

EXPLORATION INCORPORATED
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"NO MORE GUESSING. NO MORE SHOOTING IN THE DARK. WE FOUND A CAVERN CREVICE THAT BREATHES, THAT SEEMS TO MATCH WITH DORR'S STORY AND THAT BECKONS US ONWARD," REPORTS JIM HANHARDT, OUR PROFESSIONAL MINING CONSULTANT IN CHARGE OF THE KOKOWEEF VENTURE, AND OUR NEW BOARD VICE PRESIDENT OF MINING OPERATIONS.

We'd also like to welcome our two other new Board Members: Mike Mackey and Dick Renel.

The week of April 19-27 we are planning an accelerated effort at the mine because we feel we are very close to reaching our goal this time. Everything indicates that we're right at the very entrance Dorr described in his affidavit more than 50 years ago. According to Dorr's story, a 350 foot tunnel from outside the mountain would be needed to penetrate the smaller caverns and fissures that would eventually lead to a larger chamber below. All evidence seems to point to the fact that the area we are now in is the one Dorr described on Nov. 16, 1934.

On our last shot, we discovered a very promising fissure running parallel with the right side of the tunnel wall and dipping down 70 degrees, totally open to a width of 6-12 inches with depth unknown, and leading straight ahead towards the 45 degree fault which Dorr claims he went down. We also experienced air movement during our last shot; this is probably due to barimetric pressure changes between outside air and a larger chamber below us.

In our last 3 efforts, we accomplished a great deal in a cost-effective manner. In December 1984, our first shot, we tunneled 25 feet before we were frozen out. In June of last year, we reached 76 feet before our time ran out. Last November, we tunneled 86 feet, found breathable cavern crevices and an open fissure down into which we lowered a man about 25 feet. He reported seeing the fissure getting larger straight ahead of him. In April, we'll concentrate on penetrating this fissure and exploring its very bowels, but that's going to take hard cash.

First, we need to bring our rent up-to-date as of Dec. 1, 1985, through our shot in April, for a total of \$1,250. Second, we'll need \$1,000 for food during this intensive 8-day session to feed our 10-man crew 3 meals a day which averages out to \$4.17 per meal per person.

To save both money and time, we'll either rent or borrow an office-type trailer with shower and cooking facilities so that all the crew has to do is go down to camp to sleep. By having the eating and clean-up facilities right at Kokoweef, we can get in two shots a day. This means we'll need about \$4,000 for power max 140 full stick dynamite at a cost of \$60 per case (we need from 35-40 cases), fuses, caps and 900 gallons of diesel fuel in order to run all of our equipment 16-20 hours a day and the generator 24 hours a day.

But the investment is worth it! We're excited about getting into this big, major fault system connecting Schnarrd's Hole, the Crystal Rooms and the 45 degree fault line which Dorr claims he followed on his passage down to the River of Gold.

To those of you who have sent in your \$25 per month dues, we are grateful. To those of you who haven't, we ask you to please shake those piggy banks and let's get rolling! We know we are going to make some major discoveries this time, so hang in there and keep giving us your support. We're in this venture together.

Our miner par excellance (the key to our success!) Jim Hanhardt has a few thoughts to share with you on page 2 of our newsletter.

Now here's to April 19!

Dear Investors,

At this writing, I am underground at the Lucky Friday Mine, 4900 feet below Mullan, Idaho. My partner didn't show up this morning so the boss gave me an easy job with some time to think. And what I was thinking was how our mine at Kokoweef has been coming along.

We are getting more efficient. Each session has shown big improvements in our ability to drive drift for two reasons. We've borrowed or bought some essential machinery and improved the equipment we already had. And more importantly, the people are getting proficient. With more experience, our people are mining smarter and more efficient. But experience alone ain't the reason. Our people got HEART! The investors that come and help drive drift amaze me with their spirit of cooperation and their will to get the job done. Ged, Kim and I can't say enough about our crew at Kokoweef.

I've been busy since November collecting equipment and information. Your dollars have paid for slusher bands, vent bag, drill steel, machine parts, timber ax, sheave blocks, and miners lamps. And I've chased down some maintenance information on our equipment (for instance, I found out that our mucker was built before 1936).

While I've been making phone calls and finding bargains, Larry, Mike and Dick and a few other local investors have been doing the hard labor. They have spent a few weekends working on the trestle and the underground track and taking care of the odds and ends. It looks like I ain't gonna have no excuse not to break rock when I come down in April.

Well, I'm chompin' at the bit as I'm sure all of you are.

We are going into our April shot in the best shape we've ever been. Our equipment will be in good working order with even a few spare parts. The dead work at the mine will be caught up. Larry tells me we've even got most of the hardware paid for. We will need some funds yet for diesel, explosives, food and operating expenses. With your continued support, I don't reckon finances will be as much of a problem as in the past. Keep them dollars coming and we're going to GO FOR IT!!

You know, the nice thing about this next shot is we know just where to go. No more guessing. No more shooting in the dark. We found a cavern crevice that breathes, that seems to match with Dorr's story, and that beckons us onward. If old Earl had a route to the river, it more than likely lies ahead in the same cavernous fault we are drifting in. One more foot, Bill!!

Bill Herkert, of the Crystal Cave Development Co., has been associated with Kokoweef more than anyone. He's fought that mountain for years. And I wish you could have all been there to see the look on Bill's face when he first looked into our breathing hole. One more foot. One more round. Whatever it takes. We're going to do our best to gather at the River.

Well, I guess I better get up and do something. The Lucky Friday don't mind if I take a break now and then, but they might frown a bit if I turn my writers cramo in on industrial disability.

See you in April.

Jim Hanhardt

JH/vmb