K- Natal Ridge 67(6)A

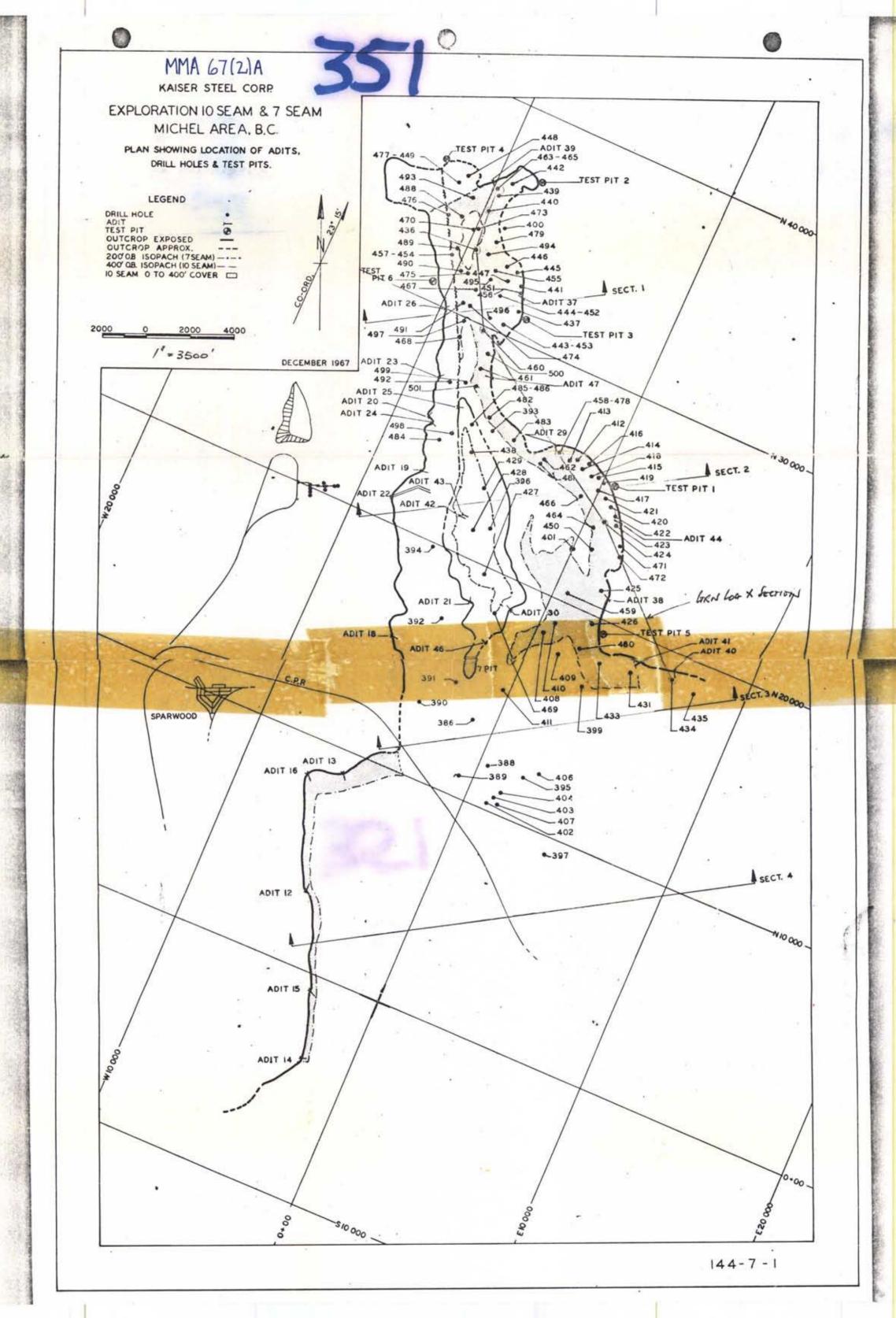
RESERVE ESTIMATE CHARTS

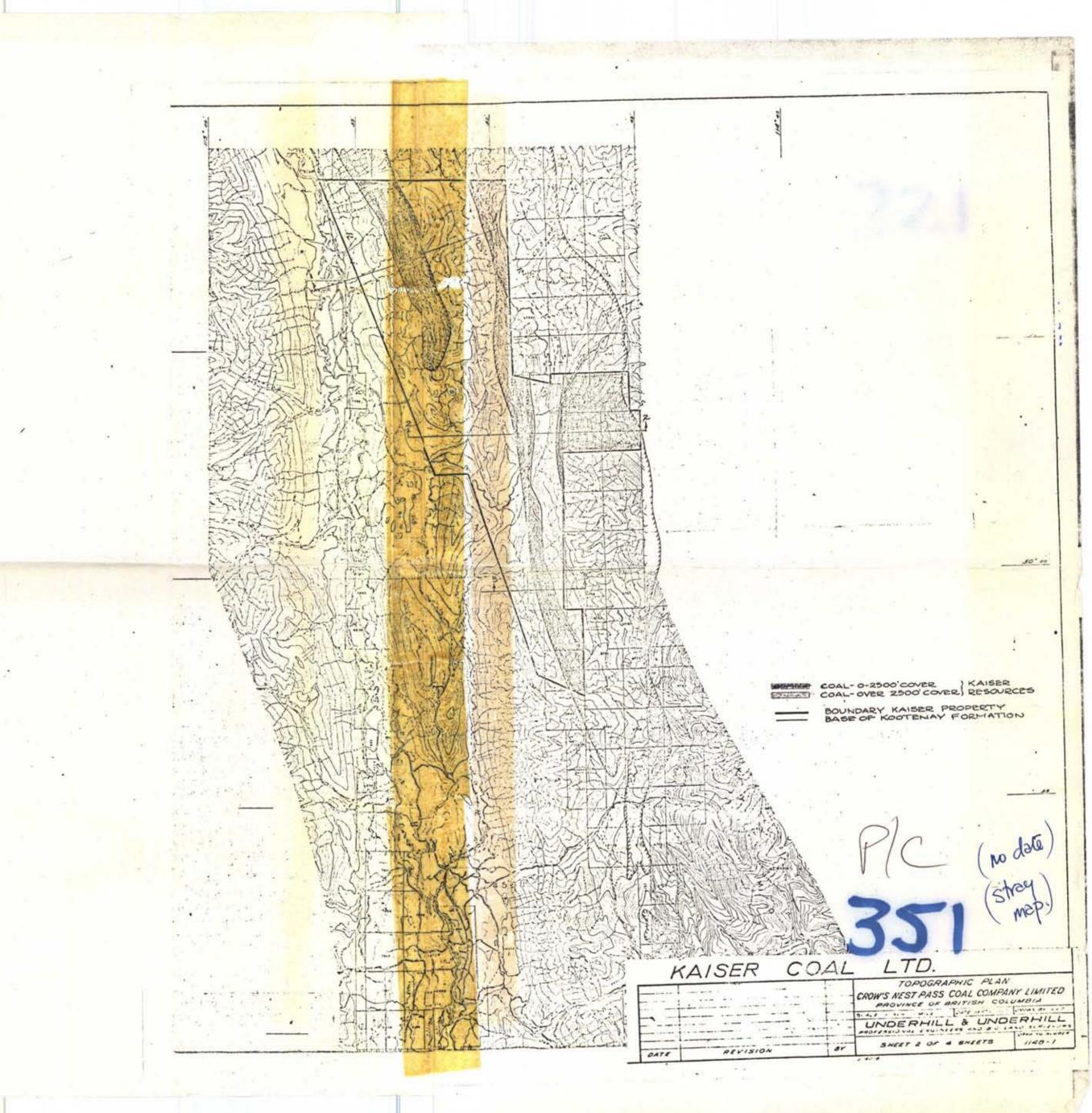
Walser Resources Ltd.

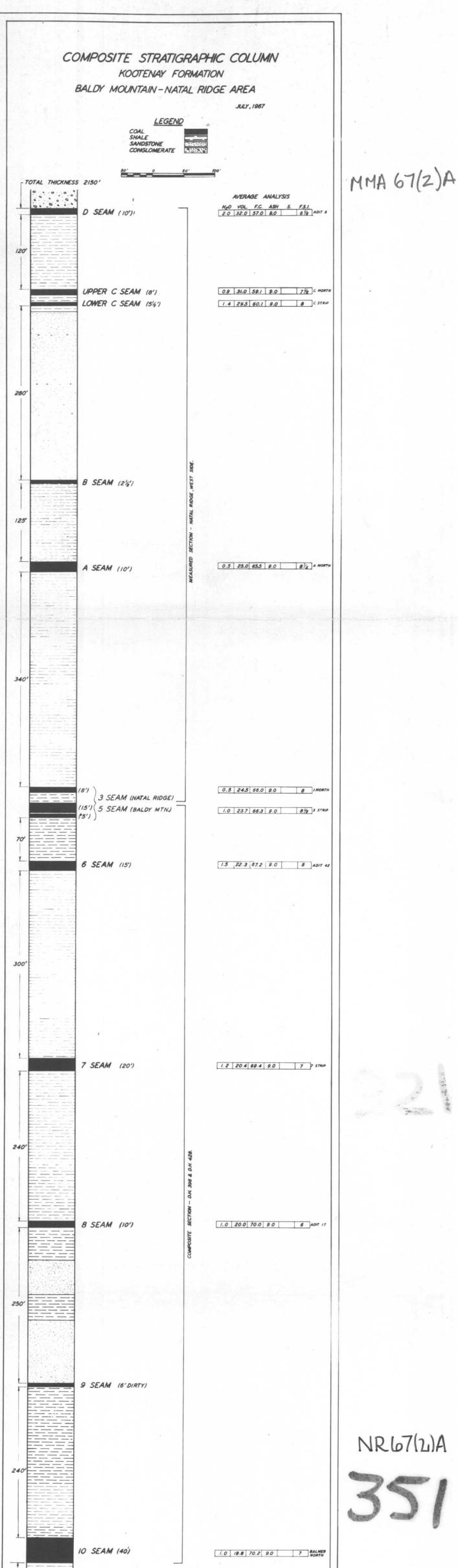


GEOLOGICAL BRANCH ASSESSMENT REPORT

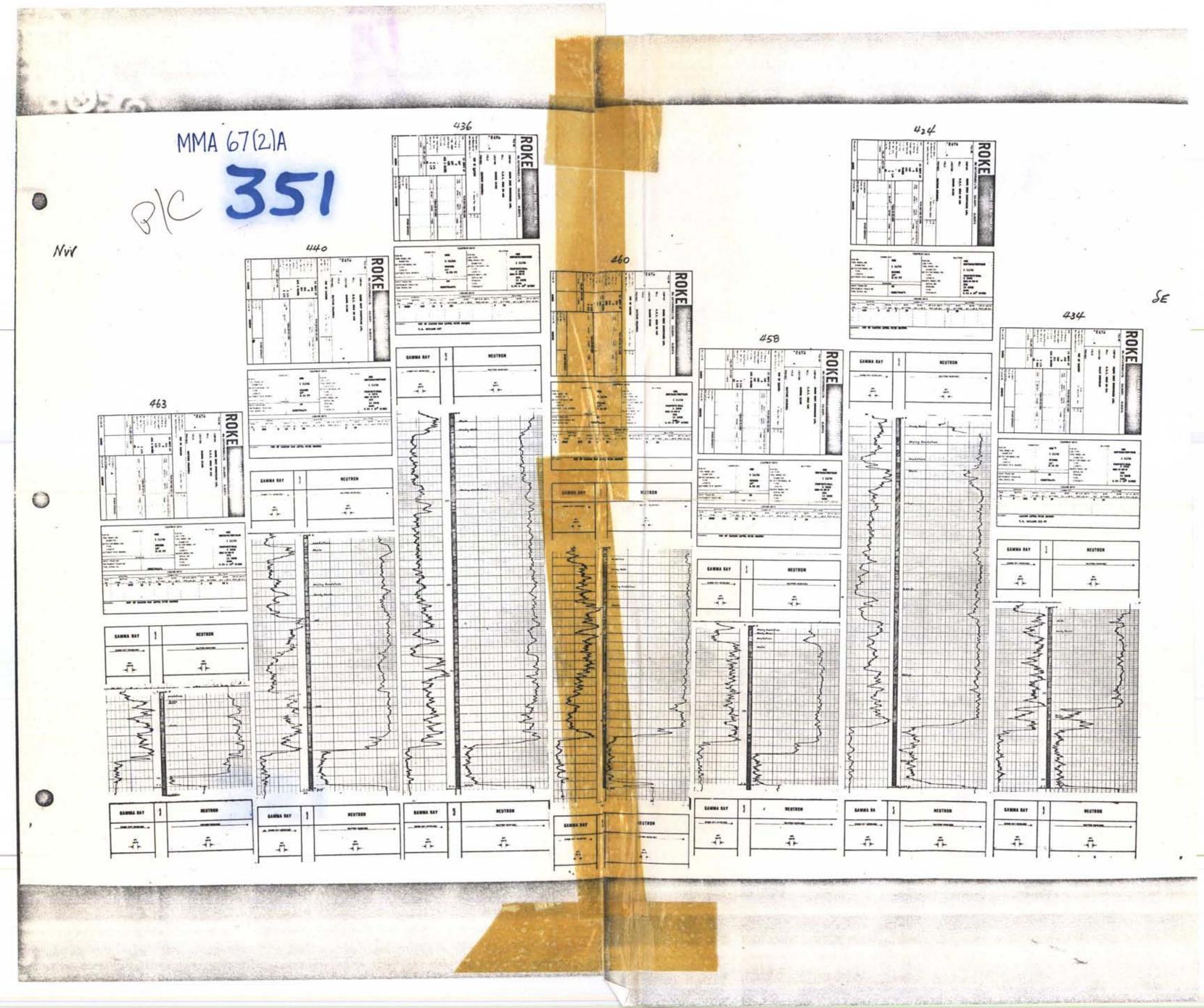
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NR67(2)A



AREA: NATAL RIDGE

TABLE Nº: 29

RESERVE ESTIMATE - (0-1500' COVER)

	1			PI	TCH C	0 - 15°	•				PITC	H 15°	-30	•				PITO	CH 3	50°-	90°			CUMULA	ATIVE T	OTALS-	- RECOV	ERABLE	RESERV	ES		
SEAM A	AVG.	TONS IN	RESERVE	E MINING METHOD	TONS RECOVERED	CALC.	AT	TONS WASHED	TONS IN PLACE	RESERVE	MINING	TONS RECOVERED	CALC.	AT SP, GR.	TONS WASHED	TONS IN PLACE	RESERVE	MINING	TONS	CAI	.C. AT	TONS		EN PIT MINING	1				SOUND HYD		TOTAL	
NAME T	HICK.	PLACE (000's)	CLASS.	METHOD	RECOVERED (000's)	YIELD	SP. GR.	(000's)	PLACE (000's)	CLASS.	METHOD	RECOVERED (000's)	YIELD	SP. GR.	(000's)	PLACE (000's)	CLASS.	METHOD	RECOVER (000's)	RED YIE	LD SP. GR	(000's)	PROVEN	PARTIALLY PROJECTED EXPLORED	PROVEN	PARTIALLY EXPLORED	PROJECTED	PROVEN	PARTIALLY EXPLORED	PROJECTED	(000's TONS CLE	EAN)
0	7.0	1395	B		1,186	87.5	1.60	1,038		 				<u> </u>									<u> </u>	1.038			ļ			<u> </u>	1,038	
<u> </u>	7.0	3,788	B	c	568	80.0	1.70	455			<u> </u>				1	<u> </u>			<u> </u>							455				- · · · · · 	455	
A 15	5.0	13,062	B	<u> </u>	6,459	83.2	1.50	5,374	<u></u>			<u> </u>		-		<u> </u>			 		- +	_	 	<u> </u>		5,374	<u> </u>	· · ·			5,374	
3	5.0	119,899	B		15,416	84.1	1.50	12,965		-	<u> </u>					<u> </u>			<u> </u>			 				12,965	·	·		·- ·· · · · · · · · · · · · · · · ·	12.965	
5 (6.0	576	A		489	77.0	1.50	100				<u> </u>		<u> </u>					1				100					·	 		100	
6 2	25.0	2,575	A	0	2,188	77.0	1.60	1,895			<u> </u>		<u> </u>	<u> </u>					 			 	1,895					·			1.895	
7 2	20 /	27,132	В	C, O	18,792	76.4	1.50	14.357	13,968	B	H	6,984	76.4	1.50	5,336				-				 	5,400		4,259	ļ ·		10,035		19.694	
1		03,070	<i>B</i>		15,460	79.1	1.50	12,229	1	B	H		i	1	14,156	<u></u>		<u> </u>	1		-	<u> </u>				12,229			14,156		26,385	
9 /	i		· ·						24.020	<i>B</i>	<u> </u>	3,603	- 1	1.50	!			<u> </u>	<u> </u>					 		2,796	1	- -			2,796	
10 5					1		1.50	115,182	98,654	B	H	49, 327	83.3	1.50	41,089			<u> </u>	 				61,676		5,013	48,493		<u> </u>	41,089		156.271	<u>/</u>
10		6,503	A (HA	DEMER H	EST SLUM	رام)			<u>, </u>	+			 														ļ				-	_
																						ļ	_			-]	
			1				<u> </u>				<u> </u>	<u></u>				<u> </u>						<u> </u>	 				<u> </u>	: 	 		<u> </u>	_
-																<u> </u>					_		1					<u>.</u>				
PROVEN		30, 104		1	83,749		1	69,779			<u> </u>			<u> </u>				!			<u>.</u>		63,671		5,013						68,684	 4
PART. EX	(PL'D	193,223			115,083		l		172,434	7		77,810			63,377		7							6,438		86,571	7		65,280		158, 289	
ROJECT	TED ·							/	, , , , , , , , , , , , , , , , , , ,	1		, , , , ,																				
TOTA	LS 9	23,327			198.832			163,595	172,434			77,810			63,377																226,973	3

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) I cutyd, of coat 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 221/2° 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 (I-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.

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.

> AREA: TABLE Nº

EA: NATAL RIDGE

TABLE Nº: 30

RESERVE ESTIMATE - (1500'- 2500' COVER)

				PIT	CH (D-15	•			F	PITCH	15°-	- 30°					PITC	H 30°	90	•				UMULA	TIVE T	OTALS-	- RECOVE	ERABLE	RESER'	VES	
SEAN	AVG.	TONS IN	RESERVE MIN	NING	TONS	CALC.	C, AT .D SP. GR.	TONS	TONS IN	RESERVE	MINING	TONS	CALC.	AT	TONS	TONS IN	RESERVE	MINING	TONS	CALC	ΔТ	TONS	OPE	N PIT MIN	IING	UNDERGRO	DUND CON	UND CONVENTIONAL UNDERG			DRAULIC	SFAM
NAME	THICK.	PLACE (000's)	RESERVE MIN	THOD	RECOVERED (000's)	YIELD	SP, GR.	TONS WASHED (000's)	TONS IN PLACE (000's)	RESERVE N CLASS. M	ETHOD F	TONS RECOVERED (000's)	YIELD	SP, GR	TONS WASHED (000's)	TONS IN PLACE (000's)	CLASS.	METHOD	TONS RECOVERED (000's)	YIELD	SP. GR.	TONS WASHED (000's)	PROVEN	PARTIALLY EXPLORED	PROJECTED	PROVEN	PARTIALLY EXPLORED	PROJECTED	PROVEN	PARTIALLY EXPLORED	PROJECTED	TOTALS SEAM NAME
D	7.0		•	t			.		· · · · · · · · · · · · · · · · · · ·				<u> </u>																1	†		0
C	7.0											· · · · · · · · · · · · · · · · · · ·													*							C
A	15.0	,																							-			·				A
	30.0																															1
5	6.0		1																	<u></u>												5
6	25.0	· · · · · · · · · · · · · · · · · · ·		·																												6
2	10.3																															7
8	13.0					_								<u> </u>									<u>.</u>									8
9	13.0								· -																							9
10	50.0	136,684	8	$c \mid z$	20, 503	83.3	1.50	17.079															<u>] </u>				17,079					17,079 10
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PART	EXPL'D	136,684		2	0,503	_		17,079	<u></u>								_]							17,079					12.079
PROJ	ECTED																															
то	rals	136,684		2	0,503	į		17.079																								

NOTE: (1) Average thickness computed from observations. (ie. driff 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) I 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 71/2° applied to area.
- (b) For 15°-30° pitch -correction of 221/2° 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 (I-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 -

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(5) Reserves Recoverable -

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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:

TABLE Nº

AREA: NATAL RIDGE (NO COAL > 2500' COVER)

TABLE Nº:

RESERVE ESTIMATE - (+2500' COVER)

ONS IN PLACE (000's)	RESERVE I	INING ETHOD	TONS RECOVERED (000's)	CALC. YIELD	AT SP. GR.	TONS WASHED	TONS IN PLACE (000's)	RESERVE	MINING		1		PITCH 15°-30°								CUMULATIVE TOTALS - RECOVERABLE RESERVES											
PLACE (000's)	CLASS.	ETHOD	(000's)	YIELD	SP. GR.	WASHED	DIACE		LIGHTER STATES !	TONS RECOVERED	CALC.	AT	TONS	TONS IN	RESERVE	MINING	TONS	CALC. AT	т т	ONS		EN PIT MI	NING	UNDERGROUND CONVENTIONAL UNDERGROUND H					DRAULIC	054		
		<u> </u>	_		T .	(000's)	(000's)	CLASS.	METHOD	RECOVERED (000's)	YIELD	SP, GR.	TONS WASHED (000's)	TONS IN PLACE (000's)	CLASS.	METHOD	TONS RECOVERED (000's)	YIELD SP.	GR. WA	ONS SHED 000's)	PROVEN	PARTIALLY EXPLORED	PROJECTED	PROVEN	PARTIALLY EXPLORED	PROJECTED	PROVEN	PARTIALLY EXPLORED	PROJECTED	TOTALS SEAM		
										··					1.	<u> </u>																
		·																										-		<u> </u>		
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> AREA: TABLE Nº