Date of Filing....................  REGISTRATION No. 2-1669

Effective Date...................

(THE ABOVE TO BE LEFT BLANK BY THE REGISTRANT)

# FORM A-2
FOR CORPORATIONS

# REGISTRATION STATEMENT
(AS AMENDED)

## Under Securities Act of 1933

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C.

ANACONDA COPPER MINING COMPANY
(Name of Registrant)

SECURITIES REGISTERED

| Title of Issue, or Issues | Amount |
|---|---|
| 4½% Sinking Fund Debentures (due October 1, 1950) | $55,000,000 |

Amount of Filing Fee: $5,500.

Approximate Date of Proposed Public Offering: October 15, 1935.

Name and address of person authorized to receive notices and communications from the Securities and Exchange Commission:

D. B. HENNESSY, Secretary, 25 Broadway, New York, N. Y.

The information required to be given under the items hereinafter set forth is more specifically defined in the "Instruction Book for Form A-2 for Corporations."

The Instruction Book also sets forth requirements as to Financial Statements, Exhibits, Signatures, Consents of Experts, and the Prospectus, which are to accompany the Registration Statement or to be incorporated therein by reference.

CALCULATION OF REGISTRATION FEE

| Col. A<br>Title of issue, or issues, registered | Col. B<br>Amount registered | Col. C<br>Proposed maximum offering price per unit | Col. D<br>Proposed maximum aggregate offering price | Col. E<br>Amount of filing fee |
|---|---|---|---|---|
| 4½% Sinking Fund Debentures due October 1, 1950 | $55,000,000 | 98½ | $54,175,000 | $5,500 |

The financial statements and schedules appended hereto and the financial information given in items of this registration statement which are referred to in such financial statements, including, but without limitation, the information as to total sales, gross earnings, net income and net losses given in answer to item 4 (a) with respect to the 32 subsidiaries and the 23 subsidiaries of subsidiaries which have been omitted from Chart I and Chart II following, the information as to gross sales of copper for delivery outside of the United States and Canada (based on proceeds of sale) and the total sales of all products made by registrant and its subsidiaries whose accounts are consolidated with those of registrant (including gross earnings from miscellaneous service companies) without deduction of operating and other expenses and charges, for the period January 1, 1930 to June 30, 1935, as stated in the table set forth in answer to item 6 and the information set forth in answers to items 9-A, 10-A and 45, have been certified to by Messrs. Pogson, Peloubet & Co., Public Accountants; the statements made in item 7 of this registration statement have been either prepared or reviewed and approved by Mr. Reno H. Sales, Expert Geologist, insofar as the same relate to ore reserves and geological formations of mines, and by Mr. Frederick Laist, Expert Metallurgist, insofar as the same relate to the various metallurgical plants and subsidiary operations (other than the description of the plants of The American Brass Company and Anaconda Wire and Cable Company); the statements made in items 7 and 8 of this registration statement insofar as the same relate to the titles of the principal Montana properties and as to the franchises and concessions with respect to the operations in Montana have been reviewed and approved by Mr. D. M. Kelly, of Butte, Montana, Western General Counsel of registrant; the statements made in items 7 and 8 of this registration statement insofar as the same relate to the titles of the properties and concessions of Chile Exploration Company, Andes Copper Mining Company, Potrerillos Railway Company and Santiago Mining Company have been reviewed and approved by Mr. Javier Diaz Lira, a lawyer of Santiago, Chile, general counsel for said companies in Chile; the statements made in items 7 and 8 of this registration statement insofar as the same relate to the titles of the mining claims or titles of concessions of The Cananea Consolidated Copper Company, S.A., a Mexican corporation, have been reviewed and approved by Mr. Agustin A. Aguila, a lawyer of Cananea, Sonora, Mexico, counsel for said company; and all of such statements and information are furnished on the authority of said individuals respectively as experts. The statements made in item 7 respecting The American Brass Company have been prepared or reviewed and approved by Mr. John A. Coe, President of The American Brass Company and a director of registrant, and the statements in item 7 respecting Anaconda Wire and Cable Company have been prepared or reviewed and approved by Mr. H. Donn Keresey, President of Anaconda Wire and Cable Company.

## ORGANIZATION

1. **Exact name of registrant:**

   ANACONDA COPPER MINING COMPANY

2. **Address of principal executive offices:**

   The statutory office in Montana is located at the Washoe Smelter, Anaconda, Montana, and the principal executive offices in Montana are located at the Hennessy Building, Butte, Montana. The registrant's New York office is located at 25 Broadway, New York, N. Y.

3. **The state or other sovereign power under which incorporated, and the date of incorporation:**

   Registrant was organized on June 18, 1895, under the laws of the State of Montana, "for a period of forty years and for such further period as may be authorized by law". The laws of Montana limited the period for which corporations might be organized to forty years, subject to extensions as may be provided by said laws. In accordance with an authorizing statute the term of existence of the registrant has been extended to February 28, 1975.

4. **List the following and indicate the respective percentages of voting power as required by the instructions:**

   **(a) All subsidiaries of the registrant.**

   As permitted by the instruction book, there are submitted two charts, marked Chart I and Chart II, which present in succinct form the relationship of the registrant to and its ownership in the subsidiaries which are of material significance in relation to the total enterprise represented by the registrant and its subsidiaries, except its relationship to Inspiration Consolidated Copper Company and Arizona Oil Company hereinafter mentioned.

Registrant owns or controls (through Mines Investment Corporation, a 100% owned subsidiary) 28.17% of the outstanding shares of Inspiration Consolidated Copper Company, and in addition registrant holds notes of said Inspiration Consolidated Copper Company in the principal sum of $6,933,000, which are secured by a like principal amount of Series A 7% 10-Year First Mortgage Bonds of said Inspiration Consolidated Copper Company due April 1, 1942, being the total amount of said bonds now issued. Said notes matured March 31, 1935, were extended to September 30, 1935, and were recently extended to March 31, 1936. Registrant has recently authorized a further loan up to $950,000 to said company for resumption of operations. The Inspiration Consolidated Copper Company is not included as a subsidiary in the attached charts, nor in the consolidated balance sheets and consolidated profit and loss statement of the registrant and its subsidiaries nor in the term "subsidiaries" as used in this registration statement, since the shares of Inspiration Consolidated Copper Company owned by registrant and its subsidiaries do not represent a voting control. The investment in the shares of the Inspiration Consolidated Copper Company is included as an asset in the consolidated balance sheets and the registrant's balance sheet under "Other Security Investments". Messrs. Grayson M.-P. Murphy and William D. Thornton, two of the seven directors of Inspiration Consolidated Copper Company, are also directors of the registrant and certain of its subsidiaries. Mr. William Wraith, a director of said Inspiration Consolidated Copper Company, is a director and officer of certain subsidiaries of registrant, and Messrs. L. D. Ricketts and J. W. Allen, also directors of the Inspiration Consolidated Copper Company, are directors and officers of one of such subsidiaries.

Registrant owns 50% of the outstanding capital stock of Arizona Oil Company and Inspiration Consolidated Copper Company owns the remaining 50%. Arizona Oil Company owns interests in oil-bearing lands which have been leased by it to others. Arizona Oil Company is not included as a subsidiary in the attached charts, nor in the consolidated balance sheets and the consolidated profit and loss statement of registrant and its subsidiaries, except that the investment in its shares is included as an asset in the consolidated balance sheets and the registrant's balance sheet, under "Other Security Investments". Neither registrant nor its subsidiaries use oil from the properties of Arizona Oil Company. Arizona Oil Company is not of significance in relation to the total enterprise represented by registrant and its subsidiaries. The total investment of registrant in Arizona Oil Company as of June 30, 1935, was $241,628.02.

In accordance with Amendment No. 11 to Instruction Book, Form A-2 for Corporations, there have been omitted from Chart I and Chart II 32 subsidiaries (of which 18 are not operating) which are not of material significance in relation to the total enterprise represented by the registrant and its subsidiaries. The total investment of the registrant and its 100%-owned subsidiaries in said 32 subsidiaries as of June 30, 1935, was $2,080,857.50. The total sales and operating revenues of said 32 subsidiaries, for the years 1932, 1933 and 1934 and the six-months period ending June 30, 1935, were as follows:

| | 1932 | 1933 | 1934 | Six-months period ending June 30th, 1935 |
|---|---|---|---|---|
| Total Sales or Gross Earnings | $144,211.04 | $121,963.97 | $115,871.04 | $64,099.75 |
| Net Income | | | | 5,844.14 |
| Net Loss | 52,405.86 | 5,404.71 | 23,727.03 | |

In addition, there are omitted 23 other subsidiaries of subsidiaries (of which 15 are not operating). The substantial part of the investment of the registrant's subsidiaries (the accounts of which are consolidated in the consolidated balance sheet) in said 23 subsidiaries of subsidiaries is represented by said $2,080,857.50 above stated. The remainder of the investment in said 23 subsidiaries of subsidiaries, the accounts of which are included in the consolidated balance sheet, is represented in said consolidated balance sheet at $70,730.54, and in addition, the investment of a subsidiary, the accounts of which are not included in the consolidated balance sheet, in 5 of said 23 omitted subsidiaries is represented by $5,000. The total sales and operating revenues of the said 23 omitted subsidiaries for the years 1932, 1933 and 1934 and the six-months period ending June 30, 1935, were as follows:

| | 1932 | 1933 | 1934 | Six-months period ending June 30th, 1935 |
|---|---|---|---|---|
| Total Sales or Gross Earnings | $611,235.18 | $552,048.79 | $602,701.76 | $317,239.62 |
| Net Income | | | 18,758.83 | 27,833.25 |
| Net Loss | 63,737.77 | 7,808.33 | | |

Registrant owns voting trust certificates representing 65% of the stock of Silesian Holding Company which was organized in 1926 under the laws of the State of Delaware (but which is not included in the term "subsidiaries" as used in this registration statement). All the stock of Silesian Holding Company is deposited under a voting trust expiring July 1, 1936. The voting trustees are Cornelius F. Kelley, President of registrant, William C. Potter, Chairman of the Board of Guaranty Trust Company of New York, and William Averell Harriman, a member of the firm of Brown Brothers, Harriman & Company, the two last-named trustees being neither directors nor officers of the registrant. Inasmuch as registrant does not now control the voting of the shares of Silesian Holding Company for directors, it does not consider that said company is a subsidiary within the meaning of the term as defined in the "Instruction Book for Form A-2 for Corporations" and disclaims admission of actual existence of effective control of said company. The Directors of Silesian Holding Company are Cornelius F. Kelley, President of registrant, Elbert O. Sowerwine, an officer of certain subsidiaries of registrant, and William C. Potter, George H. Walker, and Ray Morris, none of whom is an officer or director of registrant or any of its subsidiaries. Silesian Holding Company is the owner of 58⅓% of the outstanding preferred stock and 51% of the outstanding common stock of Silesian-American Corporation. The latter corporation owns all of the shares of Giesche Spolka Akcyjna, a Polish company engaged in producing zinc and coal in Poland, and of other foreign corporations. Silesian Holding Company, Silesian-American Corporation, and their subsidiaries, are not included in the attached charts as subsidiaries of the registrant, nor in the consolidated balance sheet of registrant and its subsidiaries, except as the investment in voting trust certificates for shares of Silesian Holding Company is included as an asset in the consolidated balance sheets and the registrant's balance sheet under "Other Security Investments".

(b) **All parents of the registrant.**

None.

## HISTORY AND BUSINESS

5. **Outline briefly the general character of the business done and intended to be done by the registrant and its subsidiaries.**

Registrant is an operating company and also owns stocks of subsidiaries. The registrant and its subsidiaries constitute an integrated enterprise which includes the mining and smelting of copper, lead, zinc, gold and silver ores, and the refining of the metal products obtained therefrom; also the manufacture and distribution of semi-finished and finished copper and brass products, white lead, zinc oxide, superphosphate fertilizer, and lumber. In addition to copper, lead and zinc there are recovered from the ores treated, silver, gold, arsenic, cadmium and molybdenite. Of considerable importance is the production of electrolytic zinc and the manufacture therefrom of zinc oxide; also the smelting of lead ores and the production therefrom of refined lead. These metals are derived by the registrant and its subsidiary, International Smelting and Refining Company, chiefly from ores and concentrates purchased by them. Copper ores and concentrates, blister copper and scrap metals are purchased and treated, but the copper production is derived principally from mines owned by the registrant and its subsidiaries. Purchased ores and concentrates also contain silver and gold. Among fabricated products produced by the registrant's subsidiaries are copper and brass wire, sheets, tubes, rods, cable, extrusion products, forgings, stampings, etc. The fabricating facilities of said subsidiaries in the United States have a capacity capable of using an amount of copper approximately equal to the refining capacity of the copper refining plants of registrant and its subsidiaries in the United States, such fabricating capacity being in excess of the present annual productive capacity of the copper mines in the United States owned by the registrant and its subsidiaries.

Within the borders of the United States the registrant or subsidiaries in which it owns or controls a majority of the voting stock, own copper mines in Montana, California, and Nevada; zinc-lead-silver mines in Montana and Utah; smelters in Arizona, Utah, and Montana; metal refineries in Montana, Indiana, and New Jersey; copper and/or brass fabricating plants in Montana, Connecticut, New York, Michigan, Wisconsin, Indiana, California, Illinois and Rhode Island; zinc oxide plants in Ohio and Indiana; white lead plant in Indiana; lumber mills in Montana; coal mines in Montana and Wyoming; phosphate rock mines in Idaho, and miscellaneous transportation and other facilities pertinent or incidental to their operations.

Outside the borders of the United States subsidiaries of the registrant operate copper mines and reduction works in Mexico and Chile, together with facilities pertinent or incidental thereto, and one fabricating plant in Canada.

At the present time approximately one-third of the mine production of copper, all of the mine and custom production of zinc, and nearly all of the output of fabricated materials, of registrant and its subsidiaries are within the boundaries of the United States. Part of the foreign mine production of copper is refined under bond at the Raritan Copper Works owned by International Smelting and Refining Company, a subsidiary of the registrant, in the United States, and the refined copper is shipped abroad for sale with the exception of a small portion withdrawn from bond and fabricated by The American Brass Company and Anaconda Wire and Cable Company, subsidiaries of the registrant, into products for export, the duties paid on the withdrawal from bond being substantially refunded upon application for drawbacks.

Registrant and its subsidiaries intend to continue to do the business described above.

**6. Outline briefly the general development of the business for the preceding five years.**

During the last five years the operations of the registrant and its subsidiaries have been curtailed by reason of the reduced demand for copper and copper and brass products in the United States, the added supply of copper produced by newly developed mines abroad, and the existence of surplus stocks of copper, which surplus stocks have been substantially reduced in the last two years. The production of registrant and its subsidiaries is adjusted from time to time to market conditions. For further information see answers to items 7 and 47.

During the past five years certain subsidiaries of the registrant have acquired the properties and assets, or the controlling stock interest of other subsidiaries. Among such acquisitions was the acquisition by International Smelting and Refining Company of the stock of Raritan Copper Works and International Lead Refining Company from the registrant for $8,000,000 principal amount of debentures and 30,000 shares of stock of International Smelting and Refining Company, the transfer occurring in the month of December, 1934. The properties of Raritan Copper Works and International Lead Refining Company were transferred to International Smelting and Refining Company, and thereafter Raritan Copper Works and International Lead Refining Company were dissolved. In addition, International Smelting and Refining Company during 1932 and 1933 acquired a substantial interest in the capital stock of Mountain City Copper Company, the properties of which were then a prospect in course of development.

On May 14, 1930, Anaconda Wire and Cable Company of California, a wholly-owned subsidiary of Anaconda Wire and Cable Company, acquired all the assets of California Wire & Cable Company, owning and operating plants at Orange and Oakland, California, referred to in the answer to item 7.

The business and facilities of Raritan Copper Works at Perth Amboy, New Jersey, acquired by International Smelting and Refining Company as above stated, in purchasing and treating scrap metals, have been enlarged, and between 1930 and 1934 substantial replacements and improvements were made in the Toronto plant of Anaconda-American Brass, Ltd. In 1934 the properties of The Cananea Consolidated Copper Company, S. A., in Mexico began production of molybdenite in substantial quantities as a by-product of its copper operation.

During 1934, as the result of a strike, the copper and zinc production from Montana properties was materially curtailed.

An import tax of 4c per pound on copper imported into the United States became effective in June, 1932, for a period of three years. Such tax was extended for a period of two years by an Act passed at the recent session of Congress. Prior to the imposition of the 4c tax it was the practice to market in the United States a part of the copper output of the registrant's subsidiaries in Chile and Mexico. The production of the registrant's subsidiaries in Chile and Mexico since the imposition of the tariff has been sold abroad.

Owing to a substantial increase in consumption of copper in foreign countries, as well as to the imposition of the import tax referred to above, the proportion of the total copper shipments of the registrant and subsidiaries to foreign markets has materially increased.

The following table is presented for the purpose of showing the relation of the gross sales of copper for delivery outside of the United States and Canada (based on proceeds of sale) to the total sales of all products made by the registrant and its subsidiaries whose accounts were consolidated with those of the registrant (including gross earnings from miscellaneous service companies), without deduction of operating and other expenses and charges, for the period January 1, 1930 to June 30, 1935:

| | Total of gross sales of all products (including gross earnings from miscellaneous service companies) in the United States and Canada | Gross sales of copper outside of United States and Canada | Total |
|---|---|---|---|
| Year 1930 | $172,040,791.29 | $ 7,292,006.22 | $179,332,797.51 |
| Year 1931 | 94,166,297.84 | 2,221,407.66 | 96,387,705.50 |
| Year 1932 | 47,739,093.34 | 3,549,868.50 | 51,288,961.84 |
| Year 1933 | 59,628,379.80 | 12,852,649.68 | 72,481,029.48 |
| Year 1934 | 78,593,869.19 | 20,555,666.45 | 99,149,535.64 |
| Six months ended June 30, 1935 | 46,734,313.73 | 13,685,847.59 | 60,420,161.32 |

For the period January 1, 1930 to June 30, 1935 the average prices of electrolytic copper, zinc, lead and silver for each year, as reported by the "Engineering & Mining Journal", were as follows:

| | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 Jan. 1-June 30 |
|---|---|---|---|---|---|---|
| COPPER—F.O.B. refinery U. S. (cents per lb.) (add 0.225c for delivery Conn. Valley) | 12.982 | 8.116 | 5.555 | 7.025 | 8.428 | 8.751 |
| ZINC—St. Louis (cents per lb.) | 4.556 | 3.640 | 2.876 | 4.029 | 4.158 | 3.981 |
| LEAD—New York (cents per lb.) | 5.517 | 4.243 | 3.180 | 3.869 | 3.860 | 3.745 |
| SILVER—New York (cents per oz.) Handy & Harmon Official quotation for silver 999 fine without reference to source | 38.154 | 28.700 | 27.892 | 34.727 | 47.973 | 63.692 |
| SILVER—delivered U. S. Mints (cents per oz. 1000 fine) covered by Presidential proclamations, applying only to silver mined in U. S. | | | | | | |
| after December 21, 1933 | | | 64.646 | | | |
| after April 10, 1935 | | | 71.111 | | | |
| after April 24, 1935 | | | 77.576 | | | |

Official quotations for electrolytic copper delivered in Europe (average of bid and asked) reported by "Quin's Metal Handbook and Statistics", published by Metal Information Bureau, Ltd., London, for the years 1930, 1931, 1932, 1933, 1934; with the first six months' 1935 average of daily quotations cabled by London Metal Exchange to New York Commodity Exchange and published in New York Trade Journals, were as follows:

| | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 Jan. 1-June 30 |
|---|---|---|---|---|---|---|
| £ Sterling per ton of 2,240 lbs. | £62-2-7 19/20 | £42-13-3 | £36-7-9 7/8 | £36-14-2 1/2 | 33-11-6 | 33-7-5 |

## PROPERTY

**7. State briefly the general character and location of the principal plants and other important units of the registrant and its subsidiaries. If any principal plant or important unit is not held in fee, so state and describe how held.**

The productive capacity figures included in the following plant descriptions have been furnished by operating officials of registrant and subsidiaries whom the directors of registrant believe to be competent.

### I. PROPERTIES IN UNITED STATES AND CANADA

### A. PRINCIPAL MONTANA PROPERTIES (owned by registrant except as otherwise noted)

**Properties in Butte District**

Mineral lands owned in the Butte District, Silver Bow County, Montana, comprise approximately 4,000 acres. A substantial part of this acreage, approximately 2,000 acres, is but little prospected. The acreage explored shows ore deposits containing copper, zinc, silver, lead, gold, manganese, and other minerals, with copper the predominant metal. The ore deposits occur in strong persistent fissure vein systems having a general east-west strike and steep southerly dip. The ore bodies are from 5 to 100 feet wide, with an average mining width of 15 feet.

There are thirteen vertical shafts (excluding ventilating shafts) ranging in depth from 1,500 to 4,100 feet, through which mining operations can be conducted. Prospecting and development underground are by means of cross-cuts and drifts or headings along the veins.

The ores and vein systems are much disturbed and displaced by later faults. The broken and intensely altered granite wall rocks adjacent to the ores necessitate heavy timbering of all openings made within or along the veins. For this reason mining companies in the Butte District early adopted the present policy of not developing or blocking out in advance more ore reserves than are needed for an economic and well-balanced mine operation. A development program of developing a ton of ore in reserve for each ton of ore mined is followed. The vein structure and the ore minerals responsible for the large production of high grade ores in the past continue to the deepest mine openings yet made in the district.

The mines are equipped to produce monthly, ores and precipitates containing approximately 30,000,000 pounds of recoverable copper. During the years 1925 to 1929, inclusive, production averaged approximately 20,000,000 pounds per month, but in recent years has been curtailed. It is believed that a production such as prevailed during the 1925-1929 period could be maintained from these mines for many years to come.

**Butte, Anaconda & Pacific Railway Company**

The ore from the aforementioned mines is transported over the line of Butte, Anaconda & Pacific Railway Company (a 100%-owned subsidiary of the registrant) a distance of 27 miles to Anaconda for treatment. The road comprises a total of 130 miles of standard gauge track, of which 121 miles are electrified. The rolling stock consists of 26 electric locomotives, 2 steam locomotives, 1,164 ore cars, and 210 miscellaneous cars.

**Plants at Anaconda, Montana**

The Reduction Works at Anaconda, Montana, have copper and zinc concentrators capable of treating the Butte mine production and custom ores. The smelting facilities consist of roasting, reverberatory and converting plants of ample capacity to reduce to blister copper the concentrates derived from the copper ores. There is also an electrolytic zinc plant which normally operates on the zinc concentrates from zinc ores mined at Butte and concentrates purchased elsewhere. In addition to the plants for producing copper and zinc, there are a sulphuric acid plant and a plant for producing treble superphosphate.

The primary crushing plant to which the copper ore is delivered can crush about 1,000 tons per hour. The copper concentrator has a capacity to treat 13,000 tons of copper ore per day and the zinc concentrator 1,600 tons of zinc ore per day. The principal roasting plant contains twenty-eight roasting furnaces, of which fourteen are available for roasting copper concentrates and fourteen for roasting zinc concentrates. The reverberatory furnace building contains seven gas-fired reverberatory furnaces equipped with waste heat boilers. The converter plant contains seven converters, a reverberatory furnace for the treatment of slag, and three copper furnaces equipped with casting machines for the casting of anodes.

These plants are capable of producing approximately 30,000,000 pounds of blister copper per month, but operations are on a curtailed basis.

The electrolytic zinc plant at Anaconda is capable of producing monthly approximately 9,000,000 pounds of electrolytic zinc. This plant is not now in operation.

At Anaconda the registrant owns and operates a foundry and brick plant; also a water system and a street railway which provides a transportation facility to the reduction plants.

**Plants at Great Falls, Montana**

At Great Falls, Montana, is located an electrolytic copper refinery of sufficient capacity to treat the entire blister copper production of the Anaconda Reduction Works. The cathodes from the tank house are melted and cast into shapes for the market in a furnace refinery, which contains three copper refining furnaces which use natural gas as fuel. The furnaces are equipped with casting wheels.

The major electrolytic zinc plant is located at the Great Falls Reduction Works. The plant is similar to the Anaconda electrolytic zinc plant but is of twice the capacity. It consists of roasters for roasting the concentrates; leaching, settling and filtration equipment for dissolving the zinc from the roasted concentrates; electrolytic tanks for electrolyzing the zinc sulphate solutions, casting furnaces, electrical equipment for generating direct current, etc. The product is high grade electrolytic zinc. The material treated consists of concentrates produced in part by the concentrator at Anaconda from ores produced by mines owned by the registrant and from purchased ores, in part by the International Smelting and Refining Company's concentrator at Tooele, Utah, and in part by custom shippers operating in Utah, Idaho, Montana, and other states.

### Power and Fuel

The plants at Great Falls, as well as the plants at Anaconda, and the mines at Butte, are supplied with hydro-electric power purchased from The Montana Power Company.

The Butte and Anaconda operations are supplied with gas purchased from Montana Power Gas Company, supplied from gas fields in northern Montana. The plants at Great Falls are furnished with gas purchased from the Montana Cities Gas Company, supplied from other gas fields in northern Montana. Stand-by equipment for pulverized coal is maintained in connection with the reverberatory furnaces at Anaconda.

### Lumber Operations

The registrant owns approximately 625,000 acres of timber lands in western Montana. Operations are conducted mainly for the purpose of supplying the necessary timber used in the operation of the mines and other plants. The lumber is manufactured at registrant's mills at Bonner, Montana, which can produce approximately 100,000,000 board feet per year. Part of the lumber products is sold to the trade and at retail. The Interstate Lumber Company (a 100%-owned subsidiary of registrant) operates lumber yards in several cities and towns in Montana.

### Miscellaneous Operations

At East Helena, Montana, registrant owns and operates a plant for the recovery of zinc oxide from lead blast furnace slag. This plant consists of a furnace in which the slag is blown with coal dust and air. The zinc oxide which is driven off is collected in a baghouse and shipped to Great Falls for conversion into electrolytic zinc. This plant is located on lands held under a lease expiring in 1939.

Registrant's plants at Anaconda, Montana, manufacture treble superphosphate from phosphate rock shipped from phosphate mines of registrant located at Conda, Idaho. Phosphate rock is also produced for sale.

The registrant owns and operates a coal mine at Washoe, Montana, the product of which is sold commercially.

Registrant also owns and operates a small silver producing mine in Flathead County, Montana. A subsidiary owns and operates a small gold-silver property in Madison County, Montana, from which small ore shipments are being made. Registrant operates under lease the property of Butte Copper & Zinc Company at Butte, Montana, which produces zinc and manganese ores. The lease expires July 8, 1941, but is subject to cancellation by registrant on six months notice.

In addition to the foregoing, the registrant and its subsidiaries, Deer Lodge Valley Farms Company and Blackfoot Land Development Company, own approximately 500,000 acres of cut over, agricultural, grazing, and miscellaneous lands in Montana.

The Butte Electric Railway Company operates the street car lines in the city of Butte and its suburbs. These lines provide a transportation facility to the principal mines of registrant at Butte.

The Butte Water Company owns and operates the water system supplying the city of Butte and the mines in the Butte District. The system includes storage reservoirs and pumping plants on the Big Hole River and elsewhere.

Diamond Coal and Coke Company operates coal mines in Wyoming. Until natural gas was brought in, these mines were the principal sources of fuel for the smelters and mines in Montana. Their production is now disposed of to the railroads and for domestic and miscellaneous purposes.

Montana Hardware Company operates a hardware business in Butte, Montana.

## B. INTERNATIONAL SMELTING AND REFINING COMPANY

International Smelting and Refining Company operates the following described plants in Utah, Arizona, Indiana, Ohio, and New Jersey:

### Utah

At International, Tooele County, Utah, is located a reduction works containing a lead plant for the treatment of lead ores and concentrates, and a copper plant for the treatment of copper ores and concentrates, as well as gold and silver ores containing insufficient lead to be treated in the lead plant operations. In addition, there is a concentrator for the treatment of complex zinc-lead-silver ores and lead ores and the zinc concentrates produced therefrom are shipped to the registrant's electrolytic plants in Montana. The productive capacity of the lead plant is approximately 16,000,000 pounds of lead bullion and of the copper plant 4,500,000 pounds of blister copper per month. The lead bullion is refined at the International Smelting and Refining Company's refinery at East Chicago, Indiana, and the blister copper is refined either at its refinery at Perth Amboy, New Jersey, or at the refinery of the registrant at Great Falls, Montana. The complex zinc-lead-silver ores, lead ores and concentrates, copper ores and copper concentrates treated at this plant are for the most part purchased. The lead plant has been operating on a curtailed basis and the concentrator and copper plant have been shut down, but it is expected the copper plant will resume operations in October, 1935.

**Arizona**

At Inspiration, Arizona, near the town of Miami, is located a copper smelter for the treatment of concentrates produced by Miami Copper Company and Inspiration Consolidated Copper Company, which own mining properties in the vicinity of Miami. This smelter has no concentrating facilities, but is equipped with roasters, reverberatory furnaces and converters. The plant has a productive capacity of approximately 18,000,000 pounds of copper per month. Under present conditions this plant operates only occasionally and on a small scale. Registrant owns no stock interest in Miami Copper Company.

**Indiana**

At East Chicago, Indiana, is situated a lead refinery. It is equipped with softening furnaces, desilvering kettles, residue treatment furnaces, blast furnaces, and cupelation furnaces. It has a capacity to produce about 8,000 tons of refined lead per month. This plant is operating on a curtailed basis.

On the same property with the lead refinery is situated a plant for the production of zinc oxide.

**Ohio**

Another zinc oxide plant is situated in Akron, Ohio.

The two oxide plants have a capacity to produce from metallic zinc approximately 7,000,000 pounds of high grade zinc oxide per month.

**New Jersey**

A copper refinery known as the Raritan Copper Works, owned by the International Smelting and Refining Company, is located at Perth Amboy, New Jersey. The plant contains anode furnaces, electrolytic refining tanks and refining furnaces for melting the copper cathodes and casting the refined copper into shapes required by the market. The blister copper refined at this plant is shipped from the copper smelters of International Smelting and Refining Company and from smelting plants in Mexico and Chile of subsidiaries of the registrant, and at times from the Anaconda smelter of the registrant. The foreign copper is refined in bond for export, with the exception of a small portion withdrawn from bond and fabricated by The American Brass Company and Anaconda Wire and Cable Company, into products for export.

At the Raritan Plant a custom refining business is carried on and scrap material is purchased and treated for the recovery of its metallic content. The silver and gold refinery on these premises treats the slimes from the electrolytic tanks at this plant and from the registrant's Great Falls Refinery together with the doré bullion from the lead refinery at East Chicago, Indiana. The slimes from the electrolytic tanks treating anodes cast from scrap metals contain tin and lead, which are recovered in a plant constructed especially for this purpose. The Raritan Copper Works, when refining blister copper only, had a capacity of approximately 46,000,000 pounds of copper per month. The plant is being readjusted to handle an increasing volume of copper produced from scrap. With these readjustments completed, the electrolytic refining capacity will be reduced to approximately 40,000,000 pounds per month, depending on the type of operation. The casting capacity is in excess of this figure. This plant is operating on a curtailed basis.

A wholly-owned subsidiary of International Smelting and Refining Company (Raritan Terminal and Transportation Company) owns a railway from Raritan Copper Works to a connection with the Lehigh Valley Railroad, a distance of approximately one mile, of which approximately one-half is leased to the Lehigh Valley Railroad Company for a term expiring June 30, 1943.

The more important plants and units of the principal subsidiaries of International Smelting and Refining Company are as follows:

(a) **Utah-Delaware Mining Company:**

This Company owns a mine in Bingham Canyon, Utah, which produces copper and lead-zinc ores. The mine is equipped with pumping and hoisting plants and is connected with the smelter at International, Utah, by an aerial tramway. Except for a small ore production taken out by leasers, the property is on a shutdown basis.

(b) **Walker Mining Company:**

This Company owns mining claims in Plumas County, California, consisting of 34 patented and 262 unpatented claims covering approximately 5,726 acres. In addition, the Walker Mining Company owns 108.22 acres of patented lands used for a mill and tunnel site.

The mineral deposits of the Walker mine contain copper, gold and silver. The ore bodies occur in a northwest-striking and easterly-dipping complex fissure zone which has been developed along its course for more than 7,200 feet. The vein is from 10 to 80 feet wide and the general average width of ore as stoped is approximately 30 feet. The principal vein minerals are quartz, pyrite, pyrrhotite and chalcopyrite.

The mine is operated through a 3,650-foot cross-cut tunnel leading from the mine workings to the milling plant. Ore below the tunnel level is mined through shafts sunk from the adit tunnel level. Shrinkage stoping methods are used except in minor instances where timbering is required.

The mine and milling plants are equipped to produce copper at the rate of twenty million pounds per annum when operated at full capacity.

For economic reasons it is impracticable to develop and block out ore bodies far in advance of current operations. Because of the width and continuity of the Walker fissure zone both on strike and dip as disclosed by past operations, and because of the nature and mineralogical character of the vein it is believed that the ore will persist and continue in depth and that the mine can be operated at full capacity for many years to come.

In conjunction with the mine and mill operation there are office and warehouse buildings, shops, residences, bunkhouses, schools and miscellaneous buildings. An 8.6 mile aerial tram connects the mill with ore bins on the Western Pacific Railroad at Spring Garden, California.

This mine has been shut down since February, 1932, but operations were resumed on or about October 1, 1935.

(c) **Mountain City Copper Company:**

The properties of Mountain City Copper Company are situated near Mountain City in the Cope Mining District, Elko County, Nevada, and lie approximately midway between Mountain Home, Idaho, and Elko, Nevada. Graded highways are under construction which will connect Mountain City with both these railroad points.

Mountain City Copper Company holds 43 unpatented mining claims covering approximately 470 acres, and in addition owns 176.83 acres of patented agricultural lands which carry mineral rights.

The property is still being developed. The Company's engineers state that development work to date indicates ore reserves, proved and probable, estimated to contain approximately 200,000,000 pounds of recoverable copper.

The property is equipped with adequate structures and machinery for mining ore and carrying on development work. There is no equipment at the property for ore treatment, and until ore development work has reached the stage which will justify the installation at the mine of ore reduction equipment and/or the construction of a railroad to connect the mine with existing rail facilities, shipments of ore will be made by truck from the mine to existing railroad facilities and thence by rail to smelters, shipments having commenced in September, 1935.

Mountain City Copper Company obtains electrical power at the property from the Nevada Power Company at Jarbridge, Nevada, approximately 40 miles distant.

**(d) North Lily Mining Company:**

The business in which North Lily Mining Company and its subsidiaries have been engaged since their formation, consists in the exploration and development of mines and mining property and in the production of silver-lead-zinc and gold ores.

The properties of North Lily Mining Company and its subsidiaries, the principal one of which is the North Lily Knight Company, are located in the Tintic Mining District, Juab and Utah Counties, State of Utah, and embrace approximately 6,265 acres of patented mining ground, twelve unpatented mining claims legally held under location notices, and approximately 2,812 acres of farm land and surface rights.

The plant at the North Lily Mine is modern and consists of compressor, hoist, head frame, blacksmith, machine and timber framing shops; office, change house, superintendent's residence, and other necessary plant buildings, water supply equipment, pumping equipment, mine cars, electric haulage locomotives, and other mining machinery, as well as an aerial tramway from the mine to the loading station at Dividend, Utah. The mine has not been operated since May, 1932.

The shaft of Big Hill Mining Company, one of the subsidiaries of North Lily Mining Company, the properties of which are leased to North Lily Mining Company, is equipped with compressor, hoist, head frame, pumping equipment, mine cars, etc. and is used for the North Lily mine. This mine has been inactive for some time. The properties of most of the subsidiaries of North Lily Mining Company have been inactive for some time except for operation in a small way by leasers, so that very little equipment has been maintained.

## C. COPPER AND BRASS FABRICATING PLANTS

**1. The American Brass Company**

The American Brass Company owns and operates copper and brass fabricating plants in Ansonia, Waterbury, and Torrington, Connecticut; Buffalo, New York; Detroit, Michigan; Kenosha, Wisconsin; and its subsidiary, Anaconda-American Brass, Ltd., operates a plant at Toronto, Canada. The total area occupied by these plants is approximately 330 acres, of which approximately 109 acres are under roof. The products of these plants consist of copper and various alloys of copper in the form of sheets, rods, wire, tubes, castings, forgings, extruded rods and architectural shapes, flexible metal hose, and drawn shells and stampings.

*The Ansonia Branch* occupies an area of 86.8 acres, of which 22.2 acres are under roof. This plant is equipped to fabricate copper and various alloys of copper in the form of sheets, rods, wire, castings, forgings and stampings, extruded shapes, and various copper bars for electrical construction.

*The Waterbury Branch* occupies an area of about 70 acres, of which 24.4 acres are under roof. This plant is equipped to fabricate copper and various alloys of copper in the form of sheets, tubes, small rods and wire, extra large tubes and shells, and nickel silver in sheets, wire and tubes.

*The American Metal Hose Branch* at Waterbury occupies an area of 2.4 acres, of which 1.3 acres are under roof. This plant is equipped to produce flexible metal hose of brass, bronze, galvanized steel for air, gas, water, oil, steam and electrical conduits.

*The French Small Tube Branch* at Waterbury occupies an area of 5.3 acres, of which 2.3 acres are under roof. This plant is equipped to produce small diameter tubing of copper and various alloys.

*The Waterbury Brass Goods Branch* occupies an area of 3.3 acres, of which 1.6 acres are under roof. This plant is equipped to produce brass eyelets, hinges, paper fasteners, soap boxes, ash trays, and miscellaneous small articles.

*The Torrington Branch* occupies an area of about 25 acres, of which 12.6 acres are under roof. The plant is equipped to fabricate copper and various alloys of copper in the form of sheets, tubes, rods, wire, and special shapes such as turbine blades, metal mouldings, copper projectile bands, and ammunition cups.

*The Buffalo Branch* occupies an area of about 73 acres, of which 12.4 acres are under roof. The plant is equipped to fabricate copper and various alloys of copper in the form of sheets, strips, coils and tubes.

*The Detroit Branch* occupies an area of 18.1 acres, of which about 12 acres are under roof. The plant is equipped to fabricate copper and various alloys of copper in the form of sheets, strips, tubes, rods and wire, copper condenser heads, and bars for electrical construction.

*The Kenosha Branch* occupies an area of 26.9 acres, of which 14.4 acres are under roof. This plant is equipped to fabricate copper and various alloys of copper in the form of sheets, strips, tubes, rods, and wire, and hot pressed forgings; also copper bars for electrical construction.

*The Toronto Branch* (owned and operated by Anaconda-American Brass, Ltd., a 100%-owned subsidiary) occupies an area of 18.9 acres, of which 6 acres are under roof. This plant is equipped to fabricate copper and various alloys of copper in the form of sheets, tubes, rods, and extruded shapes.

2. Anaconda Wire and Cable Company

Anaconda Wire and Cable Company owns and operates plants for the fabrication of copper rods, wires, cables, and accessories in a number of localities in the United States.

The *Great Falls, Montana,* plant has a total land area of 20.8 acres and has approximately 100,000 square feet of floor space. The equipment consists of two complete hot rod rolling mills; wire drawing, rolling and stranding equipment; and all necessary auxiliary equipment. Operations include the hot rolling of copper rods, drawing of various sizes and tempers of wire and stranding or cabling.

The *Kenosha, Wisconsin,* plant has a total land area of approximately 183,740 square feet and has approximately 213,498 square feet of floor space. The machinery consists of wire drawing machines; stranding and tinning machines; together with auxiliary equipment. Operations include the drawing of wire from copper rods, stranding, tinning, etc. This plant has been shut down since July, 1932.

Two plants located in *Sycamore, Illinois* (DeKalb County), have a total land area of approximately 600,000 square feet and floor space amounting to approximately 196,000 square feet. The machinery consists of wire drawing machines, stranding equipment, cotton winders, braiding equipment, enameling ovens and equipment, magnet wire machines, and auxiliary equipment. The operations include drawing copper rods into wire. Thereafter, such wire may be insulated or stranded and insulated according to the type of product desired.

The *Muskegon, Michigan,* plant has a total land area of approximately 66,000 square feet and has approximately 90,000 square feet of floor space. The machinery consists of wire drawing machines; wire enameling machines; machines for applying textiles to copper wire; various coil winding machinery; and auxiliary equipment. The operations include the drawing of wire from copper rods into various sizes and tempers of bare wire. Thereafter, same is insulated according to the type of product desired.

The *Anderson, Indiana,* plant has a total land area of approximately 121,000 square feet and has approximately 42,000 square feet of floor space. The machinery consists of wire drawing machines; tinning machines; enameling machines; machines for applying textiles to wire; bunching, stranding and braiding equipment for fine wire, together with auxiliary equipment. The operations consist of drawing wire from copper rods. The wire is drawn into various sizes and tempers and may be further treated by insulating with enamel, cotton, silk, etc.

The *Marion, Indiana,* plant has a total land area of approximately 13.55 acres and has approximately 221,865 square feet of floor space. The machinery consists of wire drawing and stranding equipment, tinning equipment, complete rubber mill and vulcanizing plant for conversion of rubber, machinery for application of rubber to wire, loom braiders, machines for manufacture of armored cable and parkway cable, and accessory equipment. Operations start with the drawing of wire from hot rolled copper rods; thereafter, stranding, braiding and insulating operations are performed according to the kind of product desired.

The *Hastings-on-Hudson, New York,* plant has a total land area of approximately 14.3 acres and has approximately 434,434 square feet of floor space. The machinery consists of a rod mill, wire drawing machines, tinning equipment, stranding equipment, cable equipment, lead presses, cotton winding and braiding equipment, machinery for applying textile coverings to magnet wire, machinery for manufacture of parkway cable, cable accessories equipment, together with auxiliary equipment. Copper wire bars are rolled into rods and the rods drawn into wire. The wire is then insulated or stranded and insulated according to the type of product desired.

The Pawtucket, *Rhode Island*, plant has a total land area of approximately 298,831 square feet and has approximately 120,000 square feet of floor space. The machinery consists of looms for manufacturing non-metallic woven products, looms and braiders for covering wire, complete rubber mill and vulcanizing plant for the conversion of rubber, machinery for the application of rubber to wire and complete equipment for the manufacture of armored cable and metallic hose. Various sizes of bare copper wire and cable are stranded, braided and insulated according to the type of product required.

Anaconda Wire and Cable Company's 100%-owned subsidiary, Anaconda Wire and Cable Company of California, owns in fee the two following plants:

The *Orange, California*, plant has a total land area of approximately 151,294 square feet and has approximately 84,000 square feet of floor space. The machinery consists of wire drawing machines, stranding machines, cotton yarn manufacturing equipment, cotton winders, braiders, and all necessary auxiliary equipment. Operations consist of the drawing of wire from copper rods. This may be shipped as such or further fabricated by stranding, insulating, etc. Certain lead covered cable is manufactured at this plant in accordance with an agreement with The Okonite Co. According to the agreement this plant furnishes the building space necessary and The Okonite Co. furnishes the machinery and equipment. The necessary labor, supplies and expenses are financed between the two companies and profits are shared according to the agreement.

The *Oakland, California*, plant has a total land area of approximately 261,360 square feet and has approximately 29,560 square feet of floor space. The machinery consists of braiders, cotton winders, and necessary auxiliary equipment. Operations consist of the insulating of bare copper wire. This plant has been shut down since May, 1931.

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The combined output of manufactured products of The American Brass Company and Anaconda Wire and Cable Company for the period January 1, 1929 to June 30, 1935, was as follows:

| | |
|---|---|
| 1929 | 1,050,054,045 pounds |
| 1930 | 701,048,368 " |
| 1931 | 515,210,183 " |
| 1932 | 291,142,401 " |
| 1933 | 384,479,098 " |
| 1934 | 425,516,899 " |
| First 6 months of 1935 | 257,587,665 " |

### D. ANACONDA LEAD PRODUCTS COMPANY

The Anaconda Lead Products Company owns and operates a plant for the production of white lead at East Chicago, Indiana, located on land leased from International Smelting and Refining Company. The plant has facilities for producing approximately 10,000 tons of white lead per year.

### E. TOOELE VALLEY RAILWAY COMPANY

The Tooele Valley Railway connects the smelter of the International Smelting and Refining Company at International, Utah, with the Union Pacific Railway and the Western Pacific Railway at Warner, Utah, about seven miles away. Ores delivered at the smelter pass over the tracks of this road excepting the ores from the Utah-Delaware mine, which are brought in by tramway. The railway also operates passenger trains between the smelter and the town of Tooele, where practically all of the International Smelting and Refining Company's employees reside.

### F. INSPIRATION CONSOLIDATED COPPER COMPANY

The registrant's interest in Inspiration Consolidated Copper Company is set forth in the answer to Item 4(a).

Inspiration Consolidated Copper Company owns mining claims in the Globe-Miami District, Gila County, Arizona, consisting of 195 patented and 9 unpatented claims covering 2,756 acres, and also 3,528 acres of other lands in part used for plants and disposal of tailings.

The equipment of the mines and metallurgical plants have a capacity of producing 130,000,000 pounds of copper per annum in the form of concentrates, cement copper and electrolytic cathode copper from combined leaching and concentrating operations. The concentrates and cement copper are shipped to the International Smelting and Refining Company's plant at Miami, Arizona, for treatment on a toll basis, and the electrolytic cathode copper to that Company's plant at Perth Amboy, N. J., for casting.

The mine, concentrator, leaching plant and auxiliary plants are connected with both the Salt River Valley Water Users' Association hydro-electric plants and with the Inspiration Consolidated Copper Company's own steam plant consisting of 4 turbo-generator units having a total capacity of 30,000 kilowatts.

All properties are owned in fee, but are subject to the lien of the First Mortgage dated April 1, 1932, to Guaranty Trust Company of New York, as Trustee, providing for an authorized issue of $10,000,000 principal amount of First Mortgage Gold Bonds, maturing April 1, 1942 of which $6,933,000 principal amount, Series A 7% Bonds (being the total amount of said bonds now issued) have been pledged to secure notes of Inspiration Consolidated Copper Company held by the registrant.

The engineers of Inspiration Consolidated Copper Company estimate its present ore reserves as follows:

| | Tons | % Copper |
|---|---|---|
| Sulphide Ore | 41,217,769 | 1.438 |
| Mixed oxide and sulphide ores | 27,793,001 | 1.276 |
| Total | 69,010,770 | 1.373 |

During the years 1925 to 1929, inclusive, copper production from this property averaged approximately 89,315,000 pounds per annum. The productive life of this property would be approximately 16 years at such rate of production based upon the estimated recoverable copper contents of the above ore reserves.

This property has not operated since May, 1932, but recently preparation has been commenced for resumption of operations on a curtailed basis.

## II. PROPERTIES OUTSIDE UNITED STATES AND CANADA

### G. CHILE COPPER COMPANY

Chile Copper Company itself owns no mining properties or plants. Its 100%-owned subsidiary, Chile Exploration Company, owns mining rights, easements, concessions and claims, on lands located at and in the vicinity of Chuquicamata, Province of Antofagasta, Republic of Chile, amounting to an area of approximately 19,558 acres. The known ore reserves, as well as the lands used for the purpose of plant sites, tailings dumps, camp sites, and miscellaneous accessory mining requirements, are located within said area.

The mining rights are held under the Mining Code of Chile and entitle the owner to work the mine or mining property and extract the ore contained therein. Such rights and the mining easements and concessions above mentioned are perpetual (except as to 49.3 acres the easement on which expires December 31, 1939, and except in several instances not materially important); the mining rights are subject to the payment annually of a tax imposed in accordance with the Mining Code, and the concessions and easements are subject to miscellaneous payments provided for by the respective decrees. The rights, easements and concessions terminate in any event upon the permanent abandonment of the mining operations.

Since the completion of the original prospect drilling campaign to determine the ore reserves, there has been discovered a very material tonnage of additional ore. No detailed estimate of this additional tonnage has been made, but a preliminary estimate indicates that the ore reserves now contain approximately 1,035,000,000 short tons of positive and probable ore, consisting of approximately 360,000,000 tons of oxidized ore assaying 1.75% copper, 100,000,000 tons of mixed ore assaying 2.87% copper, and 575,000,000 tons of sulphide ore assaying 2.27% copper, the average assay of the entire ore reserves being 2.15% copper. The recoverable copper content of the above ore reserves would be sufficient for a production rate of 450,000,000 pounds of copper per year for about 85 years.

The ore is mined by open cut methods, being loaded by electric shovels into standard-gauge ore cars for railway transportation to the reduction plant. The railways at the mine and plant consist of 81.2 miles of standard-gauge track, of which 52.45 miles are electrified.

The present reduction plant for the recovery of copper from the oxidized ores and the oxidized minerals of the mixed ores, is complete. Certain additional plant units will be required in the future when sulphide minerals are encountered in sufficient quantity to warrant their individual treatment. The reduction plant consists principally of the primary crushing plant, the secondary crushing plant, leaching vats for the extraction of copper into solution, tailings disposal system, dechloridizing plant for the removal of excess chlorine from the solutions, an electrolytic tank house for the electrolytic deposition of the copper, and a melting plant for the casting of the copper into marketable shapes; in addition, there are supplementary units such as shops, warehouses, a foundry, anode casting plant, electrical receiving station and substations. There are also housing facilities for the staff, employees and workmen, together with hospitals, schools, stores, clubs, bakeries, etc. Also at Antofagasta, Chile Exploration Company owns an office building, the land on which same is located being owned in fee, and an oil storage plant located on approximately 11 acres under governmental concession terminable when mines are abandoned (except as to one acre as to which the concession expires December 31, 1949), but subject to payment of annual taxes.

The mine and plant can produce approximately 450,000,000 pounds of refined copper per year. However, due to conditions in the world's markets, the production of Chile Exploration Company has been curtailed in recent years.

At Tocopilla on the Pacific Coast of Chile, Chile Exploration Company owns a turbo-generator power station having an installed capacity of 100,000 K.W., an oil storage plant, and a townsite containing housing facilities for staff, employees and workmen, together with a hospital, school and store. The substantial part of the lands on which the power station itself is located is owned in fee. A portion thereof is occupied under an easement granted by governmental decree No. 2485, dated October 29, 1926 (being a renewal of a prior concession), for an indeterminate period up to 60 years, expiring October 29, 1986. This easement also granted a renewal of the concession to maintain on government lands the original transmission line between Tocopilla and Chuquicamata and an easement to lands 100 meters wide by 140 kilometers long for the erection of an additional transmission line between the same points. For supplemental purposes of the plant, the Chile Exploration Company occupies in addition three parcels of land aggregating about one and two-thirds acres under leases from the government, one of which may be cancelled on six months' notice, another which continues for the duration of the Company's requirements, and the third which expires December 31, 1941. The oil storage plant at Tocopilla (an adjunct of and adjacent to the power plant) is located on government lands under decree No. 1756, dated August 14, 1917, which extended for 25 years from April 17, 1919, an easement for the use of said lands. The Chile Exploration Company's townsite at Tocopilla is located on lands pursuant to an easement granted by said governmental decree No. 1756 dated August 14, 1917, for a period expiring August 14, 1947. Power is transmitted to Chuquicamata by transmission lines for a distance of approximately [illegible] miles with a voltage of approximately 110,000.

By decree No. 3645, dated July 31, 1934, the Company is also granted the right to use lands for a telephone line from Tocopilla to Chuquicamata. The easement is indeterminate as to time but lapses if the private nature of the purpose for which it is granted is modified or discontinued.

By decree No. 534, dated March 13, 1914, as renewed by decree No. 1984, dated May 3, 1929, the Company is entitled to occupy lands for the purpose of building a dam, settling tanks and pipe lines and a telephone line from San Pedro to Chuquicamata, a distance of approximately 37 miles, and to occupy government lands as shown by maps accompanying the decree, consisting of a plot 300 meters long by 150 meters wide and a strip 20 meters wide by 60 kilometers long. These rights continue until December 31, 1943.

Copper and supplies between Chuquicamata and the port of Antofagasta are transported over the Antofagasta (Chile) & Bolivia Railway (a public carrier not owned or controlled by the Chile Copper Company), a distance of about 162 miles. At Antofagasta the copper is loaded into ocean vessels for shipment to various ports of destination.

Chile Copper Company owns all of the shares of Chile Steamship Company Incorporated, which owns one freight steamship and also has under charter two oil tankers for the purpose of transporting oil principally to Tocopilla and Antofagasta, Chile.

## H. GREENE CANANEA COPPER COMPANY

Greene Cananea Copper Company itself owns no mining properties. Its subsidiary, The Cananea Consolidated Copper Company, S. A., holds mining claims or titles of concession (under the laws of Mexico) covering lands comprising an area of about 9,200 acres, situated at Cananea, State of Sonora, Mexico. The claims consist of grants from the Mexican Government to mine and recover the metals so long as said Mexican Company pays the annual taxes thereon. The reduction works, industrial railway, power plant and tailings disposal sites of said Mexican Company are situated on lands covered by the claims, title to which lands is in the Mexican Company, and is subject to the payment of the annual taxes.

Cananea is connected with the United States-Mexico border town of Naco, Arizona, by approximately 40 miles of railroad owned by the Southern Pacific Railroad of Mexico.

The reduction works of the Mexican company comprise crushing plant, concentrator, smelter, mechanical shops, warehouse, and accessory structures and facilities, and have a productive capacity of approximately 100,000,000 pounds of copper per annum, although the operations are and have been curtailed during recent years.

The Mexican Company's engineers estimate that ore reserves now developed are sufficient to maintain production at the rate of approximately 60,000,000 pounds of copper annually for about eight years, but that such reserves are not a measure of the productive possibilities of the property. Exploration and development work is performed currently with ore extraction. The property has a long productive history and covers a large strongly mineralized area, much of which is unexplored. In addition to copper, a substantial quantity of molybdenite and small amounts of silver and gold are now being produced.

## I. ANDES COPPER MINING COMPANY

Andes Copper Mining Company owns mining rights and claims on lands located in the central part of the Republic of Chile at Potrerillos, in the Province of Atacama, having an area of approximately 1,954 acres.

In addition, Andes Copper Mining Company owns through purchase, approximately 277,380 acres of land in fee for the purpose of assuring its water supplies and for water resources and has metallic and non-metallic claims covering approximately 687 acres for the same purpose. The Company also holds metallic and non-metallic claims of approximately 12,629 acres for its Reduction Works, tailings disposal, railroad, town sites and miscellaneous properties.

The mining rights and metallic and non-metallic claims above set forth are constituted under the Mining [illegible] Chile and grant the right to use the surface of the land, and in the case of mining rig[illegible]etallic claims, the right to mine and remove the metals and, in the case of non-metallic ch[illegible] right to remove non-metallic material. Such rights and claims are perpetual so long as the [illegible] pays the annual taxes imposed under the Mining Code of Chile.

The Andes Copper Mining Company's reduction works, occupying approximately 132 acres, of which about 25 acres are covered by structures, consist of crushing plants, concentrator, smelter, leaching plant, electrolytic plant for deposition of copper from leaching plant solutions, sulphuric acid plant, mechanical shops, warehouse, and brick plant. There are also stores, houses for employees, hospitals, and accessory structures. The plants have a productive capacity of 230,000,000 pounds of copper per annum, although the operations are and have been in recent years curtailed. In addition to copper, small amounts of silver and gold are produced.

The reduction works are connected with the seaport of Barquito 96.7 miles distant by a one-meter gauge railroad, of which the Andes Copper Mining Company and its subsidiary, Potrerillos Railway Company, own 60.7 miles. The balance of the railroad is owned by the Chilean Government, and over this section the Potrerillos Railway Company operates its trains under an agreement with the Chilean Government. The port at Barquito is equipped with houses for employees, warehouse, wharf, fuel oil storage tanks and necessary means for receiving and dispatching ocean-going freight. The Company's main electric power plant, having a capacity of 30,000 kilowatts, is situated at Barquito.

The lands used for railroad right-of-way, pipe line, transmission line, and wharf construction, are held under long term governmental concessions, hereinafter referred to.

The Andes Copper Mining Company's engineers estimate the ore reserves of the property, as of December 31, 1934, to be as follows:

| | Short Tons | Percent Copper |
|---|---|---|
| Oxide Ore ................................ | 26,675,366 | 1.65 |
| Sulphide Ore................................ | 97,389,799 | 1.42 |
| | 124,065,165 | 1.47 |

In addition to the tonnage set forth above the Andes Copper Mining Company's engineers estimate that there is a substantial tonnage of sulphide ore, assaying approximately 0.7% copper, that will be available after the exhaustion of the ores included in the above mentioned tonnage.

The productive life of the above ore reserves will depend upon the scale and character of operations as between oxide and sulphide ores.

### J. SANTIAGO MINING COMPANY

Santiago Mining Company owns mining claims and rights on property in Chile, located approximately 11 miles west of Santiago, Chile. These mining claims and rights are constituted under the Mining Code of Chile, grant the right to mine and remove the metals, and are perpetual so long as the Company pays the annual taxes. In addition, Santiago Mining Company owns through purchase the agricultural land where all these mining claims are located. The mining claims consist of two groups, as follows: Lo Aguirre group, having an area of 494.20 acres, and La Africana group, having an area of 486.79 acres.

Lo Aguirre property contains a partially developed copper ore body of the disseminated type. La Africana property contains a partially developed vein deposit of copper ore. There has been no development work at these properties since September, 1922. The agricultural lands have an area of 18,430 acres, and are used for stock and crop raising, which constitute the only operations of the Santiago Mining Company.

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Except as above set forth the plants and units of registrant and its subsidiaries in the United States described above are located on land held in fee, subject to current tax assessments, liens, leases, rights of way, easements, and other rights and encumbrances. Except as above stated the principal rights in Chile and Mexico above described, registrant is advised, are perpetual while the annual taxes are paid and until abandoned and are subject to the laws of those countries, rights of way, easements and other rights and encumbrances. No examination of titles to properties has been made for the purpose of this registration statement or the prospectus. The principal plants and units have been held for many years without any unfavorably adjudicated claim.

**8. Outline briefly the general effect of all material franchises and concessions held by the registrant or its subsidiaries.**

### A. OPERATIONS IN MONTANA

**Anaconda Copper Mining Company**

Special use permit from the United States Department of Agriculture in Deer Lodge National Forest for a right of way for a flume for conducting water from Georgetown Lake to Silver Lake in Deer Lodge County, Montana, subject to cancellation.

**Butte, Anaconda & Pacific Railway Company**

Various Ordinances passed and approved by City of Anaconda, Montana, granting perpetual right of way along certain streets and alleys in the City of Anaconda for railroad purposes.

Various Ordinances passed and approved by the City of Butte, Montana, granting perpetual rights of way along certain streets, alleys and ways in the City of Butte, Montana, for railroad purposes.

Franchise from the County of Silver Bow, Montana, granting perpetual right of way for railroad purposes over certain highways in said County.

Perpetual right of way for railroad purposes over land owned by United States Government near the City of Anaconda, Montana, covering a distance of approximately eleven miles.

Water Works, Anaconda, Montana

Ordinance granting perpetual franchise to lay, maintain and repair water pipes over certain streets and alleys in Anaconda, Montana.

Butte Water Company

Ordinances passed by the City of Butte, Montana, granting right of way through certain streets and alleys of Butte for the purpose of laying and maintaining water pipes, mains and systems.

Ordinance passed by the City of Walkerville, Montana, granting right through certain streets and alleys of Walkerville for the purpose of laying water pipes in a system of water works.

Various rights of way from the United States Department of Agriculture in Deer Lodge National Forest to construct and maintain conduits for conveying water and for a telephone line.

Right of way from the State of Montana for constructing and maintaining a conduit for conveying water upon and across certain State lands.

## B. INTERNATIONAL SMELTING AND REFINING COMPANY

Concession from City of Perth Amboy, New Jersey, granting privilege of depositing blast furnace slag on city-owned property until July 11, 1938.

Concession from City of Perth Amboy to Raritan Terminal and Transportation Company (a subsidiary of International Smelting and Refining Company) granting permission to cross certain streets within the city limits for railroad purposes.

## C. CHILE EXPLORATION COMPANY

Decree No. 878, dated April 3, 1913, grants authorization from the Treasury Department of the Republic of Chile to Chile Exploration Company to establish branch offices and agents in Chile, and provides that the acts and obligations of the corporation effected or incurred in Chile shall be subject to the laws of that Republic and that its property in Chile shall be subject to the fulfillment of its obligations incurred in that country.

In addition to the mining rights, concessions, easements and claims referred to in the statements under item 7, the Chile Exploration Company holds concessions from the Chilean Government covering rights for water, both for industrial purposes and potable water, concessions for pipe lines for the transmission of this water to Chuquicamata, concessions for power lines and telephone lines and railways, and other concessions of a minor nature, all in connection with the operations of the Company at Chuquicamata.

Most of the important concessions endure for the duration of the requirements of the Chile Exploration Company. Other concessions expire at various dates beginning with 1937, but it is expected that such concessions will be renewed in due course as they have been in the past.

The concessions above mentioned which are considered to be of greater relative importance (other than the concessions set forth in the statements under item 7) are listed hereunder:

Easement for Disposal of Tailings Water: Decree No. 2337, dated November 26, 1915, authorized the Fiscal Treasurer of Antofagasta, Chile, to execute in behalf of the Chilean Government a deed granting to Chile Exploration Company an easement for the discharge of tailings water from the leaching processes at the Chuquicamata ore treatment plant over a route set forth in a plan filed with the decree approximately 9 miles in length connecting with the River Seco. The deed was executed, delivered and recorded in accordance with the decree. It is provided therein that tailings water must not contaminate other private or public waters, and in case of such contamination, Chile Exploration Company must install a purifying process. The decree does not by its terms limit the life of the easement.

Railway Concession: Decree No. 809 of July 29, 1913, issued by the Republic of Chile, grants to Duncan Fox & Company, who acted as agents for the Chile Exploration Company, a concession authorizing the construction of a railway between the Chuquicamata mine and the ore treatment plant, and between the ore treatment plant and the terminus of the Chuquicamata branch of the Antofagasta (Chile) & Bolivia Railroad. Decree No. 165 dated April 15, 1919, authorized the construction and operation of certain service branches. Decree No. 3652 of December 29, 1913, issued by the Republic of Chile, grants to Duncan Fox & Company, who acted as agents of the Chile Exploration Company, right of way over government lands for the construction of the railway for which concession was granted by Decree No. 809 mentioned above. The concessions for the railway, and for the right of way for the railway, are for an indefinite term, being specified as for the duration of the Company's requirements.

Powder Magazine Concession: Decree No. 419, dated November 25, 1915, authorized James H. E. Henn, representing Duncan Fox & Company, agents of Chile Exploration Company, to erect structures to be used as a magazine for storing explosives, and approved the plan therefor.

Concessions for Power Lines from Tocopilla to Chuquicamata and other Concessions at Tocopilla: By decree No. 1264, dated March 19, 1914, the construction of the electric power plant of Chile Exploration Company at Tocopilla, Chile, on the Pacific Coast, was authorized for the purpose of transmitting high tension electric current to Chuquicamata for a period of ten years from the date the installations are placed in operation. Decree No. 3478, dated June 25, 1914, authorized the changing of the route of the transmission line. By decree No. 2485, dated October 29, 1926, there was granted to Chile Exploration Company for an indeterminate period up to 60 years a renewal of the concession to maintain the power plant and the transmission line No. 1 from Tocopilla to Chuquicamata. By decree No. 3520 bis, dated October 30, 1923, there was granted to Chile Exploration Company for a term of 10 years permission to erect an additional high tension line between Tocopilla and Chuquicamata and to utilize fiscal lands as required for this purpose. By decree No. 4481, dated November 13, 1933, there was granted to Chile Exploration Company for an indeterminate period an extension of the right to operate a second transmission line and to utilize such fiscal lands as may be available for public use and may be required for this second transmission line.

By decree No. 2186, dated October 27, 1916, Chile Exploration Company was authorized to erect a breakwater at Tocopilla to exclude seaweed from the intake tunnel for the power plant, no time limit being set for this authorization. By decree No. 1488, dated May 19, 1920, this authorization was extended for the duration of the Company's requirements and it was stipulated that two customs guards must be maintained.

The Company has two permits to maintain mooring buoys and submarine oil pipe lines in the Bay of Tocopilla which are used for unloading of tank steamers. These permits expire on December 31, 1937 and December 31, 1938, respectively.

Harbor Buoys and Marine Pipe Line Concessions at Antofagasta: The Company has permits to maintain harbor buoys at Antofagasta which have been renewed from time to time and now expire Dec[illegible] 31, 1938.

Water Co[illegible]: Decree No. 2,184, dated November 28, 1913, granted to the Chile Exploration Company [illegible] to use a flow of 175 liters per second from the waters of San Pedro River, for the [illegible] of leaching copper bearing ores. This concession was confirmed by decree No. 1,968, dated June 14, 1927. No time limit is specified.

By decree No. 434, dated March 13, 1912, there was granted the right to use a flow of 80 liters per second from the waters of the Opache River for the leaching of copper bearing ores at Chuquicamata. No time limit is specified. This concession to water was later transferred from the River Opache to the River Loa. A further concession, decree No. 3,080, dated June 6, 1929, provisionally granted the right to the Chile Exploration Company to use a flow of 39 liters per second from the waters of the Loa River (in addition to the 80 liters above mentioned). By various decrees the time for the completion of the construction work with respect to the rights for the total of 119 liters per second from the waters of the Loa River has been extended to February 16, 1938. No time limit for the water rights is specified.

By decree No. 362, dated March 24, 1914, Chile Exploration Company was granted the right to use for domestic requirements in Chuquicamata a flow of 3.5 liters per second from the Toconce River, and contingently a concession for industrial purposes of 8.1 liters per second from such waters. By decree No. 1,333, dated August 10, 1917, a contingent permit to the Company was granted to divert the flow of 23.4 liters per second from the waters of the Toconce River for domestic and industrial purposes. These rights were later confirmed and continue so long as the waters are used for the purposes specified. The amount to which the Company is entitled (from the Toconce River) by the several decrees is 35 liters per second, with a right to an additional 15 liters per second. The additional 15 liters is subject to termination on six months' notice. Rights were also granted to use government lands for the construction of the necessary hydraulic installations for the use of the water, subject to termination on six months' notice.

Tocopilla-Chuquicamata Telephone Line Concessions: Decree No. 1,521, dated March 28, 1914, authorized a telephone line for 10 years from Tocopilla to Chuquicamata. On May 30, 1914, the Company was granted permission to set up telephone poles in certain streets in Tocopilla. The concession granted by decree No. 1,521 was extended and now continues without any fixed termination, but it is provided that the concession lapses if the private nature of the installation is modified or discontinued.

### D. ANDES COPPER MINING COMPANY

1. Authorization from the Treasury Department of the Republic of Chile to establish branch offices and agents in Chile, subject to the condition that the acts and obligations of the corporation effected or incurred in Chile shall be subject to the laws of that Republic and that its property in Chile shall be subject to the fulfillment of its obligations incurred in that country.

2. Concession from the Republic of Chile to the Potrerillos Railway Company of water to the extent of two cubic meters per second in the La Ola River, Department of Chanaral, Chile, for motive power and industrial purposes of mines at Potrerillos, or others which may be required by Potrerillos Railway Company. This concession was subsequently transferred by Potrerillos Railway Company to Andes Copper Mining Company. The construction of the works provided by the concession to be constructed as a condition thereof has been completed within the time fixed by the original and subsequent concessions.

3. Grant from the Republic of Chile to Potrerillos Railway Company of permission to erect high tension line from proposed electric power station in "El Barquito" Bay to Potrerillos mines. This concession was transferred to Andes Copper Mining Company and is for a period of sixty years from April 30, 1931, but will automatically lapse on the termination or change of the business of Andes Copper Mining Company.

4. Permit from the Republic of Chile to deposit imported merchandise for Potrerillos mines in the warehouse at Barquito.

5. Concessions from the Republic of Chile permitting installation of buoys, moorings and slipways in Barquito Bay at an annual rental of 9,720 pesos.

### E. POTRERILLOS RAILWAY COMPANY

1. Authorization from the Treasury Department of the Republic of Chile to establish branch offices and agents in Chile, subject to the condition that the acts and obligations of the corporation effected or incurred in Chile shall be subject to the laws of that Republic and that its property in Chile shall be subject to the fulfillment of its obligations incurred in that country.

2. Concession from the Republic of Chile to construct and maintain an electric or steam railway between the Potrerillos mines, Department of Chanaral, and a point on the State railway in the neighborhood of Pueblo Hundido, having a length of approximately 110 kilometers and a gauge of one meter. Concessionaire is required to establish a public freight and passenger service as soon as the Government so requests, the tariffs, time tables and regulations to be subject to the approval of the President of the Republic of Chile. Concessionaire is obligated to permit junction of its line with those of other existing railways or branch lines from other industrial establishments; to draw up contracts for the interchange of traffic and for the transportation of passengers and goods by means of tickets and direct tariffs; and to grant to other companies the right to use the line covered by the concessions. Concessionaire is entitled to run its trains over the State lines, paying for the freight transported a variable toll not to exceed 50% of the tariff that may be in force on the State railway, the State trains to be allowed to run on the concession line paying a similar toll. The period of the concession is 90 years from the date when the railroad was opened for traffic, which was September 25, 1925, which date was fixed pursuant to order of Railway Inspection

Department. At the end of the concession the line becomes the property of the Republic of Chile and the concessionaire must also cede to the State all materials in stock at that date at cost price. The foregoing concession was granted to Mr. William Braden and was transferred by him to Potrerillos Railway Company with the approval of the proper officials of the Government.

3. Grant by the Republic of Chile of lands for the construction of a railway between the Potrerillos mines and a point on the State Railway in the neighborhood of Pueblo Hundido, having a length of 111 kilometers and a width of 30 meters. Inasmuch as the concession for the operation of the railway runs for ninety years from September 25, 1925, the concession to occupy Government lands for the purpose of the railway continues for the same period.

4. Concession from the Republic of Chile for the construction and operation of railway line between Barquito Bay and Chanaral, subject to all conditions set forth in the concession covering main line from mine to Pueblo Hundido. This concession is for the same period as the main railroad to Potrerillos, that is, 90 years commencing with the same date, but it terminates if for any reason the Barquito land and wharf concession should be cancelled. The Government is entitled to a reduction of 50% in the rates in force on articles transported for it for the use of the State Railway.

5. Concession from the Republic of Chile of Government lands thirty meters wide by four kilometers long for the purpose of constructing a branch line between Chanaral and El Barquito. Such concession is for a period of thirty years from July 22, 1916 and subject to extension of further period.

6. Concession from the Republic of Chile to Mr. William Braden for thirty years from June 7, 1916 and subject to extension of further period, of seventy hectares on El Barquito Bay, south of the Port of Chanaral, for the installation of establishments for the treatment of minerals, a smelter, and installations necessary for their shipment. The fee payable is 200 pesos per hectare per annum, which is increased to 300 pesos per hectare for the last ten years of the concession. These rates are reduced to 20 pesos per hectare per annum if a law is passed taxing export of minerals or the profits of mining concerns. This concession also grants permission to construct and operate a wharf in El Barquito Bay subject to an annual payment of 6,000 pesos. This concession was transferred by Mr. Braden to Potrerillos Railway Company with the approval of the Government.

7. Grant from the Republic of Chile to Potrerillos Railway Company for water conduit pipe lines on Government lands for thirty years from July 22, 1916, such pipe lines to run between the farm named "Quebrada Larga" and Potrerillos, and between the farm named "Asientos" and El Barquito.

F. TOOELE VALLEY RAILWAY COMPANY

1. Franchise to operate steam railway over the streets of Tooele, Utah. This franchise expires December 7, 1958.

2. Franchise from County of Tooele, Utah, permitting the Tooele Valley Railway Company to pass over roads and highways in Tooele Precinct and Lakeview Precinct. This franchise expires January 4, 1959, and is cancelable if trains are not operated for a one-year period.

G. SANTIAGO MINING COMPANY

1. Authorization from the Treasury Department of the Republic of Chile to establish branch offices and agents in Chile, subject to the condition that the acts and obligations of the corporation effected or incurred in Chile shall be subject to the laws of that Republic and that its property in Chile shall be subject to the fulfillment of its obligations incurred in that country.

2. Grant from the Republic of Chile to use a flow of 1,000 liters per second from waters of Lampa River, also known as Pudahuel Lake, for the purpose of irrigating the land of Lo Aguirre farm.

## CAPITAL SECURITIES AND SECURITIES BEING REGISTERED

9. A. For each issue of authorized Funded Debt of the Registrant, furnish the following information:

As of June 30, 1935

| Col. A | Col. B | Col. C | Col. D | Col. E | Col. F | Col. G |
|---|---|---|---|---|---|---|
| Title of issue | Amount authorized by indenture | Amount outstanding exclusive of that held in treasury of registrant | Amount outstanding as per balance sheet of registrant | Amount in treasury of registrant | Amount pledged by registrant | Amount owned by subsidiaries of registrant |

NONE

B. Funded Debt to be offered under this Registration:

| Col. A | Col. B | Col. C |
|---|---|---|
| Title of issue | Amount authorized or to be authorized by indenture | Amount to be offered |
| 4½% Sinking Fund Debentures, due October 1, 1950 | $55,000,000 | $55,000,000 |

10. A. For each class of authorized Capital Stock of the Registrant, furnish the following information:

As of June 30, 1935

| Col. A | Col. B | Col. C | Col. D | Col. E | Col. F | Col. G | Col. |
|---|---|---|---|---|---|---|---|
| Title of issue including par, or if no par, stated value, if any | Amount authorized by charter | Amount outstanding exclusive of amount held in treasury | Capital stock liability as per balance sheet | Amount in treasury of registrant | Amount owned by subsidiaries of registrant | Amount owned by parents of registrant | Amount r… for offic… employ… |
| Common Stock Par $50. | 12,000,000 shs. | 8,674,619 shs. | $433,730,950* | 244,467 shs. | 279 shs. | None | No… |

*Excluding 244,467 shares in Treasury having an aggregate par value of $12,223,350.

B. Capital Stock to be offered under this Registration:

| Col. A | Col. B | Col. C |
|---|---|---|
| Title of issue including par, or if no par, stated value, if any | Amount authorized or to be authorized by charter | Amount to be offered |

NONE

11. A. For each class of securities of other issuers guaranteed by the Registrant, furnish the following information:

As of June 30, 1935

| Col. A<br>Name of issuer of securities guaranteed | Col. B<br>Title of issue guaranteed, and, if stock, par or, if no par, stated value, if any | Col. C<br>Total amount guaranteed | Col. D<br>Amount in treasury of registrant | Col. E<br>Amount in treasury of issuer of securities guaranteed | Col. F<br>Brief statement of nature of guarantee |
|---|---|---|---|---|---|
| Butte, Anaconda & Pacific Railway Company | First Mortgage Five Per Cent. Thirty Year Sinking Fund Gold Bonds due Feb. 1, 1944 | $1,621,000.00* | $85,000.00 | None | In case of any default in the punctual payment of the principal or of the interest of said bonds according to their tenor and effect, Anaconda Copper Mining Company, for value received, agrees to pay the same on demand. |

*Includes amount in Treasury of Registrant.

B. Guarantees to be offered under this Registration:

| Col. A<br>Name of issuer of securities guaranteed | Col. B<br>Title of issue guaranteed, and, if stock, par or, if no par, stated value, if any | Col. C<br>Amount of guaranteed securities to be offered | Col. D<br>Brief statement of nature of guarantee | Col. E<br>Present status |
|---|---|---|---|---|

NONE

12. A. For Warrants or Rights grant[illegible]egistrant to subscribe for or purchase securities of the Registrant, furn
tion:

(By a footnote refer to any description of conversion and other option rights contained in the registration st

As of June 30, 1935

| Col. A | Col. B | Col. C | Col. D | Col. E | Col. F |
|---|---|---|---|---|---|
| Title of issue of securities called for by warrants or rights | Amount of securities called for by each warrant or right | Number of warrants or rights outstanding | Aggregate amount of securities called for by warrants or rights outstanding | Date from which warrants or rights are exercisable | Expiration date of warrants or rights |

NONE

B. Warrants to be offered under this Registration:

| Col. A | Col. B | Col. C | Col. D | Col. E | Col. F | Col. |
|---|---|---|---|---|---|---|
| Title of issue of securities called for by warrants or rights | Amount of securities called for by each warrant or right | Number of warrants or rights to be offered | Aggregate amount of securities called for by warrants or rights to be offered | Date from which warrants or rights are exercisable | Expiration date of warrants or rights | Price of warrant exercis |

NONE

13. A. If there is any class of securities of the registrant other than those called for by items 9A, 10A, 11A, and 12A, outstanding or authorized, set forth information concerning such securities similar to that required for the securities mentioned.

None.

B. If there is any class of securities, other than those called for by items 9B, 10B, 11B, and 12B, to be offered under this registration, set forth information concerning such securities similar to that required for the securities mentioned.

None.

## DESCRIPTION OF SECURITIES

14. Funded debt, other than that to be offered:

As to each issue, other than that to be offered, set forth in answer to Item 9A, give the title of the issue and furnish the following:

(a) Date of issue.

(b) State the annual amount required for the satisfaction of amortization, sinking fund, redemption and retirement provisions.

(c) Outline briefly the terms of any conversion or voting rights.

(d) State whether secured by any lien, and briefly describe the principal property subjected to such lien.

(e) State whether the respective indenture permits the issuance of further securities, and, if so, state the amount.

(f) If serial, give the plan of serial maturities.

(g) Outline briefly any provisions to maintain any ratio of assets, not to declare dividends, not to secure other issues without securing the particular security, and provisions of a similar character.

(h) If the obligation to pay interest is made dependent upon earnings or other special conditions, outline briefly the provisions applicable thereto.

None.

15. Funded debt to be offered:

As to each issue set forth in answer to Item 9B, give the title of the issue and furnish the following:

TITLE OF ISSUE:

4½% SINKING FUND DEBENTURES, DUE OCTOBER 1, 1950

The Debentures described in this Item 15 (hereinafter in this item referred to as the "Debentures") are to be issued under an Indenture dated October 1, 1935, between registrant and Guaranty Trust Company of New York, as Trustee. The following summaries are based on the provisions of the Indenture, a copy of which is herewith submitted as Exhibit B-1, to this registration statement. Such summaries are made subject to all of the terms and provisions of the Debentures and of said Indenture to which reference is made for a full and complete statement of its terms and of the rights of the holders of the Debentures.

(a) Date of issue.

As of October 1, 1935.

(b) Outline briefly the amortization, sinking fund, redemption and retirement provisions, and state the annual amount required for the satisfaction thereof.

The Indenture provides that on August 15, 1936, and on August 15 of each year thereafter to and including August 15, 1949, the registrant will pay to the Trustee for the purposes of a sinking fund, an amount equal to the sum of the following: (a) $1,000,000 plus (b) 20% of the consolidated net income of the registrant as the same is defined in the Indenture, for the period of twelve months ended on the next preceding December 31; provided, however,

(1) The maximum amount of any sinking fund payment to be made on each sinking fund payment date under clause (b) above shall not exceed a sum sufficient to equal the purchase price, as defined in the following paragraph (2), or the amount necessary for the redemption (excluding accrued interest) of a principal amount of Debentures which, when added to the aggregate principal amount of Debentures previously retired since the date of the Indenture, plus the aggregate principal amount of Debentures to be retired (either by delivery of Debentures to the Trustee or by redemption) through the application or use of the payment (to be made on such sinking fund payment date) referred to in clause (a) above, will equal in the aggregate the principal amount of Debentures set forth in the following table opposite such sinking fund payment date:

| | |
|---|---|
| August 15, 1936.................... | $ 5,500,000 |
| August 15, 1937.................... | 11,000,000 |
| August 15, 1938.................... | 16,500,000 |
| August 15, 1939.................... | 22,000,000 |
| August 15, 1940.................... | 27,500,000 |
| August 15, 1941.................... | 33,000,000 |
| August 15, 1942.................... | 38,500,000 |
| August 15, 1943.................... | 44,000,000 |
| August 15, 1944.................... | 49,500,000 |
| August 15, 1945.................... | 55,000,000 |
| August 15, 1946.................... | 55,000,000 |
| August 15, 1947.................... | 55,000,000 |
| August 15, 1948.................... | 55,000,000 |
| August 15, 1949.................... | 55,000,000 |

In any case where on any sinking fund payment date the aggregate principal amount of debentures previously retired and to be retired through the application or use of the payment referred to in clause (a) above equals or exceeds the aggregate principal amount of Debentures set forth in said table for such sinking fund payment date, no sinking fund payment under clause (b) above is required.

The word "retired" as used in said Indenture is defined to mean all Debentures delivered to the Trustee for cancellation (whether or not for purposes of the sinking fund), and all Debentures which have been redeemed or called for redemption (either at the option of the registrant or by operation of the sinking fund or under the provisions of Section 22 of the Indenture) by notice of redemption published at least once as provided in said Indenture and payment duly provided for.

(2) At its option, the registrant, in lieu of making any such payment for the sinking fund in whole or in part in cash, may deliver to the Trustee Debentures (except Debentures theretofore called for redemption either by operation of the sinking fund or at the option of the registrant or under the provisions of said Section 22) with all unmatured coupons attached, the Debentures so delivered to be received by the Trustee in lieu of cash in an amount equal to the purchase price of such Debentures paid by the registrant in the acquisition thereof (including usual brokerage commissions and other expenses with respect to the purchase thereof, but exclusive of accrued interest).

In the event that for any such twelve-months' period there shall not be any consolidated net income of the registrant, no sinking fund payment shall be required under clause (b) above.

The words "consolidated net income" of the registrant are defined in said Indenture to mean the consolidated net income of the registrant and its subsidiaries (as defined in said Indenture) as such income appears in the consolidated income statement for the registrant and its said subsidiaries, as such statement is set forth in the annual report of the registrant to its stockholders for the respective twelve months' period, such net income being the amount remaining after deduction of all charges and interest, including interest on the Debentures, all operating reserves, including depreciation and obsolescence, amortization of debt discount and expense, provision for all taxes, including income and excess profits taxes of the registrant and its said subsidiaries (including any additional taxes payable for any prior period provided such period is subsequent to January 1, 1935) and net income applicable to minority interests in subsidiaries the accounts of which are included in said consolidated income statement, all such items to be deducted to the extent charged in such statement (but without any deduction for depletion of metal mines), provided, however, that in the computation of consolidated net income for the purpose of determining the amount required for sinking fund payments, there shall not be included (a) profits or losses in connection with the sale or transfer of property, plant and equipment, other than those occurring incidental to ordinary dismantlements or retirements; (b) profits or losses arising from the transfer or sale of shares of stock of any subsidiary; (c) profits or losses with respect to the dissolution of any subsidiary; and (d) adjustments on account of any valuation of inventories at other than the cost of such inventories, the inventory practice or method of the registrant and its subsidiaries in effect for the six-months' period ending June 30, 1935, as to cost of inventory to be followed in such statement.

The Indenture provides that the registrant shall file on each sinking fund payment date with the Trustee a statement of its consolidated net income in accordance with the foregoing provisions. The method adopted therein with respect to the inclusion or exclusion of income or deductions of any corporation which became or ceased to be a subsidiary during the respective twelve-months' period shall be conclusive for the purposes of determining the amount payable under clause (b) of the first paragraph of this Item 15 (b). The consolidated net income set forth in such statement shall be taken as the consolidated net income and shall be conclusive for all such purposes.

The Indenture provides that for such purposes, the registrant may omit from its consolidated net income statement for any twelve-months' period the income and deductions of any subsidiary or subsidiaries the accounts of which are not included in the consolidated financial statements published in the annual report of the registrant to its stockholders for the respective twelve-months' period, if the total investment of the registrant and its subsidiaries, as shown by their respective books, in the subsidiary or subsidiaries the income and deductions of which are so omitted, does not exceed three per cent. (3%) of the gross book value of the assets of the registrant and its subsidiaries (the accounts of which are included in such consolidated balance sheet) as shown by such consolidated balance sheet.

The Indenture provides that the terms "subsidiary" and "subsidiaries" as used therein shall mean

(a) any corporation or corporations at least 75% owned (1) by the registrant, or (2) by any corporation or corporations at least 95% owned by the registrant, or (3) by the registrant and any corporation or corporations mentioned in (2); and

(b) any corporation or corporations at least 95% owned by any subsidiary or subsidiaries as defined in the preceding clause (a) and/or the registrant.

The term "owned" as used in clauses (a) and (b) above with respect to a corporation is defined to mean the respective percentage of ownership, at the time, of its capital stock entitled generally to vote for directors (not including any stock entitled so to vote only upon the happening of some contingency). The phrase "at the time" as used in the Indenture with respect to the determination of whether any provision of the Indenture is applicable to a corporation for the purpose of determining whether such corporation is a subsidiary and thus subject to the provisions thereof, is defined to mean the time when the specific provision is controlling.

The Trustee shall apply any cash received on each such sinking fund payment, together with any unused balance of any preceding sinking fund payment to the redemption on the next succeeding October 1 of Debentures to an amount which will most nearly exhaust such moneys, at the current redemption price or prices applicable as hereinafter stated to a redemption of Debentures in part only. In the event that, due to the reduction to be made (as hereinafter set forth) in the redemption price for each $11,000,000 principal amount of Debentures redeemed or theretofore or then to be called for redemption or delivered to the Trustee for cancellation, the Debentures to be redeemed by moneys then in the sinking fund shall be redeemable at different redemption prices, the Trustee shall determine by lot the Debentures to be redeemed at the higher redemption price before determination by lot of the Debentures to be redeemed at the lower redemption price. Regardless of any other provisions with respect to sinking fund payments the Trustee is not required to proceed to the redemption of Debentures at any time unless the moneys then in the sinking fund shall amount to at least one hundred thousand dollars ($100,000), exclusive of any interest which may be allowed thereon.

The Debentures are subject to redemption as a whole or from time to time in any part by lot at the option of the registrant on any date prior to maturity, upon notice published at least four times in one daily newspaper printed in the English language and of general circulation in the Borough of Manhattan, the City of New York, the first publication to be not less than thirty days before the redemption date, at the following redemption prices (expressed in percentages of the principal sum) together with accrued interest to the date of redemption:

(1) In case of the redemption of all the Debentures then outstanding: if redeemed prior to October 1, 1940, one hundred and five per cent. (105%); if redeemed on or after October 1, 1940 and before October 1, 1945, one hundred and four per cent. (104%); if redeemed on or after October 1, 1945 and before October 1, 1946, one hundred and three per cent. (103%); if redeemed on or after October 1, 1946 and before October 1, 1947, one hundred two and one-half per cent. (102½%); if redeemed on or after October 1, 1947 and before October 1, 1948, one hundred and two per cent. (102%); if redeemed on or after October 1, 1948 and before October 1, 1949, one hundred and one and one-half per cent. (101½%); and if redeemed on or after October 1, 1949 and prior to maturity, one hundred and one per cent. (101%);

(2) In case of a redemption of the Debentures in part only: at one hundred and five per cent. (105%) less one per cent. (1%) for each full eleven million dollars ($11,000,000) principal amount of the Debentures which (a) have been redeemed or theretofore called or are then being called for redemption (at the option of the registrant or by operation of the sinking fund or under the provisions of Section 22 of the Indenture) in accordance with the foregoing provisions and payment duly provided for, or (b) have been delivered by the registrant at least forty (40) days prior to the redemption date to the Trustee for cancellation (including Debentures delivered to the Trustee as part of any sinking fund payment in lieu of cash or surrendered to the Trustee under said Section 22); provided, however, that in case of any partial redemption of Debentures on a redemption date on or after October 1, 1945 and prior to maturity, the redemption price thereof shall in no case exceed the redemption price applicable under clause (1) above to the redemption on such date of all the Debentures outstanding.

**(c) Outline briefly the terms of any conversion or voting rights.**

None.

**(d) State whether secured by any lien, the kind thereof, and briefly describe the property subjected to such lien.**

Not secured by any lien.

**(e) State the priority as to security of the issue registered and briefly state all existing indebtedness secured by liens on the property securing the issue registered, ranking prior to or pari passu with the liens securing the issue registered, and the kind of any such prior or pari passu liens.**

No security.

**(f) If serial, give the plan of serial maturities.**

Not serial.

**(g) If additional securities of the same issue may be issued under the respective indenture, state the amount thereof and outline briefly the conditions on which such issue can be made.**

Additional securities of the same issue may not be issued.

**(h) State the amount of other securities which may be issued, and if issued, will as to security rank ahead of, or pari passu with, the issue described.**

The amount of other securities which may be issued is not limited, but as more fully set forth in Section 18 of the Indenture, to which reference is hereby made, the registrant covenants in paragraph A thereof that, except as expressly therein permitted, it will not at any time either mortgage or pledge any of its property or assets now owned or hereafter acquired, without thereby expressly securing the due and punctual payment of the principal and interest of the Debentures equally and ratably with any and all other obligations and indebtedness secured by such mortgage or pledge; and the registrant covenants that if and when it shall create any such mortgage or pledge the Debentures will be so secured thereby; and in paragraph B of said Section that, except as therein expressly permitted, it will not permit any subsidiary to which said covenant applies as provided in paragraph C of Section 19 referred to below, while it continues a subsidiary, to mortgage or pledge any of its property or assets now owned or hereafter acquired, unless (a) the registrant and/or another subsidiary or subsidiaries shall forthwith acquire all the obligations and indebtedness secured thereby, and (b) so long as the foregoing covenant remains applicable under paragraph C of said Section 19 to the subsidiary which created such mortgage or pledge, the obligations or indebtedness secured thereby shall continue to be held by the registrant and/or another subsidiary or subsidiaries free and clear from any pledge, lien or charge, except as permitted by said paragraph A or paragraph B of said Section 18.

Said Section 18 provides in paragraph C thereof that nothing contained in said Section shall be construed to apply to or prevent:

(1) the purchase of additional property or other assets by the registrant, or by any subsidiary to which the covenants of said paragraph B of said Section 18 apply, subject to any mortgage, pledge or lien existing thereon, or subject to a purchase money mortgage, pledge or lien created thereon in connection with the acquisition of any such property or assets, or the creation of a mortgage, pledge or lien on property or other assets hereafter acquired to secure, pay or provide funds for the payment of the purchase price thereof; provided, however, that the aggregate principal amount of indebtedness secured by any such mortgage, pledge or lien shall not exceed 75% of the actual cost (including therein the amount of such indebtedness) to the registrant or to such subsidiary of the property or assets subject to such mortgage, pledge or lien; and provided further that the provisions set forth in this clause (1) apply only to a purchase from a seller other than a subsidiary or the registrant, the provisions of said paragraph B however to apply to the creation of a mortgage or pledge by a subsidiary (to which the covenants in said paragraph B apply) in connection with a purchase of property by it from any other subsidiary or from the registrant;

(2) the pledge by the registrant, or by any subsidiary to which the covenants of paragraph B of said Section 18 apply, of metals or products thereof, bills of lading, warehouse receipts, or other evidences of ownership of such metals or products, as security for its indebtedness or obligations which mature not later than one year after the date of the creation thereof or as security for renewals or successive renewals of any such indebtedness or obligations for not more than one year at any one time; or

(3) the creation of a mortgage or pledge for the sole purpose of renewing or refunding (a) as to the registrant or any subsidiary to which the covenants of paragraph B of said Section 18 apply, a then existing mortgage, pledge or lien referred to in clause (1) above or this Clause (3) or (b) as to a subsidiary becoming such after the date thereof, a mortgage, pledge or other lien on property or assets of such subsidiary, or unsecured bonds, notes or other funded indebtedness of such subsidiary existing at the time it became a subsidiary; provided in any case that the principal amount of the indebtedness secured by such mortgage or pledge shall not exceed the principal amount of the indebtedness secured by the mortgage, pledge or lien outstanding, or the principal amount of the unsecured bonds, notes or other funded indebtedness outstanding (to be refunded) at the time of such renewal or refunding, and that such renewal or refunding mortgage, pledge or lien shall be limited in lien to the same property or assets that secured the mortgage, pledge or lien renewed or refunded, or in the case of the renewal or refunding of funded indebtedness of a subsidiary, to the property and assets of such subsidiary.

The term "assets" as used in said Section 18 is defined to include, without limitation, shares of stock (including voting trust certificates therefor) or other securities of any subsidiary or any other corporation.

In and by Section 19 of the Indenture, the registrant covenants in paragraph A thereof that except as thereinafter expressly permitted, it will not permit any subsidiary to which this covenant applies as provided in paragraph C of said Section 19 to create any funded indebtedness unless (a) the registrant and/or another subsidiary or subsidiaries shall forthwith acquire all the bonds, notes or other obligations evidencing the same, and (b) so long as the foregoing covenant remains applicable under paragraph C of Section 19 to the subsidiary which created such funded indebtedness, the bonds, notes or other obligations evidencing the same shall continue to be held by the registrant and/or another subsidiary or subsidiaries free and clear from any pledge, lien or charge, except as permitted by Section 18. The words "funded indebtedness" as used in said Section 19 and in Section 18 are defined to mean any unsecured indebtedness which by its terms matures more than one year after the date of the creation thereof. It is further provided that nothing in said

Section 19 contained shall be construed to apply to or to prevent (a) the creation of indebtedness for any of the purposes set forth in clauses (1) or (3) of paragraph C of said Section 18 referred to above; (b) the creation of funded indebtedness for the purpose of paying, securing or providing funds for the payment of not more than 75% of the actual cost (including therein the amount of such indebtedness) to such subsidiary of real estate, mines, mining properties, mining claims, leases, plants and buildings, or the purchase price of all or substantially all of the assets of another corporation or corporations, or of additional shares of stock (including voting trust certificates therefor) or other securities of any subsidiary or of any other corporation, but this clause (b) shall apply only to a purchase from a seller other than a subsidiary or the registrant, the provisions set forth in the first sentence of this paragraph however to apply to the creation of funded indebtedness by a subsidiary (to which the covenant set forth in such first sentence applies) in connection with a purchase of property by it from any other subsidiary or from the registrant; (c) the creation of funded indebtedness (to be issued to the vendor) in the purchase of machinery, equipment, ores, metals, materials and supplies, including any extensions or renewals of such indebtedness; or (d) the creation of funded indebtedness to refund or replace any of the following: (1) as to a subsidiary becoming such after the date of the Indenture, any funded indebtedness existing at the time it became a subsidiary, or (2) as to any subsidiary, any funded indebtedness created under the provisions as set forth in this subdivision (d) or the preceding subdivisions (a) or (b); provided in any case that the principal amount of any funded indebtedness created under said subdivision (d) shall not exceed the principal amount of the funded indebtedness to be refunded or replaced.

In and by paragraph B of said Section 19 it is provided that the registrant covenants that except as thereinafter expressly permitted it will not permit any subsidiary to which this covenant applies as provided in paragraph C of said Section 19, to issue any preferred or preference stock (preferred as to assets and dividends or either), unless (a) the registrant and/or another subsidiary or subsidiaries shall forthwith acquire all such preferred or preference stock, and (b) so long as the foregoing covenant remains applicable under paragraph C of Section 19 to the subsidiary which issued such preferred or preference stock, such preferred or preference stock shall continue to be held by the registrant and/or another subsidiary or subsidiaries, free and clear from any pledge, lien or charge, except as permitted by Section 18. It is provided that nothing in said paragraph B contained shall be construed to apply to or prevent the issuance of preferred or preference stock (1) for the purpose of paying, securing or providing funds for the payment of not more than 75% of the purchase price of real estate, mines, mining properties, mining claims, leases, plants and buildings, or the purchase price of all or substantially all the assets of another corporation or corporations, or of additional shares of stock (including voting trust certificates therefor) or other securities of any subsidiary or of any other corporation, but this sentence shall apply only to a purchase from a seller other than a subsidiary or the registrant, the provisions set forth in the first sentence of this paragraph however, to apply to the issuance of preferred or preference stock by a subsidiary (to which the covenant set forth in such first sentence applies) in connection with a purchase of property by it or from any other subsidiary or from the registrant; provided, however, that such preferred or preference stock shall only be issued to the extent that such 75% shall not have been paid, secured or provided for as permitted in subdivision (1) of paragraph C of Section 18 or in subdivision (b) of paragraph A of Section 19; or (2) for the purpose of providing funds to retire any indebtedness secured by any mortgage, pledge or lien referred to in subdivisions (1) and (3) of paragraph C of Section 18, or any indebtedness referred to in subdivisions (a), (b) or (d) of paragraph A of Section 19.

In and by paragraph C of said Section 19, it is provided that the covenants contained in paragraph B of said Section 18 (subject to the provisions of paragraph C of said Section) and in paragraphs A and B of said Section 19 (subject to the provisions therein contained) shall apply only to The American Brass Company, International Smelting and Refining Company, Anaconda Sales Company, and to any other corporation not at the date of the Indenture a subsidiary and of which the registrant owns at the date of the Indenture at least 65% of the capital stock entitled generally to vote for directors (not including any stock entitled so to vote only upon the happening of some contingency) as and when such other corporation becomes a subsidiary, but shall continue to apply to each such corporation only while such corporation remains a subsidiary or while the registrant owns respectively at least a majority of the capital stock entitled generally to vote for directors (not including any stock entitled so to vote only upon the happening of some contingency) of such corporation a subsidiary at the date of the Indenture or becoming such as above provided. Said covenants shall not apply to any other subsidiary. In case any other corporation which is or becomes a subsidiary acquires all or substantially all the assets of any corporation to which said covenants at the time apply, then such covenants shall apply to the corporation which so acquires said assets, but only for the period during which such acquiring corporation remains a subsidiary or while the registrant continues to hold at least a majority of the outstanding stock entitled to vote as aforesaid of said acquiring corporation.

**(i) If substitution of any property securing the issue is permitted, outline briefly the principal provisions permitting such substitution, and state whether or not any notice is required in connection with any such substitution.**

The issue is not to be secured.

**(j) If the obligation to pay interest is made dependent upon earnings or other special conditions, outline briefly the provisions applicable thereto.**

The obligation to pay interest is not dependent upon earnings or any other special conditions.

**(k) Name the Trustee and state whether the Trustee has had a regular course of dealings with the registrant during the past five years. If so, state briefly the nature of such course of dealings.**

Guaranty Trust Company of New York.

Continuous banking relations have been maintained by said Trust Company for the last five years with registrant and the following subsidiaries: The American Brass Company, Anaconda Sales Company, Anaconda Wire and Cable Company, Andes Copper Mining Company, Chile Copper Company, Chile Exploration Company, Chile Steamship Company Incorporated, and Copper Export Association, Inc. Relationship has included deposit and checking accounts, foreign collections, purchase and sale of foreign currencies, import and export letters of credit, and loans, secured and unsecured. The borrowing relations with the Trust Company have been had with the registrant and the following subsidiaries, whose indebtedness at the date of filing of this registration statement is for the following principal amounts: registrant \$20,428,120, Andes Copper Mining Company \$2,500,000, The American Brass Company \$1,500,000. This is exclusive of small amounts of traveler's letters of credit and foreign collection and exchange transactions which vary from day to day. Chile Exploration Company has borrowed on an acceptance basis from said Trust Company and Copper Export Association, Inc., has used a revolving credit with it for the purchase and sale of foreign exchange. Guaranty Trust Company of New York is Trustee under the Indenture dated as of January 1, 1927 securing the 20-Year 5% Gold Debentures of Chile Copper Company and also Trustee under the First Mortgage of Butte, Anaconda & Pacific Railway Company securing an issue of its 30-Year 5% Sinking Fund Gold Bonds dated as of February 1, 1914.

**(l) State the names of all directors and officers of the Trustee who are also either (1) directors or officers of the registrant; or (2) directors, officers or partners of any principal underwriter of the securities being registered.**

Cornelius F. Kelley, President and a director of the registrant, is a director of the Trustee.

**(m) Outline briefly what rights, if any, are given the Trustee or the fiscal agent to engage in other transactions with the registrant or to engage in other dealings in regard to the securities registered.**

The Indenture does not contain any restrictions of the rights of the Trustee or fiscal agent to engage in other transactions with the registrant, or to engage in any other dealings with respect to the securities registered. As is more fully set forth in Section 39 of the Indenture, to which reference is hereby made, the Trustee may purchase, acquire, hold, own and deal in any of the Debentures and may engage in or be interested in any financial or other transaction with the registrant or any corporation in which the registrant may be interested, and may act as depositary, trustee, transfer agent, registrar or agent for the registrant or for any committee or other body in respect of any Debentures, bonds, notes, stock or other securities of the registrant, whether or not issued pursuant to the Indenture.

**(n) What percentage of security holders is necessary to require the Trustee (1) to accelerate the maturity of the security and (2) to enforce the lien thereof? Outline briefly what indemnification the Trustee is entitled to require before proceeding to enforce the lien. What percentage of security holders must concur in order to be able to direct the Trustee?**

The Debentures will not be secured by any lien. As is more fully set forth in Section 28 of the Indenture, to which reference is hereby made, upon the happening of any event of default as defined in the Indenture, the Trustee may, and upon the written request of the holders of at least twenty-five per cent (25%) in principal amount of the Debentures then outstanding shall, accelerate the maturity of the Debentures, subject to the provision that if at any time after the principal of the Debentures shall have been so declared and become due and payable, and before any judgment or decree for the payment of moneys so due shall be entered, all arrears of interest upon all the Debentures (with interest upon any overdue instalments of interest at the rate of 4½% per annum), and all other sums payable under the Indenture shall have been duly paid and every other default in the performance of any covenant or provision of the Debentures or of the Indenture shall have been made good or secured to the satisfaction of the Trustee or arrangements deemed by the Trustee to be adequate shall be made therefor—then and in every such case the Trustee may, and upon the written request of the holders of a majority in principal amount of the Debentures then outstanding shall, waive the default by reason of which the principal of the Debentures shall have so become due and payable, and rescind and annul such declaration and its consequences; but no such waiver, rescission or annulment shall extend to or affect any subsequent default or shall impair any right consequent thereon. As is more fully set forth in Section 29 of the Indenture, to which reference is hereby made, if default is made in the payment of any instalment of interest and such default shall continue for sixty days or if default is made in the payment of the principal of any of the Debentures when the same becomes payable, the Trustee may demand payment thereof by the registrant. In case the registrant fails to make such payment, the Trustee may, and upon the request in writing of the holders of at least twenty-five per cent (25%) in principal amount of the outstanding Debentures and upon being furnished with indemnity satisfactory to it against all expenses and liabilities, shall, among other things, institute such action or proceedings at law or in equity as may be advised by counsel for the collection of the sums so due and unpaid.

The Trustee shall give the registrant notice of the happening of certain events of default, as more specifically set forth in said Indenture, to which reference is hereby made, upon written request so to do from the holders of at least ten per cent (10%) in principal amount of the Debentures at the time outstanding.

**(o) Outline briefly any provisions for the modification or amendment of the terms of the security of the indenture relating thereto by holders of part of the issue.**

Said Indenture provides that the holders of seventy-five per cent (75%) in aggregate principal amount of the Debentures at the time outstanding (not including in any case any Debentures which may then be held or owned by or for the account of the registrant or of any subsidiary of the registrant) shall have the right, from time to time, to consent to and approve the execution by the registrant and the Trustee of such indenture or indentures supplemental thereto as shall be deemed necessary or desirable by the registrant, for the purpose of modifying or amending any of the terms or provisions contained in the Indenture or in any supplemental indenture or indentures; provided, however, that nothing therein contained shall permit or be construed as permitting the modification or amendment of the terms and conditions contained in the Indenture or in the Debentures so as to

(a) Extend the maturity of the Debentures;

(b) Reduce the rate of interest upon the Debentures;

(c) Modify the terms of payment of principal or of interest upon the Debentures or impose any conditions with respect to such payment;

(d) Affect the rights of the holders of less than all of the Debentures then outstanding.

If at any time the registrant shall request the Trustee to enter into such a supplemental indenture, the Trustee, unless it shall deem that such proposed supplemental indenture shall contain provisions which affect its rights or obligations and to which it is unwilling to assent, shall, at the expense of the registrant, cause notice of the proposed execution of such supplemental indenture to be published in one daily newspaper printed in the English language and of general circulation in the Borough of Manhattan, The City of New York, once a week for at least four successive weeks, and on or before the date of the first publication of such notice the Trustee shall also mail a copy thereof to the registered holders of Debentures, registered as to principal at their last address appearing on the registry books; but failure to mail any such notice or any defect therein shall not affect the validity of the proceedings for obtaining consents to the execution and delivery of such supplemental indenture. Such notice shall briefly set forth the nature of such proposed supplemental indenture and shall state that a copy thereof is on file at the principal office of the Trustee in the Borough of Manhattan, The City of New York, New York, for inspection by all holders of Debentures.

Whenever at any time within one year from the date of the first publication of said notice, the registrant shall deliver to the Trustee an instrument or instruments executed by the holders of at least seventy-five per cent. (75%) in aggregate principal amount of the Debentures then outstanding (not including in any case any Debentures which may then be held or owned by or for the account of the registrant or any subsidiary of the registrant) which instrument or instruments shall refer to the proposed supplemental indenture described in said notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof on file with the Trustee, thereupon, but not otherwise, the Trustee shall execute the said supplemental indenture in substantially the said form without liability or responsibility to any holder of any Debenture, whether or not such holder shall have consented thereto.

If the holders of at least seventy-five per cent. (75%) in aggregate principal amount of the Debentures outstanding at the time of execution of any such supplemental indenture (not including in any case any Debentures which may then have been held or owned by or for the account of the registrant or any subsidiary of the registrant) or the predecessors in title of such holders, shall have consented to and approved the execution thereof, as therein provided, no holder of any such Debenture, whether or not such holder shall have consented to or shall have revoked any consent as in this Article provided, shall have any right or interest to object to the execution of such supplemental indenture or to object to any of the terms or provisions therein contained or to the operation thereof, or to enjoin or restrain the Trustee or the registrant from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any such supplemental indenture the Indenture shall be and be deemed to be modified and amended in accordance with such supplemental indenture and the respective rights, duties and obligations under the Indenture of the registrant, the Trustee and all holders of outstanding Debentures shall thereafter be determined, exercised and enforced thereunder subject in all respects to such modifications and amendments.

Facts relating to the ownership of the Debentures shall be established to the satisfaction of the Trustee, and the decision of the Trustee as to the ownership thereof shall be final, binding and conclusive insofar as such facts shall relate to the execution of a supplemental indenture as provided for in the Indenture. The Trustee may conclusively rely upon a certificate signed by the President or a Vice-President, or the Treasurer or Assistant Treasurer of the registrant as to the amount of any Debentures at the time held or owned by or for the account of the registrant or any subsidiary of the registrant and as to none of such Debentures being among the Debentures the holders of which have consented to, as provided in the Indenture, the execution of any such supplemental indenture.

Any consent given by the holder of a Debenture pursuant to the provisions of the Indenture with respect to supplemental indentures shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in the Indenture and shall be conclusive and binding upon all future holders of the same debenture during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the holder who gave such consent or by his successor in title, by filing notice with the Trustee in form satisfactory to it of such revocation of consent, but such revocation shall not be effective if the holders of seventy-five per cent. (75%) in aggregate principal amount of the Debentures, as provided in the Indenture, have prior to the attempted revocation consented to and approved the supplemental indenture referred to in such revocation.

**(p) The following is a summary of certain other provisions of the indenture:**

As is more fully set forth in Section 20 of the Indenture, the registrant further covenants that it will not declare or pay any dividend (other than dividends payable in shares of capital stock of the registrant) or authorized or make any distribution, either in cash or property, to the holders of any shares of its capital stock of any class, unless at the time of the declaration or authorization of such dividend or distribution the consolidated net current assets (as thereinafter in said Section defined) of the registrant and its subsidiaries, as shown by the last consolidated balance sheet of the registrant and its subsidiaries filed with the Trustee previous to such declaration or authorization, after deducting from such consolidated net current assets the amount of such proposed dividend or distribution and any other dividend or distribution declared or authorized on said shares subsequent to the date of said consolidated balance sheet, equal or exceed (a) fifty million dollars ($50,000,000) or (b) one and one-half (1½) times the aggregate principal amount of the Debentures outstanding at the time of the proposed declaration or authorization, whichever amount is less.

The term "consolidated net current assets" is defined in said Indenture to mean the excess of current assets as in said Section 20 defined, of the registrant and the corporations which are subsidiaries at the date of said consolidated balance sheet, above the current liabilities as therein defined of the registrant and said subsidiaries (eliminating intercompany items).

The term "current assets" is defined in said Indenture to mean

(1) Cash on hand and in banks, and call loans secured by pledge of securities listed on the New York Stock Exchange;

(2) Readily marketable securities, including shares of stock, taken at their current market value, excepting, however, shares of stock of the registrant and of any corporation of which in the aggregate more than a majority of the capital stock entitled generally to vote for directors (not including any stock entitled so to vote only upon the happening of some contingency) shall at the date of such balance sheet be owned (a) by the registrant, or (b) by any corporation or corporations 75% in amount of the capital stock (entitled to vote for directors as above set forth) of which is owned at such time by the registrant, or (c) by the registrant and any corporation or corporations mentioned in (b); provided, however, that no shares of stock of Inspiration Consolidated Copper Company shall be included as readily marketable securities for the purposes hereof;

(3) Good and collectible accounts, trade acceptances, bills and notes receivable, and any other items, due on demand or maturing not more than one year subsequent to the date of such consolidated balance sheet;

(4) Inventories of supplies of every nature, wherever located, taken at cost;

(5) Inventories of merchandise held for sale; coal and lumber; ores mined or purchased; metals and materials in process, finished or fabricated; and all other manufactured products; all of which shall be taken at actual cost or market value, whichever be lower, except normal inventories (*i.e.:* fixed inventories which are continuously required in the business), which may be taken at the valuation at which they were included in the last previously certified balance sheet, but not at prices higher than prevailing market at the date of the consolidated balance sheet in which such inventories are set forth; and

(6) Such other assets as may be properly included as "current" in accordance with accepted accounting practice.

The term "current liabilities" is defined in said Indenture to mean and include salaries and wages payable; accrued interest, taxes, rents, royalties, insurance premiums and other accrued liabilities; the following liabilities and indebtedness if maturing within one year of the date of the respective consolidated balance sheet or overdue, *i.e.:* accounts, notes, trade acceptances and bills payable, loans from banks and brokers; and such other liabilities as shall be properly included as "current" in accordance with accepted accounting practice; provided, however, that there shall not be included in current liabilities at any time, whether or not maturing within one year of the date of the respective consolidated balance sheet, bonds, notes or other indebtedness, including the Debentures, which were issued or incurred more than one year before the date on which the principal thereof by their terms becomes due nor any sinking fund payments to be made under the terms of said bonds, notes or other indebtedness or the indenture or other agreement under which the same were issued.

The amount of the consolidated net current assets before referred to in said Section 20, for the purpose of determining whether any dividend or distribution of the registrant comes within the terms and provisions of said Section 20 shall be determined by the last consolidated balance sheet of the registrant and its subsidiaries filed with the Trustee previous to the declaration or authorization of the respective dividend or distribution. Notwithstanding anything in the Indenture contained to the contrary, such consolidated balance sheet as so filed for the purposes of said Section 20, shall be conclusive with respect to the amount of such consolidated net current assets, except that readily

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marketable securities referred to in subparagraph (2) above shall be included at their current market value.

For the purposes of said Section 20 the consolidated balance sheet as of June 30, 1935 of the registrant and its subsidiaries, as set forth in this registration statement, with adjustments of such consolidated balance sheet to give effect as of June 30, 1935, to the issue and sale of the Debentures and the application of the proceeds of sale, shall promptly be filed with the Trustee and shall be considered the last consolidated balance sheet so filed until the registrant files or is obligated to file a later consolidated balance sheet as provided in the Indenture.

Notwithstanding anything in the Indenture to the contrary, if at or prior to the date of any consolidated balance sheet used for the purpose of said Section 20 any corporation which at the date of the Indenture was a subsidiary shall have ceased to be a subsidiary by reason of its merger or consolidation with one or more other corporations, or by reason of its issuance of additional shares of stock for fixed or other assets, or by reason of the sale in whole or in part of its shares held by the registrant and/or any other subsidiary, then the amounts of consolidated net current assets provided for by clauses (a) and (b) of the first paragraph of this subdivision (p) shall thereupon and thereafter be reduced respectively in the same proportion as the consolidated net current assets of the registrant and its subsidiaries as set forth in the consolidated balance sheet of the registrant and its subsidiaries as of June 30, 1935 (to be filed with the Trustee as provided in said Section 20 and as adjusted as therein provided) are reduced by excluding as of such date from such consolidated balance sheet each of such subsidiaries which ceased in the manner hereinbefore provided to continue a subsidiary and by making the necessary changes in the consolidated current assets and current liabilities included therein in accordance with good accounting practice on account of such exclusion. The registrant, with each consolidated balance sheet filed with the Trustee, shall also file a statement setting forth the names of each corporation which at the date of the Indenture was a subsidiary and which ceased to be such at the date of such balance sheet, and also shall show therein the amount of the current assets and current liabilities at June 30, 1935 of each corporation which so ceased to be a subsidiary. Such statement shall also include the said consolidated balance sheet of the registrant and its subsidiaries as of June 30, 1935, after making the exclusions above set forth. Such statement shall also set forth the computation above provided showing the resulting amount of the reduction to be made in the amount of consolidated net current assets provided for by said clause (a) and the percentage of reduction to be made in the amount of consolidated net current assets provided for by said clause (b). Such statement shall be certified by the Treasurer or a Vice-President of the registrant. The provisions of the Indenture referred to in this paragraph shall not be applicable to or upon the merger or consolidation of a subsidiary into or with another corporation then or as a part of such merger or consolidation proceedings becoming a subsidiary (referred to as the resulting subsidiary); but shall be applicable as provided if the resulting subsidiary shall thereafter cease to be a subsidiary in the manner specified first above in this paragraph, *i.e.*: (1) if the resulting subsidiary became a subsidiary after the date of the Indenture, then upon its so ceasing to be a subsidiary the amounts of consolidated net current assets provided for by clauses (a) and (b) of the first paragraph of this subdivision (p) shall be reduced to the same extent as the same would have been reduced had the subsidiary or subsidiaries so merged or consolidated into or with the resulting subsidiary not been so merged or consolidated but had ceased to continue a subsidiary or subsidiaries in the manner specified first above in this paragraph; and (2) if the resulting subsidiary was a subsidiary at the date of the Indenture, then upon its so ceasing to be a subsidiary, the amounts of consolidated net current assets provided for by clauses (a) and (b) of the first paragraph of this subdivision (p) shall be reduced to the same extent as the same would have been reduced had such subsidiary not been merged or consolidated into or with another subsidiary or subsidiaries, and the latter subsidiary or subsidiaries and the resulting subsidiary had ceased to continue such in the manner specified first above in this paragraph.

The Indenture provides that the registrant shall file with the Trustee not later than five months after the expiration of each of its fiscal years (unless prevented by war or governmental interference, in which event the consolidated income statement and balance sheet herein mentioned shall be filed as promptly as possible), a consolidated income statement of the registrant and its subsidiaries for such fiscal year and a consolidated balance sheet of the registrant as of the last day of such fiscal year on a consolidated basis, all as more fully set forth in the Indenture. In addition, the Indenture provides that the registrant may file with the Trustee at any time a consolidated balance sheet of the registrant and its subsidiaries as of the close of any calendar month, not certified by public accountants, but certified to by the Treasurer or a Vice-President of the registrant.

From any consolidated balance sheet and other financial statements filed with the Trustee pursuant to the terms of the Indenture, the registrant may omit the accounts of any subsidiary or subsidiaries which are not included in the consolidated financial statements published in the annual report of the registrant to its stockholders for the period in question or for any preceding period of twelve months if the total investment of the registrant and its subsidiaries, as shown by their respective books, in the subsidiary or subsidiaries the accounts of which are so omitted, does not exceed three per cent. (3%) of the gross book value of the assets of the registrant and its subsidiaries (the accounts of which are included in such consolidated balance sheet) as shown by such consolidated balance sheet.

In Section 22 of the Indenture the registrant covenants that, in case the registrant or any subsidiary, during any calendar year beginning on or after January 1, 1935, shall make a sale or sales of any part of its real estate or plants, or the shares of stock of any other subsidiary, or any securities described in (b) below which were received on or after January 1, 1935 by the registrant or any subsidiary (while a subsidiary) in exchange or as consideration for the sale or transfer of any property thereinabove in said Section described, for consideration (excluding consideration of the character referred to in clause (a) or (b) below) aggregating in excess of $5,000,000, then, within twenty-four months after receipt of such consideration in excess of $5,000,000 the amount of such excess consideration, but only such excess (hereinafter referred to as excess consideration) or an equivalent amount shall be reinvested or applied by the registrant or a subsidiary or subsidiaries to one or more of the following purposes, *i.e.*:

(a) The acquisition by purchase, construction or in any other manner of real estate, plants, machinery, equipment, improvements, betterments or extensions;

(b) The acquisition of shares of stock, bonds or other securities or indebtedness of a subsidiary or any corporation which is engaged in a business similar or having relation to any activity of the registrant or any of its subsidiaries; or

(c) The purchase and surrender to the Trustee for cancellation of Debentures, or the deposit of funds with the Trustee for redemption thereof, excluding Debentures, redeemed by or surrendered to the Sinking Fund.

The Indenture provides that these covenants with respect to the reinvestment of such excess consideration shall be deemed to have been complied with to the extent of the aggregate of expenditures, subsequent to January 1, 1935 and within five years prior to the receipt of such excess consideration, or within two years subsequent to such receipt made by the registrant and/or a subsidiary or subsidiaries for one or more of the purposes specified in clauses (a), (b) or (c) above, excluding expenditures which theretofore shall have been deemed to have satisfied requirements of the Indenture with respect to the reinvestment of any excess consideration and also excluding expenditures made with the proceeds of securities or other obligations issued for such purpose to a holder other than the registrant or a subsidiary; provided, however, that expenditures so excluded and made with the proceeds of securities or obligations issued, as also all payments in the retirement or redemption of such securities or other obligations incurred for any such purpose, shall be included as expenditures for the purposes of this paragraph when and to the extent that such securities or obligations are retired, redeemed or paid. Sales, purchases and transfers of property passing from the registrant or any subsidiary to the registrant or any subsidiary, sales by a subsidiary of its own stock, a cancellation of shares of a subsidiary in connection with the transfer of its assets to the registrant or another subsidiary, a retirement or liquidation in whole or in part of any such shares, and an exchange of shares of a subsidiary for other shares, bonds or other securities of such subsidiary or of another corporation on merger, consolidation or otherwise, shall be disregarded for all purposes of said Section 22. If during any calendar year any corporation shall cease to be a subsidiary, no sales or reinvestments or expenditures by such corporation during such year or the preceding calendar year shall be included within the provisions of said Section 22. Not later than May 1 in each year, beginning with the year 1936, the registrant shall file with the Trustee a certificate signed on its behalf by its President or a Vice-President and its Secretary or Treasurer or General Auditor, setting forth either (1) that the aggregate sales to which said Section applies, of the registrant and subsidiaries for consideration other than of the character referred to in clauses (a) or (b) above, were not in excess of $5,000,000, or (2) the amount of and dates of the sales creating such excess, and setting forth the amount of expenditures, if any, applied or credited against the proceeds of such sales as provided in the Indenture, and shall also file such other certificates as the Trustee may reasonably require for the purposes of Section 22 of the Indenture. It is provided that the Trustee shall apply any funds deposited with it pursuant to the provisions of such section to the redemption of the Debentures. Said Section 22 further provides notwithstanding anything therein to the contrary, that the shares of stock of a corporation which at any time was a subsidiary shall, while any of such shares are held by the registrant or any other subsidiary, be deemed to be shares of a subsidiary for the purposes of said Section 22 in the event of a subsequent sale thereof.

16. Stock, other than that to be offered:

**As to each class, other than that to be offered, set forth in answer to Item 10A, give the title of the issue and outline briefly the following:**

**(a) Dividend rights; (b) limitations in any indentures or other agreements on the payment of dividends; (c) voting rights; (d) liquidation rights; (e) preemptive rights; (f) subscription rights; (g) conversion rights; (h) redemption provisions applicable thereto; and (i) liability for further calls.**

Common Stock of the par value of $50 per share.

(a) The shares of common stock have equal rights as to dividends and participate pro rata therein.

(b) None, except in the Indenture (Exhibit B-1) under which the Debentures to be offered under this registration are to be issued. For such provisions see paragraph (p) of the answer to item 15.

(c) The shares of the common stock have equal voting rights. Cumulative voting at elections of Directors is provided under the Statutes of Montana and the By-Laws of the registrant.

(d) Each share of the common stock has equal rights on liquidation and participates pro rata in all distributions made after payment of debts, obligations and liabilities.

(e) The shares of common stock have preemptive rights in case of the issuance for cash of additional shares of such stock or obligations convertible into such stock.

(f) None.

(g) None.

(h) None.

(i) None.

**17. Stock, to be offered:**

**As to each class set forth in answer to Item 10B, give the title of the issue and furnish the following:**

**(a) Give the same information as required by Item 16.**

**(b) State whether any portion of the consideration to be received for the stock to be offered is to be credited to an account other than capital, and, if so, who is to make the allocation? If determined, state to what other account to be credited, and the amount per share.**

None.

**18. Guarantees:**

**As to each class of securities of other issuers guaranteed by the registrant, set forth under Item 11A or B, outline briefly the contract of guarantee.**

Butte, Anaconda & Pacific Railway Company First Mortgage Five Per Cent. Thirty Year Sinking Fund Gold Bonds, due February 1, 1944, of which there were outstanding on June 30, 1935, $1,621,000 principal amount, including $85,000 principal amount in treasury of registrant.

Contract of guarantee consists of endorsement on each bond of following: "In case of any default in the punctual payment of the principal or of the interest of the within bond, according to its tenor and effect, the Anaconda Copper Mining Company, for value received, agrees to pay the same on demand."

**19. Other Securities:**

**As to each class of securities set forth in answer to Item 13A or B, outline briefly the rights evidenced thereby.**

None.

**20. Give the name and address of counsel for the registrant and for the principal underwriters who have passed or are to pass upon the legality of the securities registered hereunder.**

Counsel for registrant: Chadbourne, Stanchfield & Levy, 25 Broadway, New York, N. Y.

Counsel for Principal Underwriters: Davis Polk Wardwell Gardiner & Reed, 15 Broad Street, New York, N. Y.

## UNDERWRITING AND SALES TO OTHER SPECIAL PARTIES

**The information required by Items 21 through 26 is to be given as to each class of securities registered hereunder:**

**21. State whether a firm commitment to take the issue has been made, and, if so, the amount received or to be received, and within what period.**

The several underwriters named in answer to item 22 have entered into a contract with the registrant dated October 10, 1935, under which such underwriters have agreed, subject to the conditions specified therein, to purchase the principal amount of Debentures set forth in answer to item 22, aggregating $55,000,000 principal amount, at 95½% of the principal amount, plus accrued interest to date of delivery.

The aggregate amount to be received by the registrant, exclusive of accrued interest and without deducting the expenses to be paid by the registrant in connection with this issue, is $52,525,000, which amount it is expected the registrant will receive within fifteen days after the effective date of this registration statement.

**22. Give the respective name and address of each principal underwriter and the respective amount underwritten. Identify all such underwriters as are affiliated with the registrant, and state the nature of the affiliation.**

| Name | Address | Amount Underwritten |
|---|---|---|
| Blyth & Co., Inc. | 120 Broadway, New York, N. Y. | $7,500,000 |
| Lazard Freres & Company, Incorporated | 15 Nassau Street, New York, N. Y. | 5,000,000 |
| Edward B. Smith & Co. | 31 Nassau Street, New York, N. Y. | 5,000,000 |
| Brown Harriman & Co., Incorporated | 63 Wall Street, New York, N. Y. | 4,000,000 |
| The First Boston Corporation | 100 Broadway, New York, N. Y. | 4,000,000 |
| Hallgarten & Co. | 44 Pine Street, New York, N. Y. | 4,000,000 |
| Hayden, Stone & Co. | 25 Broad Street, New York, N. Y. | 2,500,000 |
| G. M.-P. Murphy & Co. | 52 Broadway, New York, N. Y. | 2,500,000 |
| Hornblower & Weeks | 40 Wall Street, New York, N. Y. | 2,500,000 |
| Field, Glore & Co. | 38 Wall Street, New York, N. Y. | 2,000,000 |
| Halsey, Stuart & Co. | 201 South La Salle Street, Chicago, Ill. | 2,000,000 |
| Lee Higginson Corporation | 37 Broad Street, New York, N. Y. | 1,500,000 |
| Kidder, Peabody & Co. | 17 Wall Street, New York, N. Y. | 1,500,000 |
| Goldman, Sachs & Co. | 30 Pine Street, New York, N. Y. | 1,500,000 |
| Mellon Securities Company | 514 Smithfield Street, Pittsburgh, Pa. | 1,000,000 |
| Cassatt & Co., Incorporated | 40 Wall Street, New York, N. Y. | 1,000,000 |
| Dominick & Dominick | 115 Broadway, New York, N. Y. | 1,000,000 |
| Ladenburg, Thalmann & Co. | 25 Broad Street, New York, N. Y. | 500,000 |
| Hemphill, Noyes & Co. | 15 Broad Street, New York, N. Y. | 500,000 |
| White, Weld & Co. | 40 Wall Street, New York, N. Y. | 500,000 |
| E. H. Rollins & Sons, Incorporated | 44 Wall Street, New York, N. Y. | 500,000 |
| G. H. Walker & Co. | Broadway and Locust Street, St. Louis, Mo. | 500,000 |
| Stone & Webster and Blodget, Incorporated | 90 Broad Street, New York, N. Y. | 500,000 |
| Dean Witter & Co. | 486 California Street, San Francisco, Calif. | 500,000 |
| Bankamerica Company | 485 California Street, San Francisco, Calif. | 500,000 |
| Baker, Weeks & Harden | 52 Wall Street, New York, N. Y. | 500,000 |
| Kuhn, Loeb & Co. | 52 William Street, New York, N. Y. | 2,000,000 |

None of the above underwriters directly or indirectly controls, is controlled by, or is under common control with, the registrant.

Mr. Charles E. Mitchell, who is an officer of Blyth & Co., Inc., an underwriter, resigned on August 26, 1935 as a Director of registrant and also of all subsidiaries of which he was a director.

Messrs. Andrew J. Miller, a member of the firm of Hallgarten & Co., an underwriter, and Grayson M.-P. Murphy, a member of the firm of G. M.-P. Murphy & Co., an underwriter, are Directors of registrant and certain subsidiaries.

Mr. G. H. Walker, of G. H. Walker & Co., is a director of Silesian Holding Company referred to in answer to item 4(a).

For a statement of registrant's securities owned of record or beneficially by the above underwriters see answer to item 34.

**23. Outline briefly the material provisions of each underwriting contract with a principal underwriter, and each contract made by the registrant or an affiliate thereof agreeing not to sell securities of the same class as those registered during the period of distribution.**

The following summary does not purport to be a complete statement of the terms of the underwriting contract, and is subject to all the provisions of such contract, a copy of which is filed as Exhibit F to this registration statement, to which contract reference is hereby made for full and detailed information with respect thereto.

The underwriting contract between registrant and underwriters, dated October 10, 1935, provides that, subject to the terms and conditions and upon the representations and warranties therein set forth, the underwriters severally agree to purchase, in the respective amounts stated therein, and the registrant agrees to sell $55,000,000 principal amount of the 4½% Sinking Fund Debentures of the registrant, at the price set forth in answer to item 21. The several underwriters agree to offer to the public their respective portions of the Debentures (except such as may be sold by them to a selling group) not later than ten days after the effective date of this registration statement, unless such time be extended by mutual agreement. Delivery of the Debentures and payment therefor is to be made not later than five business days after the public offering date.

The registrant agrees that the net proceeds from the sale of the Debentures (after deducting the expenses in connection with the issue and sale thereof) will be applied to the payment of notes payable by the registrant and to advances to two subsidiaries of the registrant to be used by them to discharge notes payable by such subsidiaries, interest to be paid out of other funds, the registrant representing that by such application or use of other funds all bank loans of the registrant and its subsidiaries whose accounts are included in the consolidated balance sheet outstanding on the closing date will be paid and discharged.

The registrant makes certain warranties with respect to its financial condition and the correctness of the registration statement and the prospectus.

The registrant agrees to indemnify each of such underwriters against losses, claims, damages or liabilities under the Securities Act of 1933 or common law insofar as the same are based on any actual or alleged untrue statement of a material fact contained in the registration statement or the prospectus, or actual or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, unless such statement or omission was made in reliance upon information furnished on behalf of any underwriter; and each such underwriter agrees to indemnify the registrant against such liability with respect to statements or omissions made in reliance upon information furnished by such underwriter.

The obligations of the underwriters are subject to the following conditions: (a) that this registration statement shall become effective on or before October 15, 1935, and no stop order suspending the effectiveness thereof shall have become effective on or before said date and continue in effect on the closing date, and no proceedings for that purpose shall have been taken prior to the closing date which on such date shall have been undismissed or undisposed of by the Securities and Exchange Commission; (b) that the form and validity and due authorization of the Debentures, Indenture, corporate proceedings, registration statement, prospectus and other related matters shall have been approved by counsel for the registrant and counsel for the underwriters; (c) that underwriters who have agreed to purchase in the aggregate not less than 50% of the aforesaid $55,000,000 principal amount of Debentures may, in their discretion, terminate such agreement by notice to the registrant without any liability on the part of the underwriters to the registrant if, prior to the public offering date, in the case of subdivisions (1) and (2) hereinafter set forth, or on or before the closing date in the case of subdivision (3) hereinafter set forth, any of the following events occur:

(1) any substantial change in the financial position of the registrant or in the existing political, economic or market conditions shall have taken place, which, in the judgment of a majority in interest of the underwriters, renders it impracticable to offer the Debentures at the price and in the manner therein provided, or

(2) the registrant shall have sustained a substantial loss on account of fire, flood, accident or other calamity, which, in the judgment of a majority in interest of the underwriters, renders it impracticable to offer the Debentures at the price and in the manner therein provided, or

(3) any of the conditions enumerated in clauses (a) or (b) above have not been satisfied.

If one or more of the underwriters shall default in their purchase of Debentures under the contract, and the other underwriters shall not purchase the Debentures which such defaulting underwriters agreed to purchase within twenty-four hours after notice of such default, then the registrant shall have the right for an additional twenty-four hours to arrange with other underwriters for the purchase of Debentures not purchased by such defaulting underwriter, and if neither the underwriters nor the registrant make arrangements within the period stated for the purchase of Debentures of such defaulting underwriters the agreement shall terminate. The registrant may refuse to make delivery of the Debentures unless the total amount thereof is taken up and paid for.

The registrant agrees to pay all costs and expenses of itself and of its counsel, in connection with the issuance and delivery of the Debentures qualifying the Debentures under securities laws, listing the Debentures on the New York Stock Exchange and registering the Debentures under the Securities Act of 1933, and the Securities Exchange Act of 1934, and furnishing copies of the prospectus, all as more specifically set forth in the underwriting contract. The registrant is not required to pay or bear any of the underwriters' advertising, legal or other expenses unless the agreement is terminated by reason of a failure or refusal of registrant to comply with the terms of the agreement, in which event registrant agrees to reimburse the underwriters severally for their out-of-pocket expenses reasonably incurred by the underwriters in preparing to make a public offering and sale, provided that the registrant shall not be required to make such reimbursement if the cancellation is made pursuant to subdivisions (1) and (2) above, or by reason of the default of any underwriter, as set forth in the previous paragraph.

There is no contract by the registrant or an affiliate thereof agreeing not to sell securities of the same class as those registered during the period of distribution.

**24. Give the information required by the following table (estimate, if necessary).**

| | Price to Public | Underwriting Discounts or Commissions | Proceeds to Registrant |
|---|---|---|---|
| Total | $54,175,000 | $1,650,000 | $52,525,000 |
| Per Unit | 98½ | 3 | 95½ |

**25. State briefly the discounts or commissions to be received by subunderwriters or dealers.**

The registrant has been advised by the underwriters that they contemplate forming a selling group, to which selling group a portion of the Debentures will be offered at the public offering price, less a discount of 1½% of the principal amount; that out of the selling group discount members of the selling group may allow a concession of not in excess of ¼% (1) to banks, private banking firms and trust companies, if advice is given that such purchases are made upon the order and for the account of customers, and the concession will be retained and not allowed to the customer in whole or in part, and (2) to investment dealers, and that the several underwriters may allow similar concessions on similar sales; that prior to termination of the selling group the members thereof may not purchase from or sell to each other Debentures at a price lower than the public offering price, less the concession of ¼% above mentioned, unless the manager of the selling group shall otherwise advise; that such underwriters have agreed during the life of the selling group to be governed by the terms and conditions applicable to members thereof; and that the underwriters do not intend to offer any other concession, commission or variation in price, except as the public offering price may vary after the original public offering by reason of changes in market conditions.

**26. List the persons or classes of persons (other than the underwriters as such) to whom securities of any class registered hereunder have been or are to be sold for a consideration varying from that at which the securities are to be sold to the general public, naming such persons or specifying each class, and stating the consideration to be given by each.**

None, except as stated in answer to item 25, are known to registrant.

## PROCEEDS AND THE APPLICATION THEREOF

**The information required by Items 27, 28 and 29 is to be given with respect to proceeds to be received, or received within one year, by the registrant from the sale of the securities registered:**

**27. (a) Total proceeds (estimated, if necessary) after deduction of underwriting discounts or commissions, but before deduction of other expenses**........... $52,525,000

It is expected that registrant will receive the proceeds of the issue within fifteen days after the effective date of this registration statement.

**(b) A reasonably itemized statement of other expenses of the registrant in connection with the sale of the securities.**

Estimated expenses payable by the registrant in connection with the issue of the Debentures are as follows:

| | |
|---|---|
| Registration fee | $ 5,500 |
| U. S. documentary tax on Debentures | 55,000 |
| Printing of registration statement, prospectus, exhibits and other documents, and printing and engraving of temporary and definitive Debentures | 56,000 |
| Charges of Trustee | 43,000 |
| Fees of counsel for the registrant | 60,000 |
| Fees of accountants for the registrant | 35,000 |
| Expenses incidental to listing on New York Stock Exchange | 7,500 |
| Miscellaneous expenses and out-of-pocket payments made or to be made by registrant | 38,000 |
| Total | $ 300,000 |

**(c) Net proceeds after deducting expenses itemized under (b)**............ $52,225,000

**28. Furnish a reasonably itemized statement of the approximate amount devoted to each purpose, so far as determinable, for which the net proceeds have been or are to be used.**

The net proceeds from the sale of the Debentures (after deducting estimated expenses of the registrant in connection with the issue and sale, and exclusive of accrued interest), will be applied forthwith as follows: $52,225,000 to the payment of $41,225,000 principal amount of notes of the registrant payable to banks, and to advances of $6,000,000 to The American Brass Company, and $5,000,000 to Andes Copper Mining Company, for the discharge by them of notes payable to banks. The banks holding said notes payable are Guaranty Trust Company of New York, The National City Bank of New York and The Chase National Bank of the City of New York. Since June 30, 1935, the notes payable to banks have been reduced in the sum of $3,923,000, and prior to or simultaneously with the issue of the Debentures the registrant will retire or cause to be retired from other cash assets all notes payable to banks of the registrant and subsidiaries, the accounts of which are consolidated in the general consolidated balance sheet (including accrued interest), in excess of the principal amount of notes to be discharged by the application of the net proceeds of the issue.

29. Give the information required below as to any property acquired or to be acquired in whole or in part, directly or indirectly, not in the ordinary course of business, in consideration of any of the securities registered or of all or any part of the proceeds thereof:

(a) General character and location of such property.

None.

(b) The names and addresses of the persons from whom acquired or to be acquired, specifying their relationship to the registrant, if any.

None.

(c) The allocation of the consideration given or to be given in connection with each such acquisition, reasonably itemized.

None.

## MANAGEMENT AND CONTROL

30. (a) Names and addresses of all persons who are, or are chosen to become, directors and officers of the registrant. Indicate the office held.

The following are directors and officers as indicated. No additional persons have been chosen to become directors or officers.

| Name | Address | Office |
|---|---|---|
| Cornelius F. Kelley | 25 Broadway, New York, N. Y. | Director and President. |
| James R. Hobbins | Butte, Montana. | Director and Vice President. |
| Robert E. Dwyer | 25 Broadway, New York, N. Y. | Director, Vice President and Treasurer. |
| John A. Coe | Waterbury, Conn. | Director. |
| Andrew J. Miller | 44 Pine Street, New York, N. Y. | Director. |
| Grayson M.-P. Murphy | 52 Broadway, New York, N. Y. | Director. |
| William D. Thornton | 25 Broadway, New York, N. Y. | Director. |
| Herman C. Bellinger | 25 Broadway, New York, N. Y. | Director. |
| David B. Hennessy | 25 Broadway, New York, N. Y. | Secretary and Asst. Treasurer. |
| James Dickson | 25 Broadway, New York, N. Y. | General Auditor. |
| Kenneth B. Frazer | Butte, Montana. | Asst. Secretary |

Mr. Charles E. Mitchell, who is an officer of Blyth & Co., Inc. (an underwriter), resigned on August 26, 1935 as a director of registrant and also of all subsidiaries of which he was a director.

(b) State as to each such person named as chosen to become a director or officer, whether he has consented thereto.

Inapplicable.

31. Describe briefly the business experience of the principal executive officers for the last five years.

Cornelius F. Kelley, President:

Has been President of the registrant since September 3, 1918, and in active charge of the registrant's plants and properties and the direction of its business affairs. Prior to that time he was for seven years Vice President of the registrant, assisting in the directing of its plants and properties and its business affairs. From 1908 to 1911 he was General Counsel for the registrant, and in his several capacities has been an employee of the registrant since 1901.

**James R. Hobbins, Vice President:**

Has been Vice President of the registrant since March 27, 1923, during most of which time he has been in charge of its Montana, Idaho, and Wyoming operations, and particularly in charge of the mining, smelting and refining plants and the operation thereof in Montana. For the several years last past he has been devoting a large portion of his time to the direction of the general business affairs of the registrant. Prior to his election as Vice President he had been, since 1922, in charge of the Montana operations.

**Robert E. Dwyer, Vice President and Treasurer:**

Has been Vice President of the registrant since May 25, 1926, and also Treasurer of the registrant since December 22, 1932. Since 1926 he has been engaged in the direction of the general business affairs and particularly the financial affairs of the registrant. Prior to 1926 he had been General Auditor for the registrant for three years, and as such had charge of all accounting matters of the registrant and its subsidiaries. Prior to becoming General Auditor he had worked in several capacities in the accounting department of the registrant in Montana and in New York. He has been employed by the registrant continuously in these several capacities since September, 1903.

**David B. Hennessy, Secretary and Assistant Treasurer:**

Has been Secretary of the registrant since December 22, 1932. Prior thereto he served as Assistant Secretary for 21 years. He has been Assistant Treasurer of the registrant since November 28, 1911, and has been in the employ of the registrant or its predecessor company since 1891.

**James Dickson, General Auditor:**

Has been General Auditor of the registrant since July 1, 1926, and has been in the employ of the registrant in various capacities since January 1, 1913.

**32. Dates of, parties to, and general effect briefly and concisely stated of all material management and general supervisory contracts now in effect providing for management of, or services to, the registrant.**

*None.*

**33. Give the information required below for all persons owning of record or beneficially more than 10 per cent. of any class of voting stock of the registrant.**

**As of August 31, 1935**

| Owner of Record Name and Address | Beneficial Owner (If known) Name and Address | Title of Issue | Amount owned | Per cent. of the class |
|---|---|---|---|---|

Registrant's records show no person owning of record more than 10% of the outstanding shares of registrant as of the above date and, so far as known to registrant, no person owned beneficially more than 10% of such shares as of that date.

34. **The following information as to the registrant's securities owned of record or beneficially by each director and o underwriter named in answer to Item 22, and each security holder named in answer to Item 33.**

The answer to this item is based, as to beneficial ownership, upon statements furnished to registrant by each director and underwriter named in answer to item 22. Information as to beneficial ownership rests peculiarly within the knowledge of t and underwriters, who individually neither control, nor are controlled by, nor are under common control with, registrant. Reg for the accuracy or completeness thereof.

| Name | Position | Title of Issue | Securities owned as of August 31, 1935 — Amount |
|---|---|---|---|
| *Directors and Officers* | | | |
| Cornelius F. Kelley | Director and President | Capital Stock | 29,609[1] |
| James R. Hobbins | Director and Vice President | Capital Stock | 814[2] |
| Robert E. Dwyer | Director, Vice President and Treasurer | Capital Stock | 1,007[3] |
| John A. Coe | Director | Capital Stock | 700[4] |
| *Andrew J. Miller | Director | Capital Stock | 507[5] |
| Grayson M.-P. Murphy | Director | Capital Stock | 101[6] |
| William D. Thornton | Director | Capital Stock | 19,886[7] |
| Herman C. Bellinger | Director | Capital Stock | 200[9] |
| Charles E. Mitchell, (Resigned as director August 26, 1935) | | Capital Stock | 100[4] |
| David B. Hennessy | Secretary and Assistant Treasurer | Capital Stock | 206[10] |
| James Dickson | General Auditor | Capital Stock | 1[11] |
| Kenneth B. Frazer | Assistant Secretary | Capital Stock | 469[4] |

NOTE:

[1]Includes 8,809 shares owned of record.
[2]Includes 14 shares owned of record.
[3]Includes 7 shares owned of record.
[4]Owned beneficially, 1 share of record in name of Grayson M.-P. Murphy and 100 shares of record in name of G. M.-P. Murphy & Co.
[5]Includes 7 shares owned of record.
[6]100 shares owned beneficially by a corporation all the stock of which was owned by partnership of which Mr. Murphy is a member. Mr. Murphy owned individually 1 share.
[7]On August 31, 1935, there were of record in Mr. Tho
[8]Includes 21,385 shares owned of record.
[9]Includes 100 shares owned of record.
[10]Includes 6 shares owned of record.
[11]Indicates share owned of record.

*Mr. Andrew J. Miller is the nominee of a Netherlands corporation (i.e., N. V. Maatschappij Tot Beheer Van Het Administratiekantoor Van A in Amsterdam. Said Netherlands corporation had registered in its name as of August 31, 1935, 610,436 shares of registrant, against which said corpor which are traded in on the Amsterdam Bourse. The number of shares registered in the name of said Netherlands corporation as of August 31, 1934 was

PNYC00001899

*Underwriters named in answer to item 22:*

Shares of capital stock of registrant registered of record in names of underwriters.

| Name | Title of issue | Securities owned as of August 31st, 1935 Amount | Securities owned as of August 31st, 1934 Amount |
|---|---|---|---|
| Blyth & Co., Inc. | Capital Stock | 5* | 5* |
| Lazard Freres & Company, Incorporated | Capital Stock | 5,282* | 288* |
| Edward B. Smith & Co. | Capital Stock | 1,992* | 2,096* |
| Brown Harriman & Co., Incorporated | Capital Stock | none | none |
| The First Boston Corporation | Capital Stock | none | none |
| Hallgarten & Co. | Capital Stock | 12,824* | 14,510* |
| Hayden, Stone & Co. | Capital Stock | 45,296* | 35,160* |
| G. M.-P. Murphy & Co. | Capital Stock | 10,002* | 8,046* |
| Hornblower & Weeks | Capital Stock | 141,471* | 157,994* |
| Field, Glore & Co. | Capital Stock | 1,540* | 940* |
| Halsey, Stuart & Co. | Capital Stock | none | none |
| Lee Higginson Corporation | Capital Stock | 484* | 484* |
| Kidder, Peabody & Co. | Capital Stock | 20,160* | 14,950* |
| Goldman, Sachs & Co. | Capital Stock | 480* | 2,350* |
| Mellon Securities Company | Capital Stock | none | none |
| Cassatt & Co., Incorporated | Capital Stock | 949* | 12,994* |
| Dominick & Dominick | Capital Stock | 53,137* | 31,934* |
| Ladenburg, Thalmann & Co. | Capital Stock | 6,455* | 6,107* |
| Hemphill, Noyes & Co. | Capital Stock | 9,039* | 10,560* |
| White, Weld & Co. | Capital Stock | 6,180* | 3,237* |
| E. H. Rollins & Sons, Incorporated | Capital Stock | none | none |
| G. H. Walker & Co. | Capital Stock | 20* | 20* |
| Stone & Webster and Blodget, Incorporated | Capital Stock | none | none |
| Dean Witter & Co. | Capital Stock | none | none |
| Bankamerica Company | Capital Stock | none | none |
| Baker, Weeks & Harden | Capital Stock | 1,665* | 1,329* |
| Kuhn, Loeb & Co. | Capital Stock | 2,801* | 851* |

*The foregoing underwriters have advised registrant that no shares of capital stock of registrant were owned beneficially by them or their partners, except as shown below:

| | Shares of Capital Stock of Registrant owned beneficially as of Aug. 31, 1935 | Shares of Capital Stock of Registrant owned beneficially as of Aug. 31, 1934 |
|---|---|---|
| Hallgarten & Co. | 1,500 shares (for account of partners) | 1,075 shares (firm account) |
| G. M.-P. Murphy & Co. | 101 shares (for account of partner) | 100 shares for firm account and 1 share for account of partner |
| Hornblower & Weeks | 2,500 shares (for account of partners) | 2,800 shares (for account of partners) |
| Goldman, Sachs & Co. | 100 shares (firm account) | None |
| White, Weld & Co. | 100 shares (firm account) | None |
| G. H. Walker & Co. | 100 shares (for account of partner) | 8 shares (for account of partner) |
| Baker, Weeks & Harden | 500 shares (for account of partners) | None |
| Kuhn, Loeb & Co. | 2,000 shares (firm account) 110 shares (for account of partners) | 110 shares (for account of partners) |

No First Mortgage 5% 30-Year Sinking Fund Gold Bonds, due February 1, 1944, of Butte, Anaconda & Pacific Railway Company (referred to in the answer to Item 11 A), which are guaranteed by registrant, were, so far as known to registrant, owned by any of the foregoing directors, officers or underwriters.

35. **Full particulars as to the nature and extent of any substantial interest of every director, principal executive officer, underwriter named in answer to Item 22, affiliate, and of every security holder named in answer to Item 33, in any property acquired within two years, or proposed to be acquired, not in the ordinary course of business. Include the cost of any such property to any such person.**

No property has been acquired by registrant within two years except in the ordinary course of business, nor is any property proposed to be acquired aside from the ordinary course of business, except comparatively small amounts of outstanding shares of subsidiary companies. None of such shares were acquired from any director, executive officer or, so far as known to registrant, underwriter named in answer to item 22.

36. **Give the information required below in tabular form concerning the aggregate remuneration paid by the registrant and its subsidiaries, directly or indirectly, to the following persons in all of their capacities:**

**(a) The name and aggregate remuneration of each director of the registrant.**

| Name | Capacities in which Remuneration was Received | | Aggregate Remuneration for Fiscal Year Ended December 31, 1934 |
|---|---|---|---|
| Cornelius F. Kelley | As Director of the registrant and its subsidiaries | $2,837.00 | |
| | President of registrant, and President of United Metals Selling Company,* Anaconda Sales Company, International Smelting and Refining Company, Raritan Copper Works,* and Butte, Anaconda & Pacific Railway Company (100%-owned subsidiaries) | 96,666.74 | |
| | President Chile Copper Company and Chile Exploration Company | 50,000.00 | |
| | President Andes Copper Mining Company | 25,000.00 | $174,503.74 |
| James R. Hobbins | As Director of the registrant and its subsidiaries | 574.00 | |
| | Vice-President of registrant, and President Butte Water Company (subsidiary) | 60,000.00 | 60,574.00 |
| Robert E. Dwyer | As Director of the registrant and its subsidiaries | 3,713.00 | |
| | Vice-President and Treasurer of registrant, and President International Lead Refining Company (subsidiary)* | 40,000.00 | 43,713.00 |
| Andrew J. Miller | As Director of the registrant and its subsidiaries | | 1,150.00 |
| Charles E. Mitchell (Resigned August 26, 1935) | As Director of the registrant and its subsidiaries | | 274.00 |
| Grayson M.-P. Murphy | As Director of the registrant and its subsidiaries | | 1,260.00 |
| Percy A. Rockefeller (Deceased—September 25, 1934) | As Director of the registrant and its subsidiaries | | 492.00 |
| John A. Coe | As Director of the registrant and its subsidiaries | 1,010.00 | |
| | As President of The American Brass Company and its subsidiaries | 39,022.50 | 40,032.50 |
| (A) William D. Thornton (Elected April 17, 1935) | As Director of the registrant | None | |
| (B) Herman C. Bellinger (Elected August 26, 1935) | As Director of the registrant | None | |

(A) William D. Thornton was elected a Director of registrant on April 17, 1935. During 1934 he was President and Director of Greene Cananea Copper Company, a subsidiary of registrant. The remuneration paid him as President and Director of Greene Cananea Copper Company for 1934 was $15,240.

(B) Herman C. Bellinger was elected a Director of registrant on August 26, 1935. During 1934 he was Vice-President and Director of Chile Copper Company and Chile Exploration Company and President and Director of Chile Steamship Company Incorporated, all subsidiaries of registrant. As an officer and director of said three subsidiaries Mr. Bellinger received as compensation in the aggregate for the fiscal year ended December 31, 1934, the sum of $45,500.

*These were former subsidiaries dissolved in 1934, the assets of which were transferred either to the registrant or to another subsidiary.

(b) The name and aggregate remuneration of each of the officers of the registrant receiving the three highest aggregate amounts of remuneration.

| Name | Capacities in which Remuneration was Received | Aggregate Remuneration for Fiscal Year Ended December 31, 1934 |
|---|---|---|
| Cornelius F. Kelley | President of registrant, and President of United Metals Selling Company,* Anaconda Sales Company, International Smelting and Refining Company, Raritan Copper Works,* and Butte, Anaconda & Pacific Railway Company (100%-owned subsidiaries) | See Note Below. |
| | President Chile Copper Company and Chile Exploration Company | See Note Below. |
| | President Andes Copper Mining Company | See Note Below. |
| James R. Hobbins | Vice President of registrant, and President Butte Water Company (subsidiary) | See Note Below. |
| Robert E. Dwyer | Vice President and Treasurer of registrant, and President International Lead Refining Company (subsidiary)* | See Note Below. |

* These were former subsidiaries dissolved in 1934, the assets of which were transferred either to the registrant or to another subsidiary.

Note: See remuneration indicated in (a) above.

(c) The aggregate remuneration of all other officers of the registrant, whatever the amount of the respective remuneration of each; indicate the number of such officers without naming them.

| Number of Persons Not Named | Capacities in which Remuneration was Received | Aggregate Remuneration for Fiscal Year Ended December 31, 1934 |
|---|---|---|
| Three | Secretary and Assistant Treasurer<br>General Auditor<br>Assistant Secretary | $39,783.00* |

*Includes amounts received as directors and officers of certain subsidiaries of the registrant.

(d) The aggregate remuneration of all employees of the registrant who, respectively, received remuneration from the registrant in excess of $20,000 during the past fiscal year; indicate the number of such employees without naming them.

| Name or Number of Persons Not Named | Capacities in which Remuneration was Received | Aggregate Remuneration for Fiscal Year Ended December 31, 1934 |
|---|---|---|
| NONE | | |

*Note:* There were nine persons (not heretofore mentioned) who were officials of subsidiaries but who were not officers or employees of registrant, whose respective aggregate remuneration from subsidiaries of registrant exceeded $20,000 during the fiscal year ended December 31, 1934. The total remuneration of such persons for such fiscal year amounted to $223,397.50. In addition one employee of registrant, whose remuneration from registrant was less than $20,000 during the past fiscal year, received a total remuneration from registrant and subsidiaries of registrant aggregating $32,415 during such fiscal year.

37. Give the information required below in tabular form concerning the aggregate remuneration paid by the registrant, directly or indirectly, to any person, other than a director, officer, or employee, whose aggregate remuneration from the registrant, in all capacities, exceeded $20,000 during the past fiscal year.

| Name | Capacities in which Remuneration was Received | Aggregate Remuneration for Fiscal Year Ended December 31, 1934 |
|---|---|---|
| Pogson, Peloubet & Co., 25 Broadway, New York, N. Y. | Auditors | $49,643.45 |
| Chadbourne, Stanchfield & Levy, 25 Broadway, New York, N. Y. | Attorneys | $59,500.00 |

## RECENT SALES OF SECURITIES BY REGISTRANT

38. For all securities of the registrant sold by the registrant to any persons other than employees within two years, furnish the following information:

(a) Title of issue, and if stock, the par, or if no par, stated value, if any.

Common Stock $50 par value.

(b) Amount sold:

916 shares.

(c) Date of sale:

| | | |
|---|---|---|
| From Sept. 23 to Dec. 31, 1933: | | 429 shares |
| January | 1934 | 356 " |
| February | " | 90 " |
| March | " | 4 " |
| May | " | 27 " |
| October | " | 32 " |

(d) Aggregate net cash proceeds, or the nature and aggregate amount of any consideration other than cash, received by the registrant:

1,417 shares of capital stock of Andes Copper Mining Company, a subsidiary of registrant, and 201 shares of capital stock of Greene Cananea Copper Company, a subsidiary of registrant.

(e) Names of principal underwriters, if any, indicating any such underwriters as are affiliates of the registrant.

None.

## OPTIONS

39. As to any securities subject or to be subject to options to purchase from the registrant, (a) state the amount, with the title of the issue, called for by such options; (b) outline briefly the prices, expiration dates, and other material conditions on which such options may be exercised; (c) give the name and address of each person allotted or to be allotted options calling for more than five per cent. of the total amount subject to option, and give the amount called for by the options of each such person; and (d) for each such class of options granted within two years, state the consideration for the granting thereof.

None.

## MISCELLANEOUS

40. Outline briefly the substance of the claims involved in, and state the title of, any material pending legal proceeding to which the registrant or one of its subsidiaries is a party or of which property of the registrant or of one of its subsidiaries is the subject, if such proceeding departs from the ordinary routine litigation incident to the kind of business conducted by the registrant or its subsidiaries, as the case may be; make a similar statement as to any such proceeding known to be contemplated by governmental authorities.

(a) Action instituted in 1933 in the District Court of the Second Judicial District of Montana, County of Silver Bow, by Charles F. Juttner, Plaintiff, against Butte Water Company, Defendant, to recover $2,000,000 in damages alleged to have been caused by the turning off of water from the plaintiff's house and also by reason of alleged attempts to take plaintiff's life. The action is pending on demurrer. Counsel advise that in their opinion this action is without merit.

(b) Action instituted in May, 1935, in the District Court of the United States for the District of Montana, Helena Division, by Butte Water Company, Complainant, against Public Service Commission of Montana, Thomas E. Carey, Jerry J. O'Connell and Leonard C. Young as members of said Commission, F. H. Cooney as Governor of the State of Montana, and Raymond T. Nagle as Attorney General of the State of Montana, Defendants. The action was brought to enjoin the reduction of 33⅓% in water rates in the City of Butte ordered by the Public Service Commission. Application for temporary injunction is pending.

(c) In November, 1934, an action was instituted in New York Supreme Court, New York County, by Irene Frankenstein (owner of record of five shares of stock of registrant), as a stockholder, against registrant, Cornelius F. Kelley, Charles E. Mitchell, William D. Thornton, City Company of New York, Incorporated, Florence Guggenheim, as Executrix of the Last Will and Testament of Daniel Guggenheim, deceased, Ralph D. Cole, George H. Church, James Dickson, Robert E. Dwyer, Kenneth B. Frazer, David B. Hennessy, and Andrew J. Miller, Defendants. The action is a stockholder's derivative action asking an accounting by the individual defendants in connection with an exchange made by registrant in 1929 of shares of its capital stock for shares of the capital stock of Chile Copper Company and Greene Cananea Copper Company on plaintiff's allegation of profits claimed to have been obtained by certain of the individual defendants and alleged to have amounted to approximately $4,250,000, and claim is also made to recover from the individual defendants damages alleged to have exceeded $40,000,000 and to have been caused registrant by the acts of the individual defendants. The action is now at issue, the individual defendants having served their answers, denying the allegations of the complaint and liability on their part. Certain of the individual defendants have instituted an action in the United States District Court for the Southern District of New York against plaintiff to restrain the prosecution of the New York action on the ground that the final decree of said Federal Court dated June 30, 1934, dismissing a previous action by said plaintiff involving the same matters as the New York action, is *res adjudicata* as to such plaintiff with respect thereto, the State Court having previously denied a motion to dismiss the complaint on the same ground.

An action in New York Supreme Court, New York County, by Joseph Aronson and Emanuel Aronson, copartners under the firm name of Aronson & Co. (which holds of record 92 shares of stock of registrant), suing as stockholders, against the same defendants as in the Frankenstein action. The actions are of the same nature. The Aronson action is not yet at issue.

Special counsel consulted by the Directors, and who represent certain of the defendant Directors in the suits, have advised that after an examination of the facts said actions, in their opinion, are without merit.

(d) Litigation in the Civil Court of Santiago, Chile, by one Munoz Gonzales against Santiago Mining Company. This litigation concerns title to about 6% of the area included in the Africana mines, the total investment in such mines being included in the consolidated balance sheet at $3,441,233.29. Counsel advise that in their opinion this action is without merit.

(e) In September, 1935, a proceeding was instituted by the Federal Trade Commission, being Docket No. 2565, entitled In the Matter of National Electrical Manufacturers Association, its officers, board of governors, and certain members, separately and as representatives of the members, and the following members of said Association: American Electrical Works, American Steel and Wire Co., Anaconda Wire and Cable Co., Bishop Wire and Cable Corporation, Boston Insulated Wire and Cable Co., Crescent Insulated Wire and Cable Co., General Cable Corporation, General Electric Company, Habirshaw Cable and Wire Corporation, National Electrical Products Corporation, The Okonite Company, Phelps-Dodge Copper Products Corporation, John A. Roebling's Sons Company, Simplex Wire and Cable Company, Triangle Conduit and Cable Company, and United States Rubber Products, Inc. The complaint alleges that the respondents have been and are engaged in a combination, in violation of Section 5 of the Federal Trade Commission Act, to restrain interstate commerce in power cable, copper wire for electrical transmission, and various kinds of electrical apparatus and equipment, chiefly through the medium of said Association. The proceeding is not yet at issue. The Federal Trade Commission has set November 1, 1935 as the date for the first hearing. Counsel for Anaconda Wire and Cable Company advise that, in their opinion, said proceeding so far as that Company is concerned is not justified.

In addition to the above suits particularly described there are other pending suits involving damages, titles to mining claims, labor and compensation claims, and other suits of a similar character, all of which are ordinary and routine litigation incidental to the kind of business conducted by registrant and its subsidiaries, which under provisions of the Instruction Book for Form A-2 are not considered material. Registrant knows of no proceeding contemplated by governmental authorities against it or any of its subsidiaries or involving its or their properties except such as are ordinary and routine in the kind of business conducted by registrant and its subsidiaries.

**41. Dates of, parties to, and general effect briefly and concisely stated of every material contract not made in the ordinary course of business, to be performed in whole or in part at or after the filing of the registration statement or made not more than two years before such filing. Only such contracts need be set forth as to which the registrant or a subsidiary of the registrant is a party or has succeeded to a party by assumption, assignment or otherwise, or has a beneficial interest.**

Copies of the contracts and agreements summarized below are filed herewith as Exhibits I-1 to I-8, inclusive, and the following summaries thereof do not purport to be complete statements of the terms of said documents and are subject to the more detailed provisions of said contracts and agreements, to which reference is hereby made.

(a) Contract, dated April 5, 1928, between Great Falls Power Company and The Montana Power Company with registrant (The Montana Power Company has succeeded to the interest of the Great Falls Power Company and assumed this contract), as amended by agreement dated December 24, 1934.

This contract provides for the purchase and sale of power for the electrolytic zinc plants of the registrant at Great Falls and Anaconda, Montana. The Power Company agrees to furnish 75,000 electrical horsepower at the Great Falls plant and 35,000 electrical horsepower at the Anaconda plant. The registrant agrees to take all of the power which it uses in the reduction of zinc at Great Falls and Anaconda under this contract, but is not obligated to take or receive any specific amount of power, or to pay for any power except what is actually used.

The rate for power is on a sliding scale, based on the price received for zinc at Great Falls plus $7.00 per ton, and ranges from 0.153¢ per kilowatt hour when zinc is less than four cents per pound, up to 0.382¢ per kilowatt hour when the price of zinc is above six cents per pound.

The contract runs so long as the registrant shall engage in the reduction of zinc at Great Falls or Anaconda.

(b) Contract, dated July 10, 1928, between Great Falls Power Company and registrant (The Montana Power Company has succeeded to the interest of the Great Falls Power Company and assumed this contract), as amended by agreement between registrant and The Montana Power Company, dated July 23, 1935.

The original contract of July 10, 1928, provides for the purchase and sale of 65,000 electrical horsepower, to be delivered at points designated by the registrant at or near Butte, Anaconda and Great Falls, for use by the registrant in the mining, reduction and treatment of ores, and the refining of metals derived therefrom, other than electrolytic zinc.

The contract is for the life of the mines, subject to modification in case of temporary suspension or curtailment of operations.

This contract also provides for the sale of 50,000 additional electrical horsepower on the same terms and conditions as provided for the first 65,000 electrical horsepower, if and as required by the registrant.

The registrant agrees to pay for such power at the rate of $30.00 per horsepower per annum for power used at Butte and Anaconda, and at the rate of $20.00 per horsepower for power used at Great Falls.

Under the terms of the amending agreement of July 23, 1935, effective May 1, 1935, and until May 1, 1940, the registrant is required to pay for such power as it shall actually use currently, provided that it must pay for a minimum of 32,500 horsepower, instead of 65,000 horsepower, but may use, if and as required, up to 65,000 electrical horsepower. During said five-year period said registrant has an option on additional power, not exceeding 12,500 additional electrical horsepower.

For the six months ending June 30, 1935, the registrant was using approximately 50,000 horsepower.

As of May 1, 1940, the original contract of July 10, 1928, again becomes fully operative with respect to its original terms and conditions, except that the registrant is provided additional delivery points for small operations outside of Anaconda.

(c) Contract, dated February 27, 1931, between registrant and Louis B. O'Neill (The Montana Power Company has succeeded to the interest of Louis B. O'Neill and assumed this contract), providing for the purchase and sale of natural gas, not to exceed 25,000,000 cubic feet per day, for the heat and/or fuel requirements of registrant's plants at or in the vicinity of Butte, Anaconda and East Helena, Montana, and at such other points as may be designated by the registrant, except in cases where the metallurgical, chemical and/or mechanical factors make it advantageous, in the reasonable judgment of registrant, to use another form or forms of heat or fuel, and excepting heat or fuel requirements for which seller is unable to supply natural gas in such quantity and with such uniformity of delivery as shall be reasonably required by registrant, it being understood that registrant shall have the right and be free to use electricity for power or other purposes or use in connection with the operation of its plants. In case the parties disagree as to whether registrant has been reasonable in its judgment as to any heat or fuel requirements for which gas is not taken under the contract, the matter is subject to decision by arbitrators.

The term of this contract is fifteen years, with provisos for extension thereof for a five-year period.

The registrant agrees to pay as a fixed charge for the first five years \$14,583.33⅓ monthly, and thereafter the sum of \$12,500.00 monthly, and, in addition thereto, to pay 10½¢ for every 1,000 cubic feet of natural gas delivered to it under the contract.

(d) Contract dated February 27, 1931, between registrant and The Montana Power Company, providing that, whereas, the registrant and the Power Company each had entered into a contract with Louis B. O'Neill, of even date, for the purchase of gas from the Cut Bank field, each shall have the right to take one-half (½) of the total gas available for delivery under said contracts; that neither shall take more than five billion cubic feet of gas annually without the consent of the other. If either party desires in excess of five billion cubic feet of gas annually and the field reserves available will permit the withdrawal of such excess without impairing the right of the other to its one-half of the reserves, it may be so taken.

If a controversy arises on this question it shall be settled by arbitration.

In the case of temporary insufficiency of supply of gas for the requirements of both parties each party shall reduce its industrial load in equal amounts until the power company's industrial load is cut off. Any further reductions shall be made by the registrant for the benefit of the Power Company's domestic and commercial customers. In case of shortage, other than temporary shortage, each party is entitled to one-half of all gas produced from all available reserves.

This contract extends for the period of 15 years.

(e) Contract dated November 15, 1932, between registrant and Montana Cities Gas Company, providing for the purchase and sale of natural gas, not to exceed 10,000,000 cubic feet per day, for the heat and/or fuel requirements of registrant's plant located at Black Eagle, near Great Falls, Montana, except in cases where the metallurgical, chemical and/or mechanical factors make it advantageous, in the reasonable judgment of registrant, to use another form or forms of heat or fuel, and excepting heat or fuel requirements for which seller is unable to supply natural gas in such quantity and with such uniformity of delivery as shall be reasonably required by registrant, it being understood that registrant shall have the right and be free to use electricity for power or other purposes for use in connection with the operation of its plant. In case the parties disagree as to whether registrant has been reasonable in its judgment as to any heat or fuel requirements for which gas is not taken under the contract, the matter is subject to decision by arbitrators.

Gas actually used to be paid for monthly at the rate of fifteen cents per 1,000 cubic feet for the first 30,000,000 feet, and for all gas used during the month in excess thereof, ten cents per 1,000 cubic feet.

The term of this contract is six years.

(f) Agreement dated February 28, 1929 between registrant and Anaconda Wire and Cable Company, under which the latter company agrees to purchase from registrant its requirements of copper for its mill at Great Falls, Montana, and registrant agrees to sell the same, at current prices. This contract expires December 31, 1938.

In addition, registrant and its subsidiaries have entered into and are performing a large number of contracts and agreements covering the sale of their products, the use of various processes, the supplying of power and transportation facilities, the purchase of ores, materials and supplies, and leases of mining claims and lands for certain plant operations. These contracts and leases are such as ordinarily accompany the kind of business conducted by registrant and its subsidiaries. Under the provisions of the Instruction Book for Form A-2 they are not considered material contracts not made in the ordinary course of business.

42. Briefly describe any material patent, material patent right, or material contract for a patent right, if the proceeds of the security registered are to be used for the particular purpose of acquiring or developing such patent, patent right, or contract for a patent right.

None.

43. With respect to each denial by a governmental regulatory body, in a proceeding in which the registrant or a principal underwriter was a party or received notice, affecting the right to sell securities issued by the registrant, set forth briefly the grounds and terms of the denial, and any subsequent modification thereof.

None.

44. If any expert named in the registration statement as having prepared or certified any part of the statement (a) has any interest of a substantial nature in the registrant or any affiliate thereof or is to receive any such interest as a payment for such statement or (b) is an officer or employee of the registrant or any affiliate thereof, or (c) has been employed upon a contingent basis; furnish a brief statement of the nature of such interest, office, employment or contingent basis.

## EMPLOYMENT OF EXPERTS AND LAWYERS

As to Mr. Reno H. Sales, he is the Chief Geologist of registrant and is employed at an annual salary. He has no interest in registrant except as a holder of shares of its stock, and is to receive no interest in registrant as a payment for having prepared or certified to any part of this statement. He is not employed on a contingent basis.

As to Mr. Frederick Laist, he is General Metallurgical Manager of registrant and is employed at an annual salary. He is a director and officer of the following subsidiaries of registrant: Vice-President and Director, International Smelting and Refining Company; Director, Anaconda Lead Products Company and Anaconda Copperclad Company; Vice-President and Director, Tooele Valley Railway Company. He has no interest in registrant except as a holder of shares of its stock, and the holder of Twenty-Year 5% Gold Debentures, due 1947, of Chile Copper Company and of First Mortgage 5% Sinking Fund Gold Bonds, due 1944, of Butte, Anaconda & Pacific Railway Company, and is to receive no interest in registrant as a payment for having prepared or certified to any part of this statement. He is not employed on a contingent basis.

As to Messrs. Pogson, Peloubet & Co., neither that firm nor any partner thereof has any interest of a substantial nature or security holding in the registrant or any affiliate thereof, according to information furnished by Messrs. Pogson, Peloubet & Co.; neither that firm nor any partner thereof is to receive any interest in registrant or any affiliate thereof as payment for services in connection with the registration statement, although the firm is to receive a fee for services rendered in connection with the registration statement, and although it is rendering auditing services to the registrant and its subsidiaries, and received $77,043.45 in 1934 from registrant and its subsidiaries for services rendered in that year; neither that firm nor any partner thereof is an officer, director or employee of the registrant or any affiliate thereof; and neither that firm nor any partner thereof has been employed by registrant or any affiliate thereof on a contingent basis.

As to Messrs. Chadbourne, Stanchfield & Levy, neither that firm nor any partner thereof has any interest of a substantial nature in the registrant or any affiliate thereof, according to information furnished by Messrs. Chadbourne, Stanchfield & Levy, except that certain members of said firm hold shares of stock of registrant; neither that firm nor any partner thereof is to receive any interest in registrant or any affiliate thereof as payment for services in connection with the registration statement, although the firm is to receive a fee for services rendered in connection with the registration statement, and although it is rendering legal services to the registrant and its subsidiaries and received $98,000 from registrant and its subsidiaries for services rendered them in 1934; neither that firm nor any partner thereof is an officer, director or employee of the registrant or any affiliate thereof; and neither that firm nor any partner thereof has been employed by registrant or any affiliate thereof on a contingent basis.

As to Mr. D. M. Kelly, he is Western General Counsel of registrant and is employed at an annual salary. He is a director and officer of the following subsidiaries of registrant: Director and Vice-President of Blackfoot Land Development Company; Director and Secretary of Diamond Coal and Coke Company; Assistant Secretary of International Smelting and Refining Company; Director of Ajax Mining Company and Smokehouse Copper Mining Company. He has no interest in registrant except as a holder of shares of its stock and has received no interest in registrant as a payment for having prepared or certified to any part of this statement. He is not employed on a contingent basis.

As to Mr. Javier Diaz Lira, he is counsel in Chile for Chile Exploration Company, Andes Copper Mining Company, Potrerillos Railway Company and Santiago Mining Company, subsidiaries of registrant, and is employed on an annual salary basis. Registrant knows of no interest which he holds in it and he is to receive no interest in registrant as a payment for having prepared or certified to any part of this statement. He is not employed on a contingent basis.

As to Mr. Agustin A. Aguila, he is counsel at Cananea, Sonora, Mexico, for The Cananea Consolidated Copper Company, S. A., a subsidiary of registrant, and is employed on an annual salary basis. Registrant knows of no interest which he holds in it and he is to receive no interest in registrant as a payment for having prepared or certified to any part of this statement. He is not employed on a contingent basis.

## HISTORICAL FINANCIAL INFORMATION

**45. Furnish the information required below as to the respective captions on the registrant's balance sheet, the balance sheet of the registrant and its subsidiaries consolidated, and each individual or group balance sheet required to be furnished for unconsolidated subsidiaries:**

**(a) If, since January 1, 1922, there have been any increases or decreases in Investments, in Property, Plant and Equipment, or in Intangible Assets, resulting from substantially revaluing such assets, state:**

**(i) In what year or years such revaluations were made.**

**(ii) The amount of such write-ups or write-downs, and the accounts affected, including the contra entry or entries.**

**(iii) If in connection with such revaluations any adjustments were made in related reserve accounts, state the accounts and amounts with explanations.**

In 1923 registrant acquired 66,666⅔ shares (having a par value of $25 per share) of the stock of Andes Copper Mining Company (a then subsidiary) for a total cost of $319,004.94, an average of $4.79 per share. These shares had theretofore been included in the consolidated balance sheet as outstanding minority interests at the par value of the shares of Andes Copper Mining Company, i.e., $25 per share (or a total of $1,666,666.67), and after the acquisition thereof by registrant the same were carried in the consolidated accounts at the same amount, i.e., $1,666,666.67, the excess thereof, i.e., $1,347,661.73 above the cost of said stock, being credited to consolidated surplus.

Reference is made to the notes to the consolidated balance sheet setting forth the basis at which the mining properties of Andes Copper Mining Company are carried in such consolidated balance sheet, such basis being the original par value of the stock of Andes Copper Mining Company issued therefor, i.e., $25 per share, and not the cost to the registrant and its subsidiaries of such shares of Andes Copper Mining Company owned by the registrant and its subsidiaries. This basis was followed by the registrant in its consolidated balance sheets beginning with the year 1920 when, for the first time, the Andes Copper Mining Company was included in the consolidated balance sheet as a subsidiary, such basis being as follows: In the consolidated balance sheet of registrant and its subsidiaries the interest in the properties of Andes Copper Mining Company, represented by the shares of said company owned by registrant and its subsidiaries (i.e., 1,159,841 $\frac{245}{1000}$ shares), were included in the consolidated balance sheet at their par value, $25 per share, or a total of ................................................................ $28,996,031.07

the total investment of registrant and subsidiaries in said shares of Andes Copper Mining Company at December 31, 1920 (excluding advances to said company aggregating $11,163,221.22 at that date), was .................................. 8,445,462.29

Resulting in a credit to consolidated surplus of ............................... $20,550,568.78

In 1928, by reason of the conversion of the 7% Convertible Debentures of Andes Copper Mining Company, the interest of the registrant and its subsidiaries in the stock of Andes Copper Mining Company declined below the 75% customarily required by the registrant for consolidation of accounts and therefore the accounts of Andes Copper Mining Company were not consolidated in the consolidated balance sheet of registrant at December 31, 1928. In 1929, through the exchange of outstanding shares of Andes Copper Mining Company for stock of registrant, the interest of registrant and its subsidiaries in the stock of Andes Copper Mining Company increased above the 75% customarily required by the registrant for the consolidation of accounts, and the accounts of Andes Copper Mining Company were therefore consolidated in the consolidated balance sheet of 1929 and subsequent years in the same manner and on the same basis as prior to 1928. In order to avoid an arbitrary reduction in the consolidated surplus at December 31, 1928, when there had in fact been no change of the property (other than in ordinary course of business) represented by stock of Andes Copper Mining Company, or in the number of shares in said company held by registrant and its subsidiaries, the shares of Andes Copper Mining Company owned by the registrant and its subsidiaries were included in the consolidated balance sheet of registrant at December 31, 1928 on the same basis as the interest of registrant and its subsidiaries in the stock of Andes Copper Mining Company had been included in previous years' consolidated balance sheets, and entries were made on the books of registrant and subsidiaries crediting surplus with $21,909,539.72, the difference between the cost to them of shares of Andes Copper Mining Company stock owned, and the par value of said shares, i.e., $25 per share, the charge being made to Investment Account. At December 31, 1928, 1,762,635 shares of stock of Andes Copper Mining Company were owned by registrant and its subsidiaries. Of this amount 533,492 shares were acquired for cash at $25 per share subsequent to December 31, 1920, leaving a total of 1,229,143 shares; said 1,229,143 shares represent the shares of Andes Copper Mining Company owned by registrant and its subsidiaries at December 31, 1920, and shares subsequently acquired at less than par value, including the 66,666⅔ shares of Andes Copper Mining Company first above referred to.

**(b) If, since January 1, 1922, there have been restatements of Capital Stock, state the amounts of such restatements, and the contra entries. If, since January 1, 1922, there has been an original issue of Capital Stock any part of the proceeds of which was credited to surplus, state such amount.**

There has been no restatement of capital stock since January 1, 1922. Since January 1, 1922 the original issues of capital stock, part of the proceeds of which was credited to surplus, amounted to 3,109,598.54 shares of the par value of $50 per share. The part of the proceeds of such issues in excess of the par value of such shares which was credited to surplus was $20,816,158.49. The major part of the total proceeds received on such issues was used to discharge First Consolidated Mortgage Bonds of the registrant outstanding in 1929. In connection with the retirement of such bonds, the premium on redemption, discount, and expense of issuance, aggregating $11,907,498.50, were charged off.

In 1934 Mountain City Copper Company issued 506,307 shares of the par value of 5¢ per share. Of the proceeds received, $480,991.65 was credited to surplus. See Surplus Account of Mountain City Copper Company on page 125 hereof.

**(c) If, since January 1, 1922, any substantial amount or amounts of Bond Discount and Expense, on issues still outstanding, have been written off earlier than as required under any periodical amortization plan, give the following information:**

**(a) title of issue:**

**(b) date of such write-off:**

**(c) amount written off:**

**(d) to what account charged:**

NONE.

## CERTIFICATE OF PUBLIC ACCOUNTANTS

New York, N. Y.,
September 24, 1935.

To the Officers and Directors of
Anaconda Copper Mining Company.

We have made an examination of the foregoing answers to item 45 in the registration statement under the Securities Act of 1933 (Form A-2) of 4½% Sinking Fund Debentures of Anaconda Copper Mining Company, and we have made a review of the accounts named in item 45 for the period from January 1, 1922 to June 30, 1935, inclusive. In our opinion, based on such examination and review, the foregoing data properly present the information required in answer to item 45.

Pogson, Peloubet & Co.

Pogson, Peloubet & Co. (sgd.)

Re-executed October 11, 1935.

**46. Give the names of any independent public or independent certified public accountants who have certified financial statements for the registrant since January 1, 1922.**

Messrs. Pogson, Peloubet & Co.,
Certified Public Accountants,
25 Broadway,
New York, N. Y.

**47. Miscellaneous information.**

Certain producers of copper outside the United States, including certain subsidiaries of registrant operating outside of the United States, have cooperated with a view to bringing about a balance of production outside of the United States with consumption in such markets.

No attempt is made to appraise the effect on the business or earnings of registrant or any of its subsidiaries of the Executive Order approving the Code of Fair Competition for the Copper Industry or of the Codes of Fair Competition for any other industries affecting registrant or any of its subsidiaries, or of the recent decision of the United States Supreme Court with respect to the constitutionality of the National Industrial Recovery Act, nor is any attempt made to appraise the effect on the business or earnings of registrant or any of its subsidiaries of the legislation enacted by Congress respecting the price of gold and silver and the Presidential proclamations issued pursuant thereto, or the Federal Social Security Act of 1935.

No attempt is made to appraise the effect on the business or earnings of the registrant or any of its subsidiaries of the import tax of 4¢ per pound on copper imported into the United States, referred to in the answer to Item 6.

THIS REGISTRATION STATEMENT COMPRISES:

(1) The registration statement proper containing pages numbered 1 to 130 consecutively;

(2) The following financial statements and schedules:

- (a) Consolidated Balance Sheet of registrant and its subsidiaries as of June 30, 1935, together with four pages of notes.
- (b) Consolidated Balance Sheet of registrant and its 100%-owned subsidiaries, which constitute in practical effect the operating divisions of the registrant, as of June 30, 1935, together with four pages of notes.
- (c) Balance Sheet of registrant only as of June 30, 1935, together with two pages of notes.
- (d) Consolidated Profit and Loss Statement of registrant and its subsidiaries for the calendar years 1932, 1933, and 1934 and for the six months ended June 30, 1935, together with three pages of notes.
- (e) Consolidated Profit and Loss Statement of registrant and its 100%-owned subsidiaries, which constitute in practical effect the operating divisions of the registrant, for the calendar years 1932, 1933, and 1934, and for the six months ended June 30, 1935, together with two pages of notes.
- (f) Schedule IA—Investments in Securities of Subsidiaries (not consolidated in Consolidated Balance Sheet of registrant and its subsidiaries).
- (g) Schedule IB—Investments in Securities of Subsidiaries (not consolidated in Consolidated Balance Sheet of registrant and its 100%-owned subsidiaries).
- (h) Schedule IC—Investments of registrant only in Securities of Subsidiaries.
- (i) Schedule IIA—Property, Plant and Equipment of registrant and its subsidiaries.
- (j) Schedule IIB—Property, Plant and Equipment of registrant and its 100%-owned subsidiaries.
- (k) Schedule IIC—Property, Plant and Equipment of registrant only.
- (l) Schedule IIIA—Reserves for Depreciation and for Depletion of coal mines, timber lands, phosphate deposits and clay lands of registrant and its subsidiaries.
- (m) Schedule IIIB—Reserves for Depreciation and for Depletion of coal mines, timber lands, phosphate deposits and clay lands of registrant and its 100%-owned subsidiaries.
- (n) Schedule IIIC—Reserves for Depreciation and for Depletion of coal mines, timber lands, phosphate deposits and clay lands of registrant only.
- (o) Schedule IV—Intangible Assets.
- (p) Schedule VIA—Reserves of registrant and its subsidiaries.
- (q) Schedule VIB—Reserves of registrant and its 100%-owned subsidiaries.

(r) Schedule VIC—Reserves of registrant only.

(s) Schedule VIIA—Consolidated Surplus Account of registrant and its subsidiaries for calendar years 1932, 1933 and 1934 and for the six months ended June 30, 1935.

(t) Schedule VIIB—Consolidated Surplus Account of registrant and its 100%-owned subsidiaries for the calendar years 1932, 1933 and 1934 and for the six months ended June 30, 1935.

(u) Schedule VIIC—Surplus Account of registrant only for the six months ended June 30, 1935.

(v) Schedule VIIIA—Supplementary Profit and Loss information of registrant and its subsidiaries for the calendar years 1932, 1933 and 1934 and for the six months ended June 30, 1935.

(w) Schedule VIIIB—Supplementary Profit and Loss information of registrant and its 100%-owned subsidiaries for the calendar years 1932, 1933 and 1934 and for the six months ended June 30, 1935.

(x) Schedule IXA—Income from Dividends of registrant and its subsidiaries for the calendar years 1932, 1933 and 1934 and for the six months ended June 30, 1935.

(y) Schedule IXB—Income from Dividends of registrant and its 100%-owned subsidiaries for the calendar years 1932, 1933 and 1934 and for the six months ended June 30, 1935.

(z) Schedule X—Funded Debt of registrant and its subsidiaries—consolidated, as of June 30, 1935.

(aa) Schedule XI—Indebtedness of subsidiaries.

(bb) Statements of Subsidiaries not consolidated:

I—Anaconda Wire and Cable Company:

(1) Consolidated Balance Sheet of Anaconda Wire and Cable Company and its subsidiaries as of June 30, 1935, and one page of notes.

(2) Consolidated Profit and Loss Statement for the calendar years 1932, 1933 and 1934 and for the six months ended June 30, 1935, of Anaconda Wire and Cable Company and its subsidiaries.

(3) Schedule II—Property, Plant and Equipment of Anaconda Wire and Cable Company and its subsidiaries.

(4) Schedule III—Reserves for Depreciation of Anaconda Wire and Cable Company and its subsidiaries.

(5) Schedule IV—Intangible Assets of Anaconda Wire and Cable Company and its subsidiaries.

(6) Schedule V—Reserve for Depreciation and/or Amortization of Intangible Assets of Anaconda Wire and Cable Company and its subsidiaries.

(7) Schedule VI—Reserves of Anaconda Wire and Cable Company and its subsidiaries.

(8) Schedule VII—Consolidated Surplus Account for the calendar years 1932, 1933 and 1934 and for the six months ended June 30, 1935, of Anaconda Wire and Cable Company and its subsidiaries.

(9) Schedule VIII—Supplementary Profit and Loss Information for the calendar years 1932, 1933 and 1934 and for the six months ended June 30, 1935 of Anaconda Wire and Cable Company and its subsidiaries.

(10) Schedule XI—Indebtedness of Affiliates of Anaconda Wire and Cable Company and its subsidiaries.

II—Mountain City Copper Company:

(1) Balance Sheet as of June 30, 1935, together with one page of notes.

(2) Statement of Receipts and Disbursements from September 23, 1932 (date of organization of the company) to June 30, 1935.

(3) Schedule II—Property, Plant and Equipment.

(4) Schedule VII—Surplus Account from September 23, 1932 (date of organization of the company) to June 30, 1935.

III—Walker Mining Company:

(1) Balance Sheet as of June 30, 1935.

(2) Profit and Loss Statement for the calendar years 1932, 1933 and 1934, and for the six months ended June 30, 1935.

(3) Schedule II—Property, Plant and Equipment.

(4) Schedule III—Reserve for Depreciation.

(5) Schedule VII—Surplus Account for the calendar years 1932, 1933 and 1934 and for the six months ended June 30, 1935.

(6) Schedule VIII—Supplementary Profit and Loss information for the calendar years 1932, 1933 and 1934, and for the six months ended June 30, 1935.

(3) The certificate of Messrs. Pogson, Peloubet & Co., Certified Public Accountants, dated October 11, 1935, with respect to the financial statements and schedules listed above.

(4) The following exhibits:

(a) Exhibit A-1—Copy of articles of incorporation of registrant as amended to date, including copy of certificate of extension of corporate existence.

Exhibit A-2—Copy of By-Laws of registrant as amended to date.

(b) Exhibit B-1—Copy of indenture dated as of October 1, 1935, from Anaconda Copper Mining Company to Guaranty Trust Company of New York, as Trustee. (This exhibit relates to the 4½% Sinking Fund Debentures of the registrant, due October 1, 1950, to be registered hereunder).

(c) Exhibit B-2—Copy of indenture dated as of February 1, 1914 from Butte, Anaconda & Pacific Railway Company to Guaranty Trust Company of New York, as Trustee. (This exhibit relates to the First Mortgage 5% 30-year Sinking Fund Gold Bonds due February 1, 1944, of said Butte, Anaconda & Pacific Railway Company).

(d) Exhibit B-3—Copy of indenture dated as of January 1, 1927 from Chile Copper Company to Guaranty Trust Company of New York, as Trustee. (This exhibit relates to the 20-year 5% gold debentures of Chile Copper Company due 1947.)

(e) Exhibit C—Copy of guarantee of registrant endorsed on each of the outstanding bonds of $1,621,000 aggregate principal amount of First Mortgage 5% 30-year Sinking Fund Gold Bonds due February 1, 1944, of Butte, Anaconda & Pacific Railway Company.

(f) Exhibit F—Copy of agreement between registrant and principal underwriters of the Debentures to be registered hereunder.

(g) Exhibit G—Copy of opinion of counsel in respect of the legality of the issue to be registered hereunder.

(h) Exhibit H—Copy or specimen of Debenture of the issue to be registered hereunder.

(i) Exhibit I—Copies of the following agreements:

(1) Agreement dated July 10, 1928 between Great Falls Power Company and Anaconda Copper Mining Company.

(2) Supplemental agreement dated July 23, 1935 between The Montana Power Company and Anaconda Copper Mining Company.

(3) Agreement dated April 5, 1928 between Great Falls Power Company, The Montana Power Company, and Anaconda Copper Mining Company.

(4) Supplemental agreement dated December 24, 1934 between The Montana Power Company and Anaconda Copper Mining Company.

(5) Agreement dated February 27, 1931 between Anaconda Copper Mining Company and Louis B. O'Neill.

(6) Agreement dated February 27, 1931 between The Montana Power Company and Anaconda Copper Mining Company.

(7) Agreement dated November 15, 1932 between Anaconda Copper Mining Company and Montana Cities Gas Company.

(8) Agreement dated February 28, 1929 between Anaconda Copper Mining Company and Anaconda Wire and Cable Company.

(j) Exhibit K—Consent of D. M. Kelly, Esq., Western General Counsel of registrant, with respect to reference made to him on page 1 and in item 44 of this registration statement.

(k) Exhibit L—Opinion of Javier Diaz Lira, Esq., General Counsel in Chile for Chile Exploration Company, Andes Copper Mining Company, Potrerillos Railway Company and Santiago Mining Company, subsidiaries of registrant, with respect to titles to properties and franchises and concessions of such subsidiaries.

(l) Exhibit M—Opinion of Agustin A. Aguila, Esq., Counsel in Mexico for The Cananea Consolidated Copper Company, S.A., a subsidiary of registrant, with respect to titles to mining claims or titles of concessions of that subsidiary.

(5) The Prospectus, consisting of 78 pages.

The filing of this registration statement with the Securities and Exchange Commission shall not be construed as a waiver of, or estoppel against, the right of the registrant or any other person to contest the validity or scope of any or all of the provisions of the Securities Act of 1933, as amended, under the Constitution of the United States, or the validity of any rule or regulation made or to be made under said Act.

## SIGNATURES

(a) Of the Issuer:

In pursuance of the requirements of the Securities Act of 1933, the registrant, Anaconda Copper Mining Company, a corporation organized and existing under the laws of Montana, has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, and its seal to be hereunto affixed and attested, all in the City of New York and State of New York on the 24th day of September, 1935.

ANACONDA COPPER MINING COMPANY

By CORNELIUS F. KELLEY (sgd.)
(CORNELIUS F. KELLEY, President)

(SEAL)

By JAMES R. HOBBINS (sgd.)
(JAMES R. HOBBINS, Vice President)

Attest:

DAVID B. HENNESSY (sgd.)
(DAVID B. HENNESSY, Secretary)

(b) Of the Principal Executive Officer or Officers, the Principal Financial Officer and the Comptroller or Principal Accounting Officer.

In pursuance of the Securities Act of 1933, the undersigned have signed the within registration statement on the respective dates set beside their names.

(i) Principal executive officer or officers:

| | | |
|---|---|---|
| CORNELIUS F. KELLEY (sgd.)<br>CORNELIUS F. KELLEY | President<br>(Title) | Sept. 24, 1935<br>(Date) |
| JAMES R. HOBBINS (sgd.)<br>JAMES R. HOBBINS | Vice President<br>(Title) | Sept. 24, 1935<br>(Date) |
| ROBERT E. DWYER (sgd.)<br>ROBERT E. DWYER | Vice President and Treasurer<br>(Title) | Sept. 24, 1935<br>(Date) |
| DAVID B. HENNESSY (sgd.)<br>DAVID B. HENNESSY | Secretary and Assistant Treasurer<br>(Title) | Sept. 24, 1935<br>(Date) |
| JAMES DICKSON (sgd.)<br>JAMES DICKSON | General Auditor<br>(Title) | Sept. 24, 1935<br>(Date) |

(ii) Principal financial officer:

| | | |
|---|---|---|
| ROBERT E. DWYER (sgd.)<br>ROBERT E. DWYER | Treasurer<br>(Title) | Sept. 24, 1935<br>(Date) |

(iii) Comptroller or principal accounting officer:

| | | |
|---|---|---|
| JAMES DICKSON (sgd.)<br>JAMES DICKSON | General Auditor<br>(Title) | Sept. 24, 1935<br>(Date) |

(c) **Of the Directors:**

| | |
|---|---|
| CORNELIUS F. KELLEY (sgd.)<br>CORNELIUS F. KELLEY | Sept. 24, 1935<br>(Date) |
| ANDREW J. MILLER (sgd.)<br>ANDREW J. MILLER | Sept. 24, 1935<br>(Date) |
| JAMES R. HOBBINS (sgd.)<br>JAMES R. HOBBINS | Sept. 24, 1935<br>(Date) |
| ROBERT E. DWYER (sgd.)<br>ROBERT E. DWYER | Sept. 24, 1935<br>(Date) |
| JOHN A. COE (sgd.)<br>JOHN A. COE | Sept. 24, 1935<br>(Date) |
| WILLIAM D. THORNTON (sgd.)<br>WILLIAM D. THORNTON | Sept. 24, 1935<br>(Date) |
| HERMAN C. BELLINGER (sgd.)<br>HERMAN C. BELLINGER | Sept. 24, 1935<br>(Date) |
| G. M.-P. MURPHY (sgd.)<br>GRAYSON M.-P. MURPHY | Sept. 24, 1935<br>(Date) |

(d) **Of the Duly Authorized Representative in the United States:**

**In pursuance of the Securities Act of 1933, the undersigned has signed the within registration statement on the day of , 1935.**

## CONSENTS OF EXPERTS

POGSON, PELOUBET & CO.

New York, N. Y.
September 24, 1935.

We, Pogson, Peloubet & Co., of 25 Broadway, New York, N. Y., know that we are named as having examined and reported on (a) the financial statements and relative supporting schedules listed as group (2) under the heading "THIS REGISTRATION STATEMENT COMPRISES" on page 57, and being page numbers 64 to 130, both inclusive, (b) the answers to item 45, being page numbers 55 to 56, both inclusive, and (c) information as to gross sales of copper for delivery outside of the United States and Canada (based on proceeds of sale) and the total sales of all products by registrant and its subsidiaries whose accounts are consolidated with those of registrant (including gross earnings from miscellaneous service companies), without deduction of operating and other expenses and charges, for the period January 1, 1930 to June 30, 1935, appearing in answer to Item 6 on page 7, and the information as to total sales, gross earnings, net income and net losses given in answer to Item 4 (a) with respect to certain subsidiaries which have been omitted from Chart I and Chart II, appearing on page 4, which are incorporated as part of the registration statement of Anaconda Copper Mining Company, covering the 4½% Sinking Fund Debentures due October 1, 1950, of registrant, to be authorized under Indenture dated October 1, 1935 to Guaranty Trust Company of New York as Trustee, and we hereby give our consent to the use of our name therein and to the use of said documents examined and reported on by us, as required by Section 7 of the Federal Securities Act of 1933. We also consent to the making of the statement with reference to our firm on page 1 and page 54 of such registration statement.

POGSON, PELOUBET & CO.
POGSON, PELOUBET & CO. (sgd.)

Re-executed October 11, 1935.

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RENO H. SALES

New York, N. Y.
September 24, 1935.

I hereby consent to the making of the statement with reference to me on page 1 of the registration statement of Anaconda Copper Mining Company to be filed with the Securities and Exchange Commission under the provisions of the Securities Act of 1933 for the registration of its 4½% Sinking Fund Debentures due October 1, 1950, above set forth. I received the degree of Engineer of Mines from the School of Mines of Columbia University in June, 1900, and since then have actively practised the profession of geologist.

RENO H. SALES (sgd.)

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FREDERICK LAIST

New York, N. Y.
September 24, 1935.

I hereby consent to the making of the statement with reference to me on page 1 of the registration statement of Anaconda Copper Mining Company to be filed with the Securities and Exchange Commission under the provisions of the Securities Act of 1933 for the registration of its 4½% Sinking Fund Debentures, due October 1; 1950, above set forth. I received the degree of Bachelor of Science from University of California in June, 1901, and have since then actively practised the profession of metallurgy.

FREDERICK LAIST (sgd.)

The consent of D. M. Kelly, Western General Counsel of the registrant, with respect to the reference made to him on page 1 of this registration statement, is filed herewith as Exhibit K.

The consents of Messrs. Javier Diaz Lira and Agustin A. Aguila with respect to the reference made to them on page 1 of the registration statement of Anaconda Copper Mining Company to be filed with the Securities and Exchange Commission under the provisions of the Securities Act of 1933 for the registration of its 4½% Sinking Fund Debentures due October 1, 1950, are filed herewith as Exhibits L and M respectively.

## ANACONDA COPPER MINING COMPANY

### and Subsidiary Companies

### CONSOLIDATED BALANCE SHEET—JUNE 30TH, 1935

See Notes A to N, pages 66 to 69, inclusive.

### ASSETS

| | | | |
|---|---|---|---|
| **Current Assets:** | | | |
| Cash on hand and in banks | | $15,639,337.09 | |
| Marketable Securities—at cost (market value $981,170.63) | | 1,424,908.19 | |
| Accounts and Notes Receivable—Trade | $7,363,046.26 | | |
| Less Reserve for doubtful notes and accounts—schedule VI A | 343,767.54 | 7,019,278.72 | |
| Metals and Manufactured Products: | | | |
| Finished—see note D | | 34,064,456.21 | |
| In Process—see note D | | 5,045,352.80 | |
| Supplies on hand—see note E | | 12,625,092.69 | |
| Indebtedness of Subsidiaries—current | | 2,567.25 | $75,820,992.95 |
| **Other Assets:** | | | |
| Ores produced during development period not being currently treated during period of curtailed operations—at cost of mining—see note M | | 1,559,956.05 | |
| Cupriferous material held for future treatment—see note N | | 3,336,346.76 | |
| Installment house and land sales and other accounts receivable | 1,216,023.54 | | |
| Less Reserve for doubtful accounts—schedule VI A | 185,000.00 | 1,031,023.54 | |
| Advances to sundry mining companies, including advances on ores | 320,662.60 | | |
| Less Reserve for doubtful accounts—schedule VI A | 67,116.16 | 253,546.44 | |
| Notes Receivable of Inspiration Consolidated Copper Co. secured by $6,933,000 First Mortgage 7% Gold Bonds of that Company (being the total amount of said bonds issued)—see note J | 6,933,000.00 | | |
| Interest accrued thereon | 341,496.08 | 7,274,496.08 | 13,455,368.87 |
| **Investments:** | | | |
| Securities of Subsidiaries—schedule I A—see notes C and F | | 15,548,354.65 | |
| Other Security Investments—see note F | | 13,531,595.26 | |
| Indebtedness of Subsidiaries—not current—schedule XI | | 790,378.53 | 29,870,328.44 |
| **Property, Plant and Equipment—see note G:** | | | |
| Mines and Mining Claims, Water Rights and Lands for Metal Producing and Manufacturing Plants—schedule II A | | 290,945,721.27 | |
| Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands—schedule II A | 9,626,400.86 | | |
| Less Reserve for Depletion—schedule III A | 1,935,655.81 | 7,690,745.05 | |
| Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks, Steamships and Railroads (including railroad concessions to the extent of $994,769.61)—schedule II A | 285,363,616.63 | | |
| Less Reserve for Depreciation—schedule III A | 134,265,872.54 | 151,097,744.09 | 449,734,210.41 |
| **Intangible Assets—Schedule IV:** | | | |
| Patents | | | 6,105.00 |
| **Deferred Charges:** | | | |
| Stripping and Development | | 7,517,826.45 | |
| Prepaid Insurance, Taxes, etc | | 411,280.03 | |
| Deferred experimental, lease and other expenses | | 445,977.91 | |
| Discount on Bonds—see note H | | 2,501,216.31 | 10,876,300.70 |
| | | | $579,763,306.37 |

# ANACONDA COPPER MINING COMPANY

## and Subsidiary Companies

### CONSOLIDATED BALANCE SHEET—JUNE 30TH, 1935

See Notes A to N, pages 66 to 69, inclusive.

### LIABILITIES, CAPITAL STOCK AND SURPLUS

| | | | |
|---|---|---|---|
| **Current Liabilities:** | | | |
| Notes Payable—Banks | | $57,245,120.00 | |
| Accounts Payable—Trade | | 5,792,144.02 | |
| Wages Payable | | 757,807.69 | |
| Accrued Taxes | | 2,823,584.00 | |
| Accrued Interest | | 975,653.47 | |
| Other Accrued Liabilities | | 1,095,992.85 | |
| Indebtedness to Subsidiaries | | 208,015.10 | |
| Unclaimed Dividends | | 97,547.77 | |
| Employees' Deposits | | 78,126.37 | $69,073,991.27 |
| **Deferred Income:** | | | |
| On installment land sales, including interest | | 198,972.76 | |
| On uncompleted steamship voyages | | 58,883.66 | 257,856.42 |
| **Long-Term Debt—Schedule X:** | | | |
| Chile Copper Co. Twenty-Year 5% Gold Debentures, due 1947 | $28,982,000.00 | | |
| Less held in Treasury | 2,137,000.00 | 26,845,000.00 | |
| Butte, Anaconda & Pacific Railway Co. First Mortgage 5% Sinking Fund Gold Bonds, due 1944 (guaranteed as to both principal and interest by Anaconda Copper Mining Company) | 1,621,000.00 | | |
| Less held in Treasury | 85,000.00 | 1,536,000.00 | 28,381,000.00 |
| **Reserves—Schedule VI A:** | | | |
| For Repairs, Renewals and Replacements | | 277,162.75 | |
| For Workmen's Compensation Insurance, etc. | | 495,798.77 | |
| For Contingencies | | 275,000.00 | |
| For Deferred [illegible] under power contract in connection with curtailment of operations | | 450,000.00 | 1,497,961.52 |
| **Capital Stock and Surplus:** | | | |
| Capital Stock and Surplus of subsidiary companies owned by Minority Interest: | | | |
| Capital Stock | | 4,598,027.57 | |
| Deficit applicable thereto | | 1,032.79 | 4,596,994.78 |
| Capital Stock of Anaconda Copper Mining Company: | | | |
| Authorized—12,000,000 shares of the par value of $50.00 each. | | | |
| Issued | 8,919,086 shares | 445,954,300.00 | |
| Held in Treasury or through subsidiaries | 244,746 shares | 12,237,300.00 | |
| Outstanding | 8,674,340 shares | 433,717,000.00 | |
| Surplus—schedule VII A—see notes C, I and K | | 42,238,502.38 | 475,955,502.38 |
| | | | $579,763,306.37 |

# ANACONDA COPPER MINING COMPANY

## and Subsidiary Companies

## NOTES TO CONSOLIDATED BALANCE SHEET

*Note A*—Principles Applying in Consolidation

In order to present the status of the registrant's interest in subsidiaries where the interest owned (directly or through other subsidiaries) is 75% or more of the issued stock, the assets and liabilities of said subsidiaries as they appear upon the books of said subsidiaries are distributed under appropriate headings on the Consolidated Balance Sheet, except that five subsidiaries more than 75% owned, where the amount of the investment is not relatively significant ($772,768.13), and where the operations of the subsidiaries are not an integral part of the operations of the consolidated group, are carried as investments in the Consolidated Balance Sheet. The interest of minority stockholders of subsidiaries, the accounts of which are consolidated, is shown on the Consolidated Balance Sheet. Accounts of subsidiaries in which the registrant's interest is less than 75% of the issued stock are not consolidated and the shares owned in these subsidiaries are carried as investments in the Consolidated Balance Sheet.

*Note B*—Balances in Foreign Currencies

Cash balances in foreign currencies, not relatively material in amount, are converted into dollars at rates not more favorable than those effective at June 30th, 1935. Current assets and liabilities at the Toronto Plant of Anaconda-American Brass, Ltd., are carried in Canadian currency and have been converted into U. S. dollars at rates not in excess of rates current at June 30, 1935.

*Note C*—Equity of Registrant in Unconsolidated Subsidiaries

The equity of the registrant in the assets of the unconsolidated subsidiaries shown separately on Schedule I A and the five unconsolidated subsidiaries referred to in Note A, has decreased to the extent of $484,965.74 since the dates of acquisition as the result of profits, losses and distributions, as shown by the books of said unconsolidated subsidiaries, but the cost thereof as shown in the Consolidated Balance Sheet has not been adjusted for such decrease.

*Note D*—Inventories of Metals and Manufactured Products

The metallic contents of copper ores, concentrates, and cupriferous materials, and zinc and lead ores and concentrates, while in treatment at reduction plants up to the production of blister copper, electrolytic copper, metallic zinc and lead bullion, are classified as metals in process. Blister and electrolytic copper, metallic zinc and lead bullion, and other products and metals produced in connection therewith or therefrom, including stock in works at fabricating plants, are treated as finished.

Inasmuch as the operations at the reduction plants require a continuous inventory in process, the metals in the process inventories are carried at a calculated "normal cost," based on an assumed normal volume of production, which is below the equivalent of current market for metallic content of such inventories.

In accordance with the principle used in preparation of the accounts for the year 1933 and subsequently, finished metals and manufactured products on hand at June 30th, 1935, (except silver and gold which are carried at market quotations or less), have been valued (a) as to that part of the inventory which was equal to the quantity on hand at December 31st, 1934 at the inventory price of December 31st, 1934 (which price was the same as that of December 31st, 1933, inventories having declined in quantity in the year 1934), and (b) as to that part of the inventory which exceeds in quantity inventory on hand at December 31st, 1934 at production costs during the six months period ended June 30th, 1935. Inventory valuations determined in accordance with the foregoing method were below market prices for the various metals and products at June 30th, 1935. Certificates for refined copper, included in inventory at $1,077,516.36, were pledged as of June 30th, 1935 with holders of notes payable.

Complete physical inventories of metals and manufactured products on hand were not taken at June 30th, 1935. Inventories are, however, subject to continuous tests and checking, both physical and in connection with financial and operating records, by employees of the registrant and subsidiaries.

See Note C to Consolidated Profit and Loss Statement.

Notes to Consolidated Balance Sheet (Contd.)

*Note E*—Supplies on Hand

Supplies on hand, including replacement parts as well as current supply items, are carried at cost. Owing to the curtailment of operations and distance from source of supply and markets, supplies on hand of certain metal producing subsidiaries, particularly those operating in Chile, were at June 30th, 1935 somewhat in excess of current requirements. Complete physical inventories of supplies on hand were not taken June 30th, 1935. Inventories are, however, subject to continuous tests and checking, both physical and in connection with financial and operating records, by employees of the registrant and subsidiaries.

*Note F*—Investments—Basis

Investments in securities of unconsolidated subsidiaries and other security investments are carried at cost or less, such cost being cash cost, or in the case of securities issued in exchange for property transferred by the registrant or a consolidated subsidiary, the cost of such property to the consolidated group after deducting depreciation to date of transfer, and do not indicate current values. Other security investments include shares of Inspiration Consolidated Copper Company carried at $10,914,107.51.

*Note G*—Property, Plant and Equipment—Basis of Valuation

(a) Property, Plant and Equipment of registrant are carried at cash cost, or in the case of physical properties acquired for stock of registrant at par value of such stock.

(b) Property, Plant and Equipment of subsidiaries (the accounts of which are included in this Consolidated Balance Sheet) are carried at the difference between (1) the investment basis for the respective subsidiary as set forth below, and (2) all net assets (other than property, plant and equipment) of such subsidiary at the time when its accounts were first included in the Consolidated Balance Sheet of the registrant and subsidiaries, to which is added the cost of subsequent acquisitions. Such investment basis is the cash cost to the consolidated group of the stock of the respective subsidiary owned by such group, where the same was acquired by the group for cash, or where the same was acquired by the consolidated group for stock of the registrant, the par value of the stock of the registrant, except as to properties of Andes Copper Mining Company and Santiago Mining Company acquired by said companies respectively for shares of their capital stock, which properties are included in the Consolidated Balance Sheet at the original par value of the shares of those companies issued therefor (*i.e.*, $25 per share), amounting in the case of Andes Copper Mining Company to 1,000,000 shares and in the case of Santiago Mining Company to 70,566 shares. Of said stock of Andes Copper Mining Company issued for property 998,036 shares were acquired by registrant and subsidiaries at less than the original par value thereof and of said stock of Santiago Mining Company 65,431 shares were acquired (in 1930) by registrant at less than the original par value thereof. The 65,431 shares (minority interest) of Santiago Mining Company were carried in the consolidated financial statements as outstanding minority interest at par from the date when Santiago Mining Company was first included in such statements. Upon the acquisition of such shares by the registrant in 1930 the difference of $1,519,565.66 between the par value thereof and the cost of such shares to registrant was transferred from minority interest to consolidated surplus. The total amount credited to consolidated surplus on account of the difference between the par value of the above-mentioned shares of Andes Copper Mining Company and Santiago Mining Company and cost thereof to registrant and its subsidiaries was $23,429,105.38. See answer to item 45 of this registration statement with respect to said 998,036 shares of stock of Andes Copper Mining Company.

(c) It has been the practice of registrant, consistently applied to its own properties and those of subsidiaries the stocks of which have been acquired and the accounts of which are included in the Consolidated Balance Sheet, to carry Property, Plant and Equipment as described above. Pursuant to the requirements of the United States Treasury Department, valuations as of March 1, 1913 of mining properties then owned have been recorded on the books for the purpose of computing the amount allowable as a deduction for "depletion" in arriving at taxable income under the Federal income tax laws, but these values have not been included in the published accounts of the registrant nor in the financial statements submitted herewith.

The registrant has consistently followed the practice of not deducting any amount for depletion on account of metals mined in any of its published accounts, and no such deduction is included in

NOTES TO CONSOLIDATED BALANCE SHEET (Contd.)

any of the financial statements submitted herewith. Reference is made to answer to item 7 of this registration statement for a description of the present condition of the properties and estimated ore reserves.

Depletion based on cost has in the case of timber, coal, clay and phosphate lands, been deducted from income in the financial statements submitted herewith and also from the cost basis shown in the Consolidated Balance Sheet.

(d) In the Consolidated Balance Sheets of the registrant and its subsidiaries heretofore published, the depreciation reserve, shown on the books of The American Brass Company and certain other subsidiaries as of the dates the stocks of those companies were acquired by the registrant, was deducted in stating the plant and equipment account of those companies in the Consolidated Balance Sheet and was not included in depreciation reserve. The foregoing Consolidated Balance Sheet includes such accumulation in the depreciation reserve. This change does not affect the net amount at which such fixed assets are carried, nor does it affect consolidated surplus, or any other item other than the separate items of plant and equipment and depreciation reserve.

Certain transfers between the accounts "Mines and Mining Claims", "Plant and Equipment", and "Reserve for Depreciation" have been given effect to in this Consolidated Balance Sheet. They consist entirely of transfers between these three accounts and do not affect the net amount at which Property, Plant and Equipment are carried nor do they affect the consolidated surplus or any item other than fixed assets and depreciation reserve.

(e) The values of Property, Plant and Equipment are shown on the bases above set forth and do not indicate current values which could be established only by current appraisals.

*Note H*—METHOD OF EXTINGUISHING DISCOUNT ON BONDS

Discount on bonds outstanding at the end of the period is written off in equal installments over the term of the bonds, and when bonds are purchased for sinking fund requirements the cost of such bonds for the purpose of calculating profit or loss is increased by the amount of discount which would have applied over the entire remaining life of such bonds.

*Note I*—FEDERAL INCOME TAXES

A determination of the amounts due for Federal Income taxes for the taxable years up to and including that ended December 31st, 1929, has recently been made by the United States Treasury Department and this amount together with interest to June 30th, 1935, has been included in Accrued Taxes. Audits of returns for subsequent years have either not been made or have not been completed.

*Note J*—NOTES RECEIVABLE—INSPIRATION CONSOLIDATED COPPER COMPANY

These notes represent cash advances during and subsequent to 1932 of $6,037,412.69 plus notes of $895,587.31 delivered in payment of accrued interest on such notes. A portion of these advances has provided the major part of the cost of carrying the properties of Inspiration Consolidated Copper Company during shut-down period.

*Note K*—SURPLUS

Included in Consolidated Surplus are: (a) A credit of $21,909,539.72 arising from inclusion in Consolidated Balance Sheet of assets and liabilities of Andes Copper Mining Company at the amounts shown on its books (see Note G), (b) a credit of $1,519,565.66 arising from acquisition in 1930 of minority shares in Santiago Mining Company issued for property and carried at their par value, said amount representing the excess of par value over acquisition cost, (c) a credit of $20,816,158.49, being the excess of the proceeds of the issue of 3,109,598.54 shares of stock of registrant over the par value thereof and (d) a charge of $11,907,498.50, being discount and expense on issuance, and premium on redemption of bonds, redeemed through funds obtained by issuance of stock above referred to, which items (a), (c) and (d) are set forth in answer to item 45 of this registration statement. See paragraph (c) of Note G as to practice regarding depletion.

NOTES TO CONSOLIDATED BALANCE SHEET (Contd.)

*Note L*—CONTINGENT LIABILITIES

A contingent liability existed at June 30th, 1935 for acceptances covering foreign sales of copper discounted in the ordinary course of business at various banks, on the greater part of which payment has already been received, and for exchange commitments most of which have been liquidated. All known liabilities are provided for in the Balance Sheets.

*Note M*—ORES PRODUCED DURING DEVELOPMENT PERIOD

Ores produced during development period not being currently treated are carried at cost of extraction which is less than a conservatively estimated realizable value.

*Note N*—CUPRIFEROUS MATERIAL

Cupriferous material held for future treatment is valued at United States Treasury Department valuation for income tax purposes, which is approximately the value of the recoverable metals contained therein at current metal prices after deducting treatment costs, both as estimated by metallurgists of registrant.

## ANACONDA COPPER MINING COMPANY

### and 100% owned Subsidiary Companies (See Note A)

### CONSOLIDATED BALANCE SHEET—JUNE 30TH, 1935

See Notes A to M, pages 72 to 75, inclusive.

**ASSETS**

| | | | |
|---|---|---|---|
| **Current Assets:** | | | |
| Cash on hand and in banks | | $ 8,079,351.18 | |
| Marketable Securities—at cost (market value $981,170.63) | | 1,424,908.19 | |
| Accounts and Notes Receivable—Trade | $ 6,850,640.76 | | |
| Less Reserve for doubtful notes and accounts—schedule VI B | 310,538.65 | 6,540,102.11 | |
| Metals and Manufactured Products: | | | |
| Finished—see note C | | 24,886,010.45 | |
| In Process—see note C | | 3,650,599.84 | |
| Supplies on hand—see note D | | 4,452,228.11 | |
| Indebtedness of Subsidiaries—current: | | | |
| Subsidiaries not consolidated in this Balance Sheet | | 2,567.25 | $ 49,035,767.13 |
| **Other Assets:** | | | |
| Cupriferous material held for future treatment—see note M | | 3,336,346.76 | |
| Installment house and land sales and other accounts receivable | 1,130,982.26 | | |
| Less Reserve for doubtful accounts—schedule VI B | 185,000.00 | 945,982.26 | |
| Advances to sundry mining companies, including advances on ores | 320,662.60 | | |
| Less Reserve for doubtful accounts—schedule VI B. | 67,116.16 | 253,546.44 | |
| Notes Receivable of Inspiration Consolidated Copper Co. secured by $6,933,000.00 First Mortgage 7% Gold Bonds of that company (being the total amount of said bonds issued)—see note I | 6,933,000.00 | | |
| Interest accrued thereon | 341,496.08 | 7,274,496.08 | 11,810,371.54 |
| **Investments:** | | | |
| Subsidiaries less than 100% owned or with outstanding bonds, whose accounts are consolidated in the general Consolidated Balance Sheet: | | | |
| Securities—schedule I B—see notes E and J | | 295,263,362.54 | |
| Indebtedness—not current—schedule XI | | 3,819,039.30 | |
| Other subsidiaries, whose accounts are not consolidated in the general Consolidated Balance Sheet: | | | |
| Securities—schedule I B—see note E | | 15,548,354.65 | |
| Indebtedness—not current—schedule XI | | 790,348.38 | |
| Other Security Investments—see note E | | 13,280,891.88 | 328,701,996.75 |
| **Property, Plant and Equipment—see note F:** | | | |
| Mines and Mining Claims, Water Rights and Lands for Metal Producing and Manufacturing Plants—schedule II B | | 86,260,881.95 | |
| Coal Mines, Timber Lands, Phosphate Deposits, and Clay Lands—schedule II B | 9,626,400.86 | | |
| Less Reserve for Depletion—schedule III B | 1,935,655.81 | 7,690,745.05 | |
| Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks and Railroads (including railroad concessions to the extent of $14,446.62)—schedule II B | 149,365,758.72 | | |
| Less Reserve for Depreciation—schedule III B | 86,294,500.15 | 63,071,258.57 | 157,022,885.57 |
| **Intangible Assets—schedule IV:** | | | |
| Patents | | | 6,020.00 |
| **Deferred Charges:** | | | |
| Development (Coal and Phosphate Properties) | | 888,513.74 | |
| Prepaid Insurance, Taxes, etc. | | 240,030.72 | |
| Deferred experimental, lease and other expenses | | 337,434.94 | 1,465,979.40 |
| | | | $548,043,020.39 |

## ANACONDA COPPER MINING COMPANY
### and 100% owned Subsidiary Companies (See Note A)

### CONSOLIDATED BALANCE SHEET—JUNE 30TH, 1935

See Notes A to M, pages 72 to 75, inclusive.

### LIABILITIES, CAPITAL STOCK AND SURPLUS

| | | | |
|---|---|---|---|
| **Current Liabilities:** | | | |
| Notes Payable—Banks | | $ 48,822,120.00 | |
| Accounts Payable—Trade | | 5,039,163.49 | |
| Wages Payable | | 674,065.22 | |
| Accrued Taxes | | 1,869,932.10 | |
| Accrued Interest | | 480,138.43 | |
| Other Accrued Liabilities | | 742,361.56 | |
| Indebtedness to Subsidiaries—current: | | | |
| Subsidiaries less than 100% owned, whose accounts are consolidated in the general Consolidated Balance Sheet | | 1,913,210.14 | |
| Other subsidiaries, whose accounts are not consolidated in the general Consolidated Balance Sheet | | 206,891.38 | |
| Unclaimed Dividends | | 78,804.07 | |
| Employees' Deposits | | 23,745.37 | $ 59,850,431.76 |
| **Deferred Income:** | | | |
| On installment land sales, including interest | | | 194,602.96 |
| **Reserves—schedule VI B:** | | | |
| For Repairs, Renewals and Replacements | | 176,515.63 | |
| For Workmen's Compensation Insurance, etc. | | 448,020.55 | |
| For Contingencies | | 250,000.00 | |
| For Deferred Payment under power contract in connection with curtailment of operations | | 450,000.00 | 1,324,536.18 |
| **Capital Stock and Surplus:** | | | |
| Capital Stock of Anaconda Copper Mining Company: | | | |
| Authorized—12,000,000 shares of the par value of $50.00 each | | | |
| Issued | 8,919,086 shares | $445,954,300.00 | |
| Held in Treasury | 244,467 shares | 12,223,350.00 | |
| Outstanding | 8,674,619 shares | $433,730,950.00 | |
| Surplus—schedule VII B—see notes G, J and K | | 52,942,499.49 | 486,673,449.49 |
| | | | $548,043,020.39 |

# ANACONDA COPPER MINING COMPANY

## and 100% owned Subsidiary Companies (See Note A)

### NOTES TO CONSOLIDATED BALANCE SHEET

*Note A*—Principles Applying in Consolidation

Assets and liabilities of subsidiaries which are wholly owned and which owe no long term or funded debt to persons other than the registrant and which may be considered in practical effect operating divisions of the registrant, itself an operating company, are consolidated in the foregoing Balance Sheet, except that five subsidiaries where the amount of the investment is not relatively significant ($772,768.13) and where the operations of the subsidiaries are not an integral part of the operations of the consolidated group are carried as investments in the Consolidated Balance Sheet.

Subsidiaries which are not wholly owned or which owe long term or funded debt to persons other than the registrant, and which accordingly are excluded from the foregoing Balance Sheet, are (a) certain domestic subsidiaries, namely, Anaconda Lead Products Company, Butte, Anaconda and Pacific Railway Company, Butte Water Company, and four other subsidiaries of minor significance, all of the above-mentioned subsidiaries being included at $6,931,553.37 under investments in the foregoing balance sheet, which represents an equity of $1,082,499.29 in net current assets; and (b) all subsidiaries whose principal operations are conducted in foreign countries (except Anaconda-American Brass, Ltd., a Canadian subsidiary), namely, Andes Copper Mining Company, Chile Copper Company, and Greene Cananea Copper Company, and subsidiaries of such companies, all such subsidiaries being included at $288,331,809.17 under investments in the foregoing balance sheet, which represents an equity of $16,409,127.27 in net current assets.

The foregoing balance sheet reflects the accounts of the registrant and its subsidiaries whose principal operations in the production and fabrication of metals and other products are conducted in the United States and Canada. As the results of transactions entered into by the registrant for the benefit of the group, whose accounts are consolidated in the foregoing balance sheet, cannot well be segregated from transactions entered into by the registrant as an operating unit, the foregoing Balance Sheet and the following Consolidated Profit and Loss Statement for the companies whose accounts are consolidated in such Balance Sheet have been submitted, in lieu of a profit and loss statement for the registrant only.

In order to present the status of the registrant's interest in these consolidated subsidiaries, their assets and liabilities as they appear upon the books are distributed under appropriate headings on the foregoing Consolidated Balance Sheet.

*Note B*—Balances in Foreign Currencies

Cash balances in foreign currencies, not relatively material in amount, are converted into dollars at rates not more favorable than those effective at June 30th 1935. Current assets and liabilities at the Toronto Plant of Anaconda-American Brass, Ltd., are carried in Canadian currency and have been converted into U. S. dollars at rates not in excess of rates current at June 30th 1935.

*Note C*—Inventories of Metals and Manufactured Products

The metallic contents of copper ores, concentrates, and cupriferous materials, and zinc and lead ores and concentrates, while in treatment at reduction plants up to the production of blister copper, electrolytic copper, metallic zinc and lead bullion, are classified as metals in process. Blister and electrolytic copper, metallic zinc, lead bullion, and other products and metals produced in connection therewith or therefrom, including stock in works at fabricating plants, are treated as finished.

Inasmuch as the operations at the reduction plants require a continuous inventory in process, the metals in the process inventories are carried at a calculated "normal cost", based on an assumed normal volume of production, which is below the equivalent of current market for the metallic content of such inventories.

In accordance with the principle used in preparation of the accounts for the year 1933 and subsequently, finished metals and manufactured products on hand at June 30th, 1935 (except silver and

NOTES TO CONSOLIDATED BALANCE SHEET (Contd.)

gold which are carried at market quotations or less), have been valued (a) as to that part of the inventory which was equal to the quantity on hand at December 31st 1934 at the inventory price of December 31st, 1934 (which price was the same as that of December 31st, 1933, inventories having declined in quantity in the year 1934), and (b) as to that part of the inventory which exceeds in quantity inventory on hand at December 31st, 1934 at production costs during the six months period ended June 30th, 1935. Inventory valuations determined in accordance with the foregoing method were below market prices for the various metals and products at June 30th, 1935. Certificates for refined copper, included in inventory at $1,077,516.36, were pledged as of June 30th, 1935 with holders of notes payable.

Complete physical inventories of metals and manufactured products on hand were not taken at June 30th, 1935. Inventories are, however, subject to continuous tests and checking, both physical and in connection with financial and operating records, by employees of the registrant and subsidiaries.

See Note C to Consolidated Profit and Loss Statement for registrant and 100% owned subsidiaries.

*Note D*—SUPPLIES ON HAND

Supplies on hand, including replacement parts as well as current supply items, are carried at cost. Complete physical inventories of supplies on hand were not taken June 30th, 1935. Inventories are, however, subject to continuous tests and checking, both physical and in connection with financial and operating records, by employees of the registrant and subsidiaries.

*Note E*—INVESTMENTS—BASIS

Investments in securities of subsidiaries whose accounts are not consolidated in the general Consolidated Balance Sheet, and other security investments are carried at cost or less, such cost being cash cost, or in the case of securities issued in exchange for property transferred by the registrant or a consolidated subsidiary, the cost of such property to the consolidated group after deducting depreciation to date of transfer, and do not indicate current values. Investments in securities of subsidiaries whose accounts are consolidated in the general Consolidated Balance Sheet are carried on the basis on which their properties are included in said general Consolidated Balance Sheet, as set forth in paragraph (b) of note G to the Consolidated Balance Sheet. Such basis does not indicate current values. Other security investments include shares of Inspiration Consolidated Copper Company carried at $10,914,107.51.

*Note F*—PROPERTY, PLANT AND EQUIPMENT—BASIS OF VALUATION

(a) Property, Plant and Equipment of registrant are carried at cash cost, or in the case of physical properties acquired for stock of registrant at par value of such stock.

(b) Property, Plant and Equipment of subsidiaries (the accounts of which are included in this Consolidated Balance Sheet) are carried at the difference between (1) the investment basis for the respective subsidiary as set forth below, and (2) all net assets (other than property, plant and equipment) of such subsidiary at the time when its accounts were first included in the general Consolidated Balance Sheet of the registrant and subsidiaries. Such investment basis is the cash cost to the consolidated group of the stock of the respective subsidiary owned by such group, where the same was acquired by the group for cash, or where the same was acquired by the consolidated group for stock of the registrant, the par value of the stock of the registrant.

(c) It has been the practice of registrant, consistently applied to its own properties and those of subsidiaries the stocks of which have been acquired and the accounts of which are included in this Consolidated Balance Sheet, to carry Property, Plant and Equipment as described above. Pursuant to the requirements of the United States Treasury Department, valuations as of March 1, 1913 of mining properties then owned have been recorded on the books for the purpose of computing the amount allowable as a deduction for "depletion" in arriving at taxable income under the Federal income tax laws, but these values have not been included in the published accounts of the registrant, nor in the financial statements submitted herewith.

The registrant has consistently followed the practice of not deducting any amount for depletion on account of metals mined in any of its published accounts, and no such deduction is included in any of the financial statements submitted herewith. Reference is made to answer to item 7 of this registration statement for a description of the present condition of the properties and estimated ore reserves.

NOTES TO CONSOLIDATED BALANCE SHEET (Contd.)

Depletion based on cost has in the case of timber, coal, clay and phosphate lands, been deducted from income in the financial statements submitted herewith and also from the cost basis shown in the Consolidated Balance Sheet.

(d) In the Consolidated Balance Sheets of the registrant and its subsidiaries heretofore published, the depreciation reserve, shown on the books of The American Brass Company and certain other subsidiaries as of the dates the stocks of those companies were acquired by the registrant, was deducted in stating the plant and equipment account of those companies in the Consolidated Balance Sheet and was not included in depreciation reserve. The foregoing Consolidated Balance Sheet includes such accumulation in the depreciation reserve. This change does not affect the net amount at which such fixed assets are carried, nor does it affect consolidated surplus, or any other item other than the separate items of plant and equipment and depreciation reserve.

(e) The values of Property, Plant and Equipment are shown on the bases above set forth and do not indicate current values which could be established only by current appraisals.

*Note G*—FEDERAL INCOME TAXES

A determination of the amounts due for Federal Income taxes for the taxable years up to and including that ended December 31st, 1929 has recently been made by the United States Treasury Department and this amount together with interest to June 30th, 1935 has been included in Accrued Taxes. Audits of returns for subsequent years have either not been made or have not been completed.

*Note H*—BONDS OF SUBSIDIARY GUARANTEED

As of June 30, 1935, Butte, Anaconda and Pacific Railway Company had issued and outstanding (excluding $85,000.00 principal amount held in treasury of registrant) $1,536,000.00 principal amount of First Mortgage 5% Sinking Fund Gold Bonds, due 1944. These bonds are guaranteed both as to principal and interest by the registrant (referred to in answer to item 11, Column F of this registration statement).

*Note I*—NOTES RECEIVABLE—INSPIRATION CONSOLIDATED COPPER COMPANY

These notes represent cash advances during and subsequent to 1932 of $6,037,412.69 plus notes of $895,587.31 delivered in payment of accrued interest on such notes. A portion of these advances has provided the major part of the cost of carrying the properties of Inspiration Consolidated Copper Company during shut-down period.

*Note J*—EQUITY IN SUBSIDIARIES NOT CONSOLIDATED

Investments in subsidiaries which are not wholly owned or which owe long term or funded debt to persons other than registrant, which are included in the general Consolidated Balance Sheet of the registrant and subsidiaries but not in the Balance Sheet of the registrant and 100% owned subsidiaries, carried at $295,263,362.54 as shown on Schedule I-B, have not been reduced by the accumulated deficits, less profits, of such subsidiaries since date of first inclusion in Consolidated Balance Sheet of registrant and subsidiaries, which net deficits at June 30, 1935 amounted to $12,461,293.67, all of which has been reflected in the general Consolidated Balance Sheet.

*Note K*—SURPLUS

Included in Surplus are: (a) A credit of $21,909,539.72 arising from inclusion in Consolidated Balance Sheet of assets and liabilities of Andes Copper Mining Company at the amounts shown in its books, (b) a credit of $20,816,158.49, being the excess of the proceeds of the issue of 3,109,598.54 shares of stock of registrant over the par value thereof and (c) a charge of $11,907,498.50, being discount and expense on issuance and premium on redemption of bonds redeemed through funds obtained by issuance of stock above referred to, which items (b) and (c) are set forth in answer to item 45 of this registration statement. See paragraph (c) to Note F as to practice regarding depletion.

NOTES TO CONSOLIDATED BALANCE SHEET (Contd.)

*Note L*—CONTINGENT LIABILITIES

A contingent liability existed at June 30th, 1935 for acceptances covering foreign sales of copper, discounted in the ordinary course of business at various banks, on the greater part of which payment has already been received, and for exchange commitments most of which have been liquidated. All known liabilities are provided for in the Balance Sheets.

*Note M*—CUPRIFEROUS MATERIAL

Cupriferous material held for future treatment is valued at United States Treasury Department valuation for income tax purposes, which is approximately the value of the recoverable metals contained therein at current metal prices after deducting treatment costs, both as estimated by metallurgists of registrant.

# ANACONDA COPPER MINING COMPANY

**(Registrant only)**

## BALANCE SHEET—JUNE 30TH, 1935

See Notes A to J, pages 78 and 79 following.

### ASSETS

| | | | |
|---|---|---|---|
| **Current Assets:** | | | |
| Cash on hand and in banks | | $ 796,042.78 | |
| Marketable Securities—at cost (market value $320,413.25) | | 517,525.45 | |
| Accounts and Notes Receivable—Trade | $ 885,022.26 | | |
| Less Reserve for doubtful notes and accounts—schedule VI C | 100,719.33 | 784,302.93 | |
| Metals and Manufactured Products: | | | |
| Finished—see note B | | 7,125,422.20 | |
| In Process—see note B | | 2,676,584.38 | |
| Supplies on hand—see note C | | 2,535,679.61 | |
| Indebtedness of Subsidiaries—current: | | | |
| Subsidiaries whose accounts are consolidated in the general Consolidated Balance Sheet—schedule XI | | 376,245.07 | |
| Other Subsidiaries, whose accounts are not consolidated in the general Consolidated Balance Sheet | | 7,426.95 | $ 14,819,229.37 |
| **Other Assets:** | | | |
| Cupriferous material held for future treatment—see note J | | 3,336,346.76 | |
| Installment house and land sales and other accounts receivable | 474,672.65 | | |
| Less Reserve for doubtful accounts—schedule VI C | 53,000.00 | 421,672.65 | |
| Notes Receivable of Inspiration Consolidated Copper Co. secured by $6,933,000.00 First Mortgage 7% Gold Bonds of that company (being the total amount of said bonds issued)—see note H | 6,933,000.00 | | |
| Interest accrued thereon | 341,496.08 | 7,274,496.08 | 11,032,515.49 |
| **Investments:** | | | |
| Subsidiaries whose accounts are consolidated in the general Consolidated Balance Sheet: | | | |
| Securities—schedule I C—see notes A and D | | 361,683,641.47 | |
| Indebtedness—not current—schedule XI | | 13,980,799.03 | |
| Other Subsidiaries, whose accounts are not consolidated in the general Consolidated Balance Sheet: | | | |
| Securities—schedule I C—see note D | | 12,847,497.94 | |
| Indebtedness—not current | | 336.95 | |
| Other Security Investments—see note D | | 2,876,644.62 | 391,388,920.01 |
| **Property, Plant and Equipment—see note E:** | | | |
| Mines and Mining Claims, Water Rights and Lands for Metal Producing and Manufacturing Plants—schedule II C | | 79,471,706.59 | |
| Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands—schedule II C | 7,057,377.61 | | |
| Less Reserve for Depletion—schedule III C | 1,768,886.11 | 5,288,491.50 | |
| Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks and Railroads—schedule II C | 55,589,581.55 | | |
| Less Reserve for Depreciation—schedule III C | 36,161,126.72 | 19,428,454.83 | 104,188,652.92 |
| **Deferred Charges:** | | | |
| Development (Coal and Phosphate Properties) | | 888,513.74 | |
| Prepaid Insurance, Taxes, etc. | | 85,864.59 | |
| Deferred expenses | | 78,366.74 | 1,052,745.07 |
| | | | $522,482,062.86 |

# ANACONDA COPPER MINING COMPANY

## (Registrant only)

### BALANCE SHEET—JUNE 30TH, 1935

See Notes A to J, pages 78 and 79 following.

### LIABILITIES, CAPITAL STOCK AND SURPLUS

| | | | |
|---|---|---|---|
| **Current Liabilities:** | | | |
| Notes Payable—Banks | | $ 42,322,120.00 | |
| Accounts Payable—Trade | | 918,040.75 | |
| Wages Payable | | 318,469.11 | |
| Accrued Taxes | | 1,174,875.95 | |
| Accrued Interest | | 452,638.43 | |
| Other Accrued Liabilities | | 711,711.22 | |
| Indebtedness to Subsidiaries: | | | |
| Subsidiaries whose accounts are consolidated in the general Consolidated Balance Sheet | | 1,934,601.05 | |
| Other Subsidiaries, whose accounts are not consolidated in the general Consolidated Balance Sheet | | 703.92 | |
| Unclaimed Dividends | | 78,804.07 | $ 47,911,964.50 |
| **Deferred Income:** | | | |
| On installment land sales, including interest | | | 166,631.54 |
| **Reserves—schedule VI C:** | | | |
| For Repairs, Renewals and Replacements | | 176,201.31 | |
| For Workmen's Compensation Insurance, etc. | | 157,782.94 | |
| For Contingencies | | 250,000.00 | |
| For Deferred Payment under power contract in connection with curtailment of operations | | 450,000.00 | 1,033,984.25 |
| **Capital Stock and Surplus:** | | | |
| Capital Stock (see item 10A of registration statement): | | | |
| Authorized—12,000,000 shares of the par value of $50.00 each | | | |
| Issued | 8,919,086 shares | 445,954,300.00 | |
| Held in Treasury | 244,467 shares | 12,223,350.00 | |
| Outstanding | 8,674,619 shares | 433,730,950.00 | |
| Surplus—schedule VII C—see notes A, F and I | | 39,638,532.57 | 473,369,482.57 |
| | | | $522,482,062.86 |

# ANACONDA COPPER MINING COMPANY

## (Registrant only)

## NOTES TO BALANCE SHEET

*Note A*—Equity in Consolidated Subsidiaries at June 30th, 1935

| | |
|---|---|
| Investment in directly owned subsidiaries whose accounts are consolidated in the general Consolidated Balance Sheet as shown on the books of registrant amounted to.... | $361,683,641.47 |
| The equity of registrant in the net assets of the same consolidated subsidiaries as shown on the books of the latter amounted to.... | 345,791,296.30 |
| A difference of.... | $15,892,345.17 |

Of this difference the amount of $10,972,334.55 represents accumulated deficits, less profits, of such subsidiaries arising since the date of first inclusion of the assets and liabilities of such subsidiaries in the Consolidated Balance Sheets, which accumulation is reflected in the general Consolidated Balance Sheet, Profit and Loss Statements, and Surplus Accounts, but is not reflected in the foregoing Balance Sheet of registrant only.

The investment of the registrant in consolidated subsidiaries represents an equity of $39,769,697.06 in net current assets and an equity of $321,913,944.41 in fixed assets, investments and other balance sheet classifications, as included in the Consolidated Balance Sheet on the bases applicable thereto.

*Note B*—Inventories of Metals and Manufactured Products

The metallic contents of copper ores, concentrates, and cupriferous materials, and zinc and lead ores and concentrates, while in treatment at reduction plants up to the production of blister copper, electrolytic copper, metallic zinc and lead bullion, are classified as metals in process. Blister and electrolytic copper, metallic zinc, lead bullion, and other products and metals produced in connection therewith or therefrom, including stock in works at fabricating plants, are treated as finished.

Inasmuch as the operations at the reduction plants require a continuous inventory in process, the metals in the process inventories are carried at a calculated "normal cost", based on an assumed normal volume of production, which is below the equivalent of current market for the metallic content of such inventories.

In accordance with the principle used in preparation of the accounts for the year 1933 and subsequently, finished metals and manufactured products on hand at June 30th, 1935 (except silver and gold which are carried at market quotations or less), have been valued (a) as to that part of the inventory which was equal to the quantity on hand at December 31st, 1934 at the inventory price of December 31st, 1934 (which price was the same as that of December 31st, 1933, inventories having declined in quantity in the year 1934), and (b) as to that part of the inventory which exceeds in quantity inventory on hand at December 31st, 1934 at production costs during the six months period ended June 30th, 1935. Inventory valuations determined in accordance with the foregoing method were below market prices for the various metals and products at June 30th, 1935. Certificates for refined copper, included in inventory at $1,077,516.36, were pledged as of June 30th, 1935 with holders of notes payable.

Complete physical inventories of metals and manufactured products on hand were not taken at June 30th, 1935. Inventories are, however, subject to continuous tests and checking, both physical and in connection with financial and operating records, by employees of the registrant and subsidiaries.

*Note C*—Supplies on Hand

Supplies on hand, including replacement parts as well as current supply items, are carried at cost. Complete physical inventories of supplies on hand were not taken June 30th, 1935. Inventories are, however, subject to continuous tests and checking, both physical and in connection with financial and operating records, by employees of the registrant and subsidiaries.

*Note D*—Investments—Basis

Investments in securities of subsidiaries, whose accounts are not consolidated in the general Consolidated Balance Sheet, and other security investments are carried at cost or less, such cost being cash cost, or in the case of securities issued in exchange for property transferred by the registrant or a consolidated subsidiary, the cost of such property to the consolidated group after deducting depreciation to date of transfer, and do not indicate current values. Investments in securities of subsidiaries whose accounts are consolidated in the general Consolidated Balance Sheet are carried on

NOTES TO BALANCE SHEET (Contd.)

the basis on which their properties are included in said general Consolidated Balance Sheet, as set forth in paragraph (b) of note G to the Consolidated Balance Sheet. Such basis does not indicate current values. Other security investments include shares of Inspiration Consolidated Copper Company carried at $884,522.49 (Mines Investment Corporation, a 100% owned subsidiary, having an additional investment in shares of Inspiration Consolidated Copper Company carried at $10,029,585.02).

*Note E*—PROPERTY, PLANT AND EQUIPMENT—BASIS OF VALUATION

(a) Property, Plant and Equipment of registrant are carried at cash cost, or in the case of physical properties acquired for stock of registrant at par value of such stock.

(b) It has been the practice of registrant, consistently applied to its properties, to carry Property, Plant and Equipment as described above. Pursuant to the requirements of the United States Treasury Department, valuations as of March 1, 1913 of mining properties then owned have been recorded on the books for the purpose of computing the amount allowable as a deduction for "depletion" in arriving at taxable income under the Federal income tax laws, but these values have not been included in the published accounts of the registrant, nor in the financial statements submitted herewith.

The registrant has consistently followed the practice of not deducting any amount for depletion on account of metals mined in any of its published accounts, and no such deduction is included in any of the financial statements submitted herewith. Reference is made to answer to item 7 of this registration statement for a description of the present condition of the properties and estimated ore reserves.

Depletion based on cost has in the case of timber, coal, clay and phosphate lands, been deducted from income in the financial statement submitted herewith and also from the cost basis shown in the Consolidated Balance Sheet.

(c) The values of Property, Plant and Equipment are shown on the bases above set forth and do not indicate current values which could be established only by current appraisals.

*Note F*—FEDERAL INCOME TAXES

A determination of the amounts due for Federal Income taxes for the taxable years up to and including that ended December 31st, 1929 has recently been made by the United States Treasury Department and this amount together with interest to June 30th, 1935 has been included in Accrued Taxes. Audits of returns for subsequent years have either not been made or have not been completed.

*Note G*—BONDS OF SUBSIDIARY GUARANTEED

As of June 30, 1935, Butte, Anaconda and Pacific Railway Company had issued and outstanding (excluding $85,000.00 principal amount held in treasury of registrant) $1,536,000.00 principal amount of First Mortgage 5% Sinking Fund Gold Bonds, due 1944. These bonds are guaranteed both as to principal and interest by the registrant (referred to in answer to item 11, Column F of this registration statement).

*Note H*—NOTES RECEIVABLE—INSPIRATION CONSOLIDATED COPPER COMPANY

These notes represent cash advances during and subsequent to 1932 of $6,037,412.69 plus notes of $895,587.31 delivered in payment of accrued interest on such notes. A portion of these advances has provided the major part of the cost of carrying the properties of Inspiration Consolidated Copper Company during shut-down period.

*Note I*—SURPLUS

Included in surplus are: (a) a credit of $10,257,914.72, being the difference between the value of Andes Copper Mining Company stock at $25.00 per share (original par value), the basis on which said shares have been included in the general Consolidated Balance Sheet since 1920, and the cost of such stock to registrant as shown by its books, (b) a credit of $20,816,158.49, being the excess of the proceeds of the issue of 3,109,598.54 shares of stock of registrant over the par value thereof, and (c) a charge of $11,907,498.50, being discount and expense on issuance and premium on redemption of bonds, redeemed through funds obtained by issuance of stock above referred to, which items (b) and (c) are set forth in answer to item 45 of this registration statement.

*Note J*—CUPRIFEROUS MATERIAL

Cupriferous material held for future treatment is valued at United States Treasury Department valuation for income tax purposes, which is approximately the value of the recoverable metals contained therein at current metal prices after deducting treatment costs, both as estimated by metallurgists of registrant.

PNYC00001932

# ANACONDA COPPER MINING COMPANY

## and Subsidiary Companies

### CONSOLIDATED PROFIT AND LOSS STATEMENT
### YEARS ENDED DECEMBER 31ST, 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH, 1935

See Notes A to J inclusive, pages 82 to 84 following.

| | Year 1932 | Year 1933 | Year 1934 | Six months ended June 30th, 1935 |
|---|---|---|---|---|
| Gross Sales and Earnings: | | | | |
| To others than subsidiaries or affiliates | $46,676,466.40 | $67,257,383.20 | $90,143,485.91 | $56,821,766.12 |
| To unconsolidated subsidiaries | 4,612,495.44 | 5,223,646.28 | 9,006,049.73 | 3,598,395.20 |
| | 51,288,961.84 | 72,481,029.48 | 99,149,535.64 | 60,420,161.32 |
| Cost of Sales—Operating expenses, development, maintenance and repairs, administrative, selling and general expenses and taxes, except income taxes—sales to the extent of current production being applied at current cost (see attached schedule —Cost of Sales and note C for 1932 basis) | 55,855,495.36 | 67,054,417.00 | 82,053,027.58 | 47,789,973.16 |
| Balance | *4,566,533.52* | 5,426,612.48 | 17,096,508.06 | 12,630,188.16 |
| Other Income: | | | | |
| Dividends received—schedule IX A. | 68,926.40 | 54,104.35 | 32,264.09 | 12,532.70 |
| Interest—on loans and advances to unconsolidated subsidiaries | 8,746.95 | 38,749.87 | 58,304.67 | 4,957.17 |
| —on securities and notes and accounts of others—see note I | 412,738.24 | 572,557.54 | 617,140.29 | 333,919.48 |
| Profit or *Loss* on bonds retired—see note G | ...... | 930,060.23 | 405,396.56 | *19,743.78* |
| Miscellaneous income | 266,798.86 | 243,723.44 | 261,177.53 | 159,531.05 |
| Profit on sale of capital assets (see note J) | ...... | ...... | 44,224.49 | 128,497.76 |
| | 757,210.45 | 1,839,195.43 | 1,418,507.63 | 619,694.38 |
| Income or *Loss* | *3,809,323.07* | 7,265,807.91 | 18,515,015.69 | 13,249,882.54 |
| Interest paid—on notes payable to banks | 3,450,275.93 | 3,483,636.65 | 2,985,031.36 | 1,326,207.87 |
| —on bonds | 1,808,034.70 | 1,717,450.18 | 1,542,318.24 | 731,246.54 |
| —on other accounts | 173,736.53 | 174,957.74 | 139,112.12 | 3,197.69 |
| | 5,432,047.16 | 5,376,044.57 | 4,666,461.72 | 2,060,652.10 |
| Expenses pertaining to non-operating units, including expenditure during strike period in year 1934 | 2,626,651.09 | 2,876,801.08 | 3,747,098.70 | 966,470.86 |
| United States and Foreign Income Taxes—estimated | 327,194.60 | 391,061.29 | 1,565,803.47 | 902,003.38 |
| | 8,385,892.85 | 8,643,906.94 | 9,979,355.89 | 3,929,126.34 |
| Income or *Loss* | *12,195,215.92* | *1,378,099.03* | 8,535,659.80 | 9,320,756.20 |
| Provision for depreciation | 4,310,282.25 | 5,146,204.56 | 6,103,265.37 | 3,874,488.56 |
| Loss on disposal or dismantlement of fixed assets (see note J) | 49,366.17 | 9,467.93 | 200,034.41 | 64,723.94 |
| Provision for depletion of coal mines, timber lands, phosphate deposits and clay lands (without deduction for depletion of metal mines) | 24,977.36 | 22,475.33 | 36,246.41 | 35,302.03 |
| | 4,384,625.78 | 5,178,147.82 | 6,339,546.19 | 3,974,514.53 |
| Discount on bonds | 313,398.56 | 265,868.51 | 236,019.86 | 111,826.15 |
| | 4,698,024.34 | 5,444,016.33 | 6,575,566.05 | 4,086,340.68 |
| Net Income or *Net Loss* without deduction for depletion of metal mines | *$16,893,240.26* | *$ 6,822,115.36* | $ 1,960,093.75 | $ 5,234,415.52 |

*Italics denote loss.*

PNYC00001933

## ANACONDA COPPER MINING COMPANY

### and Subsidiary Companies

### SCHEDULE—COST OF SALES

#### YEARS ENDED DECEMBER 31ST, 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH, 1935

| | Year 1932 | Year 1933 | Year 1934 | Six months ended June 30th, 1935 |
|---|---|---|---|---|
| COST OF SALES | | | | |
| Costs—operating expenses, development, maintenance and repairs, depreciation, administration, selling and general expenses and taxes, except income taxes, including expenses pertaining to non-operating units and expenditures during strike period in year 1934 | $58,030,694.42 | $71,166,324.71 | $83,712,323.47 | $56,202,203.18 |
| Less expenses pertaining to non-operating units including expenditures during strike period in year 1934 charged Profit and Loss | 2,626,651.09 | 2,876,801.08 | 3,747,090.70 | 966,470.86 |
| | 55,404,043.33 | 68,289,523.63 | 79,965,232.77 | 55,235,732.32 |
| Inventory of metals and manufactured products—beginning | 49,448,603.39 | 44,686,869.11 | 38,684,245.79 | 30,493,185.61 |
| | 104,852,646.72 | 112,976,392.74 | 118,649,478.56 | 85,728,917.93 |
| Inventory of metals and manufactured products—end | 44,686,869.11 | 40,775,771.18 | 30,493,185.61 | 34,064,456.21 |
| | 60,165,777.61 | 72,200,621.56 | 88,156,292.95 | 51,664,461.72 |
| Depreciation charged Profit and Loss | 4,310,282.25 | 5,146,204.56 | 6,103,265.37 | 3,874,488.56 |
| Cost of sales—sales to extent of current production being applied at current cost (for 1932 basis see note C) | $55,855,495.36 | $67,054,417.00 | $82,053,027.58 | $47,789,973.16 |

NOTE—Provision for doubtful accounts is included in above cost in the amounts of:

| | |
|---|---|
| For the calendar year 1932 | $199,636.99 |
| For the calendar year 1933 | 459,670.83 |
| For the calendar year 1934 | 425,996.14 |
| For six months ended June 30th, 1935 | 29,002.56 |

# ANACONDA COPPER MINING COMPANY
## and Subsidiary Companies

### NOTES TO CONSOLIDATED PROFIT AND LOSS STATEMENT

*Note A*—Basis

This statement covers the registrant and subsidiaries where the interest owned (directly or through other subsidiaries) is 75% or more of the issued stock, excepting five subsidiaries, the operations of which are not an integral part of the operations of the consolidated group and the investment in which ($772,768.13) is not relatively significant and whose earnings amounted to $65.14 for 1932, $13,026.54 for 1933, $18,072.80 for 1934 and $17,826.06 for the six months ended June 30th, 1935. (See note A to Consolidated Balance Sheet of registrant and subsidiary companies.)

Net Income or Net Loss, as shown for the years 1932, 1933 and 1934 in the foregoing Consolidated Profit and Loss Statement, is as shown in the published statements to stockholders of registrant for those years, and no attempt has been made to allocate surplus adjustments (applicable to such years respectively) made in subsequent years, including provision for deferred payment under power contract in connection with curtailment of operations, to the Net Income or Net Loss of the respective year to which the same are applicable.

*Note B*—Inter-Company Sales

Inter-company sales so far as can be ascertained have been eliminated and the sales shown in the Consolidated Profit and Loss Statement include only sales to others than registrant and consolidated subsidiaries.

*Note C*—Inventory Bases

The general practice of inventory valuation followed in the three years and six months ended June 30, 1935, was as follows:

1. *Valuation in Consolidated Balance Sheet.*

(a) As of December 31, 1931 and 1932 inventories of metals on hand (excepting silver and gold which were and are carried at market quotations or less) were carried at market (allowance being made for metals sold under firm contract), which market was less than cost.

(b) As of December 31, 1933, inventories of metals were carried at cost, which was below market. Such cost was calculated as follows: Inventories of duty free copper in the United States of foreign producing companies were valued at their production cost; purchased metals were valued at purchase cost; and other inventory at average production cost for the year 1933, which cost was below market and below the average of 1932 cost of inventory.

(c) As of December 31, 1934, inventories of metals were carried at cost, which was below market. Such cost was calculated as follows: (1) As to that part of the inventory which was equal to the quantity on hand at December 31, 1933 at the inventory price of December 31, 1933, and (2) as to that part of the inventory which exceeded in quantity inventory on hand at December 31, 1933 at production cost during the year 1934. Inventories of duty free copper in the United States of foreign producing companies were valued at their production cost. Purchased metals were valued at purchase cost.

(d) As of June 30, 1935, inventories of metals were carried (1) as to that part of the inventory which was equal to the quantity on hand at December 31, 1934 at the inventory price of December 31, 1934 as described above and (2) as to that part of the inventory which exceeded in quantity the inventory on hand at December 31, 1934 at the average production cost during the six months ended June 30, 1935. Inventory valuations determined in accordance with the foregoing method were below market for the various metals on June 30, 1935 (See Note D to Consolidated Balance Sheet).

2. *Valuation for purposes of Consolidated Profit and Loss.*

In ascertaining consolidated profit and loss during the period under review, cost was used, and not the market to which inventories had been adjusted on the balance sheet for December 31, 1931 and 1932 as described under 1(a) above.

NOTES TO CONSOLIDATED PROFIT AND LOSS STATEMENT (Contd.)

(a) In 1932, metals sold were charged out at cost, such cost being determined by the first-in first-out method as applied to inventories other than normal stocks. The difference between the aggregate cost of the normal stock and other inventories, and the amount at which such inventories were carried in the balance sheet for December 31, 1932, to wit, $9,914,440.23, was not charged to profit and loss but was charged to surplus.

(b) In 1933, the procedure used in 1932 was changed to a last-in first-out basis, that is the consolidated profit and loss account was stated on the basis of applying current cost of metal production to sales to the extent of current production, and sales in excess of current production were carried into the consolidated profit and loss account at the inventory cost. Such inventory cost was the same as the inventory cost used for balance sheet purposes described under 1(b) above. The change from the first-in first-out method followed in 1932 to the basis described for 1933 was not material in affecting the comparability of results between the two years. As a consequence of the increase in market prices at the end of 1933, the balance sheet valuation of inventories of metals at December 31, 1933 was increased from the market basis used at December 31, 1932 to cost basis (as set forth in paragraph (b) above under "Valuation in Consolidated Balance Sheet"), which was below the current market. The profit of $3,715,031.32 attributable to the change from market to cost was credited to surplus in 1933, and not to the profit and loss account.

(c) In the year and six months ended June 30, 1935, the same procedure was followed as in 1933. No charge or credit was made to Surplus at the end of 1934 and on June 30, 1935, as a result of inventory adjustment, because cost having continued below current market, inventories for balance sheet purposes were carried at cost at such times.

*Note D*—ELIMINATION OF INTER-COMPANY PROFITS

Inter-company profits, where these are material, have been eliminated in the Consolidated Profit and Loss Statement. The principal inter-company transactions are sales of copper and other metals to manufacturing subsidiaries. The inventories of manufacturing subsidiaries include, so far as is ascertainable, no inter-company profit.

Any inter-company profits resulting from transactions in connection with purchases and sales of supplies and furnishing of services and in connection with refining and smelting operations are not material in amount and have not been eliminated.

*Note E*—BASIS OF CONVERSION OF FOREIGN CURRENCY ITEMS

Where sales of the products of the registrant's subsidiaries (except Anaconda-American Brass, Ltd. operating in Canada) are made in foreign currencies it is the practice to sell an equivalent amount of the foreign currency involved for United States dollars. The profit and loss of Anaconda-American Brass, Ltd. at the end of each period has been converted for the purposes of this profit and loss statement into dollars at rates not in excess of the rates current at the end of the respective period. In the year 1933 a surplus adjustment correcting the valuation of current assets in Canada and Mexico was made and is included in the surplus account—Schedule VII A—for that year.

*Note F*—SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

It has been the practice of the registrant to include in and not to segregate from other expenses included in cost of sales, selling, general and administrative expenses, and this information is not reasonably available to the registrant.

*Note G*—PROFIT OR LOSS ON BONDS RETIRED

Beginning with 1933, profit or loss on bonds retired is included in Consolidated Profit and Loss Statement; in 1932, same was carried to Surplus. The practice was changed in this regard in order to conform the financial statements with the basis required by United States income tax laws.

*Note H*—DIVIDENDS AND EARNINGS OF PRINCIPAL UNCONSOLIDATED SUBSIDIARIES

No dividends were paid to the registrant by any unconsolidated subsidiary during the years 1932, 1933, 1934 or six months ended June 30th 1935. The amount of the registrant's proportion of the

NOTES TO CONSOLIDATED PROFIT AND LOSS STATEMENT (Contd.)

net current earnings or losses of the principal unconsolidated subsidiaries shown separately on Schedule I A and the five unconsolidated subsidiaries referred to in Note A amounted to:

| | 1932 | 1933 | 1934 | Six months ended June 30th, 1935 |
|---|---|---|---|---|
| Loss ............................ | $787,523.25 | $144,663.37 | | |
| Profit ........................... | | | $567,603.13 | $312,779.91 |

*Note I*—INTEREST—INSPIRATION CONSOLIDATED COPPER COMPANY

There is included in Interest on securities and notes and accounts of others, interest on notes of Inspiration Consolidated Copper Company, as follows: $193,562.65 for 1932, $372,669.45 for 1933, $449,143.29 for 1934 and $221,708.00 for the six months ended June 30, 1935, of which $895,587.31 was paid by delivery of additional notes. (See note J to Consolidated Balance Sheet of registrant and subsidiary companies.)

*Note J*—PROFIT AND LOSS ON SALE OF CAPITAL ASSETS

Where profit on sale of capital assets is incidental to ordinary dismantlements or retirements of property, plant and equipment the same is carried into Profit and Loss statements. Losses arising in connection with similar transactions are treated in the same manner.

# ANACONDA COPPER MINING COMPANY

## and 100% owned Subsidiary Companies

### CONSOLIDATED PROFIT AND LOSS STATEMENT
### YEARS ENDED DECEMBER 31ST, 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH, 1935

See Notes A to I inclusive, pages 87 and 88 following.

| | Year 1932 | Year 1933 | Year 1934 | Six months ended June 30th, 1935 |
|---|---|---|---|---|
| Gross Sales and Earnings: | | | | |
| To others than subsidiaries or affiliates ........................ | $40,609,858.97 | $51,253,664.44 | $66,641,392.90 | $41,578,063.18 |
| To subsidiaries less than 100% owned included in consolidated accounts .................... | 739,246.58 | 1,542,499.46 | 2,169,946.46 | 1,208,728.36 |
| To unconsolidated subsidiaries.... | 3,203,643.29 | 4,749,369.20 | 7,793,597.97 | 3,027,255.65 |
| | 44,552,748.84 | 57,545,533.10 | 76,604,937.33 | 45,814,047.19 |
| Cost of Sales—operating expenses, development, maintenance and repairs, administrative, selling and general expenses and taxes, except income taxes—sales to the extent of current production being applied at current cost (see attached schedule Cost of Sales and note C for 1932 basis) .................... | 50,468,248.44 | 56,391,570.81 | 70,487,033.31 | 39,354,813.08 |
| Balance .......................... | *5,915,499.60* | 1,153,962.29 | 6,117,904.02 | 6,459,234.11 |
| Other Income: | | | | |
| Dividends received—schedule IX B. | 243,711.00 | 198,441.25 | 169,741.25 | 1,312,296.07 |
| Interest—on bonds of and loans and advances to subsidiaries less than 100% owned or with bonds outstanding included in consolidated accounts .................... | 138,691.15 | 191,985.51 | 205,599.95 | 101,560.89 |
| —on loans and advances to unconsolidated subsidiaries.... | 8,746.95 | 38,749.87 | 58,304.67 | 4,957.17 |
| —on securities and notes and accounts of others—see note G | 378,651.92 | 537,029.32 | 604,504.56 | 325,024.88 |
| Profit on bonds of subsidiary retired (see note H)................. | | 6,162.50 | | |
| Miscellaneous income ............ | 258,791.97 | 233,010.13 | 258,690.77 | 167,691.59 |
| | 1,028,592.99 | 1,205,378.58 | 1,296,841.20 | 1,911,530.60 |
| Income or *Loss*............... | *4,886,906.61* | 2,359,340.87 | 7,414,745.22 | 8,370,764.71 |
| Interest paid: | | | | |
| —on notes payable to banks....... | 2,865,692.57 | 2,920,664.41 | 2,471,072.13 | 1,118,012.48 |
| —on notes and accounts of subsidiaries less than 100% owned included in consolidated accounts. | 48,722.91 | 106,645.96 | 137,239.64 | 25,235.15 |
| —on other accounts............. | 17,248.95 | 66,692.02 | 94,831.24 | 3,014.32 |
| | 2,931,664.43 | 3,094,002.39 | 2,703,143.01 | 1,146,261.95 |
| Expenses pertaining to non-operating units, including expenditures during strike period in year 1934......... | 2,337,061.25 | 2,579,043.69 | 3,628,504.58 | 939,965.34 |
| United States and Foreign Income Taxes—estimated ............... | | | 295,339.01 | 296,983.80 |
| | 5,268,725.68 | 5,673,046.08 | 6,626,986.60 | 2,383,211.09 |
| Income or *Loss*............... | *10,155,632.29* | *3,313,705.21* | 787,758.62 | 5,987,553.62 |
| Provision for depreciation.......... | 2,132,661.76 | 2,459,141.53 | 2,951,585.88 | 1,769,997.27 |
| Loss or gain on disposal or dismantlement of fixed assets (see note I)... | 45,121.55 | 12,181.33* | 74,495.54 | 28,421.87 |
| Provision for depletion of coal mines, timber lands, phosphate deposits and clay lands (without deduction for depletion of metal mines) ..... | 24,977.36 | 22,475.33 | 36,246.41 | 35,302.03 |
| | 2,202,760.67 | 2,469,435.53 | 3,062,327.83 | 1,833,721.17 |
| Net Income or *Net Loss* without deduction for depletion of metal mines | *$12,358,392.96* | *$ 5,783,140.74* | *$ 2,274,569.21* | $ 4,153,832.45 |

*Denotes credit in a debit category.
*Italics denote loss.*

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## ANACONDA COPPER MINING COMPANY

### and 100% owned Subsidiary Companies

### SCHEDULE—COST OF SALES

### YEARS ENDED DECEMBER 31ST, 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH, 1935

| | Year 1932 | Year 1933 | Year 1934 | Six months ended June 30th, 1935 |
|---|---|---|---|---|
| COST OF SALES | | | | |
| Costs—operating expenses, development, maintenance and repairs, depreciation, administration, selling and general expenses and taxes except income taxes, including expenses pertaining to non-operating units and expenditures during strike period in year 1934 | $51,753,143.22 | $59,104,611.54 | $67,334,495.90 | $45,498,903.40 |
| Less expenses pertaining to non-operating units, including expenditures during strike period in year 1934 charged Profit and Loss | 2,337,061.25 | 2,579,043.69 | 3,628,504.58 | 939,965.34 |
| | 49,416,081.97 | 56,525,567.85 | 63,705,991.32 | 44,558,938.06 |
| Inventory of metals and manufactured products—beginning | 38,255,450.14 | 35,070,621.91 | 31,184,510.61 | 21,451,882.74 |
| | 87,671,532.11 | 91,596,189.76 | 94,890,501.93 | 66,010,820.80 |
| Inventory of metals and manufactured products—end | 35,070,621.91 | 32,745,477.42 | 21,451,882.74 | 24,886,010.45 |
| | 52,600,910.20 | 58,850,712.34 | 73,438,619.19 | 41,124,810.35 |
| Depreciation charged Profit and Loss | 2,132,661.76 | 2,459,141.53 | 2,951,585.88 | 1,769,997.27 |
| Cost of Sal[illegible] to extent of current pro[illegible] being applied at current co[illegible] 1932 basis see note C) | $50,468,248.44 | $56,391,570.81 | $70,487,033.31 | $39,354,813.08 |

NOTE—Provision for doubtful accounts is included in above costs in the amounts of:

| | |
|---|---|
| For the calendar year 1932 | $196,777.79 |
| For the calendar year 1933 | 428,197.13 |
| For the calendar year 1934 | 377,028.07 |
| For six months ended June 30th, 1935 | 29,875.46 |

## ANACONDA COPPER MINING COMPANY

### and 100% owned Subsidiary Companies

### NOTES TO CONSOLIDATED PROFIT AND LOSS STATEMENT

*Note A*—Basis

This statement covers the registrant and subsidiaries which are wholly owned (including The American Brass Company for the years ended December 31st, 1932 and December 31st, 1933, although up to February 17th, 1933 registrant owned 99.967 per cent of the outstanding stock of The American Brass Company, the remaining 50 shares being acquired by registrant on that date) and which owe no long term or funded debt to persons other than the registrant and which may be considered in practical effect, operating divisions of the registrant, excepting five subsidiaries, the operations of which are not an integral part of the operations of the consolidated group and the investment in which ($772,768.13) is not relatively significant, and whose earnings amounted to $65.14 for 1932, $13,026.54 for 1933, $18,072.80 for 1934 and $17,826.06 for the six months ended June 30th, 1935. (See note A to Consolidated Balance Sheet of registrant and 100%-owned subsidiary companies.)

Net Income or Net Loss, as shown for the years 1932, 1933 and 1934 in the foregoing Consolidated Profit and Loss Statement, is on the basis of published statements to stockholders of registrant for those years, and no attempt has been made to allocate surplus adjustments (applicable to such years respectively) made in subsequent years, including provision for deferred payment under power contract in connection with curtailment of operations, to the Net Income or Net Loss of the respective year to which the same are applicable.

*Note B*—Inter-Company Sales

Inter-company sales so far as can be ascertained have been eliminated and the sales shown in the Consolidated Profit and Loss Statement include only sales to others than registrant and consolidated subsidiaries, included in this statement.

*Note C*—Inventory Bases

The general practice of inventory valuation followed in the three years and six months ended June 30, 1935, was as follows:

1. *Valuation in Consolidated Balance Sheet.*

(a) As of December 31, 1931 and 1932 inventories of metals on hand (excepting silver and gold which were and are carried at market quotations or less) were carried at market (allowance being made for metals sold under firm contract), which market was less than cost.

(b) As of December 31, 1933, inventories of metals were carried at cost, which was below market. Such cost was calculated as follows: Purchased metals were valued at purchase cost; and other inventory at average production cost for the year 1933, which cost was below market and below the average of 1932 cost of inventory.

(c) As of December 31, 1934, inventories of metals were carried at cost, which was below market. Such cost was calculated as follows: (1) As to that part of the inventory which was equal to the quantity on hand at December 31, 1933 at the inventory price of December 31, 1933, and (2) as to that part of the inventory which exceeded in quantity inventory on hand at December 31, 1933 at production cost during the year 1934. Purchased metals were valued at purchase cost.

(d) As of June 30, 1935, inventories of metals were carried (1) as to that part of the inventory which was equal to the quantity on hand at December 31, 1934 at the inventory price of December 31, 1934 as described above and (2) as to that part of the inventory which exceeded in quantity the inventory on hand at December 31, 1934 at the average production cost during the six months ended June 30, 1935. Inventory valuations determined in accordance with the foregoing method were below market for the various metals on June 30, 1935 (See Note D to Consolidated Balance Sheet).

2. *Valuation for purposes of Consolidated Profit and Loss.*

In ascertaining consolidated profit and loss during the period under review, cost was used, and not the market to which inventories had been adjusted on the balance sheet for December 31, 1931 and 1932 as described under 1 (a) above.

NOTES TO CONSOLIDATED PROFIT AND LOSS STATEMENT (Contd.)

(a) In 1932, metals sold were charged out at cost, such cost being determined by the first-in first-out method as applied to inventories other than normal stocks. The difference between the aggregate cost of the normal stock and other inventories, and the amount at which such inventories were carried in the balance sheet for December 31, 1932, to wit, $9,914,440.23, was not charged to profit and loss but was charged to surplus.

(b) In 1933, the procedure used in 1932 was changed to a last-in first-out basis, that is, the consolidated profit and loss account was stated on the basis of applying current cost of metal production to sales to the extent of current production, and sales in excess of current production were carried into the consolidated profit and loss account at the inventory cost. Such inventory cost was the same as the inventory cost used for balance sheet purposes described under 1 (b) above. The change from the first-in first-out method followed in 1932 to the basis described for 1933 was not material in affecting the comparability of results between the two years. As a consequence of the increase in market prices at the end of 1933, the balance sheet valuation of inventories of metals at December 31, 1933 was increased from the market basis used at December 31, 1932 to cost basis (as set forth in paragraph (b) above under "Valuation in Consolidated Balance Sheet"), which was below the current market. The profit of $3,715,031.32 attributable to the change from market to cost was credited to surplus in 1933, and not to the profit and loss account.

(c) In the year and six months ended June 30, 1935, the same procedure was followed as in 1933. No charge or credit was made to Surplus at the end of 1934 and on June 30, 1935, as a result of inventory adjustment, because cost having continued below current market, inventories for balance sheet purposes were carried at cost at such times.

*Note D*—ELIMINATION OF INTER-COMPANY PROFITS

Inter-company profits, where these are material, have been eliminated in the Consolidated Profit and Loss Statement. The principal inter-company transactions are sales of copper and other metals to manufacturing subsidiaries. The inventories of manufacturing subsidiaries include, so far as is ascertainable, no inter-company profit.

Any inter-company profits resulting from transactions in connection with purchases and sales of supplies and furnishing of services and in connection with refining and smelting operations are not material in amount and have not been eliminated.

*Note E*—BASIS OF CONVERSION OF FOREIGN CURRENCY ITEMS

The profit and loss of Anaconda-American Brass, Ltd. at the end of each period has been converted for the purposes of this profit and loss statement into dollars at rates not in excess of the rates current at the end of the respective period. In the year 1933 a surplus adjustment correcting the valuation of current assets in Canada was made and is included in the surplus account—Schedule VII B—for that year.

*Note F*—SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

It has been the practice of the registrant to include in and not to segregate from other expenses included in cost of sales, selling, general and administrative expenses, and this information is not reasonably available to the registrant.

*Note G*—INTEREST—INSPIRATION CONSOLIDATED COPPER COMPANY

There is included in Interest on securities and notes and accounts of others, interest on notes of Inspiration Consolidated Copper Company, as follows: $193,562.65 for 1932, $372,669.45 for 1933, $449,143.29 for 1934 and $221,708.00 for the six months ended June 30, 1935, of which $895,587.31 was paid by delivery of additional notes. (See note I to Consolidated Balance Sheet of registrant and 100%-owned subsidiary companies.)

*Note H*—PROFIT OR LOSS ON BONDS OF SUBSIDIARY RETIRED

Beginning with 1933, profit or loss on bonds of subsidiary retired is included in Consolidated Profit and Loss statement; in 1932, same was carried to surplus. The practice was changed in this regard in order to conform the financial statements with the basis required by United States income tax laws.

*Note I*—PROFIT AND LOSS ON SALE OF CAPITAL ASSETS

Where profit on sale of capital assets is incidental to ordinary dismantlements or retirements of property, plant and equipment the same is carried into Profit and Loss statements. Losses arising in connection with similar transactions are treated in the same manner.

## ANACONDA COPPER MINING COMPANY

### and Subsidiary Companies

### SCHEDULE I A—INVESTMENTS IN SECURITIES OF SUBSIDIARIES NOT CONSOLIDATED

| Col. A | Col. B | | Col. C | | | Col. D |
|---|---|---|---|---|---|---|
| | Balance at beginning of period | | Additions during period | | | Deductions during period |
| Title of Issue and Name of Issuer | Number of shares | Amount in dollars | Number of shares | Cash additions in dollars | Other additions in dollars | Amount in dollars |
| **Calendar Year 1932** | | | | | | |
| Anaconda Wire & Cable Co.—Capital Stock | 272,503 | $ 11,979,311.94 | 400 | $ 3,230.00 | | |
| Mountain City Copper Co.—Capital Stock | | | 731,810 | 335,446.58 | | |
| Walker Mining Co.—Capital Stock | 882,042 | 882,049.50 | | | | |
| All other subsidiaries not consolidated (note 4) | | 995,739.23 | | 152,715.88 | $ 209,500.00 (note 1) | $ 3,501.46 (note 2 |
| | | $ 13,857,100.67 | | $ 491,392.46 | $ 209,500.00 | $ 3,501.46 |
| **Calendar Year 1933** | | | | | | |
| Anaconda Wire & Cable Co.—Capital Stock | 272,903 | $ 11,982,541.94 | | | | |
| Mountain City Copper Co.—Capital Stock | 731,810 | 335,446.58 | 280,000 | $ 280,001.25 | | |
| Walker Mining Co.—Capital Stock | 882,042 | 882,049.50 | | | | |
| All other subsidiaries not consolidated (note 4) | | 1,354,453.65 | | 64,166.73 | | |
| | | $ 14,554,491.67 | | $ 344,167.98 | | |
| **Calendar Year 1934** | | | | | | |
| Anaconda Wire & Cable Co.—Capital Stock | 272,903 | $ 11,982,541.94 | | | | |
| Mountain City Copper Co.—Capital Stock | 1,011,810 | 615,447.83 | 445,324 | $ 445,324.00 | | |
| Walker Mining Co.—Capital Stock | 882,042 | 882,049.50 | | | | |
| All other subsidiaries not consolidated (note 4) | | 1,418,620.38 | | 110,000.00 | | $ 20,000.00 (note 3 |
| | | $ 14,898,659.65 | | $ 555,324.00 | | $ 20,000.00 |
| **Six Months ended June 30th, 1935** | | | | | | |
| Anaconda Wire & Cable Co.—Capital Stock | 272,903 | $ 11,982,541.94 | 5,719 | $ 114,371.00 | | |
| Mountain City Copper Co.—Capital Stock | 1,457,134 | 1,060,771.83 | | | | |
| Walker Mining Co.—Capital Stock | 882,042 | 882,049.50 | | | | |
| All other subsidiaries not consolidated (note 4) | | 1,508,620.38 | | | | |
| | | $ 15,433,983.65 | | $ 114,371.00 | | |

NOTE 1—Non-current indebtedness of subsidiaries transferred to Investments.
NOTE 2—Exchange of stock of subsidiary for mining property.
NOTE 3—Write-down of investment.
NOTE 4—All other subsidiaries not consolidated are not significant in respect to (1) the assets they represent and (2) the sales or op consolidated subsidiaries.
NOTE 5—Basis of Investment set forth in note F to Consolidated Balance Sheet of registrant and subsidiary companies.

## ANACONDA COPPER MINING COMPANY
### and 100% owned Subsidiary Companies
### SCHEDULE I B.—INVESTMENTS IN SECURITIES OF SUBSIDIARIES

| Col. A | Col. B | | Col. C | | | Col. D |
|---|---|---|---|---|---|---|
| | Balance at beginning of period | | Additions during period | | | |
| Title of Issue and Name of Issuer | Number of shares | Amount in dollars | Number of shares | Cash additions in dollars | Other additions in dollars (see notes) | Deductions during period Amount in dollars (see notes) |
| **CALENDAR YEAR [illegible]** | | | | | | |
| Subsidiaries less than 100% owned, or w[illegible] funded debt owned by persons other than [illegible] the accounts of which are included by the [illegible] solidated Balance Sheet. | | | | | | |
| Anaconda Lead Products Co.—Capital [illegible] | 12,150 | $ 1,315,000.00 | | | | |
| Andes Copper Mining Co.—Capital Stock | [illegible] | 83,064,465.41 | 4,004 | | $ 90,090.00 (2) | |
| Butte, Anaconda & Pacific Railway Co.—Capital Stock | 25,000 | 2,275,000.00 | | | | |
| Butte Water Co.—Capital Stock | 119,288 | 2,902,008.50 | | | | |
| Chile Copper Co.—Capital Stock | [illegible] | 160,220,712.15 | 2 | | 73.00 (2) | |
| Greene Cananea Copper Co.—Capital Stock | [illegible] | [illegible] | 1<br>1,566 | $ 14.55 | 117,450.00 (2) | |
| Santiago Mining Co.—Capital Stock partly paid shares | [illegible] | 4,170,961.50 | | | | |
| All other subsidiaries (note 1) | | [illegible] | | | | $20,743.64 |
| | | [illegible] | | $ 14.55 | $207,613.00 | $20,743.64 |
| Other Subsidiaries the accounts of which are not consolidated in the general Consolidated Balance Sheet. | | | | | | |
| Anaconda Wire & Cable Co.—Capital Stock | 272,503 | $ 11,879,311.94 | 400 | $ 3,230.00 | | |
| Mountain City Copper Co.—Capital Stock | | | 731,810 | 335,446.58 | | |
| Walker Mining Co.—Capital Stock | 882,042 | 882,849.50 | | | | |
| All other subsidiaries (note 1) | | 985,730.23 | | 152,715.88 | $209,500.00 (4) | $3,501.46 |
| | | $ 13,857,140.67 | | $491,392.46 | $209,500.00 | $3,501.46 |
| **CALENDAR YEAR [illegible]** | | | | | | |
| Subsidiaries less than 100% owned, or with outstanding funded debt owned by persons other than the registrant, the accounts of which are included in the general Consolidated Balance Sheet. | | | | | | |
| Anaconda Lead Products Co.—Capital Stock | 13,150 | $ 1,315,000.00 | | | | |
| Andes Copper Mining Co.—Capital Stock | [illegible] | 83,154,558.41 | 700<br>1,682 | $ 6,608.50 | $ 78,099.30 (3) | |
| Butte, Anaconda & Pacific Railway Co.—Capital Stock | 25,000 | 2,275,000.00 | | | | |
| Butte Water Co.—Capital Stock | [illegible] | 2,902,002.50 | 46 | 900.00 | | |
| Chile Copper Co.—Capital Stock | 4,348,916 | 160,220,785.15 | 270 | 3,154.00 | | |
| Greene Cananea Copper Co.—Capital Stock | 491,120 | [illegible] | 110<br>273 | 7,[illegible] | 42,352.21 (4) | |
| Santiago Mining Co.—Capital Stock partly paid shares | 225,000 | 4,170,961.50 | | | | |
| All other subsidiaries (note 1) | | 394,078.83 | | | | $10,180.00 |
| | | [illegible] | | $ 17,[illegible] | $121,051.51 | $10,180.00 |
| Other Subsidiaries the accounts of which are not consolidated in the general Consolidated Balance Sheet. | | | | | | |
| Anaconda Wire & Cable Co.—Capital Stock | 272,903 | $ 11,982,541.94 | | | | |
| Mountain City Copper Co.—Capital Stock | 731,810 | 335,446.58 | [illegible] | $200,001.25 | | |
| Walker Mining Co.—Capital Stock | 882,042 | 882,849.50 | | | | |
| All other subsidiaries (note 1) | | 1,354,413.65 | | 64,166.73 | | |
| | | $ 14,554,491.67 | | $344,167.98 | | |

# SCHEDULE I B—INVESTMENTS IN SECURITIES OF SUBSIDIARIES—(Continued)

| Col. A | Col. B | | Col. C | | | Col. D | Col. E | |
|---|---|---|---|---|---|---|---|---|
| | Balance at beginning of period | | Additions during period | | | | Balance at end of period | |
| Title of Issue and Name of Issuer | Number of shares | Amount in dollars | Number of shares | Cash additions in dollars | Other additions in dollars (see notes) | Deductions during period Amount in dollars (see notes) | Number of shares | Amount in dollars (see note 7) |
| **CALENDAR YEAR 1934** | | | | | | | | |
| Subsidiaries less than 100% owned, or with outstanding funded debt owned by persons other than the registrant, the accounts of which are included in the general Consolidated Balance Sheet. | | | | | | | | |
| Anaconda Lead Products Co.—Capital Stock | 12,150 | $ 1,315,000.00 | | | | | 12,150 | $ 1,315,000.00 |
| Andes Copper Mining Co.—Capital Stock | [illegible] | 83,239,257.21 | 1,907<br>969 | $ 5,923.13 | $ 48,099.48 (3) | | 3,502,376 | 83,293,279.82 |
| Butte, Anaconda & Pacific Railway Co.—Capital Stock | 25,000 | 2,275,000.00 | | | | | 25,000 | 2,275,000.00 |
| Butte Water Co.—Capital Stock | 119,313 | 2,982,902.50 | | | | | 119,313 | 2,982,902.50 |
| Chile Copper Co.—Capital Stock | 4,349,186 | 160,242,959.35 | 150 | 2,467.50 | | | 4,349,336 | 160,245,426.85 |
| Greene Cananea Copper Co.—Capital Stock | [illegible] | 40,618,720.42 | 30 | | 3,119.90 (3) | | 491,722 | 40,621,840.32 |
| Santiago Mining Co.—Capital Stock partly paid shares | 325,669 | 4,170,981.59 | | | | | 325,669 | 4,170,981.59 |
| All other subsidiaries (note 1) | | 282,898.53 | | 66,197.04 | | | | 349,095.57 |
| | | $295,127,719.90 | | $ 74,587.67 | $ 51,219.38 | | | $295,253,526.95 |
| Other Subsidiaries the accounts of which are not consolidated in the general Consolidated Balance Sheet. | | | | | | | | |
| Anaconda Wire & Cable Co.—Capital Stock | 272,903 | $ 11,982,541.94 | | | | | 272,903 | $ 11,982,541.94 |
| Mountain City Copper Co.—Capital Stock | 1,011,810 | 615,447.83 | 445,324 | $445,324.00 | | | 1,457,134 | 1,060,771.83 |
| Walker Mining Co.—Capital Stock | 882,042 | 882,049.50 | | | | | 882,042 | 882,049.50 |
| All other subsidiaries (note 1) | | 1,418,620.38 | | 110,000.00 | | $ 20,000.00 (6) | | 1,508,620.38 |
| | | $14,898,659.65 | | $555,324.00 | | $ 20,000.00 | | $ 15,433,983.65 |
| **SIX MONTHS ENDED JUNE 30TH, 1935** | | | | | | | | |
| Subsidiaries less than 100% owned, or with outstanding funded debt owned by persons other than the registrant, the accounts of which are included in the general Consolidated Balance Sheet. | | | | | | | | |
| Anaconda Lead Products Co.—Capital Stock | 12,150 | $ 1,315,000.00 | | | | | 12,150 | $ 1,315,000.00 |
| Andes Copper Mining Co.—Capital Stock | 3,502,396 | 83,293,279.82 | 34 | $ 280.59 | | | 3,502,430 | 83,293,560.41 |
| Butte, Anaconda & Pacific Railway Co.—Capital Stock | 25,000 | 2,275,000.00 | | | | | 25,000 | 2,275,000.00 |
| Butte Water Co.—Capital Stock | 119,313 | 2,982,902.50 | 6 | 180.00 | | | 119,319 | 2,983,082.50 |
| Chile Copper Co.—Capital Stock | 4,349,336 | 160,245,426.85 | | | | | 4,349,336 | 160,245,426.85 |
| Greene Cananea Copper Co.—Capital Stock | 491,722 | 40,621,840.32 | | | | | 491,722 | 40,621,840.32 |
| Santiago Mining Co.—Capital Stock partly paid shares | 325,669 | 4,170,981.59 | | | | | 325,669 | 4,170,981.59 |
| All other subsidiaries (note 1) | | 349,095.87 | | 9,375.00 | | | | 358,470.87 |
| | | $295,253,526.95 | | $ 9,835.59 | | | | $295,263,362.54 |
| Other Subsidiaries the accounts of which are not consolidated in the general Consolidated Balance Sheet. | | | | | | | | |
| Anaconda Wire and Cable Co.—Capital Stock | 272,903 | $ 11,982,541.94 | 5,719 | $114,371.00 | | | 278,622 | $ 12,096,912.94 |
| Mountain City Copper Co.—Capital Stock | 1,457,134 | 1,060,771.83 | | | | | 1,457,134 | 1,060,771.83 |
| Walker Mining Co.—Capital Stock | 882,042 | 882,049.50 | | | | | 882,042 | 882,049.50 |
| All other subsidiaries (note 1) | | 1,508,620.38 | | | | | | 1,508,620.38 |
| | | $ 15,433,983.65 | | $114,371.00 | | | | $ 15,548,354.65 |

NOTE 1—All other subsidiaries not consolidated are not significant in respect to (1) the assets they represent and (2) the sales or operating revenue of such non-consolidated subsidiaries.
NOTE 2—Stock received in exchange for capital stock of registrant issued therefor.
NOTE 3—Stock received in exchange for treasury stock of registrant.
NOTE 4—Non-current indebtedness of subsidiaries transferred to Investments.
NOTE 5—Exchange of stock of subsidiary for mining property.
NOTE 6—Write-down of investment.
NOTE 7—Basis of Investment set forth in note K to Consolidated Balance Sheet of registrant and 100% owned subsidiary companies.

## ANACONDA COPPER MINING COMPANY
### (Registrant only)
### SCHEDULE I C—INVESTMENTS IN SECURITIES OF SUBSIDIARIES

| Col. A | Col. B | | Col. C | | |
|---|---|---|---|---|---|
| | Balance December 31st, 1934 | | Additions during six months ended June 30th, 1935 | | |
| Title of issue and name of issuer | Number of shares or principal amount of bonds | Amount in dollars | Number of shares or principal amount of bonds | Amount in dollars | Numb... |
| **Subsidiaries 100% owned and which have no outstanding funded debt owned by persons other than registrant, and the accounts of which are included in the general Consolidated Balance Sheet.** | | | | | |
| The American Brass Co. | 150,000 | $ 46,311,935.55 | | | |
| Anaconda Sales Co. | 27,280 | 2,728,000.00 | | | |
| Andes Exploration Co. of Delaware | 150,000 | 1,500,000.00 | | | |
| Andes Exploration Co. (Maine) | 222,500 | 2,225,000.00 | | | |
| Blackfoot Land Development Co. | 3,610 | 361,000.00 | | | |
| Butte Electric Railway Co. | 10,000 | | | | |
| Butte Electric Railway Co.—First Mortgage 3½% Bonds | $ 675,000 | 300,001.00 | | | $ |
| Butte Electric Railway Co.—Second Mortgage 3½% Bonds | $ 199,000 | | | | $ |
| Deer Lodge Valley Farms Co. | 3,620 | 362,000.00 | | | |
| Diamond Coal & Coke Co. | 150,000 | 2,500,000.00 | | | |
| International Smelting & Refining Co. | 150,800 | 14,250,000.00 | | | |
| International Smelting & Refining Co.—Fifteen Year 6% Debentures | $ 8,000,000 | 8,000,000.00 | | | $ 8,0 |
| Interstate Lumber Co. | 5,000 | 500,000.00 | | | |
| Mines Investment Corp'n. | 10,000 | 3,372,022.43 | | | |
| Montana Hardware Co. | 3,000 | 450,000.00 | | | |
| Tooele Valley Railway Co. | 3,200 | 320,000.00 | | | |
| Other subsidiaries—(note 1) | | 214,642.20 | | | |
| | | $ 83,394,601.18 | | | |
| **Subsidiaries less than 100% owned or with outstanding funded debt owned by persons other than registrant and the accounts of which are included in the general Consolidated Balance Sheet.** | | | | | |
| Anaconda Lead Products Co. | 12,150 | $ 1,315,000.00 | | | |
| Andes Copper Mining Co. | 2,983,061 | 70,310,404.82 | 54 | $ 280.59 | 2,9 |
| Butte, Anaconda & Pacific Railway Co. | 25,000 | 2,275,000.00 | | | |
| Butte Water Co. | 119,313 | 2,982,902.50 | 6 | 180.00 | |
| Chile Copper Co. | 4,349,336 | 160,245,426.85 | | | 4,3 |
| Greene Cananea Copper Co. | 491,722 | 40,621,840.32 | | | |
| Santiago Mining Co. | 67,964 | 179,534.34 | | | |
| Other subsidiaries—(note 1) | | 349,095.87 | | 9,375.00 | |
| | | $278,279,204.70 | | $ 9,835.59 | |
| | | $361,673,805.88 | | $ 9,835.59 | |
| **Unconsolidated Subsidiaries** | | | | | |
| Anaconda Wire & Cable Co. | 272,903 | $ 11,982,541.94 | 5,719 | $ 114,371.00 | 2 |
| Other subsidiaries—(note 1) | | 750,585.00 | | | |
| | | $ 12,733,126.94 | | $ 114,371.00 | |

Investments listed above represent Common Capital Stock unless otherwise noted.

NOTE 1—Other subsidiaries not listed separately above are not significant in respect to (1) the assets they represent and (2) the sales ... subsidiaries.

NOTE 2—Basis of Investment set forth in note D to Balance Sheet of registrant only.

## ANACONDA COPPER MINING COMPANY
### and Subsidiary Companies

### SCHEDULE II A—PROPERTY, PLANT AND EQUIPMENT

| Col. A | Col. B | Col. C | Col. D | |
|---|---|---|---|---|
| | Balance at beginning of period | Additions during period | Retirements and Sales during period | Other |
| **Calendar Year 1932** | | | | |
| Mines and Mining Claims | $282,758,876.88 | $ 113,069.21 | $ 203,460.70 | |
| Water Rights and Lands for Metal Producing and Manufacturing Plants | 9,451,793.08 | 65,474.74 | 14,364.33 | |
| | $292,210,669.96 | $ 178,543.95 | $ 217,825.03 | |
| Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 9,641,028.86 | $ 11,765.79 | $ 32,177.38 | $ |
| Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks, Steamships and Railroads (including railroad concessions) | $287,745,546.51 | $1,096,128.19 | $ 682,407.33 | $1,27 |
| **Calendar Year 1933** | | | | |
| Mines and Mining Claims | $282,668,485.39 | $ 103,465.18 | $ 49,693.44 | |
| Water Rights and Lands for Metal Producing and Manufacturing Plants | 9,502,903.49 | 242,572.63 | 8,002.27 | |
| | $292,171,388.88 | $ 346,037.81 | $ 57,695.71 | |
| Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 9,620,301.68 | $ 2,640.96 | $ 158.87 | $ |
| Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks, Steamships and Railroads (including railroad concessions) | $286,881,836.32 | $ 449,818.84 | $ 603,642.75 | |
| **Calendar Year 1934** | | | | |
| Mines and Mining Claims | $282,722,257.13 | $ 147,739.36 | $ 96,855.84 | $1,60 |
| Water Rights and Lands for Metal Producing and Manufacturing Plants | 9,737,473.85 | 103,562.94 | 82,980.21 | |
| | $292,459,730.98 | $ 251,302.30 | $ 179,836.05 | $1,60 |
| Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 9,622,427.66 | $ 31,685.48 | $ 33,643.14 | $ |
| Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks, Steamships and Railroads (including railroad concessions) | $286,728,012.41 | $ 852,760.84(3) | $1,014,485.24 | $ 4 |
| **Six months ended June 30th 1935** | | | | |
| Mines and Mining Claims | $281,168,640.95 | $ 16,637.93 | $ 1,967.23 | |
| Water Rights and Lands for Metal Producing and Manufacturing Plants | 9,758,056.58 | 10,097.99 | 5,744.95 | |
| | $290,926,697.53 | $ 26,735.92 | $ 7,712.18 | |
| Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 9,620,033.31 | $ 6,619.66 | | $ |
| Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks, Steamships and Railroads (including railroad concessions) | $286,523,343.57 | $ 536,813.14 | $1,688,333.32 | $ |

NOTE 1—Property, Plant and Equipment are carried on the bases shown in notes to the Consolidated Balance Sheet of registrant and subsidiaries.
NOTE 2—This deduction represents an adjustment on account of obsolescence accrued in prior years, of which $860,622.70 was charged to Deprecia[illegible]ence to Surplus.
NOTE 3—Includes $135,117.22 adjustment through dissolution of subsidiaries. (See Surplus Account, Schedule VII A, for Year 1934.)
NOTE 4—Includes adjustments through dissolution of subsidiaries. (See Surplus Account, Schedule VII A, for year 1934.)
NOTE 5—Development written off.
NOTE 6—Amortization of plant facilities and railroad concessions.

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## ANACONDA COPPER MINING COMPANY
### and 100% owned Subsidiary Companies

### SCHEDULE II B—PROPERTY, PLANT AND EQUIPMENT

| Col. A | Col. B | Col. C | Col. D | |
|---|---|---|---|---|
| | Balance at beginning of period | Additions during period | Retirements and Sales during period | Oth |
| **Calendar Year 1932** | | | | |
| Mines and Mining Claims | $ 79,982,951.64 | $ 94,603.47 | $ 551.00 | |
| Water Rights and Lands for Metal Producing and [illegible] Plants | 7,439,222.51 | 65,474.74 | 14,364.33 | |
| | $ 87,422,174.15 | $ 160,078.21 | $ 14,915.33 | |
| Coal Mines, Timber Lands, Phosphate Deposits and [illegible] | $ 9,641,028.86 | $ 11,765.79 | $ 32,177.38 | $ |
| Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks and Railroads (including railroad concessions) | $150,267,358.29 | $1,055,416.58 | $576,855.96 | $1, |
| **Calendar Year 1933** | | | | |
| Mines and Mining Claims | $ 80,077,004.11 | $ 92,411.12 | $ 62,685.70 | |
| Water Rights and Lands for Metal Producing and Manufacturing Plants | 7,490,332.92 | 242,572.63 | 8,002.27 | |
| | $ 87,567,337.03 | $ 334,983.75 | $ 70,687.97 | |
| Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 9,620,301.68 | $ 2,640.96 | $ 158.87 | $ |
| Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks and Railroads (including railroad concessions) | $149,468,487.86 | $ 397,153.72 | $492,451.49 | |
| **Calendar Year 1934** | | | | |
| Mines and Mining Claims | $ 80,106,729.53 | $ 29,947.37 | $ 25,811.30 | $1, |
| Water Rights and Lands for Metal Producing and Manufacturing Plants | 7,724,903.28 | 103,562.94 | 82,980.21 | |
| | $ 87,831,632.81 | $ 133,510.31 | $108,791.51 | $1, |
| Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 9,622,427.66 | $ 31,685.48 | $ 33,643.14 | $ |
| Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks and Railroads (including railroad concessions) | $149,373,190.09 | $ 807,854.90(4) | $466,759.51 | $ |
| **Six months ended June 30th, 1935** | | | | |
| Mines and Mining Claims | $ 78,506,365.90 | $ 5,241.56 | $ 564.56 | |
| Water Rights and Lands for Metal Producing and Manufacturing Plants | 7,745,486.01 | 10,097.99 | 5,744.95 | |
| | $ 86,251,851.91 | $ 15,339.55 | $ 6,309.51 | |
| Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 9,620,033.31 | $ 6,619.66 | | $ |
| Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks and Railroads (including railroad concessions) | $149,683,438.13 | $ 507,261.89 | $824,314.46 | $ |

NOTE 1—Includes subsidiaries 100% owned and which have no outstanding long term or funded debt owned by persons other than registrant a included in the general Consolidated Balance Sheet.
NOTE 2—Property, Plant and Equipment are carried on the bases shown in notes to Consolidated Balance Sheet of registrant and 100% owned
NOTE 3—This deduction represents an adjustment on account of obsolescence accrued in prior years, of which $860,622.70 was charged to Deprec ence to Surplus.
NOTE 4—Includes $135,117.22 adjustment through dissolution of subsidiaries. (See Surplus Account, Schedule VII B, for year 1934.)
NOTE 5—Includes adjustments through dissolution of subsidiaries. (See Surplus Account, Schedule VII B, for year 1934.)
NOTE 6—Development written off.
NOTE 7—Amortization of plant facilities and railroad concessions.

# ANACONDA COPPER MINING COMPANY
(Registrant only)

## SCHEDULE II C—PROPERTY, PLANT AND EQUIPMENT

| Col. A | Col. B<br>Balance at beginning of period | Col. C<br>Additions during period | Col. D<br>Retirements and Sales during period | Col. E<br>Other Deductions | Col. F<br>Balance at end of period |
|---|---|---|---|---|---|
| Six months ended June 30th, 1935 | | | | | |
| Mines and Mining Claims | $77,063,984.07 | $ 4,147.45 | $ 564.56 | | $77,067,566.96 |
| Water Rights and Lands for Metal Producing and Manufacturing Plants | 2,400,790.15 | 3,362.33 | 12.85 | | 2,404,139.63 |
| | $79,464,774.22 | $ 7,509.78 | $ 577.41 | | $79,471,706.59 |
| Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 7,051,010.06 | $ 6,619.66 | | $ 252.11(1) | $ 7,057,377.61 |
| Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks and Railroads | $56,328,369.77 | $ 53,189.56 | $ 791,977.78 | | $55,589,581.55 |

NOTE 1—Development written off.

# ANACONDA COPPER MINING COMPANY
## and Subsidiary Companies

### SCHEDULE III A—RESERVES FOR DEPRECIATION AND FOR DEPLETION OF COAL MINES, TIMBER LANDS, PHOSPHATE DEPOSITS AND CLAY LANDS

| Col. A | Col. B | Col. C | Col. E: Charges to Reserve | | Col. F |
|---|---|---|---|---|---|
| | Balance at beginning of period | Additions to Reserve Charged to Costs during period | Retirements and Renewals during period | Adjustments of prior years' depreciation credited Surplus | Balance at end of period |
| **Calendar Year 1932** | | | | | |
| Reserves for Depletion of Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 1,821,885.14 | $ 19,746.90 | | | $ 1,841,632.04 |
| Reserves for Depreciation of Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks, Steamships and Railroads | $118,345,832.90 | $3,741,159.56 | $1,285,625.58(3) | $750,025.42 | $120,051,341.46 |
| **Calendar Year 1933** | | | | | |
| Reserves for Depletion of Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 1,841,632.04 | $ 22,475.33 | | | $ 1,864,107.37 |
| Reserves for Depreciation of Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks, Steamships and Railroads | $120,051,341.46 | $6,794,721.54 | $ 440,146.45 | $282,157.54 | $126,123,759.01 |
| **Calendar Year 1934** | | | | | |
| Reserves for Depletion of Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 1,864,107.37 | $ 36,246.41 | | | $ 1,900,353.78 |
| Reserves for Depreciation of Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks, Steamships and Railroads | $126,123,759.01 | $5,866,573.42 | $ 735,806.32 | $ 22,006.28 | $131,232,519.83 |
| **Six months ended June 30th 1935** | | | | | |
| Reserves for Depletion of Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 1,900,353.78 | $ 35,302.03 | | | $ 1,935,655.81 |
| Reserves for Depreciation of Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks, Steamships and Railroads | $131,232,519.83 | $4,059,453.65 | $1,026,100.94 | | $134,265,872.54 |

NOTE 1—Depreciation of metal producing plants has been calculated on a unit of production basis. In the case of The American Brass Company straight line depreciation rates have been established and have been applied for the six months ended June 30th, 1935 in place of the unit of production rate theretofore used.

NOTE 2—Depreciation on metal producing plants is charged to production cost of metals. This table shows the net amount of depreciation charged to cost of goods sold in the Profit and Loss Statement for the period.

| | Charged to Costs | Depreciation charged against production of prior years sold and delivered in 1932 | Depreciation included in inventory costs—net | Depreciation carried to Profit and Loss Statement |
|---|---|---|---|---|
| Calendar Year 1932 | $3,741,159.56 | $569,122.69* | | $4,310,282.25 |
| Calendar Year 1933 | 6,794,721.54 | | $1,648,516.98 | 5,146,204.56 |
| Calendar Year 1934 | 5,866,573.42 | | 236,691.95** | 6,103,265.37 |
| Six months ended June 30th, 1935 | 4,059,453.65 | | 184,965.09 | 3,874,488.56 |

*Included in inventory adjustment made to surplus account in 1932.

**Represents effect of deliveries during year exceeding production of year.

NOTE 3—Includes an amount of $860,622.70 obsolescence applicable to prior years (see note 2 to schedule II A for year 1932).

NOTE 4—Depletion of Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands is calculated on a unit of production basis.

# ANACONDA COPPER MINING COMPANY

and 100% owned Subsidiary Companies

## SCHEDULE III B—RESERVES FOR DEPRECIATION AND FOR DEPLETION OF COAL MINES, TIMBER LANDS, PHOSPHATE DEPOSITS AND CLAY LANDS

| Col. A | Col. B | Col. C | Col. E | | Col. F |
|---|---|---|---|---|---|
| | | | Charges to Reserve | | |
| | Balance at beginning of period | Additions to Reserve charged to Costs during period | Retirements and Renewals during period | Adjustment of prior years' depreciation credited surplus | Balance at end of period |
| **Calendar Year 1932** | | | | | |
| Reserves for Depletion of Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 1,821,885.14 | $ 19,746.90 | | | $ 1,841,632.04 |
| Reserves for Depreciation of Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks and Railroads... | $80,146,639.27 | $ 2,132,661.76 | $ 1,199,237.84(3) | $ 750,025.42 | $80,330,037.77 |
| **Calendar Year 1933** | | | | | |
| Reserves for Depletion of Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 1,841,632.04 | $ 22,475.33 | | | $ 1,864,107.37 |
| Reserves for Depreciation of Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks and Railroads... | $80,330,037.77 | $ 2,992,237.05 | $ 345,603.86 | $ 296,039.07 | $82,680,631.89 |
| **Calendar Year 1934** | | | | | |
| Reserves for Depletion of Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 1,864,107.37 | $ 36,246.41 | | | $ 1,900,353.78 |
| Reserves for Depreciation of Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks and Railroads... | $82,680,631.89 | $ 2,421,851.53 | $ 303,123.14 | $ 22,006.28 | $84,777,354.00 |
| **Six months ended June 30th, 1935** | | | | | |
| Reserves for Depletion of Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 1,900,353.78 | $ 35,302.03 | | | $ 1,935,655.81 |
| Reserves for Depreciation of Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks and Railroads... | $84,777,354.00 | $ 1,876,785.35 | $ 359,639.20 | | $86,294,500.15 |

NOTE 1—Depreciation of metal producing plants has been calculated on a unit of production basis. In the case of The American Brass Company straight line depreciation rates have been established and have been applied for the six months ended June 30th, 1935 in place of the unit of production rate theretofore used.

NOTE 2—Depreciation on metal producing plants is charged to production cost of metals. This table shows the net amount of depreciation charged to cost of goods sold in the Profit and Loss Statement for the period.

| | Charged to costs | Depreciation included in Inventory costs—net | Depreciation carried to Profit and Loss Statement |
|---|---|---|---|
| Calendar Year 1932.................. | $2,132,661.76 | | $2,132,661.76 |
| Calendar Year 1933.................. | 2,992,237.05 | $533,095.52 | 2,459,141.53 |
| Calendar Year 1934.................. | 2,421,851.53 | 529,734.35* | 2,951,585.88 |
| Six months ended June 30th, 1935..... | 1,876,785.35 | 106,788.08 | 1,769,997.27 |

*Represents effect of deliveries during year exceeding production of year.

NOTE 3—Includes an amount of $860,622.70 obsolescence applicable to prior years (see note 3 to schedule II B for year 1932).

NOTE 4—Depletion of Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands is calculated on a unit of production basis.

## ANACONDA COPPER MINING COMPANY
(Registrant only)

### SCHEDULE III C—RESERVES FOR DEPRECIATION AND FOR DEPLETION OF COAL MINES, TIMBER LANDS, PHOSPHATE DEPOSITS AND CLAY LANDS

| Col. A | Col. B | Col. C | Col. E | Col. F |
|---|---|---|---|---|
| | | | Charges to Reserve | |
| | Balance at beginning of period | Additions to Reserve charged to costs during period | Retirements and Renewals during period | Balance at end of period |
| **Six months ended June 30th, 1935** | | | | |
| Reserves for Depletion of Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands | $ 1,734,216.11 | $ 34,670.00 | | $ 1,768,886.11 |
| Reserves for Depreciation of Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks and Railroads... | 35,731,622.89 | 779,793.77 | $350,289.94 | 36,161,126.72 |

NOTE 1—Depreciation of metal producing plants has been calculated on a unit of production basis.
NOTE 2—Depletion of Coal Mines, Timber Lands, Phosphate Deposits and Clay Lands is calculated on a unit of production basis.

# ANACONDA COPPER MINING COMPANY

## SCHEDULE IV—INTANGIBLE ASSETS

| Col. A | Col. B | Col. C | Col. D | Col. F |
|---|---|---|---|---|
| | Balance at beginning of period | Additions during period—expenditures in connection with patent rights | Deductions during period charged to Surplus | Balance at end of period |

### Consolidated Balance Sheet of Registrant and Subsidiary Companies

| Col. A | Col. B | Col. C | Col. D | Col. F |
|---|---|---|---|---|
| *Patents* | | | | |
| Calendar year 1932 | $ 235,699.97 | $ 875.97 | | $ 236,575.94 |
| Calendar year 1933 | $ 236,575.94 | $ 41.93 | | $ 236,617.87 |
| Calendar year 1934—see note 1 | $ 236,617.87 | | $ 150,000.00 | $ 86,617.87 |
| Six months ended June 30th, 1935—see note 2 | $ 86,617.87 | | $ 80,512.87 | $ 6,105.00 |

### Consolidated Balance Sheet of Registrant and 100% owned Subsidiary Companies

| Col. A | Col. B | Col. C | Col. D | Col. F |
|---|---|---|---|---|
| *Patents* | | | | |
| Calendar year 1932 | $ 85,614.97 | $ 875.97 | | $ 86,490.94 |
| Calendar year 1933 | $ 86,490.94 | $ 41.93 | | $ 86,532.87 |
| Calendar year 1934 | $ 86,532.87 | | | $ 86,532.87 |
| Six months ended June 30th, 1935—see note 2 | $ 86,532.87 | | $ 80,512.87 | $ 6,020.00 |

Note 1—Book value of patents expiring in 1934 not previously written off.

Note 2—Patent rights and expenses in connection therewith written off on dissolution of a 100% owned subsidiary company.

Note 3—Intangible assets represent patents which have been written down to nominal values. Further write-offs are not being made.

## ANACONDA COPPER MINING COMPANY
### and Subsidiary Companies

### SCHEDULE VI A—RESERVES

| Col. A | Col. B | Col. C | | | |
|---|---|---|---|---|---|
| | | Additions during period | | | |
| | Balance at beginning of period | Charged to Income | Charged to Surplus | Charged to Unconsolidated Subsidiaries | Charg… duri… |
| **Calendar Year 1932** | | | | | |
| For Accounts and Notes Receivable—Trade | $ 57,251.50 | $ 21,936.96 | $ 42,800.55 | | $ |
| For Installment house and land sales and other accounts receivable | | | 93,618.45 | | |
| For Repairs, Renewals and Replacements | 328,844.72 | 127,797.48 | | | |
| For Workmen's Compensation Insurance, etc. | 394,256.71 | 249,684.09 | | | 42 |
| For Contingencies | 25,000.00 | | 200,000.00 | | |
| For Deferred Payment under power contract in connection with curtailment of operations | | 8,589.31 | 544,910.19 | $18,449.34 | |
| **Calendar Year 1933** | | | | | |
| For Accounts and Notes Receivable—Trade | $ 109,458.17 | $155,771.17 | $ 96,700.00 | | $ 8 |
| For Installment house and land sales and other accounts receivable | 22,081.83 | | 30,000.00 | | |
| For Advances to sundry mining companies, including advances on ores | | | 29,500.00 | | |
| For Repairs, Renewals and Replacements | 399,428.44 | 229,885.33 | | | 21 |
| For Workmen's Compensation Insurance, etc. | 223,431.57 | 309,960.31 | 200,000.00 | | 31 |
| For Contingencies | 225,000.00 | | | | |
| For Deferred Payment under power contract in connection with curtailment of operations | 571,948.84 | 54,754.04 | 772,473.44 | $26,154.03 | |
| **Calendar Year 1934** | | | | | |
| For Accounts and Notes Receivable—Trade | $ 277,432.36 | $107,029.88 | | | $ 2 |
| For Installment house and land sales and other accounts receivable | 52,081.83 | 35,000.00 | $184,097.79 | | 8 |
| For Advances to sundry mining companies, including advances on ores | 29,500.00 | | 72,174.89 | | 3 |
| For Repairs, Renewals and Replacements | 412,190.75 | 295,077.87 | | | 36 |
| For Workmen's Compensation Insurance, etc. | 415,986.74 | 322,038.59 | | | 30 |
| For Contingencies | 225,000.00 | | 50,000.00 | | |
| For Deferred Payment under power contract in connection with curtailment of operations | 1,425,330.35 | 26,286.53 | 443,342.65 | $12,754.01 | |
| **Six months ended June 30th, 1935** | | | | | |
| For Accounts and Notes Receivable—Trade | $ 312,791.34 | $ 35,304.00 | | | $ |
| For Installment house and land sales and other accounts receivable | 185,000.00 | | | | |
| For Advances to sundry mining companies, including advances on ores | 67,116.16 | | | | |
| For Repairs, Renewals and Replacements | 344,513.31 | 192,212.87 | | | 25 |
| For Workmen's Compensation Insurance, etc. | 432,680.79 | 260,505.42 | | | 19 |
| For Contingencies | 275,000.00 | | | | |
| For Deferred Payment under power contract in connection with curtailment of operations | 1,907,713.54 | | | | 1,45 |

NOTE 1—On July 23, 1935, a settlement contract with The Montana Power Company was made, effective as of May 1, 1935, and which settled the
this reserve was credited. The contract has been given effect in the balance sheets herewith submitted, the $450,000 remaining in
ment contingently due in the future.

## ANACONDA COPPER MINING COMPANY
### and 100% owned Subsidiary Companies
### SCHEDULE VI B—RESERVES

| Col. A | Col. B | Col. C | | | Col. D | Col. E |
|---|---|---|---|---|---|---|
| | | Additions during period | | | | |
| | Balance at beginning of period | Charged to Income | Charged to Surplus | Charged to Unconsolidated Subsidiaries | Charges to Reserve during period | Balance at end of period |
| **Calendar Year 1932** | | | | | | |
| For Accounts and Notes Receivable—Trade | $ 57,251.50 | $ 19,162.86 | $ 42,800.55 | | $ 9,756.74 | $ 109,458.17 |
| For Installment house and land sales and other accounts receivable | | | 93,618.45 | | 71,536.62 | 22,081.83 |
| For Repairs, Renewals and Replacements | 53,863.28 | 30,875.10 | | | 20.72 | 84,717.66 |
| For Workmen's Compensation Insurance, etc. | 213,630.22 | 249,163.40 | | | 324,055.78 | 138,737.84 |
| For Contingencies | | | 200,000.00 | | | 200,000.00 |
| For Deferred Payment under power contract in connection with curtailment of operations | | 8,589.31 | 544,910.19 | $18,449.34 | | 571,948.84 |
| **Calendar Year 1933** | | | | | | |
| For Accounts and Notes Receivable—Trade | $ 109,458.17 | $124,297.47 | $ 96,700.00 | | $ 78,023.28 | $ 252,432.36 |
| For Installment house and land sales and other accounts receivable | 22,081.83 | | 30,000.00 | | | 52,081.83 |
| For Advances to sundry mining companies, including advances on ores | | | 29,500.00 | | | 29,500.00 |
| For Repairs, Renewals and Replacements | 84,717.66 | 101,036.62 | | | 81,402.51 | 104,351.77 |
| For Workmen's Compensation Insurance, etc. | 138,737.84 | 293,421.83 | 200,000.00 | | 310,304.13 | 321,855.54 |
| For Contingencies | 200,000.00 | | | | | 200,000.00 |
| For Deferred Payment under power contract in connection with curtailment of operations | 571,948.84 | 54,754.04 | 772,473.44 | $26,154.03 | | 1,425,330.35 |
| **Calendar Year 1934** | | | | | | |
| For Accounts and Notes Receivable—Trade | $ 252,432.36 | $ 92,029.88 | | | $ 62,843.14 | $ 281,619.10 |
| For Installment house and land sales and other accounts receivable | 52,081.83 | 35,000.00 | $184,097.79 | | 86,179.62 | 185,000.00 |
| For Advances to sundry mining companies, including advances on ores | 29,500.00 | | 72,174.89 | | 34,558.73 | 67,116.16 |
| For Repairs, Renewals and Replacements | 104,351.77 | 68,889.53 | | | 2,081.35 | 171,159.95 |
| For Workmen's Compensation Insurance, etc. | 321,855.54 | 306,720.68 | | | 280,643.33 | 347,932.89 |
| For Contingencies | 200,000.00 | | 50,000.00 | | | 250,000.00 |
| For Deferred Payment under power contract in connection with curtailment of operations | 1,425,330.35 | 26,286.53 | 443,342.65 | $12,754.01 | | 1,907,713.54 |
| **Six months ended June 30th, 1935** | | | | | | |
| For Accounts and Notes Receivable—Trade | $ 281,619.10 | $ 30,000.00 | | | $ 1,080.45 | $ 310,538.65 |
| For Installment house and land sales and other accounts receivable | 185,000.00 | | | | | 185,000.00 |
| For Advances to sundry mining companies, including advances on ores | 67,116.16 | | | | | 67,116.16 |
| For Repairs, Renewals and Replacements | 171,159.95 | 38,151.69 | | | 32,796.01 | 176,515.63 |
| For Workmen's Compensation Insurance, etc. | 347,932.89 | 259,991.67 | | | 159,904.01 | 448,020.55 |
| For Contingencies | 250,000.00 | | | | | 250,000.00 |
| For Deferred Payment under power contract in connection with curtailment of operations | 1,907,713.54 | | | | 1,457,713.54(1) | 450,000.00 |

NOTE 1—On July 23, 1935, a settlement contract with The Montana Power Company was made, effective as of May 1, 1935, and which settled the items with respect to which this reserve was credited. The contract has been given effect in the balance sheets herewith submitted, the $450,000 remaining in reserve representing a payment contingently due in the future.

# ANACONDA COPPER MINING COMPANY

(Registrant only)

## SCHEDULE VI C—RESERVES

| Col. A | Col. B | Col. C | Col. D | Col. E |
|---|---|---|---|---|
| | Balance at beginning of period | Additions Charged to Income during period | Charges to Reserve during period | Balance at end of period |
| **Six months ended June 30th, 1935** | | | | |
| For Accounts and Notes Receivable—Trade | $ 100,719.33 | | | $ 100,719.33 |
| For Installment house and land sales and other accounts receivable | 53,000.00 | | | 53,000.00 |
| For Repairs, Renewals and Replacements | 170,845.63 | $ 38,151.69 | $ 32,796.01 | 176,201.31 |
| For Workmen's Compensation Insurance, etc. | 77,569.92 | 227,899.81 | 147,686.79 | 157,782.94 |
| For Contingencies | 250,000.00 | | | 250,000.00 |
| For Deferred Payment under power contract in connection with curtailment of operations | 1,907,713.54 | | 1,457,713.54(1) | 450,000.00 |

NOTE 1—On July 23, 1935, a settlement contract with The Montana Power Company was made, effective as of May 1, 1935, and which settled the items with respect to which this reserve was credited. The contract has been given effect in the balance sheets herewith submitted, the $450,000 remaining in reserve representing a payment contingently due in the future.

# ANACONDA COPPER MINING COMPANY

## and Subsidiary Companies

### SCHEDULE VII A—CONSOLIDATED SURPLUS ACCOUNT

### YEARS ENDED DECEMBER 31ST, 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH, 1935

| | Year 1932 | | Year 1933 | | Year 1934 | |
|---|---|---|---|---|---|---|
| Net Income or *Net Loss*—without deduction for depletion of metal mines. | | *$16,893,240.26* | | *$ 6,822,115.36* | | $ 1,960,093.75 |
| Charges to Surplus: | | | | | | |
| Inventory Adjustments—see note C to Consolidated Profit and Loss Statement | $ 9,914,440.23 | | | | | |
| Difference between cost of copper purchased under foreign sales agreement and market value at December 31st, 1932 | 586,748.28 | | | | | |
| Reserve for deferred payment under power contract in connection with curtailment of operations | 544,910.19 | | $ 772,473.44 | | $ 443,342.65 | |
| Sundry doubtful accounts, installment house and land sales, advances to sundry mining companies, including advances on ores, originating in prior years, reserved for or written off | 379,191.85 | | 176,200.00 | | 256,272.68 | |
| Development work on leased mining properties and other expenses incurred in prior years written off, the projects being abandoned or discontinued, etc. | 12,112.90 | | 248,000.00 | | 166,533.36 | |
| Book value of patents expiring in 1934 not previously written off | | | | | 150,000.00 | |
| Federal capital stock tax applicable to year 1933 | | | | | 95,567.50 | |
| Reserved for contingencies | 200,000.00 | | | | 50,000.00 | |
| Foreign income taxes applicable to prior years | | | 6,313.70 | | 15,185.73 | |
| Additional reserve for workmen's compensation insurance | | | 200,000.00 | | | |
| Additional Federal income taxes for years 1926, 1928 and 1929 less refund and interest accrued thereon to June 30th, 1935 | | | | | | |
| Adjustments through dissolution of subsidiaries arising on net write-down of assets transferred to registrant or to other subsidiaries whose accounts are consolidated in the Consolidated Balance Sheet | | | | | 1,489,382.48 | |
| Patent rights, expenses in connection therewith and experimental expenses of International Copperclad Co., a wholly owned subsidiary, written off on dissolution of company | | | | | | |
| | 11,637,403.45 | | 1,402,987.14 | | 2,666,284.40 | |
| Credits to Surplus: | | | | | | |
| Profit on bonds retired—see note G to Consolidated Profit and Loss Statement | 379,101.65 | | | | | |
| Inventory adjustment—see note C to Consolidated Profit and Loss Statement | | | 3,715,031.32 | | | |
| Difference between December 31st, 1932 market value of copper purchased under foreign sales agreement and price realized in 1933 on sale | | | 56,846.25 | | | |
| Adjustment of prior years' depreciation including amortization and obsolescence to conform with revised income tax basis | 333,217.07 | | 282,157.54 | | 7,587.39* | |
| Profit on sale of securities applicable to prior years | 167,521.22 | | | | | |
| Reserves for Federal and foreign income tax applicable to prior years not required—net | 57,633.34 | | | | | |
| Revaluation of current assets in Canada and Mexico on basis of exchange current at December 31st, 1933 | | | 109,007.68 | | | |
| Reserve for deferred payment under power contract in connection with curtailment of operations not now required—see note 1 | | | | | | |
| | 937,473.28 | | 4,163,042.79 | | 7,587.39* | |
| Net Credits or *Net Charges* to Surplus | | *10,699,930.17* | | 2,760,055.65 | | *2,673,871.79* |
| | | *37,593,178.43* | | *4,062,059.71* | | *713,778.04* |
| Minority share of Income or *Deficit* | | *41,154.42* | | 257.17 | | 33,387.87 |
| Net Increase or *Net Decrease* in Surplus | | *27,552,016.01* | | *4,062,316.88* | | *747,165.91* |
| Surplus at beginning of period | 69,792,680.09 | | 42,038,286.19 | | 37,960,880.74 | |
| Minority Interest—Surplus or *Deficit* | 179,117.71 | 69,613,562.38 | *23,260.18* | 42,061,546.37 | *38,348.75* | 37,999,229.49 |
| Surplus at end of period | 42,038,286.19 | | 37,960,880.74 | | 37,248,060.14 | |
| Minority Interest—*Deficit*, including adjustments for minority interest acquired during year | *23,260.18* | | *38,348.75* | | *4,003.44* | |
| Consolidated Surplus at end of period | | $42,061,546.37 | | $37,999,229.49 | | $37,252,063.58 |

*Denotes debit in a credit category.
***Italics denote loss, charges, or deficits.***

NOTE 1—An agreement with The Montana Power Company dated July 23rd, 1935 effective May 1st, 1935 was made under which Anaconda Copper Mining Company agreed to certain obligations, and to transfer certain property in settlement of any liability to The Montana Power Company for amounts claimed under previous contracts cover be used by Anaconda Copper Mining Company. This agreement has been given effect to in the Consolidated Balance Sheets and Surplus Accounts for June 30th, 19 amount of the accumulated reserve not required, $328,254.46, was credited to Surplus.

NOTE 2—Included in Consolidated Surplus are: (a) A credit of $21,909,539.72 arising from inclusion in Consolidated Balance Sheet of assets and liabilities of Andes Copper shown on its books (see Note G to General Consolidated Balance Sheet), (b) a credit of $1,519,565.66 arising from acquisition in 1930 of minority shares in San property and carried at their par value, said amount representing the excess of par value over acquisition cost, (c) a credit of $30,816,158.49, being the excess of the shares of stock of registrant over the par value thereof, and (d) a charge of $11,907,498.50, being discount and expense on issuance, and premium on redemption of bon by issuance of stock above referred to, which items (a), (c) and (d) are set forth in answer to item 45 of this registration statement.

# ANACONDA COPPER MINING COMPANY
## and 100% owned Subsidiary Companies

### SCHEDULE VII B—CONSOLIDATED SURPLUS ACCOUNT
### YEARS ENDED DECEMBER 31ST, 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH, 1935

| | Year 1932 | | Year 1933 | | Year 1934 | | Six months ended June 30th, 1935 | |
|---|---|---|---|---|---|---|---|---|
| Net Income or *Net Loss*—without deduction for depletion of metal mines. | | *$12,358,392.96* | | *$ 5,783,140.74* | | *$ 2,274,569.21* | | $ 4,153,832.45 |
| Charges to Surplus: | | | | | | | | |
| Inventory adjustment—see note C to Consolidated Profit and Loss Statement for 100% owned subsidiary companies | $ 5,667,639.03 | | | | | | | |
| Reserve for deferred payment under power contract in connection with curtailment of operations | 544,910.19 | | $ 772,473.44 | | $ 443,342.65 | | | |
| Sundry doubtful accounts, installment house and land sales, advances to sundry mining companies, including advances on ores, originating in prior years, reserved for or written off | 269,262.74 | | 156,200.00 | | 256,272.68 | | | |
| Development work on leased mining properties and other expenses incurred in prior years written off, the projects being abandoned or discontinued, etc. | | | 248,000.00 | | 166,533.36 | | | |
| Federal capital stock tax applicable to year 1933 | | | | | 58,563.50 | | | |
| Reserved for contingencies | 200,000.00 | | | | 50,000.00 | | | |
| Additional reserve for workmen's compensation insurance | | | 200,000.00 | | | | | |
| Additional Federal income taxes for years 1926, 1928 and 1929, and interest accrued thereon to June 30th, 1935 | | | | | | | $ 945,423.92 | |
| Adjustments through dissolution of subsidiaries arising on net write-down of assets transferred to registrant or to other subsidiaries whose accounts are consolidated in the Consolidated Balance Sheet | | | | | 1,489,382.48 | | | |
| Patent rights, expenses in connection therewith and experimental expenses of International Copperclad Co., a wholly owned subsidiary, written off on dissolution of company | | | | | | | 97,742.35 | |
| | 6,681,811.96 | | 1,376,673.44 | | 2,464,094.67 | | 1,043,166.27 | |
| Credits to Surplus: | | | | | | | | |
| Inventory adjustment—see note C to Consolidated Profit and Loss Statement for 100% owned subsidiary companies | | | 3,301,304.67 | | | | | |
| Adjustment of prior years' depreciation including amortization and obsolescence to conform with revised income tax basis | 333,217.07 | | 296,039.07 | | 7,587.39* | | | |
| Profit on sale of securities applicable to prior years | 167,521.22 | | | | | | | |
| Reserve for Federal income tax applicable to prior years not required | 19,573.65 | | 18,462.44 | | | | | |
| Revaluation of current assets in Canada on basis of exchange current at December 31st, 1933 | | | 83,527.81 | | | | | |
| Reserve for deferred payment under power contract in connection with curtailment of operations not now required—see note 1 | | | | | | | 328,254.46 | |
| | 520,311.94 | | 3,699,333.99 | | 7,587.39* | | 328,254.46 | |
| Net Credits or *Net Charges* to Surplus | | *6,161,500.02* | | 2,322,660.55 | | *2,471,682.06* | | *714,911.81* |
| Net Increase or *Net Decrease* in Surplus | | *18,519,892.98* | | *3,460,480.19* | | *4,746,251.27* | | 3,438,920.64 |
| Surplus at beginning of period | | 76,230,203.29 | | 57,710,310.31 | | 54,249,830.12 | | 49,503,578.85 |
| Surplus at end of period | | $57,710,310.31 | | $54,249,830.12 | | $49,503,578.85 | | $52,942,499.49 |

*Denotes debit in credit category.
*Italics denote loss or charges.*

NOTE 1—An agreement with The Montana Power Company dated July 23rd, 1935 effective May 1st, 1935 was made under which Anaconda Copper Mining Company agreed to make certain payments, to assume certain obligations, and to transfer certain property in settlement of any liability to The Montana Power Company for amounts claimed under previous contracts covering minimum quantities of power to be used by Anaconda Copper Mining Company. This agreement has been given effect to in the Consolidated Balance Sheets and Surplus Accounts for June 30th, 1935, and in connection therewith the amount of the accumulated reserve not required, $328,254.46, was credited to Surplus.

NOTE 2—Included in Surplus are: (a) A credit of $21,909,539.72 arising from inclusion in Consolidated Balance Sheet of assets and liabilities of Andes Copper Mining Company at the amounts shown on its books, (b) a credit of $20,816,158.49, being the excess of the proceeds of the issue of 3,109,598.54 shares of stock of registrant over the par value thereof, and (c) a charge of $11,907,498.50, being discount and expense on issuance and premium on redemption of bonds redeemed through funds obtained by issuance of stock above referred to, which items (b) and (c) are set forth in answer to item 45 of this registration statement.

## ANACONDA COPPER MINING COMPANY

**(Registrant only)**

### SCHEDULE VII C—SURPLUS ACCOUNT—SIX MONTHS ENDED JUNE 30TH, 1935

| | | |
|---|---|---|
| Net Income—without deduction for depletion of metal mines | | $ 2,418,011.47 |
| Charges to Surplus: | | |
| Additional Federal income taxes for years 1926, 1928 and 1929 and interest accrued thereon to June 30th, 1935 | $945,423.92 | |
| Credits to Surplus: | | |
| Reserve for deferred payment under power contract in connection with curtailment of operations not now required—see note A | 328,254.46 | |
| Net Charge to Surplus | | 617,169.46 |
| Net Increase in Surplus | | $ 1,800,842.01 |
| Surplus at beginning of period | | 37,837,690.56 |
| Surplus at end of period | | $39,638,532.57 |

NOTE A—An agreement with The Montana Power Company, dated July 23rd, 1935, effective May 1st, 1935, was made under which Anaconda Copper Mining Company agreed to make certain payments, to assume certain obligations, and to transfer certain property in settlement of any liability to The Montana Power Company for amounts claimed under previous contracts covering minimum quantities of power to be used by Anaconda Copper Mining Company. This agreement has been given effect to in the Balance Sheet and Surplus Account of the registrant for June 30th, 1935, and in connection therewith the amount of the accumulated reserve not required, $328,254.46, was credited to Surplus.

NOTE B—Included in surplus are: (a) A credit of $10,257,914.72, being the difference between the value of Andes Copper Mining Company stock at $25.00 per share (original par value), the basis on which said shares have been included in the general consolidated balance sheet since 1920, and the cost of such stock to registrant as shown by its books, (b) a credit of $20,816,158.49, being the excess of the proceeds of the issue of 3,109,598.54 shares of stock of registrant over the par value thereof, and (c) a charge of $11,907,498.50, being discount and expense on issuance and premium on redemption of bonds redeemed through funds obtained by issuance of stock above referred to, which items (b) and (c) are set forth in answer to item 45 of this registration statement.

## ANACONDA COPPER MINING COMPANY

### and Subsidiary Companies

### SCHEDULE VIII A—SUPPLEMENTARY PROFIT AND LOSS INFORMATION

### YEARS ENDED DECEMBER 31ST, 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH, 1935

| Col. A<br>Item | Col. B<br>Charged to Costs | Col. C<br>Charged to Profit and Loss | Col. D<br>Charged to Other Accounts | Col. E<br>Total |
|---|---|---|---|---|
| YEAR ENDED DECEMBER 31ST, 1932 | | | | |
| Maintenance and repairs............ | $ 4,581,750.89 | | $2,811.99 | $ 4,584,562.88 |
| Depreciation ...................... | | $ 4,310,282.25 | 333,217.07* | 3,977,065.18 |
| Depletion of coal mines, timber lands and phosphate deposits........... | | 19,746.90 | | 19,746.90 |
| Depletion of cupriferous material held for future treatment............. | | 5,230.46 | | 5,230.46 |
| Taxes (other than income taxes).... | 2,659,520.22 | | | 2,659,520.22 |
| Rents and royalties................ | 234,351.22 | | | 234,351.22 |
| YEAR ENDED DECEMBER 31ST, 1933 | | | | |
| Maintenance and repairs............ | $ 5,206,047.05 | | $ 23,561.52 | $ 5,229,608.57 |
| Depreciation ...................... | | $ 5,146,204.56 | 282,157.54* | 4,864,047.02 |
| Depletion of coal mines, timber lands and phosphate deposits........... | | 22,475.33 | | 22,475.33 |
| Taxes (other than income taxes).... | 2,463,385.86 | | | 2,463,385.86 |
| Rents and royalties................ | 244,747.80 | | | 244,747.80 |
| YEAR ENDED DECEMBER 31ST, 1934 | | | | |
| Maintenance and repairs............ | $ 6,244,179.43 | | $ 241,991.40 | $ 6,486,170.83 |
| Depreciation ...................... | | $ 6,103,265.37 | 7,587.39 | 6,110,852.76 |
| Depletion of coal mines, timber lands and phosphate deposits........... | | 36,246.41 | | 36,246.41 |
| Taxes (other than income taxes).... | 2,705,438.05 | | 95,567.50 | 2,801,005.55 |
| Rents and royalties................ | 180,138.34 | | | 180,138.34 |
| SIX MONTHS ENDED JUNE 30TH, 1935 | | | | |
| Maintenance and repairs............ | $ 4,665,010.19 | | $ 278,250.78 | $ 4,943,260.97 |
| Depreciation ...................... | | $ 3,874,488.56 | | 3,874,488.56 |
| Depletion of coal mines, timber lands and phosphate deposits........... | | 35,302.03 | | 35,302.03 |
| Taxes (other than income taxes).... | 1,377,936.48 | | | 1,377,936.48 |
| Rents and royalties................ | 117,835.97 | | | 117,835.97 |

*Denotes credit in debit category.

NOTE—The items as shown above contain all charges of a material amount falling under the different classifications. An analysis of the Operating Accounts has been made with a view to segregating all items of a material amount falling under these classifications.

## ANACONDA COPPER MINING COMPANY

and 100% owned Subsidiary Companies

### SCHEDULE VIII B—SUPPLEMENTARY PROFIT AND LOSS INFORMATION

YEARS ENDED DECEMBER 31ST, 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH, 1935

| Col. A | Col. B | Col. C | Col. D | Col. E |
|---|---|---|---|---|
| Item | Charged to Costs | Charged to Profit and Loss | Charged to Other Accounts | Total |
| YEAR ENDED DECEMBER 31ST, 1932 | | | | |
| Maintenance and repairs.......... | $ 3,563,645.39 | | $ 30,854.38* | $ 3,532,791.01 |
| Depreciation ...................... | | $ 2,132,661.76 | 333,217.07* | 1,799,444.69 |
| Depletion of coal mines, timber lands and phosphate deposits........... | | 19,746.90 | | 19,746.90 |
| Depletion of cupriferous material held for future treatment............ | | 5,230.46 | | 5,230.46 |
| Taxes (other than income taxes).... | 2,219,824.48 | | | 2,219,824.48 |
| Rents and royalties................ | 156,393.36 | | | 156,393.36 |
| YEAR ENDED DECEMBER 31ST, 1933 | | | | |
| Maintenance and repairs.......... | $ 4,255,469.51 | | $ 19,634.11* | $ 4,235,835.40 |
| Depreciation ...................... | | $ 2,459,141.53 | 296,039.07* | 2,163,102.46 |
| Depletion of coal mines, timber lands and phosphate deposits........... | | 22,475.33 | | 22,475.33 |
| Taxes (other than income taxes).... | 1,980,763.91 | | | 1,980,763.91 |
| Rents and royalties................ | 173,536.77 | | | 173,536.77 |
| YEAR ENDED DECEMBER 31ST, 1934 | | | | |
| Maintenance and repairs.......... | $ 4,866,880.14 | | $ 66,808.18* | $ 4,800,071.96 |
| Depreciation ...................... | | $ 2,951,585.88 | 7,587.39 | 2,959,173.27 |
| Depletion of coal mines, timber lands and phosphate deposits........... | | 36,246.41 | | 36,246.41 |
| Taxes (other than income taxes).... | 2,051,353.84 | | 58,563.50 | 2,109,917.34 |
| Rents and royalties................ | 111,929.65 | | | 111,929.65 |
| SIX MONTHS ENDED JUNE 30TH, 1935 | | | | |
| Maintenance and repairs.......... | $ 3,716,787.39 | | $ 5,355.68* | $ 3,711,431.71 |
| Depreciation ...................... | | $ 1,769,997.27 | | 1,769,997.27 |
| Depletion of coal mines, timber lands and phosphate deposits........... | | 35,302.03 | | 35,302.03 |
| Taxes (other than income taxes).... | 1,076,785.88 | | | 1,076,785.88 |
| Rents and royalties................ | 86,494.73 | | | 86,494.73 |

*Denotes credit in debit category.

NOTE—The items as shown above contain all charges of a material amount falling under the different classifications. An analysis of the Operating Accounts has been made with a view to segregating all items of a material amount falling under these classifications.

## ANACONDA COPPER MINING COMPANY
### and Subsidiary Companies

### SCHEDULE IX A—INCOME FROM DIVIDENDS

### YEARS ENDED DECEMBER 31ST, 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH, 1935

| Col. A | Col. B |
|---|---|
| | Amount of dividends |
| **Year ended December 31st, 1932** | |
| Marketable securities | $ 1,250.00 |
| Other investments | 67,676.40 |
| | $68,926.40 |
| **Year ended December 31st, 1933** | |
| Marketable securities | $ 650.00 |
| Other investments | 53,454.35 |
| | $54,104.35 |
| **Year ended December 31st, 1934** | |
| Marketable securities | $ 1,100.00 |
| Other investments | 31,164.09 |
| | $32,264.09 |
| **Six months ended June 30th, 1935** | |
| Marketable securities | $ 691.70 |
| Other investments | 11,841.00 |
| | $12,532.70 |

## ANACONDA COPPER MINING COMPANY

and 100% owned Subsidiary Companies

SCHEDULE IX B—INCOME FROM DIVIDENDS

YEARS ENDED DECEMBER 31ST, 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH, 1935

| Col. A<br>Title of Issue and Name of Issuer | Col. B<br>Cash dividends received—per Profit and Loss Statement | Col. C<br>Amount of Equity of registrant in affiliates' earnings |
|---|---|---|
| **Year Ended December 31st, 1932** | | |
| Capital Stock of Butte Water Co. | $ 178,902.00 | $ 130,940.20 |
| Marketable securities | 1,250.00 | |
| Other investments | 63,559.00 | |
| | $ 243,711.00 | |
| **Year Ended December 31st, 1933** | | |
| Capital Stock of Butte Water Co. | $ 149,141.25 | $ 102,960.39 |
| Marketable securities | 650.00 | |
| Other investments | 48,650.00 | |
| | $ 198,441.25 | |
| **Year Ended December 31st, 1934** | | |
| Capital Stock of Butte Water Co. | $ 149,141.25 | $ 56,988.26 |
| Marketable securities | 1,100.00 | |
| Other investments | 19,500.00 | |
| | $ 169,741.25 | |
| **Six Months Ended June 30th, 1935** | | |
| Capital Stock of Butte Water Co. | $ 74,574.37 | $ 50,047.49 |
| Capital Stock of Greene Cananea Copper Co. | 1,229,305.00 | 3,237,099.21* |
| Marketable securities | 691.70 | |
| Other investments | 7,725.00 | |
| | $1,312,296.07 | |

*This amount is registrant's equity in earnings of Greene Cananea Copper Company and its subsidiary for entire period covered by this schedule.

## ANACONDA COPPER MINING COMPANY

### SCHEDULE X—FUNDED DEBT OF REGISTRANT AND SUBSIDIARY COMPANIES—CONSOLIDATED

JUNE 30TH, 1935

| Col. A | Col. B | Col. C | Col. D | Col. E | Col. F |
|---|---|---|---|---|---|
| Name of Issuer | Title of Issue | Amount authorized by Indenture | Amount outstanding exclusive of amount held in treasuries of Registrant and Consolidated Subsidiaries | Amount outstanding as per Consolidated Balance Sheet | Amount in tr… of Registra… Consolid… Subsidiar… |
| Chile Copper Company | 20 year 5% Gold Debentures due 1947 | $35,000,000.00 | $26,845,000.00 | $28,982,000.00* | $2,137,0… |
| Butte, Anaconda & Pacific Railway Company | First Mortgage 5% Sinking Fund Gold Bonds, due 1944 | 5,000,000.00 | 1,536,000.00 | 1,621,000.00* | 85,0… |

*Including amounts held in treasuries of registrant and consolidated subsidiaries, shown in Col. F.

## ANACONDA COPPER MINING COMPANY

### SCHEDULE XI—INDEBTEDNESS OF SUBSIDIARIES
### JUNE 30TH, 1935

Consolidated Balance Sheet of
Registrant and Subsidiary Companies

Indebtedness of Subsidiaries—not current:
Subsidiaries whose accounts are not consolidated:

| | |
|---|---|
| The Pelleyre Mining & Milling Co. | $ 261,559.20 |
| Park Premier Mining Co. | 216,134.18 |
| Mountain City Copper Co. | 144,229.19 |
| Park Konold Mines Corp'n. | 125,239.33 |
| Park Nelson Mining Co. | 28,229.70 |
| | $ 775,391.60 |
| Four other subsidiaries | 14,986.93 |
| | $ 790,378.53 |

Consolidated Balance Sheet of
Registrant and 100% owned Subsidiary Companies

Indebtedness of Subsidiaries—not current:
Subsidiaries less than 100% owned or with outstanding long term or funded debt whose accounts are consolidated in the general Consolidated Balance Sheet:

| | |
|---|---|
| Andes Copper Mining Co. | $ 1,801,331.38 |
| Butte, Anaconda & Pacific Railway Co. | 1,542,550.51 |
| Santiago Mining Co. | 385,837.19 |
| Southern Development Co. | 80,735.02 |
| Three other subsidiaries | 8,585.20 |
| | $ 3,819,039.30 |

Indebtedness of Subsidiaries—not current:
Subsidiaries whose accounts are not consolidated in this or the general Consolidated Balance Sheet:

| | |
|---|---|
| As detailed above | $ 775,391.60 |
| Four other subsidiaries | 14,956.78 |
| | $ 790,348.38 |

Balance Sheet of Registrant only

Indebtedness of Subsidiaries—current:
Subsidiaries whose accounts are consolidated in the general Consolidated Balance Sheet:

| | |
|---|---|
| Montana Hardware Co. | $ 340,635.27 |
| International Smelting & Refining Co. | 23,858.12 |
| Three other subsidiaries | 11,751.68 |
| | $ 376,245.07 |

Indebtedness of Subsidiaries—not current:
Subsidiaries whose accounts are consolidated in the general Consolidated Balance Sheet:

| | |
|---|---|
| Mines Investment Corp'n. | $ 6,594,614.73 |
| Andes Exploration Co. of Maine | 2,815,560.80 |
| Andes Copper Mining Co. | 1,800,896.68 |
| Butte, Anaconda & Pacific Railway Co. | 1,542,390.91 |
| Butte Electric Railway Co. | 489,680.93 |
| Deer Lodge Valley Farms Co. | 254,322.64 |
| Santiago Mining Co. | 246,805.01 |
| Blackfoot Land Development Co. | 107,529.57 |
| Southern Development Co. | 80,735.02 |
| Western Hotel Co. | 39,677.54 |
| Three other subsidiaries | 8,585.20 |
| | $13,980,799.03 |

## ANACONDA WIRE AND CABLE COMPANY
### and Subsidiary Companies

### CONSOLIDATED BALANCE SHEET—JUNE 30th, 1935

See notes A to G, page 113 following.

### ASSETS

| | | | |
|---|---|---|---|
| **Current Assets:** | | | |
| Cash on hand and in banks | | $ 980,365.94 | |
| Marketable Securities—at cost (market value $840.84) | | 858.00 | |
| Accounts and Notes Receivable—Trade | $ 1,908,280.98 | | |
| Less Reserve for Doubtful Notes and Accounts—schedule VI | 254,160.89 | 1,654,120.09 | |
| Metals and Manufactured Products, Finished and In Process—see note B | | 4,187,138.24 | |
| Supplies on hand—see note C | | 234,379.77 | |
| Other Current Assets: | | | |
| Indebtedness of Officers and Employees | 63,876.32 | | |
| Indebtedness of Affiliates—schedule XI | 274,829.37 | 338,705.69 | $ 7,395,567.73 |
| **Investments:** | | | |
| Security Investments—see note D | | 70,438.64 | |
| Real Estate—Land and Buildings | 61,842.01 | | |
| Less Reserve for Depreciation—schedule III | 6,197.34 | 55,644.67 | 126,083.31 |
| **Property, Plant and Equipment**—see note E: | | | |
| Land—schedule II | | 1,423,475.07 | |
| Buildings, Machinery, Equipment, Reels, Spools, Cases and Diamond Dies—schedule II | 14,763,330.18 | | |
| Less Reserve for Depreciation—schedule III | 3,867,070.13 | 10,896,260.05 | 12,319,735.12 |
| **Intangible Assets:** | | | |
| Patents, Processes, etc.—schedule IV | | 14,514.31 | |
| Less Reserve for Depreciation—schedule V | | 4,153.28 | 10,361.03 |
| **Deferred Charges:** | | | |
| Prepaid Expenses | | 46,383.54 | |
| Other Deferred Charges—see note F | | 249,164.78 | 295,548.32 |
| | | | $20,147,295.51 |

### LIABILITIES, CAPITAL STOCK AND SURPLUS

| | | | |
|---|---|---|---|
| **Current Liabilities:** | | | |
| Accounts Payable—Trade: | | | |
| Reels, Spools and Cases returnable by customers | $480,945.63 | | |
| Other | 228,294.64 | $ 709,240.27 | |
| Wages Payable | | 54,119.74 | |
| Accrued Taxes | | 235,393.06 | |
| Other Accrued Liabilities | | 68,566.85 | |
| Indebtedness to Affiliates | | 49,601.75 | $ 1,116,921.67 |
| **Mortgage Payable** | | | 12,000.00 |
| **Capital Stock and Surplus:** | | | |
| Capital Stock: | | | |
| Authorized—1,000,000 shares without par value | | | |
| Issued | 422,470 shares | | |
| Held in Treasury | 489 shares | | |
| Outstanding | 421,981 shares | 20,249,776.44 | |
| Deficit—schedule VII—see note G | | 1,231,402.60 | 19,018,373.84 |
| | | | $20,147,295.51 |

# ANACONDA WIRE AND CABLE COMPANY

## and Subsidiary Companies

### NOTES TO CONSOLIDATED BALANCE SHEET

*Note A*—Principles Applying in Consolidation

The consolidated accounts include the parent and subsidiary companies 100% of the voting stock of which is owned by parent. There are no subsidiaries of which less than 100% of the voting stock is owned by the parent.

*Note B*—Metals and Manufactured Products Finished and in Process

Raw materials, Goods in Process, and Finished Products on hand are valued at cost except in the case of copper held as normal stock which is valued at a fixed price which has been in effect for the past three years and which is below current market. This method of valuation at June 30th, 1935 resulted in a total valuation of the inventory which was under market prices at that date.

*Note C*—Supplies on Hand

Supplies on hand are valued at cost.

*Note D*—Investments—Basis of Valuation

Investments are shown at cost.

*Note E*—Property, Plant and Equipment—Basis of Valuation

Land, Buildings, Machinery and Equipment acquired for stock of Anaconda Wire and Cable Company are carried at valuations fixed at time of acquisition and subsequent additions acquired for cash are carried at cash cost.

*Note F*—Deferred Charges

Deferred Charges represent expenditures in connection with Buildings, Machinery and Equipment for the benefit of future operations and are being written off at fixed rates per annum.

*Note G*—Federal Income Taxes

The Federal income tax returns of Anaconda Wire and Cable Company and subsidiaries have been audited to and including the calendar year 1931, and all taxes assessed for that and prior years have been paid; the returns for subsequent years have not been audited.

## ANACONDA WIRE AND CABLE COMPANY
### and Subsidiary Companies

### CONSOLIDATED PROFIT AND LOSS STATEMENT
### YEARS ENDED DECEMBER 31ST 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH 193

| | Year 1932 | | Year 1933 | | Year 1934 | | |
|---|---|---|---|---|---|---|---|
| Sales | | $9,133,156.69 | | $12,190,301.15 | | $18,014,890.38 | |
| Cost of Sales: | | | | | | | |
| Raw Materials, Goods in Process and Finished Products on hand at January 1st—at cost or below | $5,911,763.33 | | $5,002,962.59 | | $3,632,561.21 | | $4 |
| Less Provision for reducing normal stocks to market | | | 1,358,573.10 | | | | |
| | | | 3,644,389.49 | | | | |
| Manufacturing expenses, including metals purchased | 7,711,711.23 | | 10,782,001.92 | | 16,016,157.36 | | 9 |
| | 13,623,474.56 | | 14,426,391.41 | | 19,648,718.57 | | 14 |
| Raw Materials, Goods in Process and Finished Products on hand at end of period—at cost or below | 5,002,962.59 | 8,620,511.97 | 3,632,561.21 | 10,793,830.20 | 4,298,952.30 | 15,349,766.27 | 4 |
| Profit on manufacturing operations | | $ 512,644.72 | | $1,396,470.95 | | $2,665,124.11 | |
| Other Income | | 2,859.30 | | 3,303.45 | | 3,367.42 | |
| Interest Received—net | | 23,767.12 | | 37,111.41 | | 48,492.14 | |
| Total Income | | 539,271.14 | | 1,436,885.81 | | 2,716,983.67 | |
| Selling and Administrative Expenses | $ 859,176.53 | | $ 821,069.34 | | $ 939,141.30 | | $ |
| Provision for Doubtful Accounts | 11,068.94 | 870,245.47 | 106,434.02 | 927,503.36 | 129,940.85 | 1,069,082.15 | |
| Income or *Loss* | | *330,974.33* | | 509,382.45 | | 1,647,901.52 | |
| Depreciation and Obsolescence charged off during period | | 714,135.93 | | 723,254.72 | | 665,224.97 | |
| Income or *Loss* of period before provision for Income Taxes | | *1,045,110.26* | | *213,872.27* | | 982,676.55 | |
| Federal Income Tax | | | | | | 160,875.00 | |
| Net Income or *Net Loss* | | *$1,045,110.26* | | *$ 213,872.27* | | $ 821,801.55 | |

*Italics denote loss.*

# ANACONDA WIRE AND CABLE COMPANY

## and Subsidiary Companies

### SCHEDULE II—PROPERTY, PLANT AND EQUIPMENT

| Col. A | Col. B | Col. C | Col. D | Col. E | Col. F |
|---|---|---|---|---|---|
| | Balance at beginning of period | Additions during period | Retirements and Sales during period | Other deductions | Balance at end of period |
| **Calendar Year 1932** | | | | | |
| Land ................. | $ 1,424,687.43 | 1,275.09 | | | 1,425,962.52 |
| Buildings, Machinery, Equipment, Reels, Spools, Cases and Diamond Dies ...... | 14,813,634.04 | 407,423.18 | 361,534.58 | 38,523.10 (1) | 14,820,999.54 |
| **Calendar Year 1933** | | | | | |
| Land ................. | $ 1,425,962.52 | 170.85 | | | 1,426,133.37 |
| Buildings, Machinery, Equipment, Reels, Spools, Cases and Diamond Dies ...... | 14,820,999.54 | 280,495.30 | 337,110.53 | 8,084.23*(1) | 14,772,468.54 |
| **Calendar Year 1934** | | | | | |
| Land ................. | $ 1,426,133.37 | 170.85 | | 3,000.00 (2) | 1,423,304.22 |
| Buildings, Machinery, Equipment, Reels, Spools, Cases and Diamond Dies ...... | 14,772,468.54 | 438,964.99 | 487,221.85 | 7,894.03 (1)<br>14,875.00 (2)<br>20,664.00 (3) | 14,680,778.65 |
| **Six months ended June 30th, 1935** | | | | | |
| Land ................. | $ 1,423,304.22 | 170.85 | | | 1,423,475.07 |
| Buildings, Machinery, Equipment, Reels, Spools, Cases and Diamond Dies ...... | 14,680,778.65 | 242,392.23 | 139,922.49 | 19,918.21 (1) | 14,763,330.18 |

*Denotes debit in a credit category.

NOTE—(1) Net increase in Reserve against Reels Spools and Cases.

(2) Real Estate held for sale now classified under "Investments".

(3) Diamond die adjustment written off to deferred charges. This item will be extinguished in 1935.

# ANACONDA WIRE AND CABLE COMPANY

## and Subsidiary Companies

### SCHEDULE III—RESERVE FOR DEPRECIATION

| Col. A | Col. B | Col. C | Col. E | | Col. F |
|---|---|---|---|---|---|
| | | Additions to Reserve charged to Income during period | Charges to Reserve | | |
| | Balance at beginning of period | | Retirements and Renewals during period | Other deductions | Balance at end of period |
| **Calendar Year 1932** | | | | | |
| Buildings, Machinery, Equipment, etc....... | $1,672,780.86 | $714,135.93 | $38,836.33 | | $2,348,080.46 |
| **Calendar Year 1933** | | | | | |
| Buildings, Machinery, Equipment, etc....... | $2,348,080.46 | $723,254.72 | $44,276.45 | | $3,027,058.73 |
| **Calendar Year 1934** | | | | | |
| Buildings, Machinery, Equipment, etc....... | $3,022,858.20 | $663,894.13 | $79,515.60 | $44,057.73(2) | $3,563,179.00 |
| Real Estate—Buildings (carried under Investments in Balance Sheet) .............. | 4,200.53 | 1,330.84 | | | 5,531.37 |
| | $3,027,058.73 | $665,224.97 | $79,515.60 | $44,057.73 | $3,568,710.37 |
| **Six months ended June 30th, 1935** | | | | | |
| Buildings, Machinery, Equipment, etc....... | $3,563,179.00 | $333,687.68 | $29,796.55 | | $3,867,070.13 |
| Real Estate—Buildings (carried under Investments in Balance Sheet) .............. | 5,531.37 | 665.97 | | | 6,197.34 |
| | $3,568,710.37 | $334,353.65 | $29,796.55 | | $3,873,267.47 |

NOTE 1—The provisions for depreciation of buildings, machinery and equipment are determined on a straight line method by grouping facilities of like character in a plant and applying thereto percentage rates based upon the estimated life of the facilities included in each group.

NOTE 2—This amount ($44,057.73) represents a transfer from deferred charges to reserve for depreciation.

## ANACONDA WIRE AND CABLE COMPANY

and Subsidiary Companies

### SCHEDULE IV—INTANGIBLE ASSETS

| Col. A | Col. B | Col. C | Col. D | Col. F |
|---|---|---|---|---|
| | Balance at beginning of period | Additions during period | Deductions during period | Balance at end of period |
| **Calendar Year 1932** | | | | |
| Patents and Processes .................. | $ 208,826.41 | $ 5,000.00 | $ 421.00(1) | $ 213,405.41 |
| Trade Marks and Good Will............ | 10.00 | | | 10.00 |
| | $ 208,836.41 | $ 5,000.00 | $ 421.00 | $ 213,415.41 |
| **Calendar Year 1933** | | | | |
| Patents and Processes .................. | $ 213,405.41 | | | $ 213,405.41 |
| Trade Marks and Good Will............ | 10.00 | | | 10.00 |
| | $ 213,415.41 | | | $ 213,415.41 |
| **Calendar Year 1934** | | | | |
| Patents and Processes .................. | $ 213,405.41 | $ 1,098.90 | $ 200,000.00(2) | $ 14,504.31 |
| Trade Marks and Good Will............ | 10.00 | | | 10.00 |
| | $ 213,415.41 | $ 1,098.90 | $ 200,000.00 | $ 14,514.31 |
| **Six months ended June 30th, 1935** | | | | |
| Patents and Processes .................. | $ 14,504.31 | | | $ 14,504.31 |
| Trade Marks and Good Will............ | 10.00 | | | 10.00 |
| | $ 14,514.31 | | | $ 14,514.31 |

NOTE 1—Charged to Income.

NOTE 2—Fully depreciated patents charged to Reserve for Depreciation—Patents.

## ANACONDA WIRE AND CABLE COMPANY

and Subsidiary Companies

### SCHEDULE V—RESERVE FOR DEPRECIATION AND/OR AMORTIZATION OF INTANGIBLE ASSETS

| Col. A | Col. B | Col. C | Col. E | Col. F |
|---|---|---|---|---|
| | Balance at beginning of period | Additions to Reserve charged to Income during period | Charges to Reserve during period—Patents fully depreciated | Balance at end of period |
| **Calendar Year 1932** | | | | |
| Patents and Processes .................. | $ 164,852.04 | $ 12,862.52 | | $ 177,714.56 |
| **Calendar Year 1933** | | | | |
| Patents and Processes .................. | $ 177,714.56 | $ 12,869.40 | | $ 190,583.96 |
| **Calendar Year 1934** | | | | |
| Patents and Processes .................. | $ 190,583.96 | $ 12,954.74 | $ 200,000.00 | $ 3,538.70 |
| **Six months ended June 30th, 1935** | | | | |
| Patents and Processes .................. | $ 3,538.70 | $ 614.58 | | $ 4,153.28 |

## ANACONDA WIRE AND CABLE COMPANY

### and Subsidiary Companies

### SCHEDULE VI—RESERVES

| Col. A | Col. B | Col. C | | Col. D | | Col. E |
|---|---|---|---|---|---|---|
| | | Additions during period | | Deductions during period | | |
| | Balance at beginning of period | Charged Income | Charged Surplus | Credited Surplus | Write-offs, less recoveries | Balance at end of period |
| **Calendar Year 1932** | | | | | | |
| Reserve for Doubtful Notes and Accounts.. | $ 47,590.21 | $ 11,068.94 | $ 125,000.00 | | $ 14,333.82 | $ 169,325.33 |
| **Calendar Year 1933** | | | | | | |
| Reserve for Doubtful Notes and Accounts.. | $ 169,325.33 | $ 106,434.02 | | | $ 19,687.28 | $ 256,072.07 |
| **Calendar Year 1934** | | | | | | |
| Reserve for Doubtful Notes and Accounts.. | $ 256,072.07 | $ 129,940.85 | | $ 100,000.00 | $ 66,811.95 | $ 219,200.97 |
| **Six months ended June 30th, 1935** | | | | | | |
| Reserve for Doubtful Notes and Accounts.. | $ 219,200.97 | $ 33,972.51 | | | $ 987.41* | $ 254,160.89 |

*Credit in a debit category.

## ANACONDA WIRE AND CABLE COMPANY

### and Subsidiary Companies

### SCHEDULE VII—CONSOLIDATED SURPLUS ACCOUNT

**YEARS ENDED DECEMBER 31ST 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH 1935**

| | | Year 1932 | Year 1933 | Year 1934 | Six months ended June 30th, 1935 |
|---|---|---|---|---|---|
| Balance at beginning of period (deficit) | | $ 830,250.66 | $2,385,360.92 | $2,599,233.19 | $1,702,846.48 |
| Net Income or *Net Loss* of the period | | *1,045,110.26* | *213,872.27* | 821,801.55 | 471,443.88 |
| | | $1,875,360.92 | $2,599,233.19 | $1,777,431.64 | $1,231,402.60 |
| Additions to Surplus: | | | | | |
| Reserve for Contingencies in excess of requirements returned to Surplus (Doubtful Notes and Accounts) ...................... | | | | 100,000.00 | |
| | | | | $1,677,431.64 | |
| Charges to Surplus: | | | | | |
| Provision for reducing normal stocks to market (see Note B to Consolidated Balance Sheet of Anaconda Wire and Cable Company) ..... | $385,000.00 | | | | |
| Establishment of Reserve for Contingencies (Doubtful Notes and Accounts) ..... | 125,000.00 | 510,000.00 | | | |
| Payment in settlement of prior years' Federal Income Taxes... | | | | 25,414.84 | |
| Balance at close of period (deficit).. | | $2,385,360.92 | $2,599,233.19 | $1,702,846.48 | $1,231,402.60 |

*Italics denote loss.*

## ANACONDA WIRE AND CABLE COMPANY

### and Subsidiary Companies

### SCHEDULE VIII—SUPPLEMENTARY PROFIT AND LOSS INFORMATION

| Col. A | Col. B | Col. C | Col. D | | Col. E |
|---|---|---|---|---|---|
| | | | Charged to Other Accounts | | |
| Item | Charged to Costs | Charged to Profit and Loss | Selling and Administrative Expenses | Other Income | Total |
| **Year ended December 31st, 1932** | | | | | |
| Maintenance and Repairs ................ | $311,079.01 | | | | $ 311,079.01 |
| Depreciation .......... | | $714,135.93 | | | 714,135.93 |
| Deferred Charges written off .............. | 46,543.78 | | | | 46,543.78 |
| Taxes (other than Federal Income Taxes).. | 152,222.24 | | $ 6,398.85 | $ 601.16 | 159,222.25 |
| Rents ................ | 2,579.56 | | 73,941.64 | | 76,521.20 |
| Royalties ............. | 14,683.74 | | | | 14,683.74 |
| **Year ended December 31st, 1933** | | | | | |
| Maintenance and Repairs ................ | $285,207.97 | | | | $ 285,207.97 |
| Depreciation .......... | | $723,254.72 | | | 723,254.72 |
| Deferred Charges written off .............. | 46,859.79 | | | | 46,859.79 |
| Taxes (other than Federal Income Taxes).. | 149,252.20 | | $12,490.39 | $ 678.42 | 162,421.01 |
| Rents ................ | 1,421.86 | | 69,247.02 | | 70,668.88 |
| Royalties ............. | 16,013.24 | | | | 16,013.24 |
| **Year ended December 31st, 1934** | | | | | |
| Maintenance and Repairs ................ | $517,783.84 | | | | $ 517,783.84 |
| Depreciation .......... | | $665,224.97 | | | 665,224.97 |
| Deferred Charges written off .............. | 50,709.08 | | | | 50,709.08 |
| Taxes (other than Federal Income Taxes).. | 153,110.52 | | $29,564.92 | $1,015.31 | 183,690.75 |
| Rents ................ | 1,917.44 | | 69,514.49 | | 71,431.93 |
| Royalties ............. | 28,770.85 | | | | 28,770.85 |
| **Six months ended June 30th, 1935** | | | | | |
| Maintenance and Repairs ................ | $273,757.76 | | | | $ 273,757.76 |
| Depreciation .......... | | $334,353.65 | | | 334,353.65 |
| Deferred Charges written off .............. | 21,607.24 | | | | 21,607.24 |
| Taxes (other than Federal Income Taxes).. | 70,846.07 | | $11,762.37 | $ 598.41 | 83,206.85 |
| Rents ................ | 929.03 | | 33,545.15 | | 34,474.18 |
| Royalties ............. | 16,071.81 | | | | 16,071.81 |

NOTE—The items as shown above contain all charges of a material amount falling under the different classifications. An analysis of the Operating Accounts has been made with a view to segregating all items of a material amount falling under these classifications.

# ANACONDA WIRE AND CABLE COMPANY

## and Subsidiary Companies

### SCHEDULE XI—INDEBTEDNESS OF AFFILIATES
### JUNE 30TH, 1935

| | |
|---|---|
| *Indebtedness of Affiliates—Current:* | |
| Anaconda Sales Co. | $ 250,361.33 |
| Six other affiliated companies | 24,468.04 |
| | $ 274,829.37 |

# MOUNTAIN CITY COPPER COMPANY

## BALANCE SHEET—JUNE 30TH, 1935

### ASSETS

| | | |
|---|---|---|
| CURRENT ASSETS: | | |
| Cash on hand and in banks | $ 1,631.91 | |
| Accounts Receivable | 1,995.13 | |
| Supplies, including construction material—at cost | 36,521.81 | $40,148.85 |
| INVESTMENTS—at cost | | 190.00 |
| PROPERTY, PLANT AND EQUIPMENT—schedule II—see note A: | | |
| Mines, Mining Claims and Development | 649,248.69 | |
| Buildings and Machinery | 145,874.35 | 795,123.04 |
| DEFERRED CHARGES: | | |
| Prepaid Expenses | 1,405.39 | |
| Advance on Pole Construction | 41,413.73 | |
| Organization Expense | 645.80 | 43,464.92 |
| | | $878,926.81 |

### LIABILITIES, CAPITAL STOCK AND SURPLUS

| | | | |
|---|---|---|---|
| CURRENT LIABILITIES: | | | |
| Notes Payable to International Smelting & Refining Co.: | | | |
| Face of note | $139,012.38 | | |
| Interest accrued | 5,110.45 | $144,122.83 | |
| Accounts Payable—Trade | | 5,004.56 | |
| Wages Payable | | 1,887.44 | |
| Accrued Taxes | | 3,772.00 | |
| Indebtedness to Affiliates | | 75.98 | $154,862.81 |
| CAPITAL STOCK AND SURPLUS: | | | |
| Capital Stock: | | | |
| Authorized—5,000,000 shares of 5 cents par value each | | | |
| Issued .......... 2,506,307 shares | 125,315.35 | | |
| Less Held in Treasury.. 134,880 shares | 6,744.00 | | |
| Outstanding .......... 2,371,427 shares | | 118,571.35 | |
| Surplus—schedule VII: | | | |
| Premium on Capital Stock issued | 480,991.65 | | |
| Gain on sale of Treasury Stock | 24,501.00 | | |
| Donated Working Capital | 100,000.00 | 605,492.65 | 724,064.00 |
| | | | $878,926.81 |

## MOUNTAIN CITY COPPER COMPANY

### NOTES TO BALANCE SHEET

*Note A*—Property, Plant and Equipment—Basis of Valuation

Mines, mining claims, development, plant and equipment are carried as follows:

(a) In the case of mines and mining claims acquired from International Smelting Company (now International Smelting and Refining Company) the par value of the Capital Stock issued therefor, $100,000.00.

(b) Total net assets of Rio Tinto Copper Company, carried by that company at $117,712.00 (including mines and mining claims of $112,686.84), were acquired by Mountain City Copper Company for treasury stock having a par value of $93,211.00 and are carried on the books of Mountain City Copper Company at the book values shown by the books of Rio Tinto Copper Company at the time of such acquisition, surplus being credited with the difference, *i.e.* $24,501.

(c) Mines and mining claims were acquired in 1934 for $95,000—$47,500 in capital stock of the Company at $1.00 per share and $47,500 in cash.

All other assets are carried at cash cost.

## MOUNTAIN CITY COPPER COMPANY

### STATEMENT OF RECEIPTS AND DISBURSEMENTS

### SEPTEMBER 23RD, 1932 (DATE OF ORGANIZATION OF COMPANY) TO JUNE 30TH, 1935

(In lieu of Profit and Loss Statement)

| | September 23rd to December 31st, 1932 | Year 1933 | Year 1934 | Six months ended June 30th, 1935 |
|---|---|---|---|---|
| Cash on hand and in banks—beginning of period | $ | $ 2,838.83 | $ 327.18 | $ 113.63 |
| **Receipts:** | | | | |
| Loans from International Smelting & Refining Co. | 49,203.90 | 285,851.82 | 99,396.86 | 44,725.97 |
| Sale of Capital Stock | | | 506,352.00 | |
| | 49,203.90 | 285,851.82 | 605,748.86 | 44,725.97 |
| **Disbursements:** | | | | |
| For Mines and Lands | 1,559.08 | 468.01 | 95,638.23 | 31.40 |
| Development | 21,654.15 | 101,832.37 | 137,505.61 | 52,529.27 |
| Buildings, Machinery and Equipment | 11,436.18 | 97,512.82 | 17,426.92 | 2,328.63 |
| Supplies and Construction Material | 14,447.98 | 45,738.18 | 20,748.60* | 11,508.35* |
| Loans—International Smelting & Refining Co. | | | 369,395.23 | |
| Advances on Construction of Power Line | | 41,413.73 | | |
| Other creditors less debtors (net) | 2,731.14* | 1,076.62 | 4,950.43 | 122.66 |
| Prepaid Expenses | 1.18* | 5.66* | 1,561.29 | 295.92* |
| Organization Expenses | | 327.40 | | |
| Water Rights | | | 233.30 | |
| | 46,365.07 | 288,363.47 | 605,962.41 | 43,207.69 |
| Cash on hand and in banks—end of period | $ 2,838.83 | $ 327.18 | $ 113.63 | $ 1,631.91 |

*Denotes debit in credit category.

# MOUNTAIN CITY COPPER COMPANY

## SCHEDULE II—PROPERTY, PLANT AND EQUIPMENT

| Col. A | | Col. B<br>Balance at beginning of period | | Col. C<br>Additions during period | Col. F<br>Balance at end of period |
|---|---|---|---|---|---|
| *From organization of company, September 23rd, 1932 to December 31st, 1932* | | | | | |
| Mines, Mining Claims and Development | (note 1) | $137,697.27 | (note 2) | $123,213.23 | $260,910.50 |
| Buildings and Machinery | (note 1) | 17,169.80 | | 11,436.18 | 28,605.98 |
| *Calendar Year 1933* | | | | | |
| Mines, Mining Claims and Development | | $260,910.50 | | $102,300.38 | $363,210.88 |
| Buildings and Machinery | | 28,605.98 | | 97,512.82 | 126,118.80 |
| *Calendar Year 1934* | | | | | |
| Mines, Mining Claims and Development | | $363,210.88 | (note 3) | $233,477.14 | $596,688.02 |
| Buildings and Machinery | | 126,118.80 | | 17,426.92 | 143,545.72 |
| *Six months ended June 30th, 1935* | | | | | |
| Mines, Mining Claims and Development | | $596,688.02 | | $52,560.67 | $649,248.69 |
| Buildings and Machinery | | 143,545.72 | | 2,328.63 | 145,874.35 |

Note 1—See Note A (b) to Balance Sheet.

Note 2—See Note A (a) to Balance Sheet for mining claims valued at $100,000.00 acquired from International Smelting Co. Remainder of year's additions are at cost.

Note 3—See Note A (c) to Balance Sheet.

## MOUNTAIN CITY COPPER COMPANY

### SCHEDULE VII—SURPLUS ACCOUNT—FROM ORGANIZATION OF COMPANY SEPTEMBER 23RD, 1932 TO JUNE 30TH, 1935

| | Premium on Capital Stock issued | Gain on sale of Treasury Stock | Donated Working Capital |
|---|---|---|---|
| 1932 September 23rd—Balances | None | None | None |
| 1932 September to December —Original issue of 2,000,000 shares issued for property and donated back to the company — 2,000,000 shares at 5¢ | | | $100,000.00 |
| —Excess of value of assets acquired from Rio Tinto Copper Company (according to books of said company) over par value of 1,864,220 shares of stock issued therefor | | $24,501.00 | |
| 1932 December 31st —Balances | | 24,501.00 | 100,000.00 |
| 1934 April and May—Unissued stock sold at $1.00 per share and the premium credited to Surplus, 458,807 shares at 95¢ premium per share | $435,866.65 | | |
| July —Unissued stock issued together with $47,500.00 cash for Mines and Mining Claims at an agreed value of $95,000.00 and premium on stock credited to Surplus, 47,500 shares at 95¢ per share | 45,125.00 | | |
| 1935 June 30th —Balances | $480,991.65 | $24,501.00 | $100,000.00 |

## WALKER MINING COMPANY

### BALANCE SHEET—JUNE 30TH, 1935

### ASSETS

| | | | |
|---|---|---|---|
| **Current Assets:** | | | |
| Cash on hand and in banks | | $40,620.55 | |
| Accounts Receivable | | 2,055.83 | |
| Ores and Concentrates on hand—at cost | | 268,784.63 | |
| Supplies on hand—at cost | | 147,171.40 | $458,632.41 |
| **Property, Plant and Equipment:** | | | |
| Mines, Mining Claims and Development—schedule II (see note) | | $1,323,236.31 | |
| Buildings and Machinery at Mine, Mill, Camp and Shops and Aerial Tramway—schedule II (see note) | $1,472,744.69 | | |
| Less Reserve for Depreciation—schedule III | 926,492.72 | 546,251.97 | 1,869,488.28 |
| **Deferred Charges:** | | | |
| Prepaid Expenses | | | 1,195.85 |
| | | | $2,329,316.54 |

### LIABILITIES, CAPITAL STOCK AND SURPLUS

| | | |
|---|---|---|
| **Current Liabilities:** | | |
| Accounts Payable—Trade | $2,968.74 | |
| Wages Payable | 1,263.50 | |
| Accrued Taxes | 6,319.21 | |
| Indebtedness to Affiliates | 608.73 | $11,160.18 |
| **Capital Stock and Surplus:** | | |
| Capital Stock: | | |
| Authorized—1,750,000 shares of the par value of $1.00 each Issued and Outstanding—1,749,308 shares | $1,749,308.00 | |
| Surplus—schedule VII | 568,848.36 | 2,318,156.36 |
| | | $2,329,316.54 |

Note—Mines, mining claims, development and plant and machinery at mine, mill, camp and shops and aerial tramway of Walker Mining Company are carried on its books at cost, such cost being represented in the case of mines and mining claims to the extent of $1,250,000.00 by par value of capital stock issued therefor and in the case of all other fixed assets by cash cost thereof.

## WALKER MINING COMPANY

### PROFIT AND LOSS STATEMENT

### YEARS ENDED DECEMBER 31ST, 1932, 1933 AND 1934 AND SIX MONTHS ENDED JUNE 30TH, 1935

| | | Year 1932 | Year 1933 | Year 1934 | Six months ended June 30th, 1935 |
|---|---|---|---|---|---|
| Sales of Ores and Concentrates... | | $ 73,605.32 | | | |
| Mining and Milling............. | $ 88,426.09 | | | | |
| Transportation ................. | 11,103.77 | | | | |
| Inventory at beginning of year.... | 276,067.71 | | | | |
| | $375,597.57 | | | | |
| Less, Inventory at end of year.... | 267,585.03 | 108,012.54 | | | |
| Operating Loss........... | | $ 34,407.22 | | | |
| Depreciation ................... | | 4,270.33 | | | |
| Expenses during suspension of operations .................. | | 28,370.78 | $ 41,737.38 | $ 59,499.36 | $ 31,777.61 |
| Federal Capital Stock tax (1934 includes adjustment of prior year) ...................... | | | 481.00 | 2,366.50 | 846.00 |
| | | $ 67,048.33 | $ 42.218.38 | $ 61,865.86 | $ 32,623.61 |
| Interest Received............... | | 5,852.80 | 3,793.51 | 2,012.03 | 242.96 |
| Net Loss....................... | | $ 61,195.53 | $ 38,424.87 | $ 59,853.83 | $ 32,380.65 |

## WALKER MINING COMPANY

### SCHEDULE II—PROPERTY, PLANT AND EQUIPMENT

| Col. A | Col. B | Col. C | Col. F |
|---|---|---|---|
| | Balance at beginning of period | Additions during period at cost | Balance at end of period |
| *Calendar Year 1932* | | | |
| Mines, Mining Claims and Development............. | $1,319,131.96 | $1,540.36 | $1,320,672.32 |
| Buildings and Machinery at Mine, Mill, Camp and Shops and Aerial Tramway...................... | 1,455,438.07 | 8,082.78 | 1,463,520.85 |
| *Calendar Year 1933* | | | |
| Mines, Mining Claims and Development............ | $1,320,672.32 | $2,136.80 | $1,322,809.12 |
| Buildings and Machinery at Mine, Mill, Camp and Shops and Aerial Tramway..................... | 1,463,520.85 | 4,966.76 | 1,468,487.61 |
| *Calendar Year 1934* | | | |
| Mines, Mining Claims and Development............. | $1,322,809.12 | $ 362.53 | $1,323,171.65 |
| Buildings and Machinery at Mine, Mill, Camp and Shops and Aerial Tramway..................... | 1,468,487.61 | 4,176.80 | 1,472,664.41 |
| *Six months ended June 30th, 1935* | | | |
| Mines, Mining Claims and Development............. | $1,323,171.65 | $ 64.66 | $1,323,236.31 |
| Buildings and Machinery at Mine, Mill, Camp and Shops and Aerial Tramway..................... | 1,472,664.41 | 80.28 | 1,472,744.69 |

## WALKER MINING COMPANY

### SCHEDULE III—RESERVE FOR DEPRECIATION

| Col. A | Col. B<br>Balance December 31st, 1931 | Col. C<br>Additions to Reserve Charged to Cost or Income during Year 1932 | Col. D<br>Balance June 30th, 1935 |
|---|---|---|---|
| Reserve for Depreciation of Buildings and Machinery at Mine, Mill, Camp and Shops and Aerial Tramway | $ 922,222.39 | $ 4,270.33 | $926,492.72 |

NOTE—The company charges off depreciation on a unit of production basis. As the properties were not operated during the years 1933, 1934 or the six months ended June 30th, 1935, no depreciation was charged off.

## WALKER MINING COMPANY

### SCHEDULE VII—SURPLUS ACCOUNT

### YEARS ENDED DECEMBER 31ST, 1932, 1933 AND1934 AND SIX MONTHS ENDED JUNE 30TH, 1935

| | Year 1932 | Year 1933 | Year 1934 | Six months ended June 30th 1935 |
|---|---|---|---|---|
| Surplus at beginning of the period.... | $760,703.24 | $699,507.71 | $661,082.84 | $601,229.01 |
| Net Loss of the period.............. | 61,195.53 | 38,424.87 | 59,853.83 | 32,380.65 |
| Surplus at end of the period......... | $699,507.71 | $661,082.84 | $601,229.01 | $568,848.36 |

## WALKER MINING COMPANY

### SCHEDULE VIII—SUPPLEMENTARY PROFIT AND LOSS INFORMATION

| Col. A | Col. C | | | |
|---|---|---|---|---|
| | Charged to Profit and Loss | | | |
| Item | Year 1932 | Year 1933 | Year 1934 | Six months ended June 30th, 1935 |
| Maintenance and Repairs........... | $10,896.04 | $ 5,148.67 | $15,812.36 | $ 9,542.62 |
| Depreciation ..................... | 4,270.33 | —— | —— | —— |
| Taxes (other than Income Taxes)... | 9,064.28 | 8,557.84 | 9,965.65 | 5,886.88 |

NOTE—The items as shown above contain all charges of a material amount falling under the different classifications. An analysis of the operating accounts has been made with a view to segregating all items of a material amount falling under these classifications.

## ACCOUNTANTS' CERTIFICATE

POGSON, PELOUBET & CO.

PERCY W. POGSON
MAURICE E. PELOUBET
LEWIS M. NORTON
SIDNEY W. PELOUBET

NEW YORK - 25 BROADWAY
EL PASO, TEXAS - MILLS BLDG.

AGENTS

LONDON - KEMP, CHATTERIS, NICHOLS, SENDELL & CO. 36 WALBROOK. E. C. 4.
PARIS - TURQUAND, YOUNGS, KEMP & CO. 8 RUE DU HELDER
BERLIN - TURQUAND, YOUNGS, KEMP & CO. UNTER DEN LINDEN 56
EGYPT - HEWAT, BRIDSON & NEWBY ALEXANDRIA AND CAIRO

New York

To the Board of Directors,
Anaconda Copper Mining Company,
25 Broadway,
New York

We have made a general audit of the books and records of Anaconda Copper Mining Company, its 75% or more owned subsidiaries the accounts of which are included in the Consolidated Balance Sheets and Profit and Loss Statements, and the following subsidiaries, the accounts of which are not included in the Consolidated Balance Sheets and Profit and Loss Statements:

Anaconda Wire and Cable Company
Mountain City Copper Company, and
Walker Mining Company

for the calendar years ended December 31st, 1932, 1933, 1934 and for the six months ended June 30th, 1935.

We have made an examination of the following financial statements, as set forth in the registration statement of Anaconda Copper Mining Company, Form A-2, with respect to its 4½% Sinking Fund Debentures due October 1, 1950:

1. The Consolidated Balance Sheet as of June 30th, 1935 of Anaconda Copper Mining Company and of the other corporations whose accounts are consolidated with its accounts as stated in Note A to the Consolidated Balance Sheet (which other corporations are hereinafter referred to as consolidated subsidiaries) and of their Consolidated Profit and Loss Statements and Surplus Accounts for the calendar years 1932, 1933, 1934 and the six months ended June 30th, 1935.

2. The Consolidated Balance Sheet as of June 30th, 1935 of Anaconda Copper Mining Company and 100% owned subsidiary companies, the accounts of which are consolidated with its accounts, as stated in Note A to their Consolidated Balance Sheet, and of their Consolidated Profit and Loss Statements and Surplus Accounts for the calendar years 1932, 1933, 1934 and the six months ended June 30th, 1935.

3. The Balance Sheet as of June 30th, 1935 of Anaconda Copper Mining Company (which corporation is hereinafter referred to as the registrant) and of its Surplus Account for the six months ended June 30th, 1935.

4. The Consolidated Balance Sheet as of June 30th, 1935 of Anaconda Wire and Cable Company and of the other corporations (all 100% owned by Anaconda Wire and Cable Company) whose accounts are consolidated with its accounts as stated in Note A to their Consolidated Balance Sheet and of their Consolidated Profit and Loss Statements and Surplus Accounts for the calendar years ended December 31st, 1932, 1933, 1934 and for the six months ended June 30th, 1935.

5. The Balance Sheet as of June 30th, 1935 of Mountain City Copper Company and a statement of its Receipts and Disbursements from the date of its incorporation, September 23rd, 1932, to June 30th, 1935 and of its Surplus Accounts for the same period.

6. The Balance Sheet as of June 30th, 1935 of Walker Mining Company and of its Profit and Loss Statements and Surplus Accounts for the calendar years 1932, 1933, 1934 and the six months ended June 30th, 1935.

In connection with our audits we examined or tested the accounting records of Anaconda Copper Mining Company and its consolidated subsidiaries, of Anaconda Wire and Cable Company and its subsidiaries, of Walker Mining Company and of Mountain City Copper Company, together with other supporting evidence and made a general review of the accounting methods and of the operating and income accounts for the calendar years 1932, 1933, 1934 and the six months ended June 30th, 1935, but we did not make a detailed audit of the transactions.

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

The practice of registrant and its subsidiaries with respect to computation of their consolidated net income or net loss without deduction for depletion of metal mines is, in our opinion, in accordance with accepted principles of accounting in industries engaged in the mining of copper, gold, lead, silver and zinc.

Previous to the year 1933 profits arising through the retirement of bonds of subsidiaries were credited to Surplus. In the year 1933 and subsequently these profits were credited to Income and are so shown on the Profit and Loss Statements. While the same general principles of inventory valuation have been followed consistently throughout the period, certain changes in procedure have been made, details of which are described under the appropriate accounts and schedules (included as part of this registration statement) which do not materially affect results of any particular period, the purpose of which was to simplify the company's accounting records and procedure.

In our opinion, based on our examination such Balance Sheets, Profit and Loss Statements and Surplus Accounts and other supporting schedules referred to on pages 57 to 60, inclusive, of such registration statement, the information as to total sales, gross earnings, net income and net losses given in answer to item 4 (a) with respect to the 32 subsidiaries and the 23 subsidiaries of subsidiaries which have been omitted from Chart I and Chart II, the information as to sales for delivery outside of the United States and Canada of copper, as compared with the gross sales of registrant and its subsidiaries whose accounts are consolidated with those of registrant as stated in the table set forth in answer to item 6, and the answers to items 9-A and 10-A of such registration statement, together with the notes attached thereto or appearing thereon, fairly present, in accordance with accepted principles of accounting in the industries in which the registrant and its subsidiaries operate, consistently applied by the registrant and its subsidiaries except as noted above, (1) the consolidated position of the registrant and its consolidated subsidiaries, the consolidated position of the registrant and its 100% owned subsidiaries which owe no long term or funded debt to persons other than the registrant, the position of the registrant, the consolidated position of Anaconda Wire and Cable Company and its subsidiaries and the position of Mountain City Copper Company and Walker Mining Company, all as of June 30th, 1935 and (2) the separate or combined results, as the case may be, of their operations for the calendar years 1932, 1933, 1934 and the six months ended June 30th, 1935.

POGSON, PELOUBET & CO.,
Certified Public Accountants.

POGSON, PELOUBET & CO. (sgd.)

25 Broadway,
New York, N. Y.

October 11, 1935.

Anaconda Copper Mining Company (hereinafter referred to as the registrant) hereby amends its registration statement, dated September 24, 1935 and filed September 25, 1935 (file No. 2-1669), including the financial statements and schedules included therein and Exhibit B-1 thereto heretofore filed, but not including the other exhibits thereto heretofore filed, so that after such amendment such registration statement, including the financial statements and schedules included therein, shall be as set forth in the foregoing amended registration statement hereto attached; the Exhibits to such registration statement shall consist of the Exhibits heretofore filed, except that Exhibit B-1 shall be a copy of Indenture marked "Exhibit B-1" and filed herewith, in lieu of the tentative draft of indenture heretofore filed as such exhibit, and also shall consist of Exhibits F, G, H, K, L and M, filed herewith; and the prospectus heretofore filed as a part of such registration statement, shall be amended in its entirety so that after such amendment the prospectus shall correspond to and be the prospectus as filed herewith.

Registrant hereby applies for the consent of the Securities and Exchange Commission: (a) to the filing of such amendment (as provided in Article 12, Rules and Regulations under Securities Act of 1933, promulgated July 6, 1933), and (b) that this amendment shall be deemed to have been filed on September 25, 1935, the date when such registration statement above mentioned was filed.

The grounds upon which such consent is requested are: certain portions of the information contained in the registration statement above mentioned require elaboration or clarification or correction; certain information contained in this amendment was not available to registrant at the time the registration statement above mentioned was filed; registrant desires to avoid delay in its registration statement becoming effective; and registrant believes that the consent applied for may properly be granted.

The filing of said Registration Statement and any amendments thereto with the Securities and Exchange Commission shall not be construed as a waiver of, or estoppel against, the right of the registrant or any other person to contest the validity or scope of any or all of the provisions of the Securities Act of 1933, as amended, under the Constitution of the United States, or the validity of any rule or regulation made or to be made under said Act.

## SIGNATURES

(a) Of the Issuer:

In pursuance of the requirements of the Securities Act of 1933, the registrant, Anaconda Copper Mining Company, a corporation organized and existing under the laws of Montana, has duly caused this amendment to its registration statement above mentioned to be signed on its behalf by the undersigned, thereunto duly authorized, and its seal to be hereunto affixed and attested, all in the City of New York and State of New York on the 11th day of October, 1935.

Anaconda Copper Mining Company

By Cornelius F. Kelley (sgd.)
(CORNELIUS F. KELLEY, President)

By James R. Hobbins (sgd.)
(JAMES R. HOBBINS, Vice President)

[SEAL]

Attest:

David B. Hennessy (sgd.)
(DAVID B. HENNESSY, Secretary)

**(b) Of the Principal Executive Officer or Officers, the Principal Financial Officer and the Comptroller or Principal Accounting Officer.**

In pursuance of the Securities Act of 1933, the undersigned have signed the within registration statement on the respective dates set beside their names.

**(i) Principal executive officer or officers:**

| | | |
|---|---|---|
| CORNELIUS F. KELLEY (sgd.)<br>CORNELIUS F. KELLEY | President<br>(Title) | October 11th, 1935<br>(Date) |
| JAMES R. HOBBINS (sgd.)<br>JAMES R. HOBBINS | Vice President<br>(Title) | October 11th, 1935<br>(Date) |
| ROBERT E. DWYER (sgd.)<br>ROBERT E. DWYER | Vice President and Treasurer<br>(Title) | October 11th, 1935<br>(Date) |
| DAVID B. HENNESSY (sgd.)<br>DAVID B. HENNESSY | Secretary and Assistant Treasurer<br>(Title) | October 11th, 1935<br>(Date) |
| JAMES DICKSON (sgd.)<br>JAMES DICKSON | General Auditor<br>(Title) | October 11th, 1935<br>(Date) |

**(ii) Principal financial officer:**

| | | |
|---|---|---|
| ROBERT E. DWYER (sgd.)<br>ROBERT E. DWYER | Treasurer<br>(Title) | October 11th, 1935<br>(Date) |

**(iii) Comptroller or principal accounting officer:**

| | | |
|---|---|---|
| JAMES DICKSON (sgd.)<br>JAMES DICKSON | General Auditor<br>(Title) | October 11th, 1935<br>(Date) |

**(c) Of the Directors:**

| | |
|---|---|
| CORNELIUS F. KELLEY (sgd.)<br>CORNELIUS F. KELLEY | October 11th, 1935<br>(Date) |
| ANDREW J. MILLER (sgd.)<br>ANDREW J. MILLER | October 11th, 1935<br>(Date) |
| JAMES R. HOBBINS (sgd.)<br>JAMES R. HOBBINS | October 11th, 1935<br>(Date) |
| ROBERT E. DWYER (sgd.)<br>ROBERT E. DWYER | October 11th, 1935<br>(Date) |
| GRAYSON M.-P. MURPHY (sgd.)<br>GRAYSON M.-P. MURPHY | October 11th, 1935<br>(Date) |
| JOHN A. COE (sgd.)<br>JOHN A. COE | October 11th, 1935<br>(Date) |
| WILLIAM D. THORNTON (sgd.)<br>WILLIAM D. THORNTON | October 11th, 1935<br>(Date) |
| HERMAN C. BELLINGER (sgd.)<br>HERMAN C. BELLINGER | October 11th, 1935<br>(Date) |