

### Sad News-Good News Begins 1996

We begin this year with sad news. Bill Herkert, president of the Crystal Cave Development Company, died in early December.

Herkert, 77, had been in failing health for sometime. "He was a wonderful fellow," recalled Larry Hahn, president of Exploration Inc. of Nevada.

"Bill patiently waited for us to find this river, but he just couldn't wait any longer. We're hoping that he'll meet us at the River of Gold because he wanted it so badly," Larry added, his voice choked with emotion.

But this year also begins with good news. Everything, for a change, is going well and on schedule.

We've completed our 58-foot tunnel over to the void that we started late last summer. The void is now about 6feet across, 12-feet wide and shoots straight up about 16-18 feet.

It veers slightly to the left, traveling downward about 15-20 feet. "We can see down the hole, but we can't get through it," explained Larry.

So the crew went back to their starting point, and 20-feet beyond that, where they made a cutout. We decided to

follow a 1-foot diameter solution tube which seems to be breathing air. The new tunnel was angled at 20 degrees to the left and then driven over 20-feet to intersect the first fault.

Now we need some accuracy in determining the direction of these faults, so on Jan. 21 Jim Hanhardt is coming out with his laser survey equipment.

"We're going to survey the tunnels accurately," Larry emphasized.

Immediately after that, we're going to tunnel left toward Crystal Cave -- along the fault we've identified as Schnaard's Fault.

"Hopefully, we'll intersect the passage system that Jim [Hanhardt] is so fervently sure is there," he added.

The plan is to average one-round, or 6-feet of blasting every two to three days, which means we should be at our goal within three months.

#### Exploration Inc. of Nevada

This newsletter is published three times a year to keep Investors advised of the progress being made at Camp Kokoweef in the on-going search for the lost River of Gold, and as a reminder to all Investors that their investments are due.

President \_\_\_\_\_Larry Hahn Newsletter Editor \_\_\_\_Vickt M. Bertolino

## EVIDENCE AND SUGGESTIONS FOR LOCATING EARL DORR'S ORIGINAL PASSAGE IN CRYSTAL CAVE SO WE CAN FIND OUR WAY TO THE RIVER OF GOLD

A small map (below) drawn under the supervision of Earl Dorr, in 1954, shows his long, descent starting from the bottom of the Lower Cavern in Crystal Cave. THAT is why  $95^{\circ}/_{\circ}$  of the work in Crystal was done to explore under the "45 degree fault"! (See map on page 3)

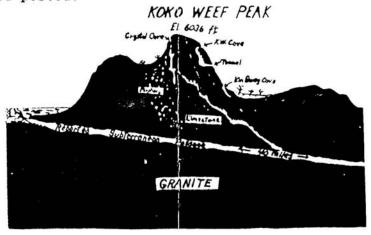
Old stories, the small map, and mother nature, may have thrown **EVERYONE** a real curveball, in Crystal Cave, by requiring anyone who will succeed in this quest to go up the Rat Hole! It's not a natural thing to do. It earned this name honorably by being one miserable, tight, steep, twisting, upward-trending hole ultimately leading into the Skyroom.

In the late 1940's, before any work had been done in Crystal Cave, a group of cave explorer's, organized by Dr. Halliday, reported finding fractured flowstone and a "thin trail of ash" near a "small alcove" (see map) But when the Raise was drilled up to the lower cavern, from underneath, the rocks and boulders were removed; leaving that miserable Rat Hole stranded high and dry above the lowered floor of the upper tunnel level. Note the Rat Hole begins to go up from the level where Dorr wrote his name on the wall. Stories indicate he left the cave from here and everyone, until now, assumed he went down from there. Maybe he went up to go down!!! One account related Earl went through a spot that was so tight he was afraid to go there at first. Well, the Rat Hole discouraged all but the most determined of cave crawlers!

In thinking this over, I remembered there is a 6 foot diameter hole in the upper (hanging wall) of the 45 degree fault. This is a significant, cavern feature under a totally unexplored area above the 45 degree Fault. Only the bottom of this 6 foot hole is visible and it is plugged with crushed popcorn rock and red clay. Now I believe it could be open above it - especially because it will intersect Schnarr's Fault! At that spot it should become bigger!
...And, the best part?...

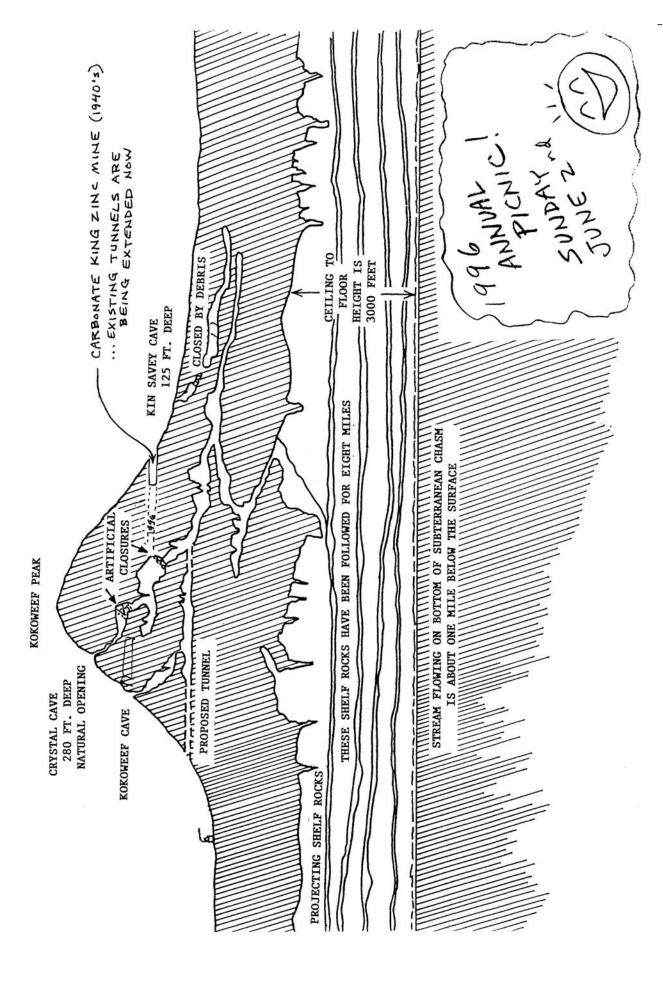
At our recent January meeting we eagerly discussed working in this "new" area. (It's always been there - just not pleasantly obvious) We,re very optimistic about finding something in Crystal Cave! What we find could help direct the tunneling back along Schnarr's Fault from the Carbonate King side. Let's hope we solve this 69 year puzzle. We'll keep you posted.

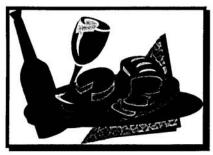
by: Ralph Lewis 1-23-96



Sketch was made under Dorr's direction in 1954.

... It's only 30 feet from the Rat Hole!!!





about very much, so we believe it is in every investor's interest to hear this. We'll detail:

- ⇒ What we're going to do.
- ⇒ Why we're going to do it.
- ⇒ What your involvement should be.
- ⇒ What the share value of your investment should be.
- ⇒ How you'll be involved with the entire operation should you choose to be.

We do hope that you will all show up this year and get a first hand look at our accomplishments. We've even

made the premises more habitable. Unlike last year, the air conditioning works throughout the entire building. We even have people movers this year to transport you to the mining operation.

As usual, we ask that each of you bring your favorite dish to share. We'll provide the hot dogs, hamburgers, relish, condiments, ice, drinks, plates, utensils and all of the other needed equipment to insure success and enjoyment for all.

For those of you who need to book a room, call Larry Hahn at 702 649-6819, and he'll try to help you.



# Everything is going well for a change

Except for our usual operational costs, we're pleased to report that everything is going well for a change.

Our seismic system is finally operational, thanks to an investor who has given us enough money to buy the directional transducers that we needed. We're putting this on hold, though, for about a month just in case we get lucky in the Carbonate King Zinc

Silver Mine venture!

We have had our usual round of breakdowns and problems. We blew a hub on the LHD which cost \$3,000 to repair; we need to pay for a variety of minor repair jobs that amount to \$4,000; and we need fuel at a cost of \$4,000.

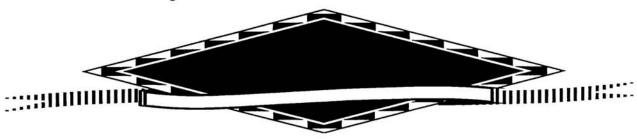
Other than that, we have our usual expenses for rent, food, dynamite and blasting powder, so we do need to restock our cash

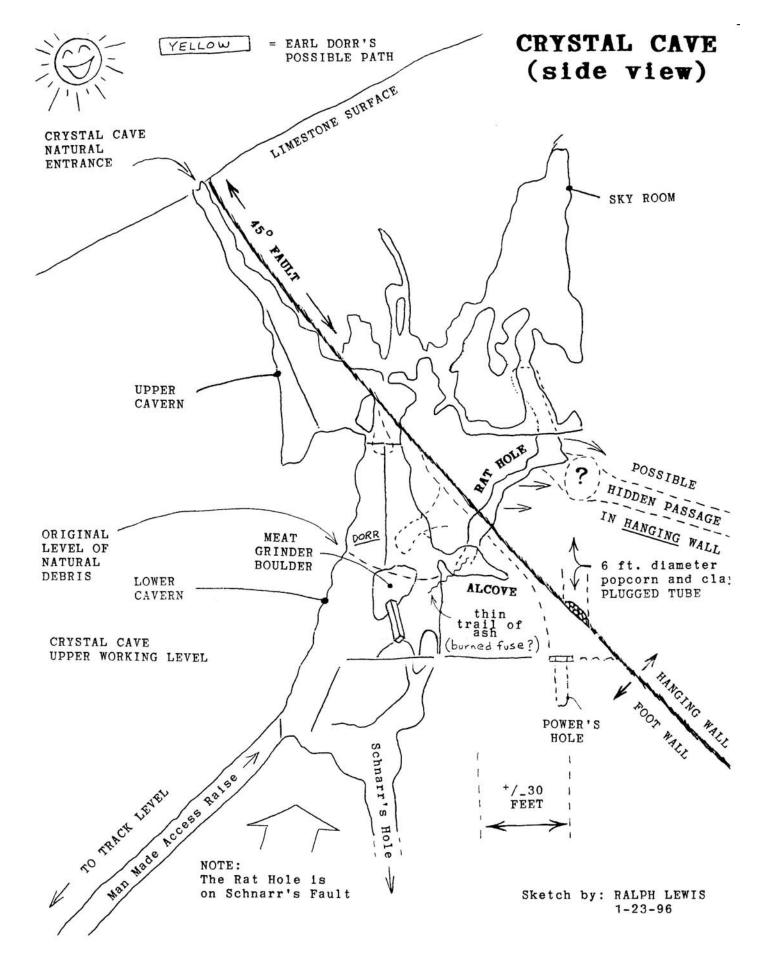
drawers until we enter that back door.

Mainly, though, we need your participation.

This might be our year to celebrate more than we have in the past.

As you know, we've always been optimistic, but we truly believe that this will be the year that will tell the tale -- the year we uncover our **River of Gold!** 



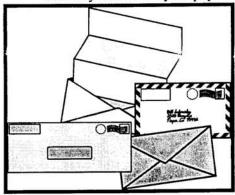


## Full Speed Ahead!

Winter of 96 might be rough on the East Coast, but out west it's been mild. December is usually slow at the mine because of the chilly temperatures and people busy with Christmas -- shopping and visiting relatives and friends.

"But now we want to move forward with a blast!" insists Larry who invites anyone who wants to help -- or get out of the cold if you live in the East and South -- to come up as often as possible. Whenever we can get a crew together, we continue diamond drilling in the old tunnel and use the seismic equipment as often as possible to accumulate information.

Not only can we use your physical help, but your fiscal help as well.



We need to restock our fuel, dynamite, blasting powder and cupboards. Rent is due.

That takes cash -- and since investments have not been coming in as regularly as they should be, we need to restock our cash drawer as well.

"This is your regular 4-month reminder about your investment. So, if you have any money left over from the holidays, we sure could use some. If not, we'll still go forward, but we do hope you will help us out by sending in your investment now," asks Larry.

## Picnic Plans Begin

With everything going so well, and if we continue to average 33-feet of blasting a month, we should have some good news to share with you in June.

This year, our Investor's Family Picnic is scheduled on June 2, the first weekend after Memorial Day. As usual, we'll have good food, good times and hopefully good news.

We encourage as many of you as possible to visit. It's important



that you see first hand how your investment is being used. It's also important that you meet the other investors because we are one family with one goal -- to find that River of Gold!

We'll talk more about the Picnic in the May newsletter. For now, we hope each of you will mark your calendars for June 2.