

EOLOGICAL DATA
ASSESSMENT REPORT
LEACH CREEK N.S. & E 75(6)A
RESERVE ESTIMATE CHARTS
KAISER RESOURCES LTD

342
Part 2/2

AREA: LEACH CREEK NORTH
TABLE N^o: 55
RESERVE ESTIMATE — (0-1500' COVER)

SEAM NAME	AVG. THICK.	PITCH 0-15°							PITCH 15°-30°							PITCH 30°-90°							CUMULATIVE TOTALS—RECOVERABLE RESERVES										
		TONS IN PLACE (000's)	RESERVE CLASS.	MINING METHOD	TONS RECOVERED (000's)	CALC. YIELD	AT SP. GR.	TONS WASHED (000's)	TONS IN PLACE (000's)	RESERVE CLASS.	MINING METHOD	TONS RECOVERED (000's)	CALC. YIELD	AT SP. GR.	TONS WASHED (000's)	TONS IN PLACE (000's)	RESERVE CLASS.	MINING METHOD	TONS RECOVERED (000's)	CALC. YIELD	AT SP. GR.	TONS WASHED (000's)	OPEN PIT MINING			UNDERGROUND CONVENTIONAL			UNDERGROUND HYDRAULIC			TOTALS (000's TONS CLEAN)	SEAM NAME
																							PROVEN	PARTIALLY EXPLORED	PROJECTED	PROVEN	PARTIALLY EXPLORED	PROJECTED	PROVEN	PARTIALLY EXPLORED	PROJECTED		
1	5.0								157	C	C					21,561	C	C												21,718	21,718	1	
2	20.2															73,139	C	H												73,139	73,139	2	
3	35.0															89,627	C	H												89,627	89,627	3	
4	13.6															30,141	C	C												30,141	30,141	4	
5u	15.5															33,568	C	C												33,568	33,568	5u	
6	7.0															15,160	C	C												15,160	15,160	6	
7	14.2															12,623	C	C												12,623	12,623	7	
8u	35.2															31,290	C	H												31,290	31,290	8u	
9u																																	9u
9L																																	9L
10																																	10

NOTE: (1) Average thickness computed from observations. (ie. drill holes, adit and outcrop measurements.)
(2)(i) Tons in place (cu. yds.) determined from: (a) Area of unmined coal.
(b) Average thickness as determined from (1)
(ii) 1 cu. yd. of coal in place = 1.15 net tons raw.
(iii) Slope correction applied to (2)(i)(a) (Area of unmined coal.) as follows:
(a) For 0°-15° pitch - correction of 7 1/2° applied to area.
(b) For 15°-30° pitch - correction of 22 1/2° applied to area.
(c) For 30°-90° pitch - correction of 45° applied to area.

(3) Reserve Classification - Definitions for KRL property.
A - Proven Reserves - (In Place) -
Tons of coal (1.15 nt/cu. yd.) in the ground computed from observations (ie. drill holes, adits, outcrops, mine workings) spaced at intervals of 0.5 miles or less in areas of good geological continuity, with seam thickness greater than 5 feet and under less than 2500 feet of overburden.
B - Partially Explored Reserves - (In Place) -
Tons of coal (1.15 nt/cu. yd.) in the ground computed partially from observations generally spaced at intervals from 0.5 to 1.5 miles apart and partially from reasonable geological projections. Minimum seam thickness is 5 feet, and maximum overburden 2500 feet. Generally equivalent to "Probable" or "Indicated" in other systems of nomenclature.
C - Projected Reserves - (In Place) -
Tons of coal (1.15 nt/cu. yd.) in the ground where little direct evidence is available but where geological studies have indicated the continuity of the coal bearing measures. Coal seam thickness projected from adjacent areas.

(4) Mining Method -
H - Probably better suited to hydraulic mining method. Used 50% recovery.
C - Probably suited to conventional room and pillar method. Used 15% recovery.
R - Probably suited to selective mining because of splits or proximity to other seams. Used 15% recovery.
O - Open Pit reserve. Assumed 85% recovery.
(5) Reserves Recoverable -
Proven Reserves (Recoverable) -
Proven Reserves (In Place) adjusted by well substantiated factors for mining and washing recovery.
Partially Explored Reserves (Recoverable) -
Partially Explored Reserves (In Place) adjusted by generalized factors for mining and washing recovery.

(6) Calculated yield (laboratory) at defined specific gravity arrived at by (a) bulk sample wash tests from adits and/or test pits, or (b) micro sample wash tests from adits and/or test pits.

TONS IN PLACE

00342 2/2

TABLE N^o: 56

RESERVE ESTIMATE - (1500'-2500' COVER)

SEAM NAME	AVG. THICK.	PITCH 0-15°							PITCH 15°-30°							PITCH 30°-90°							CUMULATIVE TOTALS—RECOVERABLE RESERVES										SEAM NAME
		TONS IN PLACE (000's)	RESERVE CLASS.	MINING METHOD	TONS RECOVERED (000's)	CALC. YIELD	AT SP. GR.	TONS WASHED (000's)	TONS IN PLACE (000's)	RESERVE CLASS.	MINING METHOD	TONS RECOVERED (000's)	CALC. YIELD	AT SP. GR.	TONS WASHED (000's)	TONS IN PLACE (000's)	RESERVE CLASS.	MINING METHOD	TONS RECOVERED (000's)	CALC. YIELD	AT SP. GR.	TONS WASHED (000's)	OPEN PIT MINING			UNDERGROUND CONVENTIONAL			UNDERGROUND HYDRAULIC			TOTALS (000's TONS CLEAN)	
																							PROVEN	PARTIALLY EXPLORED	PROJECTED	PROVEN	PARTIALLY EXPLORED	PROJECTED	PROVEN	PARTIALLY EXPLORED	PROJECTED		
1	5.0	1,812	C	C				4,619	C	C					11,587	C	C														18,018	1	
2	20.2	15,617	C	H				21,828	C	H					70,073	C	H														107,518	2	
3	35.0	1,323	C	H				27,559	C	H					131,784	C	H														160,666	3	
4	13.6							6,219	C	C					50,290	C	C														56,509	4	
54	15.5							3,744	C	C					51,080	C	C														54,824	54	
6	7.0							1,691	C	C					23,069	C	C														24,760	6	
7	14.2							524	C	C					44,025	C	C														44,549	7	
84	35.2							1,298	C	H					109,133	C	H														110,431	84	
94	25.8													57,304	C	H															57,304	94	
96	27.2													60,414	C	H															60,414	96	
10	26.8													41,255	C	H															41,255	10	
PROVEN																																	
PART. EXPL'D																																	
PROJECTED		18,752						67,482							650,014																		
TOTALS		18,752						67,482							650,014																	736,248	

NOTE: (1) Average thickness computed from observations. (ie. drill holes, adit and outcrop measurements.)

(2)(i) Tons in place (cu. yds.) determined from : (a) Area of unmined coal.

(b) Average thickness as determined from (1)

(ii) 1 cu.yd. of coal in place \approx 1.15 net tons raw.

(iii) Slope correction applied to (2)(i)(a). (Area of unmined coal.) as follows:

(a) For 0° – 15° pitch – correction of $7\frac{1}{2}^{\circ}$ applied to area.

(b) For 15° – 30° pitch – correction of $22\frac{1}{2}^{\circ}$ applied to greg.

(c) For 30°–90° pitch – correction of 45° applied to area.

(3) Reserve Classification – Definitions for KRL property.

A - Proven Reserves - (In Place) -

Tons of coal (1-15nt/cu.yd.) in the ground computed from observations (ie. drill holes, adits, outcrops, mine workings) spaced at intervals of 0.5 miles or less in areas of good geological continuity, with seam thickness greater than 5 feet and under less than 2500 feet of overburden.

B - Partially Explored Reserves - (In Place) -

Tons of coal (1:15 nt/cu.yd.) in the ground computed partially from observations generally spaced at intervals from 0.5 to 1.5 miles apart and partially from reasonable geological projections. Minimum seam thickness is 5 feet, and maximum overburden 2500 feet. Generally equivalent to "Probable" or "Indicated" in other systems of nomenclature.

C - Projected Reserves - (In Place) -

Tons of coal (1-15 nt/cu.yd.) in the ground where little direct evidence is available but where geological studies have indicated the continuity of the coal bearing measures. Coal seam thickness projected from adjacent areas.

(4) Mining Method -

H - Probably better suited to hydraulic mining method. Used 50 % recovery.

C - Probably suited to conventional room and pillar method. Used 15% recovery.

B – Probably suited to selective mining because of splits or proximity to other seams

Used 15% recovery.

0 - Open Pit reserve. Assumed 85% recovery

(5) Reserves Recoverable -

Proven Reserves (Recoverable) —

Proven Reserves (In Place) adjusted by well substantiated factors for mining and washing recovery.

Partially Explored Reserves (Recoverable) —

Partially Explored Reserves (In Place) adjusted by generalized factors for mining and washing recovery

(6) Calculated yield (laboratory) at defined specific gravity arrived at

by (a) bulk sample wash tests from adits and/or test pits, or (b) micro sample wash tests from adits and/or test pits.

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AREA:
TABLE N^o:

RESERVE ESTIMATE - (+ 2500' COVER)

(6) Calculated yield (laboratory) at defined specific gravity arrived at by (a) bulk sample wash tests from adits and/or test pits, or (b) micro sample wash tests from adits and/or test pits.

AREA:
TABLE N2:

AREA: LEACH CREEK SOUTH (COMPOSITE)
TABLE N^o: 58
RESERVE ESTIMATE - (0-1500' COVER)

[illegible]

NOTE: (1) Average thickness computed from observations. (ie. drill holes, adit and outcrop measurements.)
 (2) (i) Tons in place (cu. yds.) determined from : (a) Area of unmined coal.
 (b) Average thickness as determined from (1)
 (ii) 1 cu. yd. of coal in place = 1.15 net tons raw.
 (iii) Slope correction applied to (2) (i) (a). (Area of unmined coal.) as follows:
 (a) For 0°-15° pitch - correction of 7½% applied to area.
 (b) For 15°-30° pitch - correction of 22½% applied to area.
 (c) For 30°-90° pitch - correction of 45% applied to area.

(3) Reserve Classification - Definitions for KRL property.

A - Proven Reserves - (In Place) -

Tons of coal (1-15 nt/cu.yd.) in the ground computed from observations (ie. drill holes, adits, outcrops, mine workings) spaced at intervals of 0-5 miles or less in areas of good geological continuity, with seam thickness greater than 5 feet and under less than 2500 feet of overburden.

B - Partially Explored Reserves - (In Place) -

Tons of coal (1-15 nt/cu.yd.) in the ground computed partially from observations generally spaced at intervals from 0-5 to 1-5 miles apart and partially from reasonable geological projections. Minimum seam thickness is 5 feet, and maximum overburden 2500 feet. Generally equivalent to "Probable" or "Indicated" in other systems of nomenclature.

C - Projected Reserves - (In Place) -

Tons of coal (1-15 nt/cu.yd.) in the ground where little direct evidence is available but where geological studies have indicated the continuity of the coal bearing measures. Coal seam thickness projected from adjacent areas.

(4) Mining Method -

- H - Probably better suited to hydraulic mining method. Used 50 % recovery.
- C - Probably suited to conventional room and pillar method. Used 15 % recovery.
- R - Probably suited to selective mining because of splits or proximity to other seams. Used 15 % recovery.
- O - Open Pit reserve. Assumed 85% recovery.

(5) **Reserves Recoverable**—

Proven Reserves (Recoverable) —

Proven Reserves (In Place) adjusted by well substantiated factors for mining and washing recovery.

Partially Explored Reserves (Recoverable) —

Partially Explored Reserves (In Place) adjusted by generalized factors for mining and washing recovery.

(6) Calculated yield (laboratory) at defined specific gravity arrived at by (a) bulk sample wash tests from adits and/or test pits, or (b) micro sample wash tests from adits and/or test pits.

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AREA:
TABLE N°:

AREA: LEACH CREEK SOUTH (COMPOSITE)
TABLE No: 59
RESERVE ESTIMATE - (1500'-2500' COVER)

[illegible]

NOTE: (1) Average thickness computed from observations. (ie. drill holes, adit and outcrop measurements.)

(2)(i) Tons in place (cu. yds.) determined from : (a) Area of unmined coal.

(b) Average thickness as determined from (1)

(ii) 1 cu. yd. of coal in place = 1.15 net tons raw.

(iii) Slope correction applied to (2)(i)(a). (Area of unmined coal.) as follows:

(a) For 0° – 15° pitch – correction of $7\frac{1}{2}^\circ$ applied to aeq.

(b) For 15° – 30° pitch – correction of $22\frac{1}{2}^\circ$ applied to area.

(c) For 30° – 90° pitch – correction of 45° applied to area

(3) Reserve Classification – Definitions for KRL property.

A - Proven Reserves - (In Place) -

Tons of coal (1-15 mt/cu.yd.) in the ground computed from observations (ie. drill holes, adits, outcrops, mine workings) spaced at intervals of 0.5 miles or less in areas of good geological continuity, with seam thickness greater than 5 feet and under less than 2500 feet of overburden.

B - Partially Explored Reserves - (In Place) -

Tons of coal (1-15nt/cu.yd.) in the ground computed partially from observations generally spaced at intervals from 0.5 to 1.5 miles apart and partially from reasonable geological projections. Minimum seam thickness is 5 feet, and maximum overburden 2500 feet. Generally equivalent to "Probable" or "Indicated" in other systems of nomenclature.

C - Projected Reserves - (In Place) -

Tons of coal (1-15 nt/cu.yd.) in the ground where little direct evidence is available but where geological studies have indicated the continuity of the coal bearing measures. Coal seam thickness projected from adjacent areas.

(4) Mining Method –

H - Probably better suited to hydraulic mining method. Used 50 % recovery

C - Probably suited to conventional room and pillar method. Used 15% recovery

R - Probably suited to selective mining because of splits or proximity to other seams

Used 15% recovery

0 — Open Pit reserve. Assumed 85% recovery

(5) Reserves Recoverable -

Proven Reserves (Recoverable) -

Proven Reserves (In Place) adjusted by well substantiated factors for mining and washing recovery

Partially Explored Reserves (Recoverable) —

Partially Explored Reserves (In Place) adjusted by generalized factors for mining and washing recovery.

(6) Calculated yield (laboratory) at defined specific gravity arrived at

by (a) bulk sample wash tests from adits and/or test pits,

or (b) micro sample wash tests from adits and/or test pits.

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AREA:
TABLE N^o.

AREA: LEACH CREEK SOUTH COMPOSITE
TABLE N: 60
RESERVE ESTIMATE - (+ 2500' COVER)

[illegible]

NOTE: (1) Average thickness computed from observations. (ie. drill holes, adit and outcrop measurements.)
 (2) (i) Tons in place (cu. yds.) determined from: (a) Area of unmined coal.
 (b) Average thickness as determined from (1)
 (ii) 1 cu. yd. of coal in place = 1.15 net tons raw.
 (iii) Slope correction applied to (2) (i) (a). (Area of unmined coal.) as follows:
 (a) For 0°-15° pitch - correction of 7½% applied to area.
 (b) For 15°-30° pitch - correction of 22½% applied to area.
 (c) For 30°-90° pitch - correction of 45% applied to area.

(3) Reserve Classification – Definitions for KRL property.

- A – Proven Reserves – (In Place) –
Tons of coal (1-15 nt/cu.yd.) in the ground computed from observations (i.e. drill holes, adits, outcrops, mine workings) spaced at intervals of 0.5 miles or less in areas of good geological continuity, with seam thickness greater than 5 feet and under less than 2500 feet of overburden.
- B – Partially Explored Reserves – (In Place) –
Tons of coal (1-15 nt/cu.yd.) in the ground computed partially from observations generally spaced at intervals from 0.5 to 1.5 miles apart and partially from reasonable geological projections. Minimum seam thickness is 5 feet, and maximum overburden 2500 feet. Generally equivalent to "Probable" or "Indicated" in other systems of nomenclature.
- C – Projected Reserves – (In Place) –
Tons of coal (1-15 nt/cu.yd.) in the ground where little direct evidence is available but where geological studies have indicated the continuity of the coal bearing measures. Coal seam thickness projected from adjacent areas.

(4) Mining Method –

- H – Probably better suited to hydraulic mining method. Used 50 % recovery.
- C – Probably suited to conventional room and pillar method. Used 15% recovery.
- R – Probably suited to selective mining because of splits or proximity to other seams. Used 15%-recovery.
- O – Open Pit reserve. Assumed 85% recovery.

(5) Reserves Recoverable –

Proven Reserves (Recoverable) –

Proven Reserves (In Place) adjusted by well substantiated factors for mining and washing recovery

Partially Explored Reserves (Recoverable) –

Partially Explored Reserves (In Place) adjusted by generalized factors for mining and washing recovery.

(6) Calculated yield (laboratory) at defined specific gravity arrived at by (a) bulk sample wash tests from adits and/or test pits, or (b) micro sample wash tests from adits and/or test pits.

TONS IN
PLACE

00342 $2/2$

AREA:
TABLE N^o:

RESERVE ESTIMATE - (0-1500' COVER)

NOTE: (1) Average thickness computed from observations. (ie. drill holes, adit and outcrop measurements.)
 (2) (i) Tons in place (cu. yds.) determined from: (a) Area of unmined coal.
 (b) Average thickness as determined from (1)
 (ii) 1 cu. yd. of coal in place = 1.15 net tons raw.
 (iii) Slope correction applied to (2) (i) (a). (Area of unmined coal.) as follows:
 (a) For 0°-15° pitch - correction of 7 1/2° applied to area.
 (b) For 15°-30° pitch - correction of 22 1/2° applied to area.
 (c) For 30°-90° pitch - correction of 45° applied to area.

(3) Reserve Classification - Definitions for KRL property.
 A - Proven Reserves - (In Place) -
 Tons of coal (1-15 nt/cu. yd.) in the ground computed from observations (ie. drill holes, adits, outcrops, mine workings) spaced at intervals of 0-5 miles or less in areas of good geological continuity, with seam thickness greater than 5 feet and under less than 2500 feet of overburden.
 B - Partially Explored Reserves - (In Place) -
 Tons of coal (1-15 nt/cu. yd.) in the ground computed partially from observations generally spaced at intervals from 0-5 to 1-5 miles apart and partially from reasonable geological projections. Minimum seam thickness is 5 feet, and maximum overburden 2500 feet. Generally equivalent to "Probable" or "Indicated" in other systems of nomenclature.
 C - Projected Reserves - (In Place) -
 Tons of coal (1-15 nt/cu. yd.) in the ground where little direct evidence is available but where geological studies have indicated the continuity of the coal bearing measures. Coal seam thickness projected from adjacent areas.

(4) Mining Method -
 H - Probably better suited to hydraulic mining method. Used 50% recovery.
 C - Probably suited to conventional room and pillar method. Used 15% recovery.
 R - Probably suited to selective mining because of splits or proximity to other seams. Used 15% recovery.
 O - Open Pit reserve. Assumed 85% recovery.

(5) Reserves Recoverable -
 Proven Reserves (Recoverable) -
 Proven Reserves (In Place) adjusted by well substantiated factors for mining and washing recovery.
 Partially Explored Reserves (Recoverable) -
 Partially Explored Reserves (In Place) adjusted by generalized factors for mining and washing recovery.

(6) Calculated yield (laboratory) at defined specific gravity arrived at by (a) bulk sample wash tests from adits and/or test pits, or (b) micro sample wash tests from adits and/or test pits.

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AREA:
TABLE N^o.

RESERVE ESTIMATE - (1500' - 2500' COVER)

NOTE: (1) Average thickness computed from observations. (ie. drill holes, adit and outcrop measurements.)
 (2)(i) Tons in place (cu.yds.) determined from : (a) Area of unmined coal.
 (b) Average thickness as determined from (1)
 (ii) 1 cu.yd. of coal in place = 1.15 net tons raw.
 (iii) Slope correction applied to (2)(i)(a). (Area of unmined coal.) as follows:
 (a) For 0°- 15° pitch -correction of 7½° applied to area.
 (b) For 15°-30° pitch -correction of 22½° applied to area.
 (c) For 30°-90° pitch -correction of 45° applied to area.

(3) Reserve Classification - Definitions for KRL property.
 A - Proven Reserves -(In Place) -
 Tons of coal (1.15 nt/cu.yd.) in the ground computed from observations (ie. drill holes, adits, outcrops, mine workings) spaced at intervals of 0.5 miles or less in areas of good geological continuity, with seam thickness greater than 5 feet and under less than 2500 feet of overburden.
 B - Partially Explored Reserves -(In Place)-
 Tons of coal (1.15 nt/cu.yd.) in the ground computed partially from observations generally spaced at intervals from 0.5 to 1.5 miles apart and partially from reasonable geological projections. Minimum seam thickness is 5 feet, and maximum overburden 2500 feet. Generally equivalent to "Probable" or "Indicated" in other systems of nomenclature.
 C - Projected Reserves -(In Place) -
 Tons of coal (1.15 nt/cu.yd.) in the ground where little direct evidence is available but where geological studies have indicated the continuity of the coal bearing measures. Coal seam thickness projected from adjacent areas.

(4) Mining Method -
 H - Probably better suited to hydraulic mining method. Used 50 % recovery.
 G - Probably suited to conventional room and pillar method. Used 15% recovery.
 R - Probably suited to selective mining because of splits or proximity to other seams.
 Used 15% recovery.
 O - Open Pit reserve. Assumed 85% recovery.

(5) Reserves Recoverable -
 Proven Reserves (Recoverable) -
 Proven Reserves (In Place) adjusted by well substantiated factors for mining and washing recovery.
 Partially Explored Reserves (Recoverable) -
 Partially Explored Reserves (In Place) adjusted by generalized factors for mining and washing recovery.

(6) Calculated yield (laboratory) at defined specific gravity arrived at
 by (a) bulk sample wash tests from adits and/or test pits,
 or (b) micro sample wash tests from adits and/or test pits.

AREA: LEACH CREEK (MIDDLE)
TABLE No: 63
RESERVE ESTIMATE - (+2500' COVER)

[illegible]

NOTE: (1) Average thickness computed from observations (ie. drill holes, adit and outcrop measurements).
 (2)(i) Tons in place (cu.yds.) determined from: (a) Area of unmined coal.
 (b) Average thickness as determined from (1)
 (ii) 1 cu.yd. of coal in place = 1.15 net tons raw.
 (iii) Slope correction applied to (2)(i)(a). (Area of unmined coal) as follows:
 (a) For 0°-15° pitch - correction of 7 1/2% applied to area.
 (b) For 15°-30° pitch - correction of 22 1/2% applied to area
 (c) For 30°-90° pitch - correction of 45% applied to area

(3) Reserve Classification - Definitions for KRL property.

- A - Proven Reserves - (In Place) -
Tons of coal (1-15 nt/cu.yd.) in the ground computed from observations (ie. drill holes, adits, outcrops, mine workings) spaced at intervals of 0.5 miles or less in areas of good geological continuity, with seam thickness greater than 5 feet and under less than 2500 feet of overburden.
- B - Partially Explored Reserves - (In Place) -
Tons of coal (1-15 nt/cu.yd.) in the ground computed partially from observations generally spaced at intervals from 0.5 to 1.5 miles apart and partially from reasonable geological projections. Minimum seam thickness is 5 feet, and maximum overburden 2500 feet. Generally equivalent to "Probable" or "Indicated" in other systems of nomenclature.
- C - Projected Reserves - (In Place) -
Tons of coal (1-15 nt/cu.yd.) in the ground where little direct evidence is available but where geological studies have indicated the continuity of the coal bearing measures. Coal seam thickness projected from adjacent areas.

(4) Mining Method -
 H - Probably better suited to hydraulic mining method. Used 50 % recovery.
 C - Probably suited to conventional room and pillar method. Used 15 % recovery.
 R - Probably suited to selective mining because of splits or proximity to other seams.
 Used 15 % recovery.
 O - Open Pit reserve. Assumed 85 % recovery.

(5) Reserves Recoverable —

Proven Reserves (Recoverable) —

Proven Reserves (In Place) adjusted by well substantiated factors for mining and washing recovery.

Partially Explored Reserves (Recoverable) —

Partially Explored Reserves (In Place) adjusted by generalized factors for mining and washing recovery.

(6) Calculated yield (laboratory) at defined specific gravity arrived at by (a) bulk sample wash tests from adits and/or test pits, or (b) micro sample wash tests from adits and/or test pits.

TONS IN
PLACE

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AREA:
TABLE N^o.

RESERVE ESTIMATE - (0-1500' COVER)

TONS IN
PLACE

(c) For 30°–90° pitch – correction of 45° applied to area.

Tons of coal (1-15 mt/cu.yd.) in the ground where little direct evidence is available but where geological studies have indicated the continuity of the coal bearing measures. Coal seam thickness projected from adjacent areas.

Partially Explored Reserves (In Place) adjusted by generalized factors for mining and washing recovery.

by (a) bulk sample wash tests from adits and/or test pits,
or (b) micro sample wash tests from adits and/or test pits.

AREA:
TABLE №:

TABLE N°: 65

RESERVE ESTIMATE - (1500' - 2500' COVER)

[illegible]

NOTE: (1) Average thickness computed from observations. (ie. drill holes, adit and outcrop measurements.)

(2)(i) Tons in place (cu. yds.) determined from : (a) Area of unmined coal

(b) Average thickness as determined from (1)

(ii) 1 cu. yd. of coal in place = 1.15 net tons raw.

(iii) Slope correction applied to (2)(i)(a). (Area of unmined coal) as follows:

(a) For $0^\circ = 15^\circ$ pitch = correction of $7\frac{1}{2}^\circ$ applied to greg.

(b) For 15° – 30° pitch – correction of $22\frac{1}{2}^{\circ}$ applied to gage.

(c) For 30°–90° pitch = correction of 45° applied to area

(3) Reserve Classification – Definitions for KRL property.

A - Proven Reserves - (In Place) -

Tons of coal (1-15 nt/cu.yd.) in the ground computed from observations (i.e. drill holes, adits, outcrops, mine workings) spaced at intervals of 0.5 miles or less in areas of good geological continuity, with seam thickness greater than 5 feet and under less than 2500 feet of overburden.

B - Partially Explored Reserves - (In Place) -

Tons of coal (1-15 nt/cu.yd.) in the ground computed partially from observations generally spaced at intervals from 0.5 to 1.5 miles apart and partially from reasonable geological projections. Minimum seam thickness is 5 feet, and maximum overburden 2500 feet. Generally equivalent to "Probable" or "Indicated" in other systems of nomenclature.

C - Projected Reserves - (In Place) -

Tons of coal (1-15 nt/cu.yd.) in the ground where little direct evidence is available but where geological studies have indicated the continuity of the coal bearing measures. Coal seam thickness projected from adjacent areas.

(4) Mining Method –

H - Probably better suited to hydraulic mining method. Used 50 % recovery.

C = Probably suited to conventional room and pillar method. Used 15% recovery.

B = Probably suited to selective mining because of splits or proximity to other com-

Used 15% recovery.

0 = Open Bit reserve. Assumed 85% recovery.

(5) Reserves, Recoverable

b) Reserves Recoverable –
Proven Reserves (Recoverable) –

Proven Reserves (Recoverable) –

Proven Reserves (In Place) adjusted by we
Partially Explored Reserves (Recoverable)

Partially Explored Reserves (Recoverable) —

(6) Calculated yield (laboratory) at defined specific gravity: arrived at

(8) Calculated yield (laboratory) at defined specific gravity and
by (a) bulk sample, wash tests from edit and/or test pit.

or (b) micro sample wash tests from adits and/or test pits

or (b) micro sample wash tests from adits and/or test pits

recovery.

TONS IN
PLACE

00342 ²/₂

AREA:
TABLE N^o.

RESERVE ESTIMATE - (+ 2500' COVER)

NOTE: (1) Average thickness computed from observations. (ie. drill holes, adit and outcrop measurements.)
 (2) (i) Tons in place (cu. yds.) determined from: (a) Area of unmined coal.
 (b) Average thickness as determined from (1)
 (ii) 1 cu. yd. of coal in place = 1.15 net tons raw.
 (iii) Slope correction applied to (2) (i) (a). (Area of unmined coal.) as follows:
 (a) For 0°-15° pitch - correction of 7½° applied to area.
 (b) For 15°-30° pitch - correction of 22½° applied to area.
 (c) For 30°-90° pitch - correction of 45° applied to area.

(3) Reserve Classification - Definitions for KRL property.
 A - Proven Reserves - (In Place) -
 Tons of coal (1.15 nt/cu. yd.) in the ground computed from observations (ie. drill holes, adits, outcrops, mine workings) spaced at intervals of 0.5 miles or less in areas of good geological continuity, with seam thickness greater than 5 feet and under less than 2500 feet of overburden.
 B - Partially Explored Reserves - (In Place) -
 Tons of coal (1.15 nt/cu. yd.) in the ground computed partially from observations generally spaced at intervals from 0.5 to 1.5 miles apart and partially from reasonable geological projections. Minimum seam thickness is 5 feet, and maximum overburden 2500 feet. Generally equivalent to "Probable" or "Indicated" in other systems of nomenclature.
 C - Projected Reserves - (In Place) -
 Tons of coal (1.15 nt/cu. yd.) in the ground where little direct evidence is available but where geological studies have indicated the continuity of the coal bearing measures. Coal seam thickness projected from adjacent areas.

(4) Mining Method -
 H - Probably better suited to hydraulic mining method. Used 50% recovery.
 C - Probably suited to conventional room and pillar method. Used 15% recovery.
 R - Probably suited to selective mining because of splits or proximity to other seams. Used 15% recovery.
 O - Open Pit reserve. Assumed 85% recovery.

(5) Reserves Recoverable -
 Proven Reserves (Recoverable) -
 Proven Reserves (In Place) adjusted by well substantiated factors for mining and washing recovery.
 Partially Explored Reserves (Recoverable) -
 Partially Explored Reserves (In Place) adjusted by generalized factors for mining and washing recovery.

(6) Calculated yield (laboratory) at defined specific gravity arrived at
 by (a) bulk sample wash tests from adits and/or test pits,
 or (b) micro sample wash tests from adits and/or test pits.

TONS IN PLACE

00342 2/2

AREA:
TABLE No. 1