

January 10, 1938

Chas. J. Hauptert  
1014 French Street  
Santa Ana, California

Dear Sir:

This letter is in reply to yours of January third, concerning the Argonaut Gold Mining Company. I am not an official of the company. I suggest that you write to Mrs. B. E. Dean, Rogue River, Oregon, concerning the transfer of your stock. I believe she is President or Vice-president of this company.

This property is about 675 acres with an ore-bearing zone about one-quarter mile wide and extends across the property for one and one-quarter miles in length. In this zone there has been considerable development at various points in the zone. The property is not a producing zone but is worthy of being developed with a view of placing equipment upon it. The securing of funds for this purpose, I understand, is proceeding with difficulty. I can give you no statement as to the value of your stock as its value depends upon further development and equipment for production.

Yours very truly,

AMS:vm

A. M. Swartley  
Consulting Mining Engineer

Jan 3, 1938  
Santo Anacleto

Mr A. M. Swartley  
Portland Oregon

Dear Sir:—

I have recently acquired some 50 shares of "Argonaut Gold Mining Co." stock. This stock is dated August 7, 1937.

I have written to the State Corporation Department at Salem asking information concerning this stock. They have referred me to you.

I am asking is this stock of any value? How do I get it transferred to my name. I purchased this stock from a fellow who claimed he had worked it out in value at rate of \$5.00 per day.

Now any of this information or anything else of interest to me that you might let me know will be appreciated.

Thank you I am

Chas. J. Hauptert  
1014 French St

March 22, 1938

Mr. Leonard Zick  
Zick, Price and Company  
Multnomah Hotel  
Portland, Oregon

Dear Mr. Zick:

With reference to our discussion of the Argonaut Mine in eastern Oregon, in which, I understand, you are interested. I think it proper to make certain suggestions of a general nature, such as I would make to anyone else under similar circumstances. These suggestions are based on rather extensive experience in mining and will, I am sure, be approved of by any competent authority in such matters.

As a basis of outlining responsibility, it is necessary for various and obvious reasons that principals have clear-cut contracts with mine operators. These contracts normally state or outline the plan and often include some restrictions or understandings as to the way funds supplied will be spent.

The matter of title is just as critical and important in mining as it is in real estate or any other business, and it is extremely important that any property, in which a substantial amount of money is to be spent have an abstract prepared and an attorney's opinion as to the title. If some of the mining claims are not patented, this is especially important. It is my experience that larger mining corporations commonly patent promptly the more important claims for their own protection, in any event a nucleus of claims on which the principal developments are located. In this State taxes on mining property are nominal, and there is no tax on proven or indicated ore as is the case in Michigan, Wisconsin, and Minnesota.

More mines fail because of inaccurate or inadequate engineering which includes, of course, management, than because of any other factor. Where any substantial amount of money is spent or is to be spent, the services of a competent consulting engineer are invaluable. The conclusions in the report of a consulting engineer would carry a plan for the exploration and development and operation of the mine, and without such a plan any operation must find itself on a very insecure footing.

No criticism is implied in this letter. This Department is interested in having mines in Oregon prosper and pay dividends, and we are thoroughly conversant with the methods employed by mines which do pay back dividends to their owners. I have no first-hand knowledge of conditions at the Argonaut Mine. According to hear-say, some very favorable conditions have been met with. In any event the principals, who provide money for the development of mines are entitled to fullest information as to the prospects and plans so that they can form opinions from time to time of the security of their investments.

This Department will be happy to serve you in any way to the end that you and Oregon may be benefited by your interest and efforts.

Respectfully yours,

EKN:vm

Earl K. Nixon  
Director

November 7 1938

Mr. George E. Stoll,  
Box 117, c/o Silver Creek Mining Co.,  
Pierce, Idaho.

Dear George:

I have your letter of October 31st, asking information about the Argonaut property in eastern Oregon.

Our field man in eastern Oregon, John E. Allen, has not yet reported upon the Argonaut, but he has it on his list and doubtless will have a report in some time this month. If you wish to write him direct, using my name, you could address him: John Eliot Allen, State Assay Laboratory, Baker, Oregon, regarding the latest information.

We have of course newspaper stories which we keep on file. The general story is that it is on a belt northwest of the North Pole and Columbia lode, and is reached from the vicinity of Bourne. It is said it has produced some high-grade since the Bascom Parker's have been working on it, and the newspaper stories state that they bought the Balm Creek mill that John Arthur operated, and have transported part of the equipment to the property. There was a man here some months ago from Niles, Mich, looking into the property for the Eastern stockholders. We do not know what he found out but it would appear as though they have slowed up somewhat in their operations since we hear little about it.

I have not been up in that district for some years and know little about it personally. If you have a real interest in finding out about the present situation I suggest you write Mr. Allen to get an early report. If you do not wish to do that and will await the filing of his report here, please write us asking for a copy of the report when it is sent to the Portland office.

I was down to Corvallis yesterday and heard through Ruby about your family and learned that they were in good health and spirits. With kindest regards,

Sincerely yours,

A. M. Swartley

AMS:fas