

# **KOKOWEEF INCORPORATED NEWSLETTER**

**January 8, 2008**

To Kokoweef Investors:

As per the December 2007 newsletter, keeping you informed as we progress toward our ultimate goal at Kokoweef Inc.

Attached below are the Geological Regulations of which we must comply in our endeavor.

Needless to say, it is cumbersome, but we will follow all rules and regulations.

We are still waiting impatiently for the delivery of the rigging parts ordered last year. The holidays have interfered with our schedule, but we remain anxious to start the core drilling.

Thank you for the good wishes sent for the holidays. We at Kokoweef wish to extend to all our friends and families good health, positive thinking and good fortune in 2008.

Larry Hahn  
President

Please note that 90% of our correspondence will be by internet. The new investors only ID access is 2008 password EarlDorr

<p><b>Geological Setting</b>  <i>All mines are the product of millions (billions) years of earth history</i>  <i>Key to mining success is understanding of physical, chemical, and temporal processes that produced the ore deposit</i>  This allows for proper planning of the mine, structure, process plant, and life span  <i>Studies based on geological research, papers, mapping, similar deposits around the world, local history</i></p> <p><b>Exploration</b>  <i>Exploration is the analysis of the potential ore body</i>  Physical extent, chemical composition, valuable minerals  <i>Many methods for identifying and quantifying ore bodies</i>  Indirect (geophysical) – Seismic, IP, gravity,  Direct – drilling and sampling  Still requires interpretation and may not result in a “true” picture of the ore body  <i>Beneficial to locate, orient, and space exploration tests in a manner that will take advantage of ore body size &amp; shape and anticipate the mining method</i></p> <p><b>Feasibility</b>  \$\$\$  Feasibility depends on metal markets (i.e., global economy)  Overall profitability is a factor of mining method, ore reserves, life of mine, ???  <i>Maps, diagrams, methods</i>  <i>Mill and process</i>  <i>Mine infrastructure</i>  <i>Pre-production construction</i>  <i>Production schedule</i>  <i>Capital costs</i>  <i>Operating costs</i>  <i>Financial evaluation (cash flow over life of mine)</i></p>
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<p><b>Regulatory Environment</b>  <i>One of the most regulated industries</i>  Labor, Environment, Business, Claims  OSHA, MSHA, CRWQCB, EPA, SEC, NPS, BLM,  USACE, SMARA, CGS, State, Local, Federal  Mine permitting may take years  Water, air, soil – processing, surface disturbance, reclamation plans</p> <p><b>Preliminary Mine Planning (from Hard Rock Miner's Handbook)</b>  <b>Safety</b>  Ground support  Machinery  Overall productivity  <b>Cost</b>  Overall extraction method  Open pit vs. underground  Conveyor vs. ramp vs. shaft  Difficult to estimate; use professional consultants to evaluate alternative methods  Use manufacturer's estimates  <b>Schedule</b>  Start-up and production cycles  Allow for down-time, maintenance, auxiliary operations  <b>Recovery</b>  Based on geological and structural setting  Ratio of total ore reserve that can be extracted  <b>Dilution</b>  Additional waste rock that is extracted with ore  <b>Stope Turn-around</b>  Production cycles  Use published data until production proves otherwise  <b>Mechanization</b>  Selection of equipment (LHD, trucks, drills, support, conveyors)  Utilization (availability), maintenance costs  <b>Automation</b>  Remote equipment  <b>Pre-production development</b>  Overall development needs to reach ore body and establish production stopes</p>
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<p><b>Stope development</b>  Select methods based on ground support, recovery, dilution  <b>Gravity assist</b>  Upward or downward mining  <b>Natural support</b>  Reduce artificial ground support whenever possible  <b>Retention time</b>  Move ore as quickly as possible to mill  <b>Flexibility &amp; Adaptability</b>  React to changes in ore body (shape, grade)  React to changes in workforce, technology  React to regulatory changes  React to other natural constraints (ground, water)</p> <p><b>Mill &amp; Process Design</b>  <i>Based on mineralogy, total production rate</i>  <i>Needs to account for all constituents of Run-of-Mine rock</i>  Ore and waste minerals  Contaminants  Oils, greases, explosives, excess water  <i>Most processes are standardized, with modifications for size and particular mineralogy</i>  <i>Need to determine what the final product will be</i>  <i>On-site vs. off-site processing</i>  <i>Environmental permitting and land acquisition</i></p>
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