

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JANUARY 24, 1939

NET INCOME

	Month of December 1938	Month of November 1938	Twelve Mos. Ended Dec. 31, 1938	Twelve Mos. Ended Dec. 31, 1937
<u>GROSS OPERATING PROFIT:</u>				
Smelting Department	\$ 7,966	\$ 21,609	\$ 216,392	\$ 368,851
Refining Copper Works	129,174	90,281	651,219	1,368,675
Lead Refining Department	5,200	4,347	80,550	120,322
Zinc Oxide Department	8,486	12,100	41,476	580,214
White Lead Department	1,053	1,786	38,507	38,900
Total	\$149,773	\$ 74,579	\$ 337,846	\$1,195,812
Add - Miscellaneous Income	100	100	2,548	1,686
Dividends -				
Mountain City Copper Company	-	-	-	365,359
Park-Utah Cons. Mining Company	-	-	-	10,470
Walker Mining Company	-	-	-	44,108
	\$149,873	\$ 74,679	\$ 338,794	\$1,617,629
<u>Deduct -</u>				
Administrative Expenses	\$ 4,000	\$ 3,887	\$ 50,912	\$ 53,419
Miscellaneous Taxes	-	80	15,672	4,342
Capital Stock Tax	1,000	1,000	12,000	13,936
Interest -				
Six Per Cent. Debentures	40,000	40,000	480,000	480,000
Anasconda Copper Mining Company	9,555	9,347	112,500	112,500
Anasconda Sales Company	14,863	14,384	175,000	7,671
Silver Peak Operations (abandoned)	-	-	-	248,931
Key West Operations (abandoned)	-	-	-	40,109
Loss on Investments	-	-	14,000	-
	\$ 67,418	\$ 68,518	\$ 860,084	\$ 960,928
<u>INCOME - Before Depreciation</u>	\$ 80,455	\$ 6,161	\$ 521,290	\$ 656,701
Depreciation	49,010	41,491	307,170	303,975
<u>NET INCOME</u>	\$ 31,445	\$ 35,860	\$ 2,028,440	\$ 347,294
Add - Net Income of Subsidiary Companies	132	132	412	6,704
<u>CONSOLIDATED NET INCOME</u>	\$ 31,577	\$ 35,992	\$ 2,028,852	\$ 354,000

CONSOLIDATED SURPLUS ACCOUNT

Balance - January 1st 1938	\$ 792,701
Add - Net Income - Year ended December 31st 1938	1,028,048
<u>BALANCE - DECEMBER 31, 1938</u>	\$ 1,820,749

INTERNATIONAL SHELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JANUARY 27TH 1939
ESTIMATED NET INCOME - SHELTING DEPARTMENT

	Month of December 1938	Month of November 1938	Twelve Mos. ended Dec. 31st 1938	Twelve Mos. ended Dec. 31st 1937
<u>GROSS OPERATING PROFIT</u>				
Tecole Lead Plant	\$ 1,317	\$ 3,475	\$ 51,440	\$ 41,200
Tecole Copper Plant	20,325	1,322	42,893	140,128
Tecole Sulphide Concentrator	4,306	4,491	47,574	88,123
Miami Plant	<u>3,000</u>	<u>7,811</u>	<u>43,442</u>	<u>147,832</u>
Total	\$ 18,336	\$ 17,121	\$ 81,583	\$534,883
Add: Miscellaneous Income	<u>3,000</u>	<u>2,978</u>	<u>39,434</u>	<u>26,971</u>
Total	\$ 21,336	\$ 20,123	\$ 121,017	\$561,854
Deduct:				
Bad Debts	\$ -	\$ -	\$ 790	\$ 55,518
Expenses - Operating Tramway	800	805	9,900	11,385
Shutdown Expenses:				
Miami Plant	-	-	57,619	-
Rice Plant	900	900	8,000	6,667
Sulphide Concentrator	930	228	10,175	-
Oxide Concentrator	745	745	8,368	10,358
Tecole Lead Plant	-	-	9,260	-
Tecole Copper Plant	-	-	18,709	-
Outside Exploration	3,275	3,775	40,649	35,293
General Expenses	75	75	859	2,032
Selling Commission	<u>1,625</u>	<u>2,000</u>	<u>27,722</u>	<u>71,752</u>
Total	\$ 7,370	\$ 7,326	\$174,043	\$193,005
<u>INCOME - BEFORE DEPRECIATION</u>	\$ 7,966	\$ 22,669	\$216,392	\$368,831
Depreciation	<u>15,387</u>	<u>15,441</u>	<u>159,533</u>	<u>152,925</u>
<u>NET INCOME (ESTIMATED)</u>	\$ 7,361	\$ 17,110	\$156,859	\$215,906

INTERNATIONAL REFINING AND REVENUE COMPANY
MEMORANDUM FOR DIRECTOR'S MEETING - JANUARY 24, 1939
NET INCOME - HARTMAN COPPER WORKS

	Month of December 1938	Month of November 1938	Twelve Mos. ended Dec. 31, 1938	Twelve Mos. ended Dec. 31, 1937
GROSS OPERATING PROFIT:				
Profit on Sales	\$ 81,131	\$ 49,594	\$ 484,567	\$ 774,7
Profit on Premiums	16,217	20,277	160,896	308,0
Profit on Sales - Refinery Department	3,151	3,238	23,054	27,2
Profit on Sales - Secondary Department	20,867	10,736	20,874	209,3
Electro Sheet Department	2,487	2,415	13,499	6,9
Total	\$123,853	\$ 86,260	\$ 664,490	\$1,322,3
ADD - Miscellaneous Earnings	6,325	4,837	39,258	86,6
	\$130,178	\$ 91,097	\$ 703,748	\$1,408,9
DEDUCT - General Expenses	\$ 2,000	\$ 856	\$ 13,875	\$ 13,1
Shutdown Expenses	-	-	62,136	-
Experimental Expenses	-	-	14,516	24,0
	\$ 2,000	\$ 856	\$ 78,527	\$ 37,2
INCOME - Before Depreciation	\$128,178	\$ 90,241	\$ 625,221	\$1,371,7
Depreciation	27,947	20,125	223,113	490,5
NET INCOME	\$100,231	\$ 70,116	\$ 402,108	\$ 881,2

SECONDARY METAL DEPARTMENT

Copper Deliveries - Pounds	2,106,967	4,432,608	30,095,388	63,390,8
Proceeds	\$233,996	\$474,770	\$2,978,927	\$8,845,7
Cost	211,319	444,309	2,924,866	8,672,7
Profit on Copper	\$ 22,677	\$ 30,461	\$ 54,061	\$ 173,0
Profit on By-Products	2,922	1,731	7,969	136,4
Gross Profit	\$ 25,599	\$ 32,192	\$ 62,030	\$ 309,4
Deduct - Selling Commissions	\$ 2,775	\$ 3,573	\$ 38,578	\$ 81,2
Shutdown Expenses	-	14,948	40,221	-
Experimental Expenses	1,727	955	14,095	18,7
	\$ 4,502	\$ 21,476	\$ 92,894	\$ 100,0
NET PROFIT	\$ 20,867	\$ 10,716	\$ 20,874	\$ 209,3
Copper - Proceeds per lb.	11.1064	10.7134	9.8984	13.91
Cost per lb.	10.0994	10.0264	9.6854	13.61
Profit per lb.	1.0070	.6870	.2130	.30

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JANUARY 24TH 1939

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

	Month of December 1938	Month of November 1938	Twelve Mos. ended Dec. 31st 1938	Twelve Mos. ended Dec. 31st 1937
<u>LEAD REFINING DEPARTMENT:</u>				
Gross Profit	\$ 3,800	\$ 4,347	\$ 53,120	\$ 124,342
Depreciation	<u>790</u>	<u>712</u>	<u>7,960</u>	<u>14,190</u>
Total	\$ 4,470	\$ 5,066	\$ 61,080	\$ 135,612
Shutdown Expenses	<u>-</u>	<u>-</u>	<u>27,490</u>	<u>-</u>
Net Income	\$ <u>4,470</u>	\$ <u>5,066</u>	\$ <u>33,590</u>	\$ <u>135,612</u>
<u>ZINC OXIDE DEPARTMENT:</u>				
Sales of Zinc Oxide	\$176,277	\$201,123	\$1,690,290	\$2,173,780
Cost of Sales	<u>163,841</u>	<u>187,871</u>	<u>1,633,112</u>	<u>2,753,774</u>
Income - Before Depreciation	\$ 10,436	\$ 13,250	\$ 57,178	\$ 380,414
Depreciation	<u>2,878</u>	<u>1,390</u>	<u>28,071</u>	<u>38,545</u>
Net Income - Before Shutdown Expenses	\$ 7,558	\$ 9,920	\$ 29,107	\$ 613,759
Shutdown Expenses - Akron Plant	<u>1,990</u>	<u>1,190</u>	<u>15,633</u>	<u>-</u>
Net Income	\$ <u>5,568</u>	\$ <u>8,770</u>	\$ <u>13,474</u>	\$ <u>613,759</u>
Pounds of Zinc Oxide Sold	3,032,645	3,316,870	29,705,485	41,557,278
Sales Price	5.814¢	5.719¢	5.690¢	5.231¢
Cost of Sales	5.363¢	5.437¢	5.592¢	6.720¢
<u>WHITE LEAD DEPARTMENT:</u>				
Sales of Lead Products	\$ 67,974	\$ 70,083	\$ 948,662	\$1,293,862
Cost of Sales	<u>69,087</u>	<u>71,809</u>	<u>987,162</u>	<u>1,455,362</u>
Income - Before Depreciation	\$ 1,653	\$ 1,786	\$ 58,507	\$ 38,500
Depreciation	<u>2,126</u>	<u>1,743</u>	<u>28,493</u>	<u>35,261</u>
Net Income	\$ <u>1,177</u>	\$ <u>3,543</u>	\$ <u>30,014</u>	\$ <u>3,239</u>
Pounds of White Lead Sold	913,487	873,803	9,112,938	12,403,594
Sales Price	6.322¢	6.115¢	6.242¢	6.881¢
Cost of Sales	6.236¢	6.138¢	6.486¢	6.855¢

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JANUARY 24, 1939

NET CURRENT AND OTHER ASSETS - DECEMBER 31, 1938

CURRENT ASSETS:

Supplies					\$ 709,651
Metals:					
In Process					1,613,149
Finished:					
Lead	14,187,991	lbs. @	4.4864	\$ 636,460	
Copper	48,128,068	lbs. @	9.4899	4,538,323	
Silver	1,885,008	ons. @	48.8486	920,774	
Gold	12,319,364	ons. @	334.084	419,947	
By-Products				403,038	
				<u>46,918,542</u>	
Less - Reserve for Freight and Refining Charges				328,590	6,579,992
Manufactured Products:					
Lead Products				\$ 274,800	
Zinc Oxide - Finished				330,000	
Refined Copper Works - Electro Sheet				<u>25,064</u>	829,264
Accounts Receivable:					
Tolls				\$ 670,795	
Zinc Oxide				189,271	
Mountain City Copper Company				341,398	
Walker Mining Company				403,173	
Others				<u>368,089</u>	1,972,668
Marketable Securities - at cost					441,158
C & S					<u>212,067</u>
					<u>\$12,177,929</u>

CURRENT LIABILITIES:

Taxes				\$ 48,767	
Interest				32,224	
Accounts Payable:					
Inter-company:					
Anasconda Sales Company - Current Account				1,409,014	
Anasconda Sales Company - Note Payable				3,000,000	
Anasconda Copper Mining Company - Note Payable				2,250,000	
Other				14,580	
Other Accounts Payable				1,042,886	
Wages Payable				<u>72,773</u>	9,889,246

BALANCE - NET CURRENT ASSETS

\$ 2,288,683

OTHER ASSETS:

Advances to sundry mining companies including advances on ores, less reserve				\$ 147,939	
Installment House and land sales and other accounts receivable, less reserve				<u>80,367</u>	228,306

BALANCE - NET CURRENT AND OTHER ASSETS

\$ 2,516,989

INTERNATIONAL MELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JANUARY 24, 1939
SALTS, DELIVERIES AND PRODUCTION - ALL DEPARTMENTS

	<u>Month of</u> <u>December</u> <u>1938</u>	<u>Twelve Mos.</u> <u>ended Dec.</u> <u>31, 1938</u>	<u>Twelve Mos.</u> <u>ended Dec.</u> <u>31, 1937</u>	<u>Percent</u> <u>Increase</u> <u>Decrease</u>
<u>SALTIER PRODUCTION</u>				
Copper - Lbs. - Totals	2,916,909	16,884,443	31,384,251	68.3
- Miami	<u>3,891,891</u>	<u>34,773,102</u>	<u>106,299,488</u>	67.3
	<u>6,808,800</u>	<u>51,657,547</u>	<u>137,683,679</u>	67.6
Lead - Lbs. - Totals	3,526,428	44,756,048	70,790,392	-33.9
<u>SCRAP COPPER RECEIVED AT</u> <u>PENNY ARROW</u>				
Recoverable Content - Lbs.	6,030,170	37,627,334	88,309,999	57.5
<u>REFINERY PRODUCTION</u>				
Copper - Lbs.	40,466,641	249,899,480	497,212,103	45.3
Lead - Lbs.	3,709,687	39,136,497	108,436,630	42.8
Silver - Oms.	1,111,492	10,802,869	16,189,216	37.4
Gold - Oms.	16,660	142,934	189,702	44.0
<u>SALTS</u>				
Copper - Lbs.	30,721	36,362,870	68,633,136	47.6
Lead - Lbs.	3,171,933	60,684,294	87,956,363	31.0
<u>DELIVERIES</u>				
Copper - Lbs.	2,604,947	33,189,671	84,632,146	57.2
Lead - Lbs.	3,921,277	60,868,768	95,176,239	36.0
<u>ZINC OXIDE</u>				
Production - Lbs.	3,022,800	26,612,631	43,053,371	38.2
Deliveries - Lbs.	3,021,800	29,621,368	42,049,022	29.4

Purchases:-
Refinery Receipts
Net Weight:
Tons

25742

COMMISSION:-

Charges to International Smelting and Refining Company
on Delivered Sales of Copper during year ended
December 31, 1938, against Scrap Copper Intake -

29,520,951 pounds @ \$2.50 per ton = \$36,901.21

RECEIVED
JAN 24 1939
E. O. SOWERWINE

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