

June 30, 1941

(MCP) MOUNTAIN CITY COPPER

Listed: SLCSE Traded: SFSE

DIVIDEND of 10c a sh declared payable July 23 to stock of record July 9. Company is not on a regular dividend basis but makes distributions as conditions warrant; current declaration is believed to reflect an improved operating and profit position. Last previous payment was 25c a sh on Dec 20 1940.

ANNUAL RESULTS:	1940	1939	1938
Ore Produced, tons...	146,876	139,297	70,204
Copper Produced, lbs...	26,931,841	27,988,176	13,065,832
Copper Sold, lbs.....	32,896,309	29,560,086	9,646,664
Silver Sold, ozs.....	6,401	6,457	1,754
Operating Revenue.....	\$3,764,427	\$3,113,785	\$ 953,199
*Net Profit.....	888,041	559,071	73,948

*Before depletion.

COPPER ON HAND at Dec 31 1940 totaled 7,527,038 lbs., carried at an average cost of approx. 7.9c per lb., compared with 13,491,506 lbs., carried at an average cost of approx. 7 3/4c per lb., at the end of 1939. Contracts for future delivery totaled 7,569,400 lbs. at Dec 31 1940.

COMMENT: J. O. Elton, pres., said: "While there were no important discoveries of new ore bodies (during 1940), additional ore developed and mined in and near the known ore bodies amounted to approximately 43% of the ore extracted during the year." This compares with 70% during 1939.

CAPITAL STOCK,

Authorized: 5,000,000 sh

Outstand'g: 2,371,427 sh

Par Value: .50 a sh

*Book Value: .84c a sh

*Earned: .37c a sh

Dividend: See text

*Working Cap: .54c a sh

*Current Ratio: 3.5 to 1

*Year ended Dec 31 1940

1941 Range: 3 1/2 - 2 1/8

BUSINESS: Mountain City Copper Company was incorporated in Sept 1932, under Utah laws, by International Smelting & Refining Co., which transferred to it 9 mining claims, and which now owns 1,457,134, or around 61%, of MCP's capital stock. At incorporation, MCP also acquired for 1,864,220 shares of its capital stock, 8 mining claims from Rio Tinto Copper Co., another subsidiary of International Smelting & Refining. The company is engaged in the mining of copper ores and development of its property, located in Elko County, Nevada.

FINANCIAL POSITION: At Dec 31 1940, current assets totaled \$1,771,529, including \$976,228 cash and \$605,855 copper on hand at cost. Current liabilities were \$498,924, leaving net working capital of \$1,272,604, which compared with \$864,132 at Dec 31 1939.

	EARNINGS	DIVIDENDS	PRICE	RANGE
1940	\$.57	\$.25	4 5/8 - 2 1/8	
1939	.24	.15	7 5/8 - 3 3/8	
1938	.03	None	9 3/4 - 3 5/8	
1937	.45	.25	17 1/8 - 4 1/4	
1936	.51	.21	12 3/4 - \$4.10	

CONDENSED BALANCE SHEETS:

	1940	1939	1938
As of Dec. 31,			
Cash.....	\$ 976,228	\$ 18,118	\$ 18,983
Receivables.....	65,573	66,325	30,239
Copper on Hand.....	605,535	1,048,460	*1,281,082
Materials & Supplies...	124,193	125,993	192,561
Total Current Assets..	\$1,771,529	\$1,256,896	\$1,522,865
Prop., Pl. & Eq., net..	718,372	822,878	940,724
Investments.....	190
Deferred Charges.....	3,792	12,350	31,439
TOTAL ASSETS.....	\$2,493,693	\$2,092,124	\$2,495,218
Notes Payable.....	*450,000
Owing to Affiliates....	89,727	120,873	382,035
Other Current Liab's...	409,197	271,891	187,317
Total Current Liab's..	\$ 498,924	\$ 392,764	\$ 999,350
Capital Stock.....	118,571	118,571	118,571
Surplus.....	1,876,198	1,580,789	1,377,297
TOTAL LIABILITIES....	\$2,493,693	\$2,092,124	\$2,495,218
Net Working Capital....	1,272,804	864,132	523,515
Current Asset Ratio....	3.5 to 1	3.2 to 1	1.5 to 1
Book Value a Share....	\$.84	\$.72	\$.63

*Partly pledged against notes payable.

CONDENSED INCOME ACCOUNTS:

Years ended Dec. 31,	1940	1939	1938
Gross Operating Revenue	\$3,764,426	\$3,118,785	\$ 983,190
Oper. Costs & Expenses.	2,457,273	2,327,493	772,377
Operating Profit....	\$1,307,148	\$ 768,292	\$ 180,823
Other Charges, net....	+164	15,533	\$7,305
Depreciation.....	172,898	161,306	50,560
Federal Income Tax....	246,443	50,582	8,729
NET PROFIT BEF. DEPL. \$ 888,041	\$ 559,071	\$ 73,948	

+Other Income.

OFFICERS: J.O. Elton, Pres.; Tom Lyon, H.A. Culbertson, Vice-Pres.; Rom Warburton, Sec.-Treas.

DIRECTORS: J.O. Elton, Tom Lyon, J.J. Lillie, Geo. W. Snyder, P.T. Farnsworth, Jr., J.P. Dugan, H.A. Culbertson.

GENERAL OFFICES: 818 Kearns Bldg., Salt Lake City, Utah.

TRANSFER AGENTS: Guaranty Trust Co., New York.

Rom Warburton, 820 Kearns Bldg., S.L.C.