest on notes payable to Anaconda Copper Mining Company		56,500.69			
Federal income tax - estimated		103,298.37			
		159,799.06			
Net income or loss* year ended December 31, 1945	$	505,888.15		439,979.09*	11,911.49
Net income or loss* year ended December 31, 1944 - for comparison	$	94,300.61*		344,208.98*	147,172.64

ED [illegible]ECEMBER 31, 1945 - BY DEPARTMENTS

Details of total

ant	Lead refinery	Zinc oxide department	White lead department	Raritan refinery	Raritan electro-sheet department	Investments and advances - page 41	Items no[t] allocated [to] departmen[ts] page 42
6.36				187,088.71			
		270,743.66					
	1,126,892.05						
3.07	580,282.53			304,638.20			
1.60	103,472.17			1,003,831.76			
	8,893.27			175,594.55			
		1,279,580.64					
			734,659.81				
					43,689.07		
	7,344.71	48,026.28					
0.98	429,690.05			5,356,683.14			
2.01	2,256,574.78	1,598,350.58	734,659.81	7,027,836.36	43,689.07		
6.69	1,935,221.10	1,507,267.34	343,868.44	5,885,090.09	52,984.32	8,504.36*	133,125.[illegible]
4.35	245,253.28	1,168.72	389,863.21	232.64	205.79		
1.04	2,180,474.38	1,508,436.06	733,731.65	5,885,322.73	53,190.11	8,504.36*	133,125.[illegible]
0.97	76,100.40	89,914.52	928.16	1,142,513.63	9,501.04*	8,504.36	133,125.4
	35,742.06	16,482.69	20,193.49	314,312.41	5,956.03		
0.97	40,358.34	73,431.83	19,265.33*	828,201.22	15,457.07*	8,504.36	133,125.4
						297,965.44	
7.48*						16,670.57	8,295.3
8.00				3,661.95		1,104.35	
.52				3,661.95		315,740.36	8,295.3
.49	40,358.34	73,431.83	19,265.33*	831,863.17	15,457.07*	324,244.72	141,420.8
							56,500.6
							103,298.3
							159,799.06
1.49	40,358.34	73,431.83	19,265.33*	831,863.17	15,457.07*	324,244.72	301,219.91
2.64	36,223.72	1,890.97*	21,701.99*	729,523.18	21,545.80*	110,605.27*	507,267.14

C A S H

	December 31, 1944	December 31, 1945
Cash in banks:		
Chase National Bank, New York	$ 192,916.23	167,798.57
Continental National Bank and Trust Company of Salt Lake City, Utah	123,479.82	139,311.59
First National Bank of Salt Lake City, Tooele, Utah	90,909.33	83,083.78
Walker Bank and Trust Company, Salt Lake City, Utah	80,597.30	207,682.30
Nevada Bank of Commerce - Battle Mountain Branch, Battle Mountain, Nevada	725.91	
Valley National Bank, Globe, Arizona	18,042.10	6,672.41
First National Bank in East Chicago, Indiana	15,682.90	11,193.19
First National Bank of Nevada - Yerington Branch, Yerington, Nevada	4,064.44	
Firestone Park Trust and Savings Bank, Akron, Ohio	25,000.00	25,074.25
First Bank and Trust Company, Perth Amboy, New Jersey	78,044.10	60,729.46
	629,462.13	723,545.55
Less outstanding drafts on New York office, deposited in banks	108,468.54	68,650.74
	520,993.59	654,894.81
Petty cash	1,254.58	1,690.03
Per Balance Sheet - page 11	$ 522,248.17	656,584.64

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ACCOUNTS AND NOTES RECEIVABLE - TRADE, LESS RES

	Total December 31, 1944	Total December 31, 1945	Tooe plan
For tolls and for metals and manufactured products:			
American Smelting and Refining Company		$ 126,454.67	109,9
Inspiration Consolidated Copper Company	$ 414,065.49	52,972.34	
Irvington Smelting and Refining Works	26.91	20,904.56	
Metals Reserve Company	40,996.10	59,213.97	
Miami Copper Company	570,038.73	610,485.04	
Sundry customers	198,460.20	153,222.87	
	1,223,587.43	1,023,253.45	109,9
For premiums on production in excess of quota - Metals Reserve Company	49,552.42	73,007.37	73,0
Sundry debtors	119,645.62	122,900.51	35,3
	1,392,785.47	1,219,161.33	218,3
Less reserve for doubtful notes and accounts	45,832.87	45,992.86	
Per Balance Sheet - page 11	$ 1,346,952.60	$ 1,173,168.47	218,3

IVABLE - TRADE, LESS RESERVE

Total December 31, 1945	Tooele plant	Miami plant	Lead Refinery	Zinc oxide department	White lead department	Raritan Refinery
	Details of total at December 31, 1945					
$ 126,454.67	109,947.90				16,506.77	
52,972.34		52,972.34				
20,904.56						20,904.56
59,213.97						59,213.97
610,485.04		610,299.91				185.13
153,222.87			22,972.93	71,314.21	47,279.77	11,655.96
1,023,253.45	109,947.90	663,272.25	22,972.93	71,314.21	63,786.54	91,959.62
73,007.37	73,007.37					
122,900.51	35,380.11	14,353.90	56,954.29			16,212.21
1,219,161.33	218,335.38	677,626.15	79,927.22	71,314.21	63,786.54	108,171.83
45,992.86				30,163.94	15,828.92	
$ 1,173,168.47	218,335.38	677,626.15	79,927.22	41,150.27	47,957.62	108,171.83

ACCOUNTS WITH AFFILIATES

	Accounts receivable		Accounts payable	
	December 31, 1944	December 31, 1945	December 31, 1944	December 31, 1945
Current:				
The American Brass Company	$ 111.37		$	43.24
Anaconda Copper Mining Company	7,920.10			
Anaconda Sales Company		384,990.57	606,785.55	
Anaconda Wire and Cable Company	11,174.46	14,513.52		
Chile Exploration Company	50.49	48.05		
Chile Steamship Company Incorporated	492.81			1,198.09
Montana Hardware Company			3,953.42	1,952.58
Mountain City Copper Company (1)		24,313.95		
Swansea Consolidated Mining Company		20.74		
Tooele Valley Railway Company	4,507.86			13,586.24
Per Balance Sheet - page 11	$ 24,257.09	423,886.83	$ 610,738.97	16,780.15

Noncurrent:		
North Lily Mining Company (1)		$ 79,330.01
Dragon Consolidated Mining Company		24.34
Empire Mines Company		49.34
Per Balance Sheet - page 11		$ 79,403.69

NOTE 1 - Accounts receivable from Mountain City Copper Company and North Lily Mining Company at December 31, 1945 are shown above and at December 31, 1944 on page 19 due to the change in status of these companies from that of subsidiaries not wholly owned to that of affiliates.

ACCOUNTS WITH SUBSIDIARIES NOT WHOLLY OWNED

	Accounts receivable		Accounts payable	
	December 31, 1944	December 31, 1945	December 31, 1944	December 31, 1945
Current:				
Dragon Consolidated Mining Company	$		$ 482.23	
Empire Mines Company	22.50			
Mountain City Copper Company (1)	30,253.48			
Mountain View Mining Company			198.58	
Victor Consolidated Mining Company		187.50		
Per Balance Sheet - page 11	$ 30,275.98	187.50	$ 680.81	none
Noncurrent:				
Eureka Bullion Mining Company	$ 27,328.47	28,897.52		
North Lily Mining Company (1)	67,728.61			
Walker Mining Company	200,142.21			
Yankee Consolidated Mining Company		23.34		
Per Balance Sheet - page 11	$ 295,199.29	28,920.86		

NOTE 1 - See note on page 18.

	Total December 31, 1944	Decrease or increase*	Total December 1945
AMOUNT			
Finished:			
Copper	$ 1,542,929.46	11,622.35*	1,554,551
Zinc	89,914.96	99,704.31*	189,619
Lead	409,534.42	64,984.03*	474,518
Silver	674,375.29	2,993.06	671,382
Gold	653,374.13	270,505.45	382,868
Miscellaneous metals	36,648.32	296,461.55*	333,109
Manufactured products:			
Zinc oxide	161,969.44	46,999.40*	208,968
White lead	251,360.48	80,234.58	171,125
Electro-sheet copper	11,830.39	3,832.14	7,998
Prepaid billet cost	43,506.63	30,184.37	13,322
Prepaid freight	9,555.12	2,256.40	7,298
	3,884,998.64	129,765.64*	4,014,764
Less, reserves for freight, refining, etc.	776,688.04	350,217.67	426,470
Total finished	3,108,310.60	479,983.31*	3.588,293
In process	2,143,008.71	339,800.44	1,803,208
Per Balance Sheet - page 11	$ 5,251,319.31	140,182.87*	5,391,502
Total - December 31, 1944 for comparison	$ 5,251,319.31		
POUNDS			
Finished:			
Copper	17,300,799	95,309*	17,396,1
Zinc	1,160,028	1,199,005*	2,359,
Lead	8,991,783	1,431,009*	10,422,
CENTS PER POUND			
Finished:			
Copper	8.918		8.
Zinc	7.751		8.
Lead	4.555		4.

	Ounces
SILVER - total for all departments - not covered by affidavits	(1,797,55
	(6,32
- covered by affidavits	61,74
As above	1,865,62
GOLD - total for all departments - as above	11,134.30

:TURED PRODUCTS, FINISHED AND IN PROCESS

al ber 31, 45	Details of total at December 31, 1945						
	Tooele plant	Miami plant	Lead refinery	Zinc oxide department	White lead department	Raritan refinery	Raritan electro-shee department
351.81	304,358.90					1,250,192.91	
519.27				189,619.27			
518.45	383,430.77		71,851.10		19,236.58		
382.23	258,169.00	19,049.38	227,390.73			166,773.12	
368.68	26,951.60	15,424.92	16,179.93			324,312.23	
109.87	525.44		78,539.41	218,867.63		35,177.39	
968.84				208,968.84			
125.90					171,125.90		
998.25							7,998.25
322.26						13,322.26	
298.72				3,356.04	3,942.68		
764.28	973,435.71	34,474.30	393,961.17	620,811.78	194,305.16	1,789,777.91	7,998 25
470.37	86,363.23		35,406.20			304,700.94	-
293.91	887,072.48	34,474.30	358,554.97	620,811.78	194,305.16	1,485,076.97	7,998.25
208.27	1,145,424.10	657,784.17					
502.18	2,032,496.58	692,258.47	358,554.97	620,811.78	194,305.16	1,485,076.97	7,998.25
	2,279,726.08	494,937.92	357,196.26	300,079.24	277,271.59	1,530,277.83	11,830.39
96,108	3,083,004					14,313,104	
),033				2,359,033			
',792	8,582,373		1,539,360		301,059		
8.936	9.872					8.735	
~~8.038~~				8.038			
4.553	4.468		4.668		6.390		

ices	Price	Amount
7,557.92	34.75 ¢	$ 624,698.16
5,325.35	44.75	2,830.61
1,744.74	71.0238	43,853.46
5,628.01	35.9869 ¢	$ 671,382.23
+.30	$ 34.386	$ 382,868.68

MINE DEVELOPMENT

	Balance December 31, 1944	Additions (see note below)	Sold to Anaconda Copper Mining Company (see page 3)	Balance December 31, 1945
Copper Canyon lease	$ 1,146,219.50		1,146,219.50	- -
Guild-Adams lease	819,764.65		819,764.65	- -
Victoria lease	246,978.73		246,978.73	- -
Tintic District		213,747.65		213,747.65
Per Balance Sheet - - page 11	$ 2,212,962.88	213,747.65	2,212,962.88	213,747.65

NOTE - Additions to Tintic District development are composed of:

Balance at December 31, 1944 transferred from "Mines and Mining Claims" - page 26	$ 91,990.76
Expenditures, year 1945	121,756.89
Total - as above	$ 213,747.65

PREPAID EXPENSES

	December 31, 1944	December 31, 1945	Decrease or increase*
Prepaid insurance	$ 55,476.25	32,131.79	23,344.46
Sundry	1,475.58	1,544.65	69.07*
Per Balance Sheet - page 11	$ 56,951.83	33,676.44	23,275.39

DEFERRED EXPENSES

	December 31, 1944	December 31, 1945	Increase or decrease*
Tooele plant:			
Slag hauling	$ 4,597.82	1,950.92	2,646.90*
Crushing reverberatory matte		7,234.34	7,234.34
	4,597.82	9,185.26	4,587.44
Lead refinery	8.32		8.32*
Per Balance Sheet - page 11	$ 4,606.14	9,185.26	4,579.12

INSTALLMENT LAND SALES AND ADVANCES TO SUNDRY MINING COMPANIES, LESS RESERVE

	December 31, 1944	December 31, 1945	Decrease
Installment land sales - details below	$ 21,502.97	12,153.62	9,349.35
Advances to sundry mining companies - details page 25	266,518.24	39,615.71	226,902.53
	288,021.21	51,769.33	236,251.88
Reserve for doubtful accounts	49,643.42	49,289.17	354.25
Per Balance Sheet - page 11	$ 238,377.79	2,480.16	235,897.63

	Installment land sale - Tom Buzzianis contract	Installment house and land sales - Tooele	Total
Details of installment land sales			
Balance December 31, 1944	$ 7,934.74	13,568.23	21,502.97
Charges (debits):			
Interest	173.09	749.10	922.19
Taxes		293.20	293.20
	173.09	1,042.30	1,215.39
Deductions (credits):			
Payments received	1,764.94	6,639.23	8,404.17
Transferred to current accounts receivable	1,584.78		1,584.78
Amount written off under modification of Agreement dated May 18, 1945	519.19		519.19
Discounts allowed for prepayment of installments		56.60	56.60
	3,868.91	6,695.83	10,564.74
Balance December 31, 1945	$ 4,238.92	7,914.70	12,153.62

INSTALLMENT LAND SALES AND ADVANCES
TO SUNDRY MINING COMPANIES, LESS RESERVE

(continued)

Details of advances to sundry mining companies

	Balance December 31, 1944	Additions Year 1945	Deductions: Payments	Deductions: Other (see notes below)	Balance December 31, 1945
Ore purchase accounts:					
Advances - good	$ 65,681.20	312,032.08	347,692.52		30,020.76
- good but slow	408.25			408.25(1)	- -
- Ash Peak lease	10,195.38	35,550.26	36,150.69		9,594.95
	76,284.83	347,582.34	383,843.21	408.25	39,615.71
Other notes and accounts:					
Copper Canyon Mining Company	44,353.83			44,353.83(2)	- -
Other accounts of Copper Canyon lease	496.70			496.70(2)	- -
Snyder Mines, Inc.	144,810.83			144,810.83(2)	- -
Ophir Development Company	572.05		572.05		- -
	190,233.41		572.05	189,661.36	- -
Total - per page 24	$ 266,518.24	347,582.34	384,415.26	190,069.61	39,615.71
Tooele plant:					
Ore purchase accounts	$ 66,089.45	312,032.08	347,692.52	408.25(1)	30,020.76
Snyder Mines, Inc.	144,810.83			144,810.83(2)	- -
Ophir Development Company	572.05		572.05		- -
	211,472.33	312,032.08	348,264.57	145,219.08	30,020.76
Copper Canyon lease:					
Copper Canyon Mining Company	44,353.83			44,353.83(2)	- -
Sundry accounts	496.70			496.70(2)	- -
	44,850.53			44,850.53	- -
Miami plant:					
Ore purchase accounts - Ash Peak lease	10,195.38	35,550.26	36,150.69		9,594.95
As above	$ 266,518.24	347,582.34	384,415.26	190,069.61	39,615.71

NOTE 1 - Written off.

NOTE 2 - [illegible] pany - see

ISR001002

MINES AND MINING CLAIMS, WATER RIGHTS AND LANDS

	Balance December 31, 1944	Deductions - see notes below	Balance December 31, 1945
Lands for metal producing plants:			
Tooele plant	$ 353,665.89		353,665.89
Miami plant	56,191.60		56,191.60
Lead refinery	130,665.27		130,665.27
Raritan refinery	409,751.25		409,751.25
	950,274.01		950,274.01
Lands for manufacturing plants:			
Zinc oxide department	22,073.16		22,073.16
White lead department	13,243.90		13,243.90
Raritan electro-sheet department	4,349.45		4,349.45
	39,666.51		39,666.51
Other lands:			
Tooele	9,004.00	151.06(1)	8,852.94
Miami	228.12		228.12
	9,232.12	151.06	9,081.06
Water rights - Tooele	6,250.00		6,250.00
Total lands and water rights	1,005,422.64	151.06	1,005,271.58
Mines and mining claims:			
Investments and advances:			
Salt Lake City office	234,853.01	91,990.76(2)	142,862.25
Miami	20,058.54		20,058.54
Guild-Adams lease	190,254.75	190,254.75(3)	- -
Total mines and mining claims	445,166.30	282,245.51	162,920.79
Per Balance Sheet - page 11	$ 1,450,588.94	282,396.57	1,168,192.37

NOTE 1 - Lot in Tooele City, Utah, sold.

NOTE 2 - Transfer of Tintic District development expenditures as of December 31, 1944 to Mine Development - page 21.

NOTE 3 - Sale of investment in Guild-Adams lease to Anaconda Copper Mining Company - see page 3.

BUILDINGS AND MACHINERY

	Balance December 31, 1944	Construction	Deduct* sales and dismantlements - details page 39	Other changes - add or deduct*	Balance December 31, 1945
Tooele plant	$ 7,843,086.42	13,156.99	15,190.70*	703,262.43*(1)	7,137,790.28
Miami plant	3,103,550.21				3,103,550.21
Lead refinery	1,171,386.25	5,945.65	30,786.09*		1,146,545.81
Zinc oxide department	638,140.45	2,836.77			640,977.22
White lead department	796,350.58				796,350.58
Raritan refinery	13,143,560.89	22,257.72		459.57*(2)	13,165,359.04
Raritan electro-sheet department	393,328.28				393,328.28
Investments and advances - Guild-Adams lease	153,516.96			153,516.96*(3)	- -
Per Balance Sheet - page 11	$ 27,242,920.04	44,197.13	45,976.79*	857,238.96*	26,383,901.42

NOTE 1 - Obsolete plant and prior years' dismantlements not previously recorded charged to Reserve for depreciation - see page 28.

NOTE 2 - Depreciation of automotive equipment written off.

NOTE 3 - Sale of investment in Guild-Adams lease to Anaconda Copper Mining Company - see page 3.

RESERVE FOR DEPRECIATION

	Balance December 31, 1944	Depreciation on 1945 operations - details below	Deductions* for sales and dismantlements - page 39	Balance December 31, 1945
Tooele plant	$ 6,494,343.11	200,076.23	715,015.16*(1)	5,979,404.18
Miami plant	3,103,550.21			3,103,550.21
Lead refinery	845,532.40	34,076.83	30,786.09*	848,823.14
Zinc oxide department	490,578.80	16,495.74		507,074.54
White lead department	607,665.52	20,193.49		627,859.01
Raritan refinery	8,239,264.29	314,312.41		8,553,576.70
Raritan electro-sheet department	113,661.29	5,956.03		119,617.32
Per Balance Sheet - page 11	$ 19,894,595.62	591,110.73	745,801.25*	19,739,905.10

Details of depreciation on 1945 operations

Depreciation applicable to 1945 operations - as above

	Straight-line method: Book value at December 31, 1944	Straight-line method: Rate	Production method: Quantity		Production method: Rate	Amount	
Tooele plant:							
Copper plant			9,571,776	pounds	.055¢	$ 5,264.48	
Lead plant			38,437,771	pounds	.131¢	50,353.48	
Sulphide concentrator			108,480.913	tons	25.700¢	27,879.60	
Oxide concentrator	$ 587,362.54	2%				11,747.25	
Slag plant:							
Emergency plant facilities	513,281.89	20%(2)				102,620.83	
Other equipment	29,851.73	6%				1,791.10	
Miscellaneous	4,110.76	Various				419.49	200,076.23
Lead refinery			36,059.338	tons	89.000¢	32,092.81	
Furniture and fixtures	19,066.17	Various				1,984.02	34,076.83
Zinc oxide department	638,140.45	Various					16,495.74
White lead department:							
White lead production			3,817.900	tons	$ 4.30	16,416.97	
Electrolytic lead production			1,107.733	tons	$ 3.44	3,776.52(3)	20,193.49
Raritan refinery			157,156.206	tons	$ 2.00		314,312.41
Raritan electro-sheet department			397,067	pounds	1.500¢		5,956.03
Per Income Account, year 1945 - page 12							$ 591,110.73

NOTE 1 - Includes $703,262.43 applicable to obsolete plant and prior years' dismantlements not previously recorded - see page 27.

NOTE 2 - Accrued on monthly balances.

NOTE 3 - Includes an adjustment of $34.07 applicable to prior years.

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INVESTMENT IN SECURITIES OF WHOLLY OWNED SUBSIDIARIES

	Shares	Par value	Investment	Net income (loss*) of the year 1945 - (see note below)
New Jersey Storage and Warehouse Company	10	$ 1,000.00	$ 1,000.00	$ 6.00*
Raritan Terminal and Transportation Company	400	No par	40,000.00	601.88
Per Balance Sheet, December 31, 1945 - page 11			$ 41,000.00	$ 595.88
Less indebtedness to wholly owned subsidiaries:				
New Jersey Storage and Warehouse Company		$ 688.93		
Raritan Terminal and Transportation Company		23,358.76		
Per Balance Sheet, December 31, 1945 - page 11			24,047.69	
Net investment			16,952.31	
The above net investment at December 31, 1945 is represented as follows:				
Assets:				
Lands		7,891.34		
Railroad construction	$ 20,065.35			
Less reserve for depreciation	20,065.35	- -		
		7,891.34		
Less liabilities:				
Taxes accrued		96.95		
Net assets			7,794.39	
Difference, being accumulated operating deficits to December 31, 1945			$ 9,157.92	
Net investment - December 31, 1944			$ 17,103.47	
Net increase in indebtedness to Raritan Terminal and Transportation Company and New Jersey Storage and Warehouse Company			151.16	
Net investment - December 31, 1945 - as above			$ 16,952.31	

NOTE - Net income shown above includes intercompany surplus adjustment for overaccrual of 1944 Federal income tax of $181.77 for Raritan Terminal and Transportation Company.

INVESTMENT IN SECURITIES
OF SUBSIDIARIES NOT WHOLLY OWNED

Balance December 31, 1944		$ 1,699,483.86
Deductions:		
Capital stock of companies sold to Anaconda Copper Mining Company (details page 3):		
Mountain City Copper Company	$ 996,987.93	
North Lily Mining Company	66,527.78	1,063,515.71
Per Balance Sheet, December 31, 1945 - page 11		$ 635,968.15

Details of balance at December 31, 1945

	Shares	Par value	Investment	Equity in income or loss* of the year 1945
Comet Coalition Mines Company	760,246	$ 190,071.50	$ 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	773.48
Victor Consolidated Mining Company	365,390	182,695.00	18,306.52	158.81*
Yankee Consolidated Mining Company	501,005	50,100.50	20,040.20	27.92*
				$ 586.75
As above			$ 635,968.15	

ISR001007

INVESTMENT IN AND INDEBTEDNESS OF SUBSIDIARIES NOT WHOLLY OWNED

	Investment - page 30	Indebtedness - not current	Total (see note 1)	Market quotations December 31, 1945
Comet Coalition Mines Company	$ 340,891.71		340,891.71	$ 228,073.80
Eureka Bullion Mining Company	187,923.49	28,897.52	216,821.01	166,320.00
Mountain View Mining Company	68,806.23		68,806.23	49,168.35
Victor Consolidated Mining Company	18,306.52		18,306.52	10,961.70
Yankee Consolidated Mining Company	20,040.20	23.34	20,063.54	32,565.33
Per Balance Sheet, December 31, 1945 - page 11	$ 635,968.15	28,920.86	664,889.01	$ 487,089.18

Indebtedness not current	December 31, 1944	December 31, 1945	Decrease* or increase
Walker Mining Company	$ 200,142.21		200,142.21*
North Lily Mining Company (2)	67,728.61		67,728.61*
Eureka Bullion Mining Company	27,328.47	28,897.52	1,569.05
Yankee Consolidated Mining Company		23.34	23.34
Per Balance Sheet - page 11	$ 295,199.29	28,920.86	266,278.43*

NOTE 1 - The total investment of International Smelting and Refining Company in its subsidiaries not wholly owned is considered to include both the cost of the capital stock of these companies and the indebtedness, if any, which cannot be liquidated from the net current assets of the debtor companies.

NOTE 2 - Not a subsidiary after April 19, 1945. North Lily Mining Company's indebtedness to International Smelting and Refining Company amounted to $79,330.01 at December 31, 1945 and is shown on page 41.

ACCOUNTS AND WAGES PAYABLE

	December 31, 1944	December 31, 1945
Ore purchases - Tooele plant	$ 142,578.31	83,212.10
Reserve for unearned tolls - Raritan refinery	506,625.34	485,828.71
- Miami plant		234,991.00
Wages payable - details below	110,882.86	112,059.72
Payroll deductions for employees' war bond purchases	30,125.99	20,949.74
Employees' deposits - Tooele plant	7,104.43	5,883.63
Reserve for repairs - Raritan electro-sheet department - details below	8,070.84	4,221.13
Sundry accounts payable	454,626.58	441,621.31
Per Balance Sheet - page 11	$ 1,260,014.35	1,388,767.34

Details of Wages payable

	December 31, 1944	December 31, 1945
Tooele plant	$ 24,403.61	28,735.63
Copper Canyon lease	12,900.24	- -
Miami plant	17,157.93	15,415.93
Lead refinery	17,114.64	20,110.57
Raritan refinery	37,799.58	47,797.59
Investments and advances - Victoria lease	1,506.86	- -
As above	$ 110,882.86	112,059.72

Details of Reserve for repairs - Raritan electro-sheet department

	Balance December 31, 1944	Additions - charged operating expense	Deductions - expended for repairs	Balance December 31, 1945
Reserve for lead anode renewals	$ 2,999.08	382.20	1,027.17	2,354.11
Reserve for drum surface renewals	5,071.76	846.61	4,051.35	1,867.02
As above	$ 8,070.84	1,228.81	5,078.52	4,221.13

ACCRUED TAXES

	Total December 31, 1944	Total December 31, 1945	Details of total at December 31, 1945: Tooele plant	Miami plant	Lead refinery	Raritan refinery	Items not allocated to departments
Federal old age benefits tax	$ 15,190.62	$ 13,154.39	$ 3,407.58	1,220.95	2,041.98	6,465.85	18.03
Federal and state unemployment insurance taxes	44,818.15	37,488.40	14,458.66	5,040.85	4,095.47	13,802.07	91.35
Federal income tax:							
Overpayment* of 1941 tax	79,977.27*	79,977.27*					79,977.27*
Estimated current year's tax		77,800.00					77,800.00
Federal capital stock tax	2,500.00						
Real estate taxes	11,791.94	7,129.58		7,129.58			
Sundry	3,141.66	1,599.10	199.10	900.00			500.00
Per Balance Sheet - page 11	$ 2,534.90*	$ 57,194.20	$ 18,065.34	14,291.38	6,137.45	20,267.92	1,567.89*

* Denotes debit

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NOTES PAYABLE TO ANACONDA COPPER MINING COMPANY

Balance December 31, 1944		$ 10,500,000.00
Retirements (see page 3):		
Note dated June 27, 1944, due December 31, 1950, with interest at 2%	$ 8,000,000.00	
Note dated June 27, 1944, due December 31, 1947, with interest at 1-3/4%	2,500,000.00	10,500,000.00
Per Balance Sheet, December 31, 1945 - page 11		$ - -

Interest accrued and paid

Balance December 31, 1944	$ 2,239.01
Accrued 1945 - per Income Account - page 12	56,500.69
	58,739.70
Paid 1945 (see page 3)	58,739.70
Balance December 31, 1945	$ - -

RESERVE FOR WORKMEN'S COMPENSATION INSURANCE

	Balance December 31, 1944	Additions - details below	Deductions - compensation paid, medical and hospital expenses, etc.	Balance December 31, 1945
Tooele plant	$ 27,341.95	38,305.24	33,827.00	31,820.19
Lead refinery	6,445.87	8,318.57	6,055.74	8,708.70
Zinc oxide department	5,979.33	4,554.01	5,644.33	4,889.01
White lead department	180.83	4,216.96	1,894.75	2,503.04
Raritan refinery	12,428.66	16,099.26	8,750.66	19,777.26
Per Balance Sheet - page 11	$ 52,376.64	71,494.04	56,172.48	67,698.20

Details of additions - year 1945

	Total as above	Charged cost	Pay roll deductions
Tooele plant	$ 38,305.24	30,293.24	8,012.00
Lead refinery	8,318.57	8,318.57	
Zinc oxide department	4,554.01	4,554.01	
White lead department	4,216.96	4,216.96	
Raritan refinery	16,099.26	16,099.26	
Total	$ 71,494.04	63,482.04	8,012.00

CAPITAL STOCK

Date issued		Par value per share	Shares	Amount
	Issued and outstanding December 31, 1944	$ 75.00	163,500	$ 12,262,500.00
	Issued in 1945	75.00	36,500	2,737,500.00
	Issued and outstanding, per Balance Sheet, December 31, 1945 - page 11	75.00	200,000	$ 15,000,000.00
	Outstanding stock at December 31, 1945 was issued as follows:			
	Issued by International Smelting Company to Anaconda Copper Mining Company for:			
May 26, 1914	Properties of International Smelting & Refining Company (dissolved 1914)	$ 100.00	95,000	$ 9,500,000.00
Nov. 30, 1915	Cash	100.00	25,000	2,500,000.00
		$ 100.00	120,000	$ 12,000,000.00
Dec. 21, 1934	Outstanding after reduction in par value of stock from $100 to $75 and change of corporate name to International Smelting and Refining Company	$ 75.00	120,000	$ 9,000,000.00
	Issued by International Smelting and Refining Company to Anaconda Copper Mining Company for:			
Dec. 21, 1934	(Together with $8,000,000 principal amount 15-year 6% debentures) Properties of International Lead Refining Company and Raritan Copper Works	75.00	30,000	2,250,[illegible].00
Oct. 1, 1936	Properties of Anaconda Lead Products Company	75.00	13,500	1,012,[illegible].00
Mar. 27, 1945	Partial redemption of note payable to Anaconda Copper Mining Company - details page 3	75.00	36,500	2,737,[illegible]
	Issued and outstanding, as above	$ 75.00	200,000	$ 15,000,[illegible].00

INTEREST AND DIVIDENDS RECEIVED

	Year 1944		Year 1945	
Reimbursement by Anaconda Copper Mining Company of interest on lease expenditures:				
Copper Canyon lease				$ 201,211.02
Guild-Adams lease				82,585.52
Victoria lease				14,168.90
Per Income Account - page 12				$ 297,965.44
Other interest and dividends received:				
Interest received:				
On advances:				
To wholly-owned subsidiaries:				
International Building Association	$ 3,309.51			
To subsidiaries not wholly owned:				
Comet Coalition Mining Company	2,418.67			
Eureka Bullion Mining Company	1,372.35		$ 1,378.88	
Yankee Consolidated Mining Company	197.29			
To other companies:				
National Tunnel & Mines Company	48,751.09	56,048.91	14,558.22	15,937.10
On other accounts:				
Tooele Valley Railway Company	2,190.15		733.47	
Snyder Mines, Inc.	6,214.89		1,684.74	
House and land sales contracts	487.91		568.35	
Miscellaneous	750.22	9,643.17	15.27	3,001.83
		65,692.08		18,938.93
Less interest paid:				
On additional assessment of 1939 Federal income tax			8,295.36	
Miscellaneous	196.14	196.14	237.61	8,532.97
Net interest received		65,495.94		10,405.96
Dividends received:				
Park-Utah Consolidated Mines Company		6,980.00		
Per Income Account - page 12		$ 72,475.94		$ 10,405.96

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MISCELLANEOUS INCOME

	Year 1944		Year 1945	
Tooele plant:				
Profit on sale of land (details below)		$ 398.90		$ 98.94
Miami plant:				
Rents		1,728.00		1,728.00
Raritan refinery:				
Record storage rents	$ 1,350.00		$ 1,350.00	
Copper storage rents - net	4,594.94		2,311.95	
Loading and unloading lighters - net	786.74	6,731.68		3,661.95
Investments and advances:				
Outside property income, Tooele - net	360.00		642.66	
Sale of salvaged equipment - Ophir Hill Operations		360.00	461.69	1,104.35
Per Income Account - page 12		$ 9,218.58		$ 6,593.24

Details of profit on sale of land, year 1945

Lot in Kelsey Subdivision, Tooele City, Utah:	
Sales price	$ 250.00
Cost (page 26)	151.06
Profit, as above	$ 98.94

ISR001015

GAIN ON DISPOSAL OR DISMANTLEMENT OF FIXED ASSETS

	Cost of buildings and machinery sold or dismantled - page 27	Accumulated depreciation - page 28	Net salvage income or expense#	Gain (loss*)
Tooele plant:				
Obsolete plant and prior years' dismantlements not previously recorded	$ 703,262.43	703,262.43		- -
Other dismantlements	15,190.70	11,752.73	7,289.01	3,851.04
	718,453.13	715,015.16	7,289.01	3,851.04
Lead refinery	30,786.09	30,786.09	1,665.23#	1,665.23*
Zinc oxide department (Akron plant salvage)			13.05	13.05
	$ 749,239.22	745,801.25	5,636.83	
Per Income Account, year 1945 - page 12				$ 2,198.86

FEDERAL INCOME TAX

Additional assessment on 1939 normal and surtax	$ 25,498.37
Estimated current year's tax	77,800.00
Per Income Account, year ended December 31, 1945 - page 12	$ 103,298.37

DETAILS OF

	Total - pages 14 and 15	Subsidiaries wholly owned	Subsidiaries not wholly owned
BALANCE SHEET ITEMS			
DEFERRED CHARGES:			
Tintic district development	$ 213,747.65		
FIXED ASSETS:			
Mines and mining claims, etc.	162,920.79		
Investments:			
Securities of subsidiaries:			
Wholly owned	41,000.00	41,000.00	
Not wholly owned	635,968.15		635,968.15
Indebtedness not current:			
Affiliates	79,330.01		
Subsidiaries not wholly owned	28,920.86		28,920.86
	1,161,887.46	41,000.00	664,889.01
CURRENT LIABILITIES:			
Indebtedness to subsidiaries wholly owned	24,047.69	24,047.69	
NET INVESTMENT	$ 1,137,839.77	16,952.31	664,889.01
INCOME ACCOUNT ITEMS			
Cost of sales (credit*)	$ 8,504.36*		2,317.63
Income* or loss from operations	8,504.36*		2,317.63
Other income:			
Reimbursement by Anaconda Copper Mining Company of interest on lease expenditures	297,965.44		
Other interest received - net	16,670.57		1,3[illegible].88
Miscellaneous income	1,104.35		
	315,740.36		1,3[illegible].88
Net income (loss*)	$ 324,244.72		[illegible].75*

NOTE 1 - Includes credit for $74,544.07 royalties received from North Lily Mining

ETAILS OF INVESTMENTS AND ADVANCES

Details of total

idiaries wholly owned	North Lily Mining Company	Walker Mining Company	National Tunnel and Mines Company	Tooele Valley Railway Company	Copper Canyon lease	Guild-Adams lease	Victoria lease	Mines depart-ment, outside exploration, etc.
								213,747.65
								162,920.79
,968.15								
,920.86	79,330.01							
,889.01	79,330.01							376,668.44
,889.01	79,330.01							376,668.44
,317.63		44,273.75						55,095.74*(1
,317.63		44,273.75						55,095.74*
378.88			14,558.22	733.47	201,211.02	82,585.52	14,168.90	1,104.35
,378.88			14,558.22	733.47	201,211.02	82,585.52	14,168.90	1,104.35
938.75*		44,273.75*	14,558.22	733.47	201,211.02	82,585.52	14,168.90	56,200.09

ily Mining Company under provisions of Tintic Bullion Lease agreement.

DETAILS OF ITEMS NOT ALLOCATED TO DEPARTMENTS

BALANCE SHEET ITEMS

Assets:			
Cash - Chase National Bank, New York			$ 144,693.36
Accounts receivable - Anaconda Sales Company			384,990.57
Reserve for doubtful accounts (credit*)			49,289.17*
Total assets			480,394.76
Liabilities:			
Accounts payable:			
Chadbourne, Wallace, Parke and Whiteside	$ 5,000.00		
Employees' portion of social security taxes on New York employees	18.09	5,018.09	
Taxes accrued:			
Federal income tax (net debit*)	2,177.27*		
New York state franchise tax	500.00		
Employer's portion of social security taxes on New York employees	109.38	1,567.89*	
Total liabilities			3,450.20
Excess of assets over liabilities - page 14			$ 476,944.56

INCOME ACCOUNT ITEMS

Cost of sales:		
Administrative expenses, New York office	$ 122,565.41	
Capital stock tax	10,000.00	
Employer's portion of social security taxes on New York employees	11.20	
Sundry taxes	548.88	133,125.49
Other income:		
Interest (paid)		8,295.36
Loss, per pages 4 and 15		141,420.85
Interest on notes payable to Anaconda Copper Mining Company	56,500.69	
Federal income tax - page 40	103,298.37	159,799.06
Net loss - page 15		$ 301,219.91

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38		Profit on sale of land, details of
	R	
28		Reserve for - depreciation
35		- workmen's compensation insurance
	S	
15		Sales and earnings, by departments
30		Securities - of subsidiaries - not wholly owned
29		- wholly owned
19,31		Subsidiaries not wholly owned, accounts with
31		Subsidiaries, investment in and indebtedness of - not wholly owned
29		Subsidiaries, investment in - wholly owned
13		Surplus account
	T	
33		Taxes accrued
	W	
26		Water rights
3		Working capital
35		Workmen's compensation insurance, reserve for