

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JUNE 25, 1940
ESTIMATED NET INCOME

	Month of May 1940	Month of April 1940	Five Mos. ended May 31, 1940	Five Mos. ended May 31, 1939
Smelting Department	\$ 60,730	\$ 74,643	\$ 371,585	\$ 92,003
Marion Copper Works:				
Refinery Department	192,582	183,346	953,412	505,501
Secondary Department	3,866	3,866	22,218	149,673
Lead Refining Department	4,500	14,445	65,062	84,422
Cine Oxide Department	1,905	1,905	17,691	17,691
White Lead Department				
Total	\$219,777	\$273,482	\$1,401,950	\$846,607
Add - Miscellaneous income	2,660	2,660	13,151	17,585
	\$222,437	\$276,142	\$1,415,101	\$864,192
<u>DEDUCT:</u>				
Administrative Expenses	\$ 5,000	\$ 5,371	\$ 28,722	\$ 34,426
Miscellaneous Taxes	-	243	606	779
Capital Stock Tax	892	892	4,460	4,460
Silver affidavit adjustment	-	-	-	39,215
Interest:				
Six Percent Debentures	40,000	40,000	200,000	200,000
Anasconda Copper Mining Company	9,375	9,375	46,875	46,875
Anasconda Sales Company	6,250	6,250	31,250	32,915
	\$ 61,517	\$ 62,131	\$ 311,913	\$398,670
	\$160,920	\$214,011	\$1,103,188	\$465,522
Less - Depreciation	71,065	75,620	364,928	296,800
	\$ 89,855	\$138,391	\$ 738,260	\$168,722
Less - Federal Income Tax	17,100	26,300	140,300	32,100
<u>NET INCOME</u>	\$ 72,755	\$112,091	\$ 597,960	\$136,642
Add - Net income of Subsidiary Companies	32	32	32	32
<u>CONSOLIDATED NET INCOME</u>	\$ 72,696	\$112,032	\$ 597,419	\$136,364

CONSOLIDATED SURPLUS ACCOUNT

<u>BALANCE</u> - January 1, 1940		\$ 1,000,000
<u>ADD</u> - Net Income - Five Months ended May 31, 1940		597,419
<u>BALANCE</u> - MAY 31, 1940		\$ 1,597,419

INTERNATIONAL SMELTING AND REFINING COMPANY

MEMORANDUM FOR DIRECTORS' MEETING - JUNE 25TH 1940

ESTIMATED NET INCOME - SMELTING DEPARTMENT

	Month of May 1940	Month of April 1940	Five Months ended May 31st 1940	Five Months ended May 31st 1939
Tooele Lead Plant	\$ 17,093	\$ 20,477	\$ 85,500	\$ 4,700
Tooele Copper Plant	14,508	11,685	85,651	59,312
Tooele Pulverize Concentrator	10,408	7,303	52,070	4,430
Ophir Mill Plant	9,500	21,053	116,824	71,041
Miami Plant	18,000	22,942	70,527	2,045
	<u>\$ 69,509</u>	<u>\$ 83,460</u>	<u>\$410,572</u>	<u>\$126,062</u>
Deduct -				
Tramway Operations	\$ 350	\$ 350	\$ 1,773	\$ 4,500
Outside Exploration	3,200	3,200	16,807	14,600
Selling Commission	3,079	3,917	13,611	8,539
Shutdown Expenses:				
Oxide Concentrator	750	750	3,759	3,680
Rico Concentrator	600	600	3,037	2,740
	<u>\$ 8,779</u>	<u>\$ 8,817</u>	<u>\$38,987</u>	<u>\$34,059</u>
	<u>\$ 60,730</u>	<u>\$ 74,643</u>	<u>\$371,585</u>	<u>\$ 92,003</u>
Less: Depreciation	<u>29,703</u>	<u>33,349</u>	<u>146,931</u>	<u>123,854</u>
<u>NET INCOME</u>	<u>\$ 31,027</u>	<u>\$ 41,294</u>	<u>\$224,654</u>	<u>\$ 11,151</u>

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTOR'S MEETING - JUNE 25TH 1940
REVIEWING THE INCORP. - SMITH HILL OPERATIONS

	<u>Month of</u> <u>May</u> <u>1940</u>	<u>Month of</u> <u>April</u> <u>1940</u>	<u>Five months</u> <u>ended May</u> <u>31st 1940</u>	<u>Five months</u> <u>ended May</u> <u>31st 1939</u>
Concentrator Sales	\$ 45,787	\$ 49,959	\$271,461	\$209,527
Cost of Sales	<u>36,287</u>	<u>28,906</u>	<u>154,637</u>	<u>137,866</u>
Operating Profit	\$ 9,500	\$ 21,053	\$116,824	\$ 71,661
Depreciation	<u>8,000</u>	<u>8,700</u>	<u>43,935</u>	<u>40,847</u>
<u>NET INCOME</u>	<u>\$ 1,500</u>	<u>\$ 12,353</u>	<u>\$ 72,889</u>	<u>\$ 30,814</u>

Note: Investment of International Smelting and Refining Company in the above plant at May 31st 1940 amounted to 141,350 (Depreciated Value \$43,443).

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JUNE 27TH 1940
ESTIMATED NET INCOME - HARBIN COPPER WORKS

	Month of May 1940	Month of April 1940	Five Months ended May 31st 1940	Five Months ended May 31st 1939
<u>REFINERY DEPARTMENT:</u>				
Profit on Tolls	\$141,672	\$113,493	\$ 562,861	\$ 345,618
Profit on Premiums	36,500	50,969	321,349	126,219
Profit on Sales	5,193	4,940	23,385	11,783
Electro-Chest Department			2,322	8,320
	\$182,409	\$169,080	\$ 904,162	\$ 491,940
Add - Miscellaneous Earnings	11,273	15,238	55,046	27,888
	\$193,682	\$184,318	\$ 959,208	\$ 519,828
Deduct - General Expenses	\$ 1,000	\$ 972	\$ 5,796	\$ 6,621
Experimental Expenses				7,706
	\$ 1,000	\$ 972	\$ 5,796	\$ 14,327
	\$192,682	\$183,346	\$ 953,412	\$ 505,501
Less - Depreciation	30,572	31,772	165,033	109,696
<u>NET INCOME</u>	<u>\$162,010</u>	<u>\$151,574</u>	<u>\$ 788,377</u>	<u>\$ 395,805</u>
<u>SECONDARY METAL DEPARTMENT:</u>				
Proceeds of Copper Deliveries	\$501,049	\$413,181	\$2,502,035	\$1,710,853
Value of Copper Deliveries	545,710	626,545	2,560,157	1,745,859
Copper Profit	\$ 4,339	\$ 84,636	\$ 51,878	\$ 34,994
Operating Profit	14,963	17,230	80,340	184,679
	\$ 14,963	\$ 17,230	\$ 80,340	\$ 184,679
Less - Depreciation	2,992	3,045	14,467	16,753
<u>NET INCOME</u>	<u>\$ 11,971</u>	<u>\$ 14,185</u>	<u>\$ 65,873</u>	<u>\$ 167,926</u>
Pounds of Copper Delivered	4,562,877	5,156,123	21,211,172	16,200,997
Profit per pound				
Pounds of Copper Produced	4,011,841	4,546,507	23,897,850	23,622,173
Operating Profit per pound	.373¢	.379¢	.536¢	.782¢

INTERNATIONAL SMELTING AND REFINING CORP. NY

MEMORANDUM FOR DIRECTOR'S OFFICE - JUN 25TH 1940

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

	Month of May 1940	Month of April 1940	Five Months ended May 1st 1940	Five Months ended May 1st 1939
<u>LEAD REFINING DEPARTMENT:</u>				
Operating Income	\$ 4,500	\$ 14,445	\$ 65,062	\$. . .
Less - Depreciation	2,500	3,043	16,018	4,688
<u>NET INCOME</u>	<u>\$ 2,000</u>	<u>\$ 11,402</u>	<u>\$ 49,044</u>	<u>\$ 7,371</u>
<u>ZINC OXIDE DEPARTMENT:</u>				
Sales of Zinc Oxide	\$147,958	\$172,164	\$773,683	\$902,833
Cost of Sales	157,860	174,055	775,720	813,092
Less - shutdown expenses - Iron lost	540	330	1,328	5,319
Less - Depreciation and Amortization	2,518	2,760	12,436	23,067
<u>NET INCOME</u>	<u>\$ 8,600</u>	<u>\$ 15,019</u>	<u>\$ 783,999</u>	<u>\$ 64,355</u>
Pounds of Zinc Oxide Sold	2,651,014	2,404,890	13,070,849	15,319,437
Sales Price	5.55¢	5.92¢	5.96¢	5.84¢
Cost of Sales	5.58¢	5.99¢	5.91¢	5.30¢
<u>PITS LEAD DEPARTMENT:</u>				
Sales of Lead Products	\$106,851	\$ 61,894	\$314,455	\$351,001
Cost of Sales	104,946	62,491	321,539	333,310
Less - Depreciation	1,905			17,691
Less - Amortization	2,780	1,653	8,326	7,530
<u>NET INCOME</u>	<u>\$ 7,220</u>	<u>\$ 16,750</u>	<u>\$ 84,590</u>	<u>\$ 92,470</u>
Pounds of Lead Products Sold	1,344,723	793,735	4,009,046	4,577,943
Sales Price	7.94¢	7.77¢	7.84¢	7.64¢
Cost of Sales	7.84¢	7.87¢	8.02¢	7.25¢

INTERNATIONAL SMELTING AND REFINING COMPANY

STATEMENT FOR DIRECTORS MEETING - DECEMBER 29TH 1940

NET CURRENT AND OTHER ASSETS - DECEMBER 31ST 1940

CURRENT ASSETS:

Supplies				619,192
Metals:				
In Process				1,304,634
Finished:				
Lead	12,106,179 lbs.	4.7946	\$ 580,444	
Copper	42,046,211 lbs.	7.4349	3,770,521	
Silver	2,314,873 ozs.	52.6176	1,216,972	
Gold	28,440 ozs.	134.064	96,785	
By-products			576,189	
			<u>7,112,911</u>	
Reserve for Freight and Refining Charges			432,260	6,677,051
Manufactured Products:				
Lead Products			\$ 345,966	
Zinc Oxide - Finished			442,800	
Refined Copper - Electrolytic			<u>20,723</u>	809,489
Accounts Receivable:				
Inco Smelting Company - Current account			\$1,761,345	
Tolls			753,843	
Zinc Oxide			138,280	
Mountain City Copper Company			19,782	
Silver Mining Company			646,652	
Others			<u>341,008</u>	3,663,110
Cash				<u>397,156</u>
				<u>13,671,232</u>

CURRENT LIABILITIES:

Taxes			\$ 346,674	
Interest			302,349	
Accounts Payable:				
Inter-company -				
Inco Smelting Company - Note Payable			5,000,000	
Inco Smelting Company - Note Payable			2,250,000	
Other			20,826	
Other accounts payable			1,493,927	
Wages payable			<u>94,002</u>	9,515,838
<u>BALANCE - NET CURRENT ASSETS</u>				<u>4,155,394</u>

OTHER ASSETS:

Advances to sundry mining companies, including advances on ores, less reserve			74,714	
Installment house and land sales and other accounts receivable - less reserve			<u>51,656</u>	<u>126,370</u>
<u>BALANCE - NET CURRENT AND OTHER ASSETS</u>				<u>4,302,964</u>

INTERNATIONAL SMELTING AND REFINING COMPANY
MEMORANDUM FOR DIRECTORS' MEETING - JUNE 27TH 1940
VALUE, DELIV. RECD. AND PRODUCTION - ALL DEPARTMENTS

	Month of May 1940	Five Months ended May 31st 1940	Five Months ended May 31st 1939	Percent. Increase over 1939
<u>SULFUR PRODUCTION</u>				
Copper - lbs. - Tonsels	3,614,485	18,765,305	15,070,946	21.2
- "Lead"	3,198,081	23,710,832	24,249,365	.
	<u>6,812,566</u>	<u>41,776,137</u>	<u>39,320,311</u>	6.8
Lead - lbs. - Tonsels	6,588,605	27,689,949	19,695,766	40.6
<u>CRAP COPPER RECEIVED AT NEW ALLOY</u>				
Recoverable contents - lbs.	3,623,870	22,293,969	19,562,788	13.9
<u>REFINERY PRODUCTION</u>				
Copper - lbs.	37,826,769	218,966,844	159,131,746	41.1
Lead - lbs.	5,726,828	39,729,100	33,558,666	18.7
Silver - ozs.	1,525,773	7,064,352	5,173,300	36.5
Gold - ozs.	22,252	117,798	78,434	50.2
<u>SALES</u>				
Copper - lbs.	4,340,435	20,384,201	18,290,484	11.4
Lead - lbs.	4,402,550	28,695,616	32,277,720	22.1
<u>DELIVERIES</u>				
Copper - lbs.	5,007,877	22,737,625	16,778,842	35.5
Lead - lbs.	5,420,166	28,975,794	30,113,245	.
<u>MINING CRUDE</u>				
Production - lbs.	2,310,400	13,855,686	15,601,856	.
Deliveries - lbs.	2,651,400	13,092,324	15,321,809	.

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