ANACONDA COPPER MINING COMPANY
25 BROADWAY
NEW YORK

To the Shareholders of the
Anaconda Copper Mining Company:

FEDERAL TAX QUESTION

There has been some publicity regarding Federal Income tax matters of the copper companies, including your Company, in connection with the investigation of the Senate Committee into the administration of the Bureau of Internal Revenue. The following statement is submitted:

In February 1920 an exhaustive investigation of the taxes paid by your Company was conducted, after which, upon the submission of all the facts in connection with the business of the Company and its accounts, the Treasury Department made necessary findings and reached an agreed final settlement of this Company's taxes for the year 1917 and previous years. The taxes for 1918 were also disposed of subject to the final ascertainment of the 1919 deductible loss. The entire issue now presented is as to whether valuations for subsequent years will be disturbed because engineers, who participated in the original valuation and who determined the basis of valuation, or their successors in office, have changed their opinions regarding certain factors which enter into the valuation. There is no question as to the honesty, fairness and finality of the original valuations. As Secretary Mellon has publicly stated:

> "Taxes for 1917 and 1918 were assessed and paid by the companies on the basis of these valuations and the companies were informed that the valuations were final." * *
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> * * * * * * * * * * * * * * * * *
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> "The original valuation for 1917 and 1918 was made by competent authorities and was an honest expression of judgment. The taxpayers had considered their taxes for 1917 and 1918 closed and arranged their finances accordingly. To reopen them at this late date would have upset an entire industry. The Department, therefore, took the position that the 1917 and 1918 taxes having been finally settled and paid, it would not extend the revaluation to these years, but would commence with the year 1919, for which year and subsequent years taxes had not yet been determined. It was felt that the Department should not substitute its present judgment for the honest judgment of those officials of the prior administration who were formerly in authority in the Treasury and who had finally closed the cases for 1917 and 1918."

It is the unanimous opinion of counsel for this Company, as well as of counsel for many of the other large producers who have been consulted in regard to the matter, that under the law and regulations the valuations arrived at are final and cannot be disturbed. It is the belief of the officers of your Company that it has paid all the taxes that can be fairly claimed and that when the Department is in a position to consider and close the subject for years subsequent to 1918, there will be no substantial change in the amount of taxes which have been paid by the Company.

JOHN D. RYAN,
Chairman of the Board.

CORNELIUS F. KELLEY,
President.

NEW YORK, May 4, 1925.

PNYC00009613

Anaconda Copper Mining Company

CAPITAL STOCK

December 31, 1924

Authorized,	6,000,000 shares, $50 each	$300,000,000
Issued,	3,000,000 shares, $50 each	150,000,000

OFFICERS

Chairman of the Board . .	JOHN D. RYAN.
President	CORNELIUS F. KELLEY
Vice-President	BENJAMIN B. THAYER
Vice-President	JAMES R. HOBBINS
Secretary and Treasurer . .	ALBERT H. MELIN
General Auditor	ROBERT E. DWYER
Assistant Secretary	RALPH D. COLE
Assistant Treasurer	DAVID B. HENNESSY

DIRECTORS

Percy A. Rockefeller	John D. Ryan
Benjamin B. Thayer	Cornelius F. Kelley
George H. Church	Charles F. Brooker
Nicholas F. Brady	Andrew J. Miller

Albert H. Melin

OFFICES

Anaconda, Montana
25 Broadway, New York

PNYC00009614

To the Shareholders of the Anaconda Copper Mining Company:

The year 1924 established a high record for both production and consumption in the world's copper industry. It is estimated that production exceeded 3,000,000,000 pounds and that consumption exceeded production by approximately 30,000,000 pounds. The domestic consumption reached an approximate total of 1,472,000,000 pounds, nearly 100,000,000 pounds in excess of that of the prior year. Exports from North America and South America also reached a new record, aggregating 1,130,000,000 pounds, an increase of nearly 300,000,000 pounds over that of the previous year.

Notwithstanding a balanced position as between production and consumption, owing to the intensively active competition of the large selling agencies both at home and abroad, the price ruled at an exceedingly low figure throughout the year, the average as reported by the Engineering and Mining Journal-Press being 13.024c per pound, compared with 14.421c for the preceding year. Your Company did not sell copper except in manufactured form in domestic trade during the year, as its entire output aside from exports was taken by its manufacturing plants at Great Falls and those operated by The American Brass Company.

Gross income from sales and royalties for your Company amounted to $166,467,901.80 for the year. Operating profit and income from investments amounted to $21,744,965.25. Net profit, after deducting all charges, depreciation, bond discount, etc., amounted to $6,719,215.49.

Corporate Transactions

During the year, the more important corporate transactions were:

1. The purchase by your Company for the sum of $3,000,000, of all of the physical property and assets of the Davis-Daly Copper Company. This Company, which owned 200 acres of mining ground in the heart of the Butte district together with other outside mining claims, had been engaged in expensive litigation with your Company over the ownership of a large number of veins and ore bodies. As a result of the above transaction, all litiga-

tion was settled and in addition to clearing title to the ore bodies in question, your Company acquired a large area of undeveloped mining ground which may contain additional veins and ore bodies.

2. During the year, your Company purchased for $1,000,000, all shares of the Butte, Anaconda & Pacific Railway Company held by outside interests, and now owns all the issued stock of this Corporation. The accounts of the Railway Company are, therefore, included in the consolidated statement at the end of this report.

Andes Copper Mining Company

3. With an increasing consumption of copper and prospects that this growth will continue, it was deemed necessary to finance this large subsidiary that it might be placed upon an operating basis. The Andes Copper Mining Company, therefore, issued and sold $40,000,000 Convertible 7% Debentures, maturing January 1, 1943. Each $1000 Debenture is convertible at any time into 44 shares of stock. This fund is estimated to amply cover cost of constructing the metallurgical plants with all necessary water and power lines, townsite, railway equipment, development of mine for daily production of 12,500 tons sulphide and 7,500 tons oxide ore, working capital for the completed property and for other corporate purposes. It is anticipated that construction of the plant for treatment of sulphide ore to produce 117,000,000 pounds copper annually, will require from two to two and one-half years. The plant for treatment of oxide ores should be completed two years later, increasing output of copper, as estimated, to 190,548,000 pounds per year. Operating cost has been estimated at 6.672c per pound, and, with the higher price which should prevail with the increasing demand, should show your Company a satisfactory profit on its investment in this enterprise.

Mines Investment Corporation

4. This Company, all of the stock of which is owned by your Company, increased its holdings of stock of the Inspiration Consolidated Copper Company, purchasing 65,700 shares at a cost of $1,581,305.00. The Mines Investment Corporation now owns 363,000 shares of the Inspiration Company, out of a total issue of 1,181,967 shares.

Construction

During the year, in addition to renewals, replacements and repairs, there was expended by your Company and its subsidiaries, the sum of $4,578,399.04 upon new plants and plant extensions. The principal items covered were a new wire mill at Kenosha, the re-building of the casting shop at the Buffalo plant, the enlargement of the zinc plant at Great Falls and the remodeling of the concentrator acquired from the Utah Consolidated Mining Company at Tooele, Utah, so as to adapt it to the treatment of zinciferous ores.

Copper Department

Mines

The mines of the Company produced during the year 3,092,151.32 tons of ore. 6,654.26 tons of precipitates were produced from the water pumped from the mines.

Concentrator and Smelter

At the concentrator there were treated 3,079,178.21 tons of ore, 78,752.50 tons of copper tailings, and 55,880.36 tons of zinc-silver tailings.

The Anaconda Reduction Works treated for all companies 3,312,774.65 tons of ore. Of the total amount, 3,017,416.70 tons of ore were produced by the mines of the Company; 212,319.48 tons of ore were either purchased from or treated for other companies; 19,659.05 tons of material were shipped from the old plants at Anaconda and Great Falls, and 63,379.42 tons from the Great Falls zinc plant.

There were produced 238,823,149 pounds of fine copper, 8,383,591.44 ounces silver. and 37,688.812 ounces gold. Of this production 238,247,038 pounds fine copper, 8,345,-841.35 ounces silver and 37,688.812 ounces gold were produced for your Company.

Refineries

The Copper refinery at Great Falls produced during the year 209,966,554 pounds of cathodes, of which 202,877,392 pounds were melted into shapes at that point.

The Raritan Copper Works at Perth Amboy, N. J., refined 406,548,498 pounds fine copper, 20,037,558.48 ounces silver and 117,520.023 ounces gold.

Rod and Wire Mill

The mill at Great Falls rolled into rods 107,931,230 pounds of copper. 40,101,844 pounds of rods were drawn into wire, of which 15,559,986 pounds were made into strand.

Zinc Department

Mines

The Butte Mines of the Company produced 58,665.92 wet tons of zinc ore.

Zinc Reduction Works

The plants at Anaconda and Great Falls treated 599,275.09 tons of ore and other zinciferous material. Of this amount 58,228.69 tons were produced by mines of the Company and 541,046.40 tons of ore and concentrates were purchased.

The electrolytic plant at Great Falls produced 154,390,391 pounds zinc, 5,433,330 pounds of zinc in dross, and residue from which there were recovered 23,810,201 pounds lead, 1,892,097 pounds copper, 3,628,862.52 ounces silver and 5,603.687 ounces gold.

The capacity of this plant was increased to 180,000,000 pounds per annum.

Miscellaneous Products

Lumber

The sawmill at Bonner cut 80,000,879 feet of lumber and purchased 3,320,758 feet, of which 49,390,307 feet were shipped to the departments of the Company, 31,689,089 feet were sold commercially, 374,811 feet were used at the mill for repairs and construction, and 2,720,579 feet were supplied to the factory for manufacturing, or a total disposition of 84,174,786 feet; decreasing the stocks of finished lumber on hand by 853,149 feet; making a stock on hand at December 31, 1924, of 63,628,460 feet.

Coal

At Diamondville, Wyoming, 472,449.82 tons of coal were produced; 280,111.77 tons were shipped to other departments of the Company; 156,409.90 tons were sold commercially, and 35,928.15 tons were used at the coal mines.

At Washoe, Montana, 199,065.80 tons of coal were produced; 70,697.90 tons were shipped to other departments of the Company; 126,963.90 tons were sold commercially and 1,404.00 tons were used at the coal mines.

At Sand Coulee, Montana, 21,179.20 tons of coal were produced; 15,919.00 tons shipped to other departments of the Company; 5,158.20 tons were sold commercially, and 102.00 tons were used at the coal mines.

Arsenic

As a by-product of copper smelting operations, 11,196,409 pounds of arsenic were produced, of which 11,018,967 pounds were refined. During the year 5,920,961 pounds were sold at an average price of 9.400 cents per pound. Of this amount, 118,817 pounds were crude and 5,802,144 pounds were refined.

Sulphuric Acid

The sulphuric acid plant at Anaconda produced 46,396.90 tons of sulphuric acid averaging 60 Deg. Beaume. This was supplied to various departments of the Company.

Fertilizer

The mines at Conda, Idaho, produced 43,201.10 tons of rock, averaging 31.87% P_2O_5. Of this amount 1,423.90 tons were sold and 37,948.42 tons were shipped to Anaconda. The Phosphate Plant at Anaconda produced 20,585.89 long tons of Treble Superphosphate averaging more than 45.5% P_2O_5. An aging shed has been added to this plant improving the grade of the product by nearly 2% P_2O_5.

Metal Roofing

Development of the new copperclad shingle has been continued successfully, and a plant at Rutherford, New Jersey, was completed and is now being extended. It is estimated that production will reach 300 squares per day by the end of this year.

Sale and distribution of these shingles in the United States and the Dominion of Canada is under the management of the Flintkote Company which owns the basic patents for the strip shingles upon which the copper is deposited and which, because of its established position in the roofing business and widely distributed sales organization, is equipped to handle the business efficiently and economically.

Butte, Anaconda & Pacific Railway Company

The Railway transported 5,386,961 tons of ore and other freight, and 32,026 passengers. The gross revenues were $1,723,291.11; rental and miscellaneous receipts $26,988.21; operating expenses $1,349,863.43; taxes, interest and the rental of leased lines $240,781.43; net income $159,634.46.

International Smelting Company

On January 27, 1922, the International Smelting Company loaned the Utah Consolidated Mining Company $1,300,000, taking a mortgage on the properties of that Company, located in the Bingham, Utah, mining district. This was done to permit appeal by the mining company from judgment of the United States District Court awarding to the Utah Apex Mining Company title to certain ore bodies and damages amounting to $1,276,282.95. As a result of confirmation of judgment by the higher court, the Utah Consolidated was unable to meet its obligations. Its stockholders failed to enter into a plan of reorganization that was submitted by the Company. A receiver was appointed and the property sold under foreclosure proceedings March 31, 1924.

The mines and equipment were purchased by the Utah-Delaware Mining Company, all the stock of which is owned by International Smelting Company.

The concentrator was purchased by the International Smelting Company and has been remodelled for the treatment of zinc ores.

International, Utah

The concentrator plant treated 149,943.29 tons of copper and zinciferous ores, from which there were produced 24,797.62 tons of concentrates, of which 3,075.18 dry tons were zinc concentrates, which were shipped to the electrolytic zinc plant at Great Falls.

The Copper Plant treated 97,057.11 tons of ore and concentrates, from which there were produced 28,378,326 pounds fine copper, 1,841,984.39 ounces silver and 19,879.386 ounces gold.

The Lead Plant treated 164,521.24 tons of ore and concentrates, from which there were produced 75,967,432 pounds lead, 3,897,138.58 ounces silver and 8,146.500 ounces gold. From the treatment of fume and flue dust there were obtained 500.84 tons crude arsenic, averaging 92.15% As_2O_3.

The Tooele Valley Railway Company handled during the year 454,792 tons of ore and miscellaneous freight.

Miami, Arizona

At the Miami smelter there were treated for other companies 371,849.75 tons of concentrates and purchased ores, from which there were produced 185,351,537 pounds copper, 410,937.35 ounces silver and 7,749.717 ounces gold.

International Lead Refining Company

Lead Refinery

The refinery at East Chicago, Indiana, treated 57,479.23 tons of purchased ore and bullion, from which there were produced 105,637,507 pounds common lead, 5,930,688 pounds antimonial lead, 5,907,412.43 ounces silver and 18,112.925 ounces gold.

Zinc Oxide

During the year, plant capacity was increased both at East Chicago, Indiana, and Akron, Ohio. All operations were satisfactory throughout the year.

Production of merchantable zinc oxide at East Chicago amounted to 12,153,418 pounds.

At Akron, the production of merchantable zinc oxide amounted to 29,730,677 pounds.

Anaconda Lead Products Company

The plant at East Chicago was operated during the year.

There were produced 13,757,905 pounds barrelled white lead, of which 12,355,979 pounds were sold.

Walker Mining Company

Operations at the mine were conducted throughout the year. 251,492 tons of ore were broken. The new concentrator fully met expectations, yielding an average recovery of 95.84%. 205,903.40 tons of ore, averaging 3.268% copper, were treated, from which 25,314.64 tons of concentrates, averaging 24.529% copper, were produced. There were delivered to the smelter and sold 25,747.35 tons of concentrates containing 12,659,429 pounds copper, 217,764.28 ounces silver, and 8,216.408 ounces gold.

Arizona Oil Company

During the year, the Arizona Oil Company produced 353,026 barrels of oil. No dividends were paid.

The American Brass Company

The output of manufactured products of the various plants established a new record of 519,749,665 pounds of copper, brass and nickel silver, the manufacture of which was distributed among the various plants as follows:

Ansonia	149,679,858
Buffalo	53,218,057
Hastings	87,999,690
Kenosha	74,134,185
Torrington	53,833,156
Waterbury	90,376,739
Toronto	10,507,980
	519,749,665

The Copper Wire Mill at Kenosha was completed, and the first wire drawn on April 17, 1924.

The Tube Mill at Torrington was practically reconstructed during the year, although kept in operation continuously.

At Buffalo, the old Casting Shop buildings were reconstructed and a modern metal storage, weighing out system and electric melting furnace equipment were installed and placed in operation.

The demand for Anaconda products has been greatly increased by more extensive advertising; as an instance, the sale of "Anaconda" brass pipe was 96% in excess of 1923 output and more than six times 1920 sales.

South American Companies

With the exception of a small amount of work in advancing the Pedernales tunnel, on the La Ola water line, a distance of 475 feet, and the obtaining of data relative to the available water in Pedernales Lake, the property of the Andes Copper Mining Company at Potrerillos, Chile, was on a shut down basis.

In the development of mining plans it was found possible to eliminate certain small zones of low grade material included in the ore body. Recalculation of the ore reserve on this basis gave a tonnage of 137,400,000 assaying 1.51% copper.

There was no change in the condition of the Santiago Mining Company's affairs.

There is enclosed herewith for your information a copy of the annual report of the Chile Copper Company.

Attached hereto is also a Consolidated Balance Sheet showing the financial condition of the Company and its subsidiary corporations at the close of business December 31, 1924, and an income statement for the year, both certified to by Messrs. Pogson, Peloubet & Company, Certified Public Accountants.

JOHN D. RYAN,
Chairman of the Board.

CORNELIUS F. KELLEY,
President.

New York, N. Y., May 4, 1925.

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies
Consolidated Balance Sheet—31st December, 1924

ASSETS

FIXED:		
Mines and Mining Claims, Coal Mines, Timber Lands, Phosphate Deposits, Water Rights and Lands for Reduction Works and Refineries, etc.	$129,375,264.61	
Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks, Railroads, etc.	117,609,951.15	
Investments in sundry companies	98,441,422.90	$345,426,638.66
DEFERRED charges and discount on bonds		12,791,606.31
CURRENT:		
Supplies on hand, advances on Ores and Expenses prepaid	$18,859,538.30	
Metals and Manufactured Products in process and on hand—at cost	46,645,598.28	
Accounts Receivable	19,429,768.96	
Marketable Securities	9,332,105.90	
Cash	7,263,674.35	101,530,685.79
		$459,748,930.76

We have examined into the affairs of Anaconda Copper Mining Company and of its Subsidiary Companies and have verified the Assets, Liabilities and Income shown above. The Net Income is after deducting all Development expenditure of the year, Depletion of Coal and Timber Lands and Depreciation of Plants and Equipment.

We hereby certify that this Balance Sheet shows the financial condition at 31st December, 1924, of the Companies as an aggregate whole and that the accompanying Income Account for the year ending that date is correct as stated.

POGSON, PELOUBET & CO.,
Certified Public Accountants.

New York and Butte, 10th April, 1925.

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies
Consolidated Balance Sheet—31st December, 1924

LIABILITIES

CAPITAL STOCK of Anaconda Copper Mining Company:		
Authorized, 6,000,000 shares of $50.00 each		
Issued 3,000,000 shares		$150,000,000.00
MINORITY INTEREST in Subsidiary Companies		2,014,113.49
BONDS OUTSTANDING:		
First Consolidated Mortgage 6% Series A Sinking Fund Gold Bonds, due 1953	$105,481,000.00	
7% Convertible Debentures, due 1938	50,000,000.00	
Ten Year 6% Series A Secured Gold Bonds, due 1929	16,933,000.00	
Butte, Anaconda & Pacific Railway Co. First Mortgage 5% Sinking Fund Gold Bonds, due 1944	2,574,000.00	174,988,000.00
RESERVE FOR DEPRECIATION		34,447,511.83
CURRENT:		
Notes Payable	$1,000,000.00	
Interest and Taxes Accrued	5,433,422.11	
Accounts and Wages Payable	15,095,218.27	
Dividend payable 16th February 1925	2,250,000.00	23,778,640.38
SURPLUS:		
Balance 31st December 1923	70,051,449.57	
Net Income for the year ending 31st December, 1924, per Income Account annexed	6,719,215.49	
	$76,770,665.06	
Deduct, Dividend No. 86	2,250,000.00	74,520,665.06
		$459,748,930.76

NOTE.—In order to comply with the Government Income Tax requirements for the purpose of computing depletion, an additional valuation of the mining property as of 1st March, 1913, has been recorded upon the books of the Company; but, for the sake of uniformity, the result of those entries has been omitted from the current statements.

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies
Consolidated Income Account—Year Ending 31st December, 1924

EXPENSE

Metals and Manufactured Products in process and on hand at beginning of year	$46,402,342.61
Ores and Metals Purchased	48,601,217.26
Mining, Reduction and Refining of Metals	41,881,198.30
Manufacturing Expenses, including Selling	56,111,299.65
Cost of Merchandise sold and Operation of Public Service Companies	2,171,563.30
Administration and Federal Taxes	1,893,190.13
Balance carried down	16,052,688.83
	$213,113,500.08

Amount charged off this year for Depreciation and Obsolescence		$4,231,422.51
Interest, including discount on bonds, less income from marketable securities		10,806,001.08
Balance, Net Income:		
Carried to foregoing Balance Sheet	$6,719,215.49	
Apportioned to Minority Interest (Loss)	11,673.83	6,707,541.66
		$21,744,965.25

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies
Consolidated Income Account—Year Ending 31st December, 1924

INCOME

Sales of Metals and Manufactured Products	$157,657,106.63
Tolls, Royalties, Rentals, etc	5,989,509.70
Sales of Merchandise and Revenue from Public Service Companies	2,821,285.47
Metals and Manufactured Products in process and on hand at end of year	46,645,598.28
	$213,113,500.08

Balance brought down	$16,052,688,83
Income from Investments in sundry companies	5,692,276.42
	$21,744,965.25

Chile Copper Company

CAPITAL STOCK

December 31, 1924

Authorized,	5,400,000 shares, $25 each	. . . . . .	$135,000,000
Issued,	4,391,060 shares, $25 each	. . . . . .	109,776,500

Chile Copper Company and Chile Exploration Company

OFFICERS

Chairman of the Board . . JOHN D. RYAN
President . . . . CORNELIUS F. KELLEY
Vice-President . . . . . . BENJAMIN B. THAYER
Vice-President . . . . . . HERMAN C. BELLINGER
Secretary and Treasurer . . . CHARLES W. WELCH

DIRECTORS

John D. Ryan
Cornelius F. Kelley
Benjamin B. Thayer
George H. Church
Percy A. Rockefeller
Nicholas F. Brady
Charles F. Brooker
Andrew J. Miller
Herman C. Bellinger
Alfred Houston, Resident Director, Chile Exploration Company

Office at 25 BROADWAY, NEW YORK
Mines at CHUQUICAMATA, CHILE

To the Shareholders of
Chile Copper Company:

Following is a consolidated report of the operations and activities of your Company, and of its subsidiary, Chile Exploration Company, which holds the title to all property in South America, and through which the operations are actually conducted.

During the year the Exploration Company operated continuously, producing 212,325,972 pounds of Electrolytic Copper at a cost delivered of 7.992 cents per pound, including depreciation, all taxes, interest and discount on bonds, but not including depletion.

There was expended during the year in construction and extensions for capital account the sum of $3,650,015.54. Charges to obsolescence, profit and loss, etc., amounted to $1,539,685.51, resulting in a net increase in the book value of assets from $140,165,760.92 at December 31, 1923, to $142,276,090.95 as of December 31, 1924.

On December 31, 1924, your Company had on hand in marketable securities and cash $14,910,945.29.

Mining Claims and Government Concessions

During the year 1924 Chile Exploration Company acquired ten additional mining claims and thirty-seven other claims for waste dumps and railroad rights-of-way.

The Company's total holdings of claims in and about Chuquicamata under mining titles as of January 1, 1925, are as follows:

	January 1, 1924		January 1, 1925	
	Number of Claims	Acres	Number of Claims	Acres
Mining Claims	319	2,174	329	2,231
Other Claims	547	7,712	584	8,117
	866	9,886	913	10,348

Mine

Two new benches were opened during the year, namely, Benches "A-1" and "E-4." The total length of all bench faces developed as of December 31, 1924, amounted to 33,304 feet. This compares with 33,430 feet as of December 31, 1923.

Ore mined during the year amounted to a total of 7,227,594 short tons averaging 1.637% copper. The total of all ore shipped from the Mine to the Plant from the start of operations to December 31, 1924, amounts to 36,566,777 tons averaging 1.664% copper.

Waste removal during the year amounted to a total of 5,617,910 short tons averaging 0.41% copper.

In blasting, 22,889 feet of main and auxiliary tunnels and 415,468 feet of churn drill holes were blasted during the year. The drilling equipment was augmented with ten new churn drills making a total of forty-five now in operation.

To provide for the increased traffic new railway connections are being built to the southern outlets of the lower benches.

Plant

A total of 7,221,777 short tons of ore was crushed during the year.

The average leaching extraction obtained from 681 charges treated was 89.73% compared with 90.15% for the previous year.

The Sulphuric Acid Plant has been razed as it is no longer necessary.

The Smelter produced 217,388,000 pounds of copper in marketable shapes during the year.

The following tabulation shows a comparison of the results obtained by quarters:

1924	Ore Crushed Sh. Tons	Average Crushed Per Day	% Copper in Ore Leached Sol. Assay	% Ampere Effic.	% Net Recovery	Pounds Copper Produced
1st quarter	1,767,503	20,316	1.630	86.51	89.87	52,818,112
2nd quarter	1,761,345	21,745	1.618	87.95	87.60	51,072,636
3rd quarter	1,798,409	22,765	1.676	89.90	88.97	51,088,244
4th quarter	1,894,520	22,826	1.621	90.20	90.25	56,665,034
Year	7,221,777	21,884	1.636	88.63	89.20	211,644,026
Delivery Adjustments						4,286
						211,648,312
Reclaimed from Anodes						1,374,992
						213,023,304
Delivered to Anodes						697,332
Production Available for Market						212,325,972

Construction

The principal construction features under way and completed during the year, in addition to the mine railway approaches mentioned above, are as follows:

The new railroad line, six miles long, was completed to connect the Plant with the system of the Antofagasta & Bolivia Railroad.

Eighty 70-ton gondola ore cars and forty air dump waste cars were received, erected, and put into service.

A second solution storage tank, having a capacity of 800 cubic meters, was built at the Electrolytic Tank House.

A new booster type rotary converter, rated at 12,000 amperes at 290 volts, was installed in Sub-Station "A." Two new motor generator sets are also being erected.

A new double circuit tower transmission line was installed parallel to the original Tocopilla transmission line between Kilometer 10 and Chuquicamata. For the time being only one circuit of 3/0 copper has been strung, thus duplicating the original layout. The new line went into service November 2.

A second pipe line for supplying water for plant needs is being installed, duplicating and paralleling the original San Pedro line. With the completion of this second line we should have available about 16,000 tons per day of so-called "salt water."

The school house in the Chilean village was enlarged 50% as a boys' school and a second school for girls was constructed.

In the Chilean village a club house is being built which will serve as a meeting place for all the Chilean societies.

Additional workmen's quarters are also being built.

In Tocopilla a second traveling screen has been installed at the condenser water intake works. The construction of an additional boiler house and the erection of two new 1350 H. P. boilers is well under way.

A housing program, at Tocopilla, is being carried out to provide accommodations on company property for all of the Chilean workmen at the Power Plant. These accommodations will include bath houses and a suitable company store.

Census

The average number of inhabitants—men, women and children—in camp during 1924, was 13,339, as compared with 12,732 for 1923. On December 31, 1924, the population of the Chilean village was 12,492, and of the foreign section 1,270, or a total of 13,762. The maximum reached was in December, with a total of 13,762.

The average working force for 1924 was 5,053 men, of whom 4,705 were on operation and 348 on construction. For December the average working force was 5,237 men, of whom 4,995 were on operation and 242 on construction.

The total number of men on the payroll for December was 6,525. This based on the average working force figure of 5,237 men shows an attendance factor of 80.26%. During the year we had a 15.5% labor movement. 4,985 men out of a total of 6,525 on the payroll in December, or 76.3%, received the attendance bonus. These figures do not include men working on Transmission Line or San Pedro pipe line.

There were 1,546 pupils enrolled in the Chilean schools as of December 1, 1924. The average attendance during the year was 1,174.

In the foreign school there were 63 pupils enrolled at the close of the term.

Tocopilla

A total of 331,833,110 K. W. hours was generated, or an average of 37,777 K. W. per hour.

The fuel oil consumption for the year in Tocopilla amounted to 1,087,699.42 barrels, or 374,376,175 pounds, which represents an oil factor of 1.128 lbs. consumed per K. W. H. generated, or conversely, 305.07 K. W. H. generated per barrel (42 gal.) of fuel oil.

Financial

Attached hereto you will find a Consolidated Balance Sheet at the close of business December 31, 1924, together with an Income Statement for the year, both certified to by Messrs. Pogson, Peloubet & Company, Certified Public Accountants.

JOHN D. RYAN,
Chairman of the Board.

CORNELIUS F. KELLEY,
President.

New York, N. Y., May 4, 1925.

CHILE COPPER COMPANY
and Subsidiary Companies
Consolidated Balance Sheet—31st December, 1924

ASSETS

FIXED:		
Property Investment	$99,275,135.85	
Plant and Equipment at Mines, Reduction Works, Power Plants, Railroads, Steamships, etc.	43,000,955.10	
	$142,276,090.95	
Less Reserve for Depreciation of Plant and Equipment	17,060,060.50	$125,216,030.45
DEFERRED CHARGES including discount on bonds		3,075,691.43
CURRENT:		
Supplies on hand and expenses prepaid	7,177,186.91	
Copper in process and on hand, at cost	1,646,024.78	
Accounts Receivable	5,117,328.70	
Marketable Securities	10,571,437.50	
Cash and Call Loans	4,339,507.79	28,851,485.68
		$157,143,207.56

LIABILITIES

CAPITAL STOCK:		
Authorized—5,400,000 shares of $25.00 each		
Issued—4,391,060 shares		$109,776,500.00
COLLATERAL TRUST GOLD BONDS, due 1932:		
Authorized—$100,000,000.00		
Issued and Outstanding—Series A, 6% Convertible		35,000,000.00
RESERVE for Renewals and Replacements, Insurance, etc.		520,153.03
CURRENT:		
Interest and Taxes accrued	$738,824.17	
Accounts and Wages payable	3,943,635.19	4,682,459.36
SURPLUS:		
Surplus 31st December, 1923	$6,788,807.51	
Net Income, per statement annexed	11,352,937.66	
	$18,141,745.17	
Distributions to Stockholders	10,977,650.00	7,164,095.17
		$157,143,207.56

We have examined into the affairs of Chile Copper Company and of its Subsidiary Companies and have verified the Assets, Liabilities and Income shown above. We hereby certify that this Balance Sheet shows the financial condition at 31st December, 1924, of the Companies as an aggregate whole and that the accompanying Income Account for the year ending that date is correct as stated.

POGSON, PELOUBET & COMPANY,
Certified Public Accountants.

New York, 25th March, 1925.

CHILE COPPER COMPANY
and Subsidiary Companies

Consolidated Income Account—Year Ending 31st December, 1924

OPERATING REVENUE:		
Copper sold—213,418,044 pounds at an average of 13.255 cents per pound		$28,289,013.06
PRODUCTION COST		11,812,499.88
OPERATING PROFIT		16,476,513.18
OTHER INCOME		1,297,007.53
		$17,773,520.71
CHARGES AGAINST INCOME:		
Taxes and Miscellaneous Charges	$1,781,508.14	
Interest and Discount on Bonds	2,240,000.00	
For Depreciation and Obsolescence of Plant and Equipment	2,399,074.91	6,420,583.05
NET INCOME, carried to Balance Sheet		$11,352,937.66

NOTE.—In order to comply with the Government Income Tax requirements for the purpose of computing depletion, an additional valuation of the mining property as of 1st March, 1913, has been recorded upon the books of the Company; but, being made for tax purposes only, the result of those entries has been omitted from the current statements.