



June 23, 2006

To Our Investors:

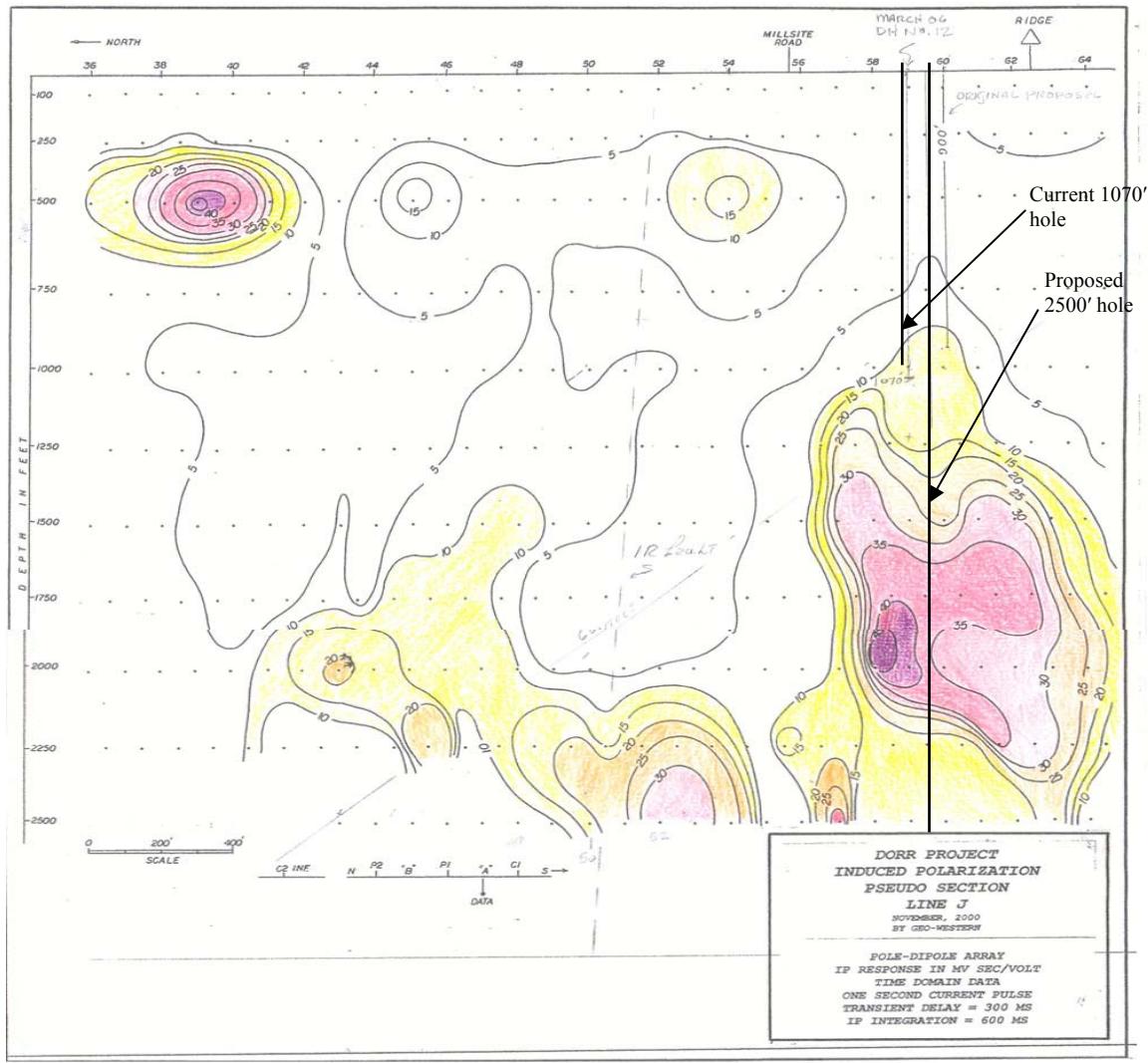
GREAT NEWS IN THIS SPRING/SUMMER UPDATE - YOU WILL WANT TO READ THIS!!

In January, we reported that we found in hole #12 a mineralized sulfide deposit. With sulfides, we could have gold, silver or any other noble metal encased. As you know; this is the main reason we choose to drill this site. We also sent to our electronics man, Mr. Hewitt, a 1/2 lb of drill cuttings from the 1020' level to be analyzed under a high powered microscope. His report shows he found a gold nugget and some microscopic gold along with silver, copper and a couple of other metals he could not identify.

Since the last newsletter, Mr. Hewitt sent us a picture of the nugget through his microscope (see adjacent picture). He also provided us with a cross section of the ore body below our drill site (see induced polarization pseudo section picture). Please note that our 1070' hole is barely touching the halo of this huge ore body.



Consequently, we have made some decisions as to what to do next. Rather than attempt to upgrade our old rig with a compressor and winches in order to go down a couple hundred more feet, we have decided to contract with a professional driller that has a much newer and bigger rig which is capable of drilling to 2500'. He would be using our 6 3/4" bits, our 5 3/4" hammer and some of our drill steel, along with his own, to achieve our goal. He will charge us \$10.00 a foot plus the cost of diesel fuel. As you can see from the diagram, this will put us



through the ore body and possibly even to the roof of the canyon. We are looking to speed up the process of finding out if we have a possible gold mine to finance our continued operation and **support everyone in their long standing efforts to make the Kokowef dream come true.**

We have decided to use the funds originally designated for a compressor and the funds we hope to achieve from this newsletter to make this happen. If we have enough cash left at the end of the first hole then we are going to have the driller move over to the 1070' hole and take it down to the 2500' level. This will give us two holes with twice as much sampling in assays. Also, we will be saving about \$10,000.00 worth of drilling since the driller will not have to drill the initial 1070'.

We will be taking samples every 10' down to 500' and then every 5' to the 2500' level. By mixing and quartering our samples every 20' we should be able to get an accurate idea of what is occurring below the 1000' mark.

We caution you not to get your hopes too high, since one nugget does not mean we have a gold mine. However, if this ore body does contain gold, it could be quite significant. Since gold is now at \$700.00 and could go as high as a \$1,000.00 by the end of the year, this could represent a considerable amount of money.

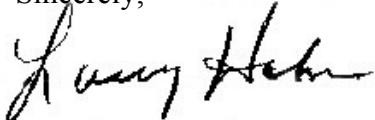
This brings us to the needed financial help. We hope the investors with the ability to send a little extra in funds will take the opportunity to do so, to support our drilling plans and our expected costs to expand the operation. If our assays show we have a significant amount of gold, we believe we should then attempt to purchase a larger drilling rig with the capability of reaching 2000' or better consistently and sell our current rig to offset the cost of the newer one. The reasoning behind this is that we will be able to drill several holes varying between 1000' to 2000' deep in order to get an accurate reading of exactly what we have in this ore body. This is called *blocking-out* an ore body. If we can raise enough for the down payment, we feel we should be able to bank finance the rest of this rig from the strength of the assays. It is important for us to purchase our own rig because the driller is only willing to drill two holes at the \$10.00 per foot price. From then on, it goes to a minimum of \$30.00 per foot.

Also, note that our down-hole camera is still in the works and will be finished in the next month or two.

Please remember the annual meeting on June 4th, 2006 where we hold our election of our board of directors. We will be sending proxies to those who cannot make the meeting. We will have the usual sodas, water, and food. If you have special needs or would like to have something other than what is typically offered, please bring it along with you. If you are not sure of the directions to Kokowef, please call the number indicated on this letterhead and we will provide you with a map.

Thanks for your continued support over the years.

Sincerely,



Larry Hahn, President & Board of Directors



Board of Directors:

Larry Hahn, President & Treasurer

Jimmy Serrill, Vice President & Secretary

Ted Burke, Director

Richard Dutchik, 1st Vice President & Director

Mike Mackey, Director

Richard Renel, Director

Drillers:

Larry Butler

Randy Stenberg