



2908 E. Lake Mead Blvd., NLU, NV 89030

702 649-6819

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Follow That Air Flow!

At last, luck seems to be coming our way. Things are beginning to look up for us. We're on the trail of a powerful air flow that seems to be coming from about a thousand feet beneath us.

At our annual picnic, we described our plans for drilling, and we're right on target. We've finished drilling down in the Ballroom to the 1200 foot mark, then moved up to the 550 foot mark. In this pattern, we've uncovered a series of vertical faults that look promising.

Our first drill hole went in about 61 feet where we hit a void about 18 inches in diameter. We continued drilling to 210 feet, pulled out and soon learned that the hole was breathing. This excited everyone!

Since then, we've drilled a total of 10 holes in a pattern stretching from 40 feet wide to 100 feet high. Of those 10, seven are breathing holes with voids ranging from 18 to 48 inches in diameter. Although the air flow in these breathing holes is as strong as anything we've uncovered in the past decade, the lowest hole has the strongest air

flow. According to Larry Hahn, "You can feel the air on your face approximately two feet away from the wall."

After our experts tested the air, they found that each breathing hole is extremely high in radon. This is key because radon is the natural decomposition of uranium particles in granite rocks that are at least 1000 feet below and percolate up through the cracks and crevices with air flow. "This is very encouraging, and everyone is extremely excited about this find," reports Larry.

In addition, the activity appears to be going down at a pretty steep angle -- just as Dorr described!

We put the PVC down with a plumb-bob dead weight and determined that the end of the bottom hole is 66 feet below us because that's where we lost the plumb-bob. We also suspect that it is roughly 30 or 40 feet above us, but we won't know for sure until we get in there with a tunnel.

We reamed out the hole, sent down lights and a camera, and saw flow stone and calcite water desposits that look like

fluffy popcorn. This is very encouraging! Our next step is to drive a short 60 foot tunnel over to expose the possibilities that it connects down to something bigger. If it continues down to where we can get a man through it, the void just may take us to a considerable depth. We'll soon find out because it won't take us more than two weeks to complete the tunnel and send a man down.

"Don't get too excited, gang, but this does look extremely promising," warns Larry who adds, "We'll continue to diamond drill to look for even bigger openings nearby which must exist with this much air flow present!"

Investors Picnic Success

We had a very successful Annual Meeting and Family Picnic this past June. Roughly 275 investors and their families attended, saw the changes we've made at the campsite, toured the mine, and learned our plans for future drilling -- all of which we've been successfully completing.

We recently completed our final acquisition from the now imploded Dunes Hotel. We bought a brand new, year-old 15,000 gallon water tank that we'll be using at the entrance to the mine. "With this acquisition," Larry explains, "we now have every piece of equipment we'll need for our operations."

Larry also announced that the seismic testing equipment is ready except for buying the 16 earphones and lines to connect

them at a cost of about \$3,000.

One piece of bad news has crept into all of this good news. Our big compressor broke. The compressor shaft twisted off and will cost about \$2,000 to repair. In the meantime, we're forging ahead with our drilling and tunneling by adding two or three borrowed compressors to make it work.

Let's Proceed in Earnest

Our venture looks even more promising now than it has in a long time. Now more than ever before, we want to proceed in earnest, with all due dispatch. That's why we're being very selective this time and only sending this newsletter out to our best investors, to those of you who have been loyal to this quest.

At this time of year in particular, we have a lot of expenses; we need to raise as much money as we can, as quickly as possible with the least amount of outlay. We know that we can depend upon each of you to help.

In addition to the \$3,000 for the seismic earphones and lines, the \$2,000 or more to repair the compressor, the \$1,500 monthly LHD payment, and our normal expenses for food, supplies, rent, and insurance, we also need to purchase 4,000 gallons of fuel for the rest of the year, and spend \$1,500 for additional drilling equipment.

Anything you can do to help will be highly appreciated.