

**LEGENDARY KOKOWEEF CAVERNS INC.**  
**CORPORATE OFFICES**  
806 FAIR OAKS AVENUE  
P. O. BOX 1202  
SOUTH PASADENA, CALIFORNIA 91030

May 24, 1980

To Our Note and Stockholders:

As we start our tenth year of operation many things have happened at Kokoweef and with this letter, we will bring you up to date.

MANAGEMENT:

At the February 3, 1980 Stockholders meeting, the Board of Directors were again unanimously re-elected to begin their seventh year with Kokoweef. The Board wish to thank each of you for your continued confidence in us.

The Board of Directors and Officers of the Corporation are as follows:

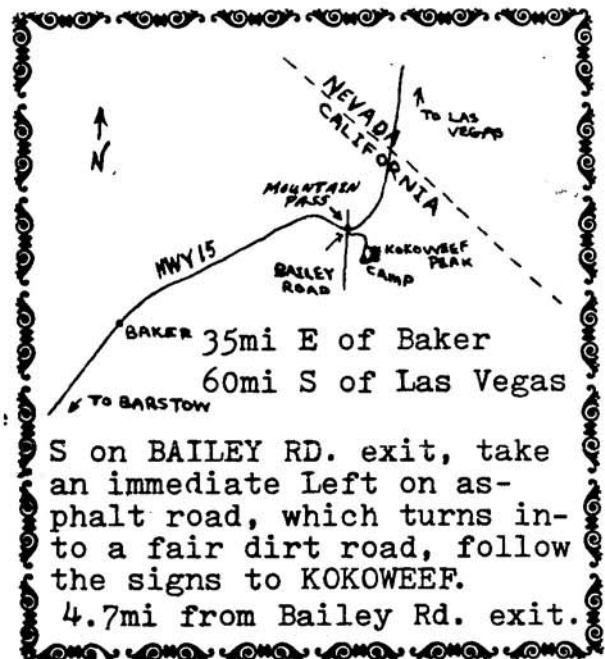
Mr. Peter J. Tripodes - President & Director  
Mr. George W. Fox - Vice President & Director  
Mr. Larry Hahn - Vice President  
Mr. Jerry Houchens - First Secretary  
Mrs. Donna Bibeau - Second Secretary  
Mrs. Beverly Rheume - Treasurer  
Mr. Richard Arnold - Director  
Mr. Sid Dickie - Director  
Mr. Jesse Fox - Director  
Mrs. Patricia Harzke - Director  
Mr. Jay McMurphy - Director

PICNIC AND OPEN HOUSE:

Our fourth annual Open House and Picnic will be held Sunday, June 1st, 1980 at Kokoweef Camp. The Directors and Officers wish to extend an invitation for all to attend this growing event, and they will be on hand to meet with you and answer any questions you may have. Tours of the caverns will be given to those individuals interested. The Picnic Grounds with tables and a few barbeque pits will be available for those who have self contained campers or trailers, and wish to stay the weekend. Children, of course, are welcome as long as they are under adult supervision. Please bring your own lunch and drinks, as we will not be able to supply them. The scenery and wild flowers should be worth the trip, so bring your families and friends and join us on Sunday, June 1st for this fun event. A Map and directions to Kokoweef Camp is provided for those of you who may not be familiar with where we are located.

### FINANCE:

Inflation has hit at Kokoweeek as it has everywhere else. But through the additional investments of Note and Stockholders, we were just able to meet our financial obligations for the past year. The Company generally follows the policy of securing funds for projects prior to the commencement of the project to insure its completion. This has however curtailed some needed work that is deemed necessary. The Company still adheres to its strick austerity program which includes deferring payments to Directors, Officers and workers at Camp. We still solicit talent from investors who are willing to donate time, material, and/or other needs. All work at Office and at Camp is done on a voluntary basis by investors.



Our monthly cash outlay was averaging about \$3,000.00 but is now approaching the \$4,000.00 per month figure. Rock sales at Camp have deminished in the last few years due to the lack of large amounts of new and saleable rock, and from the drop in tourist traffic because of the increases in gasoline prices.

We have enclosed the financial statement for 1979. When you read it, you will see how and where our money was spent.

### INVESTMENT PROGRAM:

If our search for the River of Gold is to progress, additional funds must be raised from you the Note and Stockholders, so our work will not be interrupted. As you no doubt know, we have a crew of full time workers at Camp, whose hard work has significantly altered the interior of Crystal Cave. These men are dedicated to continue and need your financial help.

The Company prefers to encourage investments from within the Company. We have for the past few years done well with this internal investment program, and we ask that Note and Stockholders invest on a regular basis by giving what they feel is comfortable. Most Note and Stockholders involved in this program give monthly, but some send once for the entire year, or whenever it is convenient to do so. Please remember that investments are on a voluntary basis, but it is absolutely necessary for our successful operation that funds be raised on a regular basis. We would prefer that each of you give a small amount regularly, so that the burden would not fall on a few.

A Monthly reminder booklet has been enclosed with this letter to assist you in an investment program. Investments are integrated into a single note that bears an average interest earning date and is issued soon after the first of the following year. (Notes for Calendar Year 1979 will be mailed to investors in June.)

Whether your investment is monthly, yearly, or anytime, no matter the amount, please remember it is very important to our survival, and to the protection of your company.

NOTES AND NOTEHOLDERS:

Inquiries have been made by several investors on the status of their note investments in Kokoweef.

The Company has gone on record as favoring the conversion of all Notes into stock of the Corporation when all legal requirements have been met. This action of converting Notes to Stock will not be possible until the Company is in a solvent position. We can not promise the conversion of Notes into Stock because that would make the Notes a Warrant to purchase Stock, and that would require approval from the Department of Corporations. Our further intent is to convert Notes to Stock at a par value of \$2.00 per share. This action is held so that the Note investors will be protected and encouraged to continue investing in their company and its future.

Those investors holding Notes with past due dates may hold them and be assured that they are still in good standing, even if past due, or they may return them to the Company for reissue.

The Company would like to most sincerely thank those Noteholders for their help and support, and remind them that if it were not for them and their continued assistance, there would be no Kokoweef.

CAMP REPORT:

Approximately 355 feet of new and extended tunneling has been completed at the upper and tunnel levels of Crystal Cave. In addition, several potential natural passages have been cleared and examined thoroughly. The area known as the Chimney was converted into a debris chute and a debris bin was constructed to contain materials that are removed from the upper cavern areas. With the completion of the Chimney project, the areas known as Power's Hole and the Skyroom are now being emptied. This is a major accomplishment which was necessary for the complete cleaning and exploration of the upper and lower cavern system. The amount of debris removed resulted in the extension of track length, at the exterior of the tunnel entrance, four times, to reach the dump site.

Other areas of major projects are in the Arnold Fault, where three faults intersect and the area around Dorr's name. We will have

more information for you later on these projects.

Most of this work has been done by our full time volunteer crew. Special thanks are extended to Hans Hemke, Owen Lofthus, Ray Blackburn, Kevin Johnson, Dave Peck, Sid Allen, Mike Allen, Bill Bessex, Ralph Lewis, and Don Lewis, who have all worked or are still working full time at the mine. We also thank the many weekenders who volunteer their talents when they can. Last, but by no means least, we extend special appreciation to Mr. George Fox, who has diligently organized and supervised this most difficult undertaking. Without his dedication, financial support and experience, no organized search effort would be possible.

CONCLUSION:

The fact that we have been operating for nearly ten years with the obstacles we have faced is a minor miracle. The work that has been accomplished, the dedication of so many is amazing. We of Kokoweef feel that something good will happen, and hopefully soon, we thank you, our investors for your support and we know your support will continue until we find our "RIVER OF GOLD".

Respectfully Submitted,

The Directors and Officers

Legendary Kokoweef Caverns



Won't you help us from misplacing you in the future. If you are moving, let us know too. Our next mailing may not go out soon enough for the Post Office to automatically forward information to you.

So, when you make your next move complete and return this form to Legendary Kokoweef Caverns Inc., P.O. Box 1202, South Pasadena, CA 91030.

Name .....

Old Address .....

New Address .....

Telephone ..... (Confidential)....  
(Area Code)

Keeping you informed of our steady progress is one of the aims that we are pleaded to fulfill.