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## Developments May Spark Good News in June

Like the rest of the country this past winter, we've had our share of problems with Mother Nature as well as the normal problems with men and equipment. But we weathered them, and now all is running smoothly. We appear to be on a direct course to some big developments in June.

Under the guidance of Ralph Lewis, four men are working seven days a week, drilling an average of 80 feet per month. From our original starting point, we have shot our pad and begun our 4 by 8 foot tunnel. We have progressed a total of 133 feet which means we are less than 400 feet from Kokoweef Cave. As we explained in our last letter, anything past 350 feet of tunnel means we could be in potential cave activity.

We did make one deliberate change. We started the tunnel and pad 150 feet further back and lower than the originally-planned site in order to gain more depth into our ancient water table cavern system. Our current calculations indicate that we'll be near the systems leading directly to the River of Gold, as described by Dorr, in June or July. We still have a crew working in

Che's Hole an average of three days a week, and a weekend crew has drilled down more than 100 feet with the diamond drill. Except for some occasional minor equipment problems, everything in these areas is going fine.

### Encouraging Moments

One encouraging moment came from five different people working at the bottom of Che's Hole. On five different occasions each of these people claim to have heard running water beneath them. They're not sure from how far down this sound is coming, but they are certain that it was the sound of a small underground stream.

Another exciting moment came March 3 when Bud Eilman was able to rise above Kokoweef in a hot air balloon. He had his NASA-quality infrared camera system with him, and although he could only stay aloft for five minutes, due to high winds, he picked up two hot spots during his scan of the Kokoweef area. We're going to try to fly early Memorial Day weekend, a treat for those in attendance at our annual investor's picnic. For details on this event, see page 2.

## All Monies Invested Back into Company

Last Falls's newsletter raised \$26,000 for our project. We thank each of you for this monetary support, and we want to take this opportunity to let you know how your money is being used. All of it was reinvested in our company.

In early Spring Big Bill Simshauser came across a Bobcat Front End Loader in excellent condition; it only had 259 hours on its diesel engine. The cost for this Bobcat, trailer, front forks and buckets was only \$10,000. We bought it, and it has already proven extremely valuable in building our pad.

We spent \$6,000 to restock our staples and other necessary supplies such as dynamite and fuel.

And \$13,592 was applied to our lease-purchase arrangement for the Load Haul Dump (LDH). Total cost for this equipment is \$56,000; at this point, we've paid for the first and last month and two additional months. Our monthly cost is \$3,398; we'd like to raise \$10,000 to pay for an additional three months so that we will always be at least four to six months ahead in our payments. This will give us a cushion in case

we run into a lean month or so in the future.

We're not asking for any specific amount from you; just what you can afford. If you normally wait for this newsletter before sending in your investment, now is the time to do so.

Ralph and crew will be able to muck out an average of 120 feet per month at a 20 percent decline after the LDH is set up. We plan to take possession the week of March 25.

### A Celebration Planned for May Stock Holder's Picnic

In celebration of the good news we're positive we'll have to share with you in June, we're planning several surprises at our Annual Stock Holder's Family Picnic. It's planned for Memorial Day Weekend, **SUNDAY, MAY 27**. It will be held at camp instead of at Jack's Shack. Everything will be supplied for your enjoyment, but if you do have a specialty item, please bring it.

We'll have some surprise guests and encourage each of you to tour the mine. If you need to arrange for accommodations, call us in advance as that's a busy weekend in Las Vegas. But there's plenty of room at camp for those of you who have RVs and want to stay all weekend.  
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