

REPORT TO SHAREHOLDERS & LAWSUIT UPDATE

LARRY HAHN, PRESIDENT
KOKOWEEF, INC.

April 21, 2009

The First Topic of Discussion

I understand that many of you are confused about the status of the lawsuit filed by Ted Burke (“Mr. Burke”) and others. This case was originally filed in March 2008. While a lot of time, effort and expense have been spent on the lawsuit, these were preliminary matters. Patrick C. Clary (“Mr. Clary”), the attorney for Kokoweeef, Inc. (“Kokoweeef”), has submitted his report to the shareholders which is being posted on the official Kokoweeef web site, www.kokoweeefinc.com.

On April 9, 2009, the attorneys on both sides met for a mandatory “Early Case Conference.” One of the purposes of said meeting was to exchange documentation that supported both parties’ case. Kokoweeef, Hahn’s World of Surplus, Inc. (“Surplus”) and I have previously produced reams of paper that support our position that no wrongful conduct took place. In addition, Kokoweeef agreed to provide additional information requested by the Plaintiffs. The Plaintiffs did not produce any documents, but agreed to provide the documents to us by Friday, April 17, 2009, that supported their claims. **However, the plaintiffs have not done so!!**

Mr. Burke’s attorneys are supposed to prepare an Early Case Conference report to be filed with the Court. Once that report is filed, the discovery process commences. This portion of the lawsuit enables the parties to request additional documentation and information from the other parties. It was agreed that this process would take 180 days. A trial date will be scheduled by the Court sometime after the 180-day period expires.

I have received a number of requests for clarification of the status of the lawsuit. Mr. Clary’s report provides in detail what transpired before the lawsuit was commenced through the present time. There also appears to be some confusion regarding Judge Denton’s Decision and Order regarding various matters including my Motion to Dismiss.

The original lawsuit was filed as an action saying that Surplus and I took money out of Kokoweeef for my personal benefit, not for Kokoweeef’s. It asked that I be removed as the President of Kokoweeef and requiring Surplus and me to repay to Kokoweeef the money we allegedly took improperly from Kokoweeef. These issues were addressed by Judge Denton when he found, after a hearing in which I testified, that the **Plaintiffs did not have a possibility of proving their case** and required **them** to post the sum of \$75,000 with the Court to pay the legal fees and expenses incurred by Kokoweeef and me to defend the case.

After losing the security hearing, the Plaintiffs fired their attorney, hired a new attorney and added six causes of action against Kokoweeef’s attorney, Mr. Clary, and me for securities fraud. The new complaint went from asking for moneys to be returned to Kokoweeef to asking for damages for the plaintiffs. The present complaint, as drafted, makes no request which will benefit Kokoweeef in any way!

I filed a Motion to Dismiss. However, Motions to dismiss are not looked on favorably by the courts. The policy of courts is that the parties should be able to present their case in a trial. For that reason, when considering a Motion to Dismiss, the Judge must treat the allegations contained in the complaint as true. This gives the plaintiffs the best possible position. **It does not mean that the allegations are true, or that the Judge believes they are true.** It simply gives the plaintiffs every possible benefit of the doubt. Plaintiffs vehemently opposed the motion, but the Court agreed with me that the Plaintiffs could not proceed on five of the six alleged security violations. All five of the claims that were dismissed related to the alleged securities violations.

The only new claim that remains is for negligent misrepresentation. Negligence occurs when there is a duty to do something, the person fails to do the duty and there is injury to the plaintiff as a direct result of that breach of duty. I am not certain what duty was breached, or what damage occurred, but Plaintiffs presently have the right to pursue this claim.

In a securities case, the damage is the issuance of securities that would not have been purchased without the wrongful conduct. The sole remedy is rescission, which means the Plaintiffs obtain a return of their money and the stock is returned. Plaintiffs' attorney advised the Court at the hearing in January 2009 that the Plaintiffs did not want to give up their stock! This makes it clear that the action is not to redress an alleged wrong by me but to remove me from Kokowef and allow Mr. Burke to take control.

The Judge also made a determination that two of the four other remaining claims were derivative. These were for the unjust enrichment and corporate waste. These two claims were based upon the allegations that I wrongfully took money from Kokowef. I showed the Court that this is not true during the mini-trial that occurred in July 30, 2008, and will do so again when and if this matter goes to the complete trial. Although the Judge did not dismiss the claims alleging unjust enrichment or corporate waste, he did not make a finding that this occurred. He is simply saying that sufficient allegations exist to allow the Plaintiffs' to proceed to trial! It is still necessary for the Plaintiffs to prove their allegations. I believe it will be impossible for them to do so because the things they allege did not happen!

The other two claims are breach of fiduciary duty and constructive fraud. The Judge felt that these were for the benefit of the Plaintiffs, not Kokowef. In essence, the action is to benefit Mr. Burke and his friends, not the long time shareholders of Kokowef.

I will continue to work for the success of Kokowef as I have for the last 30 years. I will also do my best to provide you with timely newsletters to let you know what is happening with Kokowef and the litigation. I apologize for what has transpired, but assure you that I have never done anything that was not for the best interest of you, the shareholders of Kokowef, Inc.

If you have any questions, either call me at 702.642.8328, send an email to larryhahn@wildblue.net or send a letter to Larry Hahn President, Kokowef, Inc., 2908 East Lake Mead Blvd., North Las Vegas, Nevada 89030.

You should also be aware that the web site, www.kokowef.com is owned by Richard Dutchik, a former director of Kokowef. This is not the official web site of Kokowef. Although Mr. Dutchik is not a Plaintiff in the litigation, he was one of the shareholders, along with Mr. Burke, who requested various financial information from Kokowef prior to the commencement of the litigation for an audit. Although the requested documentation was provided, the audit was never performed by the plaintiffs. His web site had contained an e-mail link that purportedly allowed shareholders to contact me. I have not had access to said email. It was not until recently that Mr. Dutchik removed the email link from his web site. If you sent an email to that web site, I did not receive it. If you would like my response to anything you sent to that web site, please forward the message to larryhahn@wildblue.com and I will respond to it.

The Second Topic of Discussion

Many investors have questioned the need for the Trust account and the involvement of the Trustee, Pat McGourin. I want to assure you that Mr. Pat McGourin, Mr. Drew White and Mr. Bill Simshauser are truly on our side of this lawsuit. They are responsible for forming the Kokowef Legal Defense Fund Trust account to help defray the legal costs. I now think this Trust account, as long as our investors continue to fund it, will prove to be the best vehicle to defray current and potential legal fees until Kokowef makes its momentous discovery. Please only put in what is affordable to you.

Checks should be mailed to:

Kokowef Legal Defense Fund (Trust Account)
PO Box 364837
N. Las Vegas, NV 89036

The Third Topic of Discussion

Over the years investors have graciously volunteered their services. I must compliment all who have done so. Our office volunteers research locating investors who have not advised us of their current address (a daunting task), maintain paperwork needed for issuance of their shares when located, create databases, initiate and take investors calls, help type newsletters, update files and work on the official www.kokowefinc.net website, etc. Investor volunteers spend many hours working in the Kokowef, Inc. office which is provided for at no cost by Surplus. No business could survive without office staff. Since the Kokowef Inc. funds are used primarily on the mining with a relatively small amount on office materials, Kokowef relies heavily on volunteers. Their work is extremely valuable.

Mr. Burke is implying on the high-jacked website that certain volunteers are perpetrating a scam. Nothing can be further from the truth. These volunteers are investors just like you, with the same concerns that any prudent investor should have concerning the effects on Kokowef of this frivolous lawsuit. Like any other shareholder these volunteers have their own opinions and conclusions that have been drawn from detailed examination of all the documents concerning the lawsuit, and as such they sometimes enter into conversation with other investors expressing and discussing mutual concerns. Those opinions are not necessarily the opinions of Kokowef Inc., myself, any other member of the board, or legal counsel.

The Fourth Topic of Discussion (and **The Most Important**)

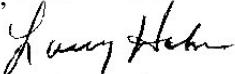
Last year we expected to core drill a 3000' hole into our ore body. However, a cost analysis for mud, drilling bits and other needed supplies would be in excess of \$75,000-\$100,000 per hole. Once we commit to a hole we must continue 18 to 20 hours a day or risk losing our drill steel in the hole because of the close tolerances. Therefore, the decision was made to use the funds elsewhere and get back to core drilling at a later date. Remember, our primary goal has always been and continues to be finding the canyon and the river. We discovered a phenomenal airflow blowing in and out in 2007-08 and investigating that is paramount. The most effective way to find the source of this airflow is by hammer drilling a series of holes 10' apart and about 700' -800' deep. Also, this method of drilling is much less expensive than core drilling. I will talk in greater depth about this with you at the meeting.

I look forward to seeing you at the annual meeting that will be held, as required by the Bylaws, on Sunday, June 7, 2009, at the Kokowef site. Because we want to accommodate as many people as possible, Kokowef will not be supplying food at this meeting. We will, however, have drinks available (soda and water). So please eat before you come or bring your own picnic. The tram is running nicely. The official meeting will start at 1:00 pm.

Please see the official web site for Kokowef Inc., www.kokowefinc.net for a REPORT OF COUNSEL TO KOKOWEEF, INC. SUMMARY OF THE PENDING LITIGATION by our corporate attorney, Mr. Clary.

Thanks for your continued support over the years.

Sincerely,



Larry Hahn, President & Treasurer



Board of Directors:

Larry Hahn, President & Treasurer
Richard Renel, Director

Jimmy Serrill, Secretary
Carolyn Chervenak, Director

Larry Voss, Director