

EXPLORATION INCORPORATED OF NEVADA



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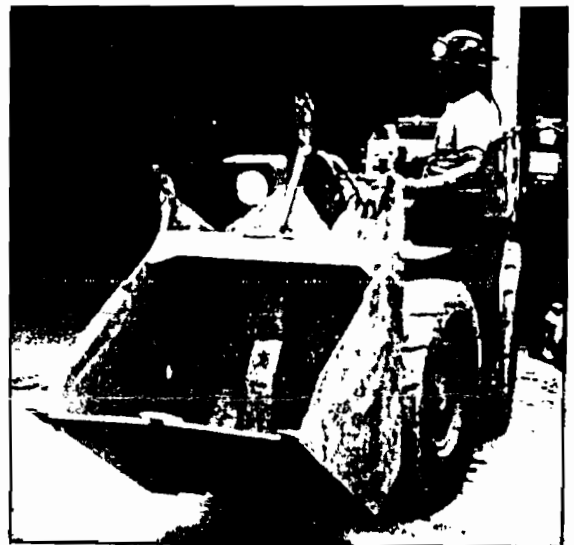
TUNNEL
NOW IN 275
FT!

Progress on our 4 x 8 ft. tunnel has been steady thanks to the untiring efforts of Ralph Lewis and his crew which now consists of 4 men. Those of you who pitch in with a helping hand on your weekends give us that added push towards our goal. We have had several exciting moments this past month when we've broken into small pockets filled with beautiful crystal formations. This may well be the start of the cavern system that will lead us to Dorr's River of Gold!

PICNIC A BIG SUCCESS

We had a very eventful and successful annual picnic this past Memorial Day. Over 250 investors and their families and friends gathered at camp to enjoy food and drink and good company under the huge circus tent that Larry Hahn and his crew of helpful investors set up to provide shade. Ralph, Jimmy and Buzz had a round ready to go and all present were

impressed to experience a blast and see the great progress on the tunnel. "We had an exciting day and I was thrilled to see so many investors take part" reported Hahn, adding that he hopes to see more of you at next years annual event.



LHD WORKS GREAT

We took possession of the load haul dump on March 22 Those of you who made it out to the annual picnic got to see it in action and know that it has proven to be even better than anticipated - a fantastic piece of equipment which is perfectly suited to our

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purposes. Use of the LHD has cut mucking time from a full day (sometimes more) to a mere 3 to 4 hours per blast and taken much of the back breaking effort out of driving the tunnel. We consider it well worth the investment of \$56,000. We have now made five lease-purchase payments bringing the balance down to \$39,651 with the next payment due July 22. Your continuing support as we drive this tunnel is appreciated.

from the Legal Desk.....

Larry Hahn reports that we have been informed by the State of Nevada that we will have to go public due to the fact that we have gone over the maximum amount of investors allowed for a private corporation. "This wasn't a planned move" explained Hahn, "We have grown over the years as more investors have joined with us and due to recent legislation the S.E.C. now requires that we become a publicly held corporation. An attorney has been hired to handle the details and ensure that we conform to all legal requirements. Everything is in proper order according to our legal counsel, and while this move will prove costly over the next six months to a year, it will work to our

advantage in the long run." Hahn stated.

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Looking ahead to our Annual Stockholders Meeting in November.....

An annual report will be compiled and sent to each of you in time for the meeting. The date of the meeting will be announced in the next newsletter.

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SUMMER IS VACATION TIME

You are always welcome at camp on weekends or vacations or whatever time you have to relax and enjoy getting away from your everyday routines. We like to see your smiling faces and are happy to have your help.

Feathers in Our Caps!

Joe Kelly completed a new drilling record recently.

He drilled a 1,020 foot hole under Crystal with a drill that has a recommended range of only 600 feet! We've never drilled this far before, but now we know that we're capable of doing some long range drilling. A nice feather in your cap, Joe.

And a nice feather in our cap is the purchase of an immaculate, almost new 250,000 watt generator.

Brand new, this same generator would have cost \$40,000, but we purchased it for only \$2,500.

This purchase completes our acquisitions for power, including all necessary wires and transformers. This also allows us to have ample power to go down to the River of Gold when we finally break into one of the Caverns.

Help Us Forge Ahead!

Our money situation is drastically low! Nearly half of our investors have not sent in a share for about a year; others longer. We need your help this time if we're going to get our seismic exploration started.

Although there are no guarantees in this business, we still can't afford to wait another seven years to start this seismic examination. We've been given a rare opportunity to obtain the best equipment and latest

technology at a reasonable price, so now is the time!

On the recording devices alone, it will cost us an additional \$500-\$750 a month in rental fees for a year, at which time we can choose to purchase the equipment. In addition, we have to buy \$3,000 in transducers. All of this would have cost nearly \$60,000 new.

We still have to pay our rent, insurance, fuel, food and other miscellaneous expenses. So if it is at all possible, please send in your investment today! We have nearly 400 investors, yet nearly 200 have not sent in any money since your original investment.

About 100 of you are wonderful; you faithfully send in your share each time we mail out a newsletter. And about 35 of you are Angels! You send in an investment EVERY MONTH!

To those of you who want to know what we do with the money we receive, we invite you to read this newsletter and come down to Kokoweef. Yet some of you keep asking but don't seem to care enough to visit and see for yourself how your investment is being used.

The Annual Investor's Meeting and Picnic on June 4 is the ideal time for your visit, but you are welcome to come to the camp and talk to us at any time throughout the year.

If you truly believe in this project as we do, then help us keep forging ahead because one day soon -- with your help -- we'll reach the River of Gold.

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