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S.J.Lombard
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DISCON GOLD MINING COMPANY

BLUE MOUNTAIN MINING DISTRICT ✓
SOUTHERN OREGON MINING DISTRICT
STATE OF OREGON

A Consolidation of Three Large, Highly-Developed Gold Mines

THE DIXIE MEADOWS

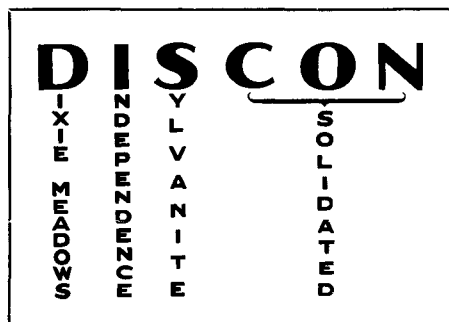
(The Dixie Meadows Gold Mining Company) ✓

THE INDEPENDENCE

(The Independence Gold Mining Company)

THE SYLVANITE

(The Pittsburg-Oregon Mining Company)



*\$600,000 Intelligently Expended in Development and Equipment.
Property, Improvements and Equipment All Paid For.
No Indebtedness. Remarkably Low Capitalization.
Large Treasury Provision.*

An Unusually High Type, Safe, Meritorious Mining Investment

THE DISCON

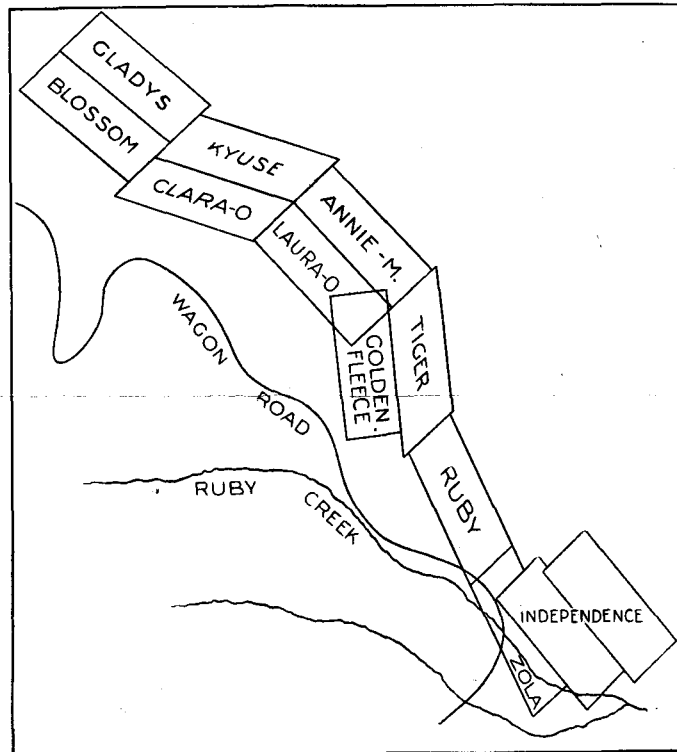
The initial stages of the development of any business or industry are the expensive, trying periods. The general history of the big businesses of America show, in their early days, changing ownership and precarious existence. While mining has shared this universal experience, the business records of our country show a much lower percentage of failures in the mining industry than in any other line of production or business, including banking.

At this point we wish to assure you that this trying period—which embraces virtually all the “gamble” or uncertainty of the money-earning possibility of a mining property—is a *past* period in the Discon holdings. The development has been done, is paid for; adequate machinery is installed, is paid for. There are no more years awaiting development; the properties are ready for *operation*.

Let us consider the form of our operating organization: This is the day of consolidations and mergers. The small concerns find it difficult to maintain place and

enlist necessary financial support in competition with those whose large resources, assets and holdings give correspondingly larger insurance of safety and earnings to the investor. Large production brings proportionately lower units of cost to such a degree that in the production of raw materials and in articles of general use, only the concerns of large production enjoy the element of safety and the higher percentages of earnings.

The properties of each of the three companies now consolidated into the Discon have calibre of big mines. The merged properties form one of the most valuable mineral groups in the country. The future of this company will be enhanced by one overhead, one operating staff instead of three, and as well, all the many profit-adding advantages of mass production.



Showing ground area of Dixie Meadows and Independence Mines. Note the rise of ground, insuring low-cost production, and the continuity of the Dixie vein through the Independence.

DIXIE MEADOWS . . . INDEPENDENCE

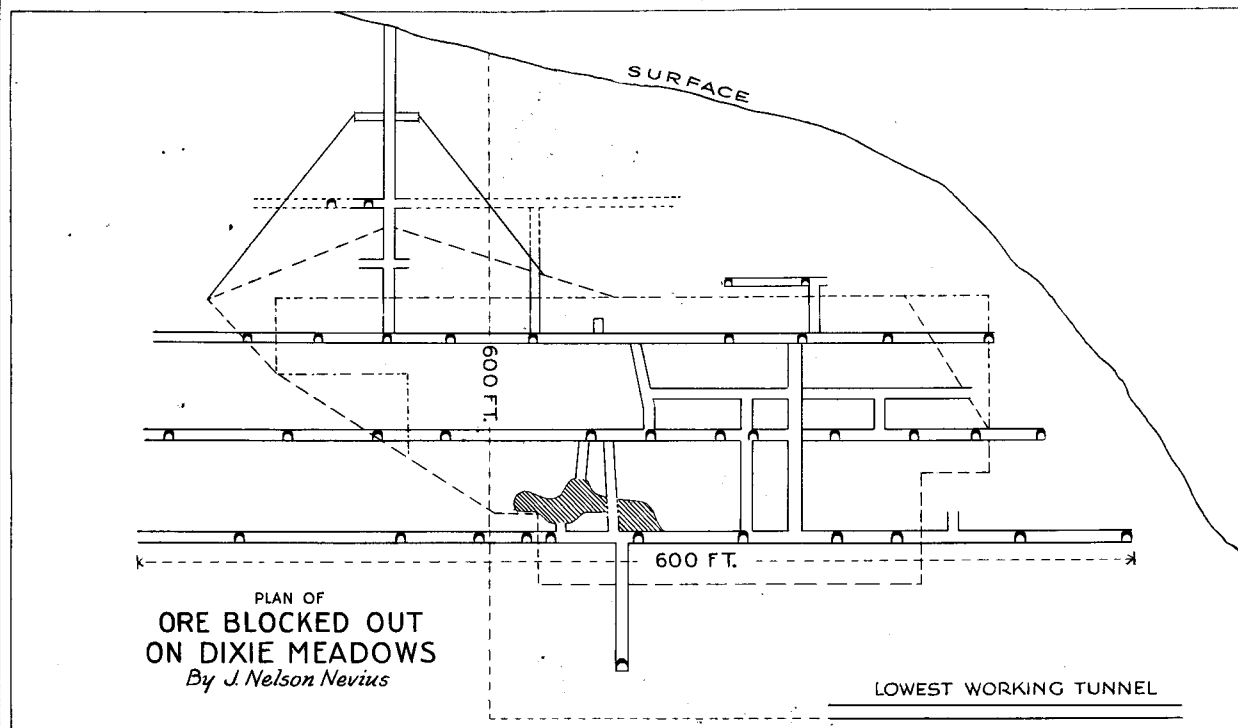
The Dixie Meadows and Independence Mines are located in the famous Blue Mountain District of Eastern Oregon, a big producer of gold and silver for over a half-century. The last two years has witnessed a renewed activity here, probably not equalled in this period in any other gold mining camp in the country.

The two properties have the largest bodies of developed ore of any mine in this district. They consist of ten patented and two unpatented claims, over 200 acres in extent. The big Dixie vein extends through the properties lengthwise for a distance of more than two miles, and is opened up at several points by tunnels, shafts and open cuts.

There is approximately one mile of underground development work. The ore body is developed to a depth of over 500 hundred feet; and with the completion of the lowest tunnel, which is now being driven and will be completed about March 1st, 1929, will have more than a quarter of a million tons of \$8.00 ore blocked out and ready for the mill. The immensity of this vein insures extremely low operating costs, as the *average width of the ore* as sampled by engineers, *exceeds 24 feet*.

The ore is all above the new mill site; not a gallon of water to pump nor a pound of ore to raise—a tremendous factor in low production costs.

There is now a one-hundred-ton mill on the property. The concentration tables will be changed to a flotation system. Flotation tests show a recovery of better than 95 per cent of the values of our ore.



Showing the tremendous ore development on the Dixie Meadows. The tunnel shown at the bottom of cut, now being driven, taps the ore body at a depth of 125 feet below the next tunnel above.



Showing immense dump on Dixie Meadows made in course of development work.

Here are a few quotations from some of the noted engineers from their reports on this property:

REGIS CHAUVENET, who, as president of the Colorado School of Mines brought that school to a foremost position in the mining world, in concluding an exhaustive report on this property, said:

"As I have made but three favorable reports in the past five years, it is a pleasure to be able to say a few good words for a good property."

S. B. EDWARDS, E. M., Portland, Ore.:

"I heartily endorse the Dixie Meadows, for I believe that it will prove to be a steady and profitable producer for many years to come."

BELA LOW, eminent mining engineer of New York, reporting to Hallgerton & Company, New York City, when the mine was in course of development, said:

"In view of these facts I advise you to buy the property and start operations by systematic development work."

JOHN TREWEEK, E. M., who made an extensive examination of the ore development, and particularly of the metallurgy and ore treatment in cooperation with the Trent Engineering Company, said:

"The Dixie Meadows is a meritorious property, in fact one of the best I have examined in years."

LEWIS A. LEVENSALER, of Seattle, leading mining engineer and authority of the Northwest, for many years the Western and Alaskan representative of the Guggenheim Syndicate, noted for his extreme conservatism, recently said:

"I am of the opinion that a mine exists here and can be operated at a profit."

J. NELSON NEVIUS, E. M., of Los Angeles, made an assay survey of developed ore of the Dixie Meadows. His signed assay map gives average value of \$7.90 a ton on 176,000 tons of blocked-out ore. Mr. Nevius is an engineer of international note.

The complete reports mentioned above are all on file at our office and may be seen any time.

THE SYLVANITE

The Sylvanite Mine, formerly Oregon Mining Company, is a consolidation of all mining properties in So

The property consists of 17 lode claims, covering the 1200 feet. This important consolidation was itself a great consolidation. The Sylvanite Mine, the Cox and Lyman Mine, and several other shallow top workings—all less than 100 feet deep—has produced \$300,000 gold.

The only work remaining to be done with the best economy, is to sink the Lyman tunnel 600 feet, where the Sylvanite vein, giving 600 feet of ore for this work is now let. When we will continue sinking the shaft. It is now down forty feet and has produced 100 tons of ore. This very limited work on the body of ore which will require only a few thousand tons a day.



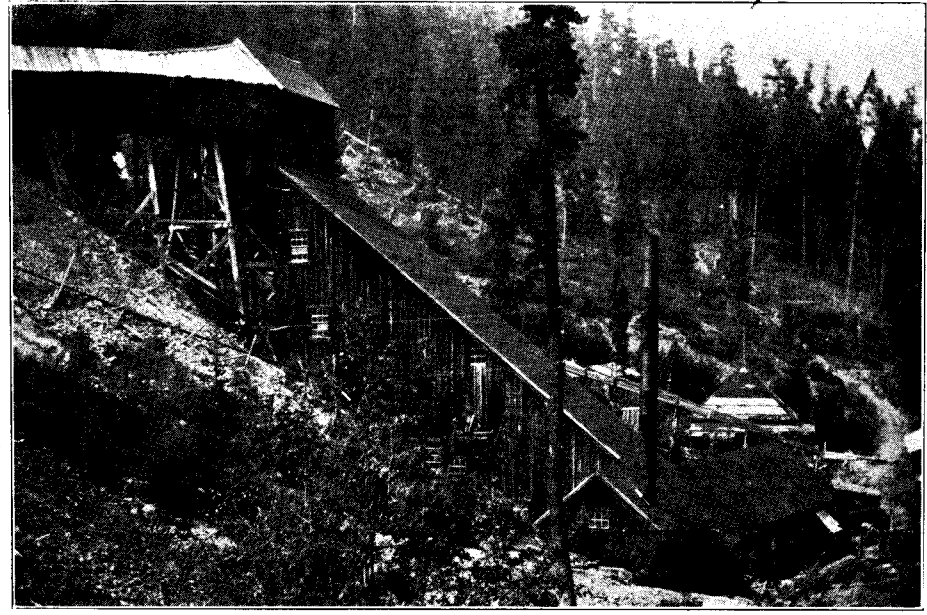
This is a recent photograph of the Sylvanite Mine. The ore body is practically ready for continuous production.

2000000 Capital
 1000000000
 + 3300000000
 8600000 held by Hamilton

SYLVANITE

erly operated by the Pittsburg-
 the third group in the Discon
 holds place in the front rank
 uthern Oregon.

32 acres of patented lands and
 great Sylvanite vein for over
 member of the new Discon com-
 pany made by mergers of the
 man Mine, the Haff Mine, the
 properties, with the Sylvanite.
 than 100 feet from surface—



Showing location of mill on Dixie Meadows and contiguous Independence ground.

to be done, permitting produc-
 is the extension of the Cox-
 e it will intersect the big Syl-
 of ore overhead. The contract
 e this tunnel is now being run,
 shaft in the Cox-Lyman tunnel.
 d is in \$35.00 ore all the way.
 e Cox-Lyman tunnel will tap a
 re many years to mill at one

The property is splendidly equipped with a one-hundred-
 ton mill, ten stamps; Harding ball mill; Dorr Classifiers;
 plates, and a large compressor. Each machine has an indi-
 vidual motor. Power line is on the ground and all ready to
 connect. We expect to have mill operating to capacity by
 July, 1929.

Among the engineers who have examined and reported upon the Syl-
 vanite are:

DR. C. W. WATSON, E. M., ex-State Geologist of Oregon, author of
 "Mineral Resources of Oregon." The average of samples taken by Dr.
 Watson in his examination was \$27.04. In concluding his report, he said:

"I will say that in my fifty years' experience and observation in this
 region and Northern California, studying its geology, examining its
 mines and studying the method of working, I know of no more prom-
 ising group than the Sylvanite."

J. G. DAVIS, E. M., formerly of the United States Mineral Survey in
 Alaska.

R. M. WILSON, E. M., Superintendent of Mining Operation in Idaho,
 Oregon and Washington.

L. H. VAN HORNE, E. M., formerly with the Colorado Fuel and Iron
 Company, said:

"I believe this property to be a highly meritorious one, and, when
 fully developed and equipped with a large plant, will be a very large-
 paying proposition."

JUDGE W. E. CREWS, who has for many years been Corporation Com-
 missioner of Oregon, with responsibility for the enforcement of the "Blue
 Sky" restrictions of mining securities in Oregon, says of the Sylvanite:

"From my observation and experience in the matter, I am satisfied
 and can say to you, unqualifiedly, that in my judgment this property
 properly opened up and equipped, so as to treat the entire mine-run of
 the ore bodies, would constitute one of the big gold mines of the
 Northwest."



*The artist has accurately indicated that this great
 production. The mill is shown in the foreground.*

HENRY M. LANCASTER, E. M., now in charge of Lookout Mountain Mines, says:

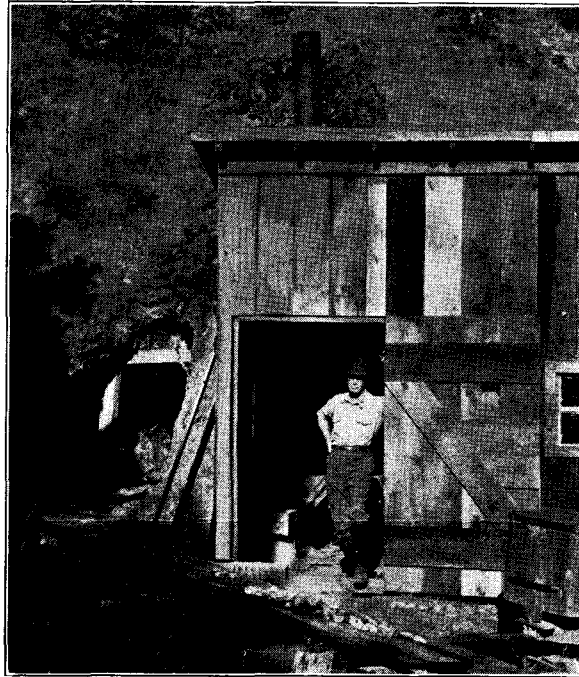
"From the standpoint of a real tonnage mine, your property today has much more merit than it has had at any time in its past history."

This report was made in 1927.

G. L. HAFF, mine owner and operator:

"I believe I can qualify as a competent judge of what is required to make a mine. Millions of tons of ore can be developed in the Sylvanite which can be mined and milled at a profit. This statement is founded on a very thorough knowledge of the property gained through operating experience."

Mr. Haff has been associated with the development of the Sylvanite Mine for many years. He has recently acquired by purchase a very substantial block of Discon shares and has taken the contract to complete the Cox and Lyman tunnel. Speaking of Mr. Haff's reliability and capability for such an undertaking, MR. LEWIS A. LAVENSALER says: "I consider George Haff one of the most dependable and satisfactory men I have ever employed to handle a piece of mining work."



George L. Haff, in charge of operations.

The first part of the Discon program which is now in progress is to bring the Sylvanite Mine and the Dixie Meadows Mine into the initial stage of production of one-hundred tons per day each. The ore bodies of the Independence will be worked later through the main working tunnel of the Dixie Meadows. It is proposed to carry these two properties into production within six months from January 1st, 1929.

THE FINANCING

Several decades ago promoters and a class of brokers, which it is gratifying to note has become nearly an extinct species, made a business of capitalizing undeveloped prospects for issues of several million dollars. The practice of making money through the sale of stock certificates, with little or no expectancy that the possibly mineralized ground would ultimately bring value to them, was all too common.

Happily that day has passed. The cost of selling valueless shares today is greater than sales returns. So many good stocks command ready sales that it is not worth while to attempt to sell worthless stocks. A stock salesman can make fifty honest dollars with less effort than he can make one dishonest one. The Federal Government's scrutiny of the mails, the Blue Sky enforcements, the Better Business Bureaus have made the business of the fake stock salesman a dangerous and profitless calling.

The early issues of stocks of today *must* have physical values warranting their sales price. Earnings and anticipated earnings frequently attract investors—and particularly stock speculators—to certain established and seasoned stocks in a flood of purchases which inflates these stocks to a point far above a possibility of normal earnings.

The big earnings through investing in stocks are made by those who purchase in a sound industry, with a certain future, before it reaches a substantial earning period.

Read this foregoing paragraph again. Bring to your mind the tremendous profits brought to the *early* investors of virtually every one of the large enterprises of today.

Now consider what is behind the Discon stock at the price at which it is offered today.

Capitalized for \$2,000,000; shares selling for fifty cents on the present offering only, permits purchases today at a valuation on these developed properties of \$1,000,000.

The Discon's properties are not prospects; they are developed and equipped mines with large proven ore bodies of substantial values far above the average of many of the best-paying mines of the country.

There has been expended in development, equipment, and in blocking out the ore bodies, over \$600,000. This money has been, in a very large measure, wisely expended. In fact, under the advanced development costs of today, it is more than probable that the necessary work now done could not be duplicated for an amount far in excess of \$600,000.

But, placing present valuation at only \$1,000,000—based on the price of stock in this first offering, and crediting the ore development and equipment at its actual and low cost—it places the value of these great blocked-out ore bodies at the ridiculously low figure of \$400,000. This \$400,000 valuation for the physical properties is further reduced by the fact that there is today \$750,000 of stock in the treasury. In other words, the owners of the three big companies took for their properties and their expenditure of \$600,000 Discon stock in the amount of \$1,250,000—full par—which makes the purchase of the properties themselves by Discon shares \$650,000. At the fifty-cent stock offering of today, you can participate in this purchase at a \$325,000 valuation. The former joint capitalization of the three consolidated companies, when the properties were in an undeveloped state, was in excess of \$6,000,000. Now, with practically half of *all the issued stock* represented at *full par* for cash expended for development and equipment, and with large blocked-out ore bodies, the present capitalization is one-third the former; and you have the opportunity to participate in a limited offering of that at *half of par*.

A purchase of Discon shares today offers possibilities equal to the great advances experienced by scores of industries, with similar physical values, before they entered their great earning periods.

Gold mining occupies a position of advantage enjoyed by no other industry. In all other industries the greatest effort and brains, the foundation on which the preservation of every dollar of investment, every possibility of profits rests is the force which sells the products. Gold mining knows no competition, has no competition. The marketing of gold requires no effort, no selling costs, and the continuance of its market depends only upon the continuance of the United States mint. Gold mining is the only business in America which will thrive and profit on a panic, because during hard times your cost of production decreases, the selling price of your product remains constant.

An unusual factor of safety enjoyed by the Discon is that there is not a dollar of indebtedness to be paid; virtually no money necessary for development. The money obtained from the present limited stock offering will be used solely in mining and milling blocked-out ore.

Study the possibilities of this carefully; its physical values; its safety; the present abnormally low-price; the limited amount necessary to bring immediate income; and the virtual certainty of substantial advance of the stock.

The Discon needs but a very limited amount of money for operations which will bring immediate returns. The amount required is so small that the Directors deem it wise to place that small offering at a low figure, get immediate operating funds and thus arrive at quicker returns from the milled gold.

We believe that a study of the Discon offering will quickly bring all the money necessary to begin gold production.

Application will be made to list shares of the Discon Gold Mining Company on the mining stock exchanges at the earliest possible date.

THE DIRECTORATE

The Directorate of the Discon Gold Mining Company is composed of a group of men who have made a real success of their several business undertakings. They are all financially interested as investors of the Discon Gold Mining Company. Every member of the Board has had years of experience in the mining industry.

I. M. FOSTER, of the Alitak Packing Co., formerly Spokane banker and Coeur d'Alene mine operator.

J. V. PATERSON, formerly president Seattle Construction and Dry Dock Co., and formerly a highly successful mining operator in Australia.

COL. W. T. PERKINS, banker, and for many years engaged in the mining business in many parts of the world.

WALTER L. CLARK, vice-president American Exchange Bank, Seattle, for many years associated with the mining industry in Idaho and Montana.

CARL J. SMITH, attorney, Seattle, counsel for the Discon Gold Mining Company.

A. D. COULTER, Seattle, mining man of thirty years successful experience in all parts of the world. President of the Empire Gold Dredging and Mining Co., which company is credited by the Engineering and Mining Journal of New York as being the biggest producer of gold in Eastern Oregon; president of The Resurrection Mines Co.

Head Office

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Seattle, Washington

Property of J. J. Leubard