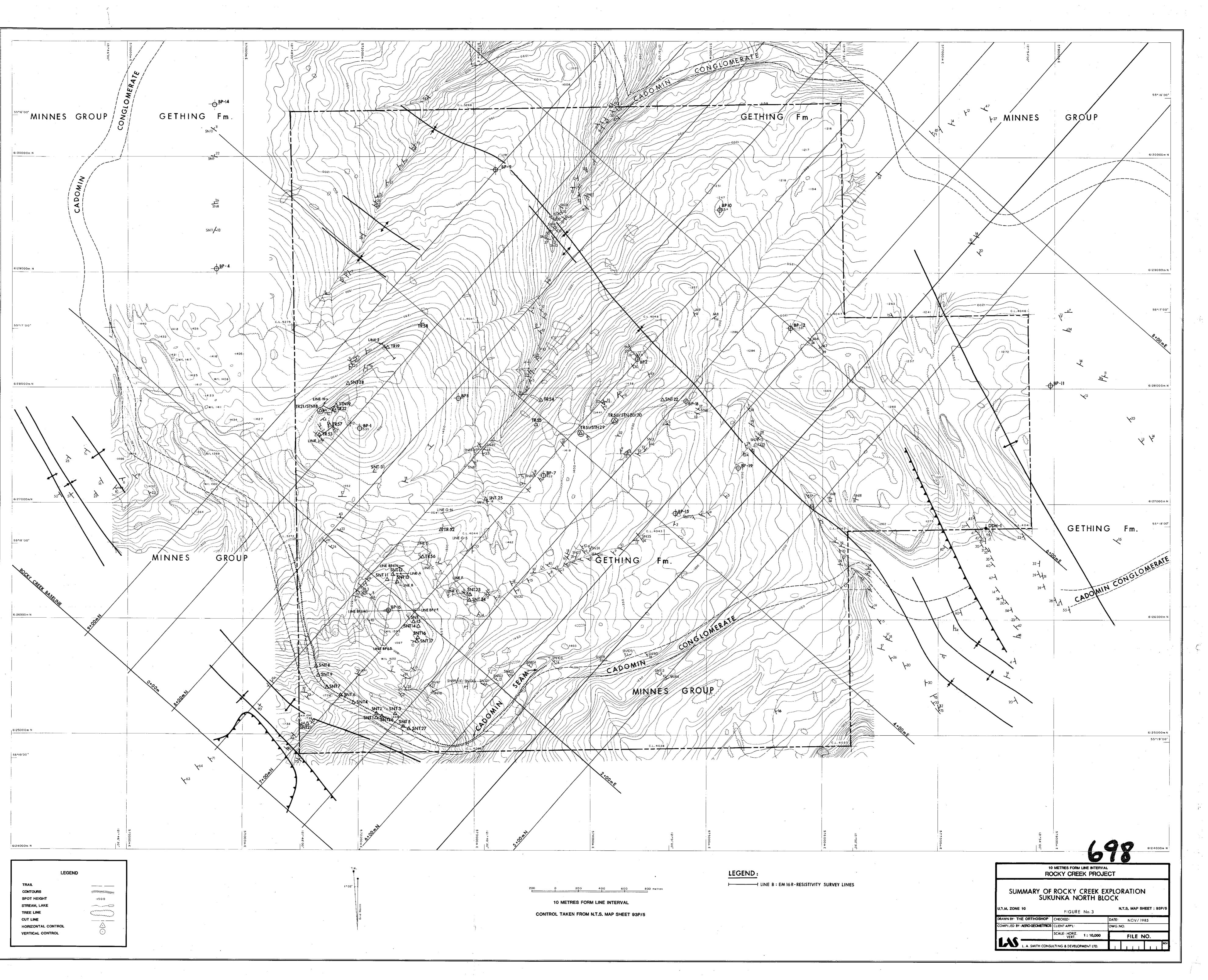
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GEOLOGICAL BRANCH ASSESSMENT REPORT

BP RESOURCES CANADA LIMITED SELCO DIVISION ROCKY CREEK COAL PROPERTY TERRACE HILL AND SUKUNKA NORTH BLOCKS 1985 EXPLORATION REPORT GEOLOGY AND COAL RESERVES

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BP Resources Canada Ltd. Selco Division

COAL LICENCES:

4030 & 4031 (Licence Group 332) 4037, 4038, 4039, 4041, 4042, 4043, 4044, 4047, 4048, 4049. (Licence Group 355)

PERMIT TO PRACTICE
L. A. Smith Consulting & Development, Ltd.
Signature
Date 1935.12.14
PERMIT NUMBER: P 3261
The Association of Professional Engineers, Geologists and Geophysicists of Alberta

PEACE RIVER LAND DISTRICT

NTS 93P/4

LATITUDE: 55° 15', LONGITUDE: 121° 45'

November 26, 1985

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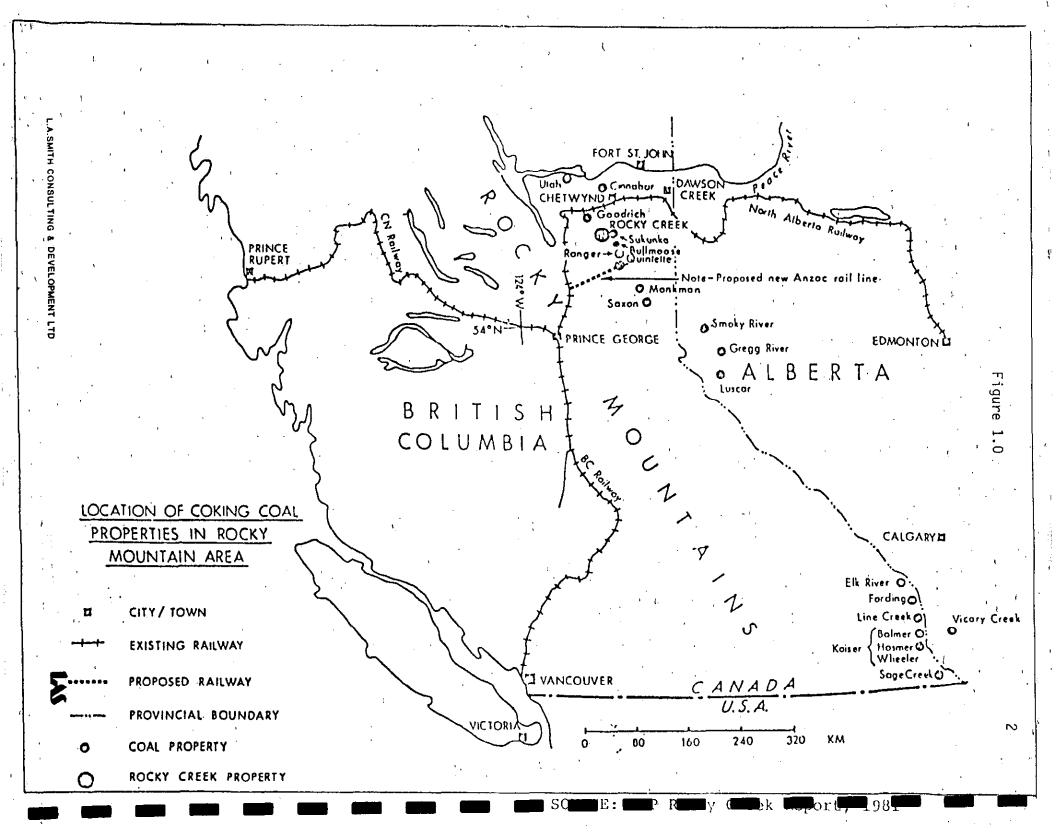
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1.0 INTRODUCTION

This report provides the documentation and evaluation of the exploration program completed on a 10 licence block (4037, 4038, 4039, 4041, 4043, 4044, 4047, 4048 and 4049) formerly called Sukunka North and on a 2 licence block (4031 and 4032) called Terrace Hill, which together form a part of the once widely scattered Rocky Creek Property, located some 50 km southeast of Chetwynd, B.C. (Figure 1.0). The program was authorized by Mr. J. Hainey of BP Canada, Selco Division on June 18, 1985 by Purchase Order 2622. The field program commenced on August 22, 1985 with all field related activities completed on September 28th.

The program was conducted as a helicopter supported geological mapping, trenching and geophysical survey project that was based out of Chetwynd, B.C. For the most part, the program employed two geologists and two field assistants, all under the direction of L.A. Smith Consulting & Development, Ltd. The scope of the program was changed on September 13, 1985 under letter of authorization from Mr. J. Hainey. Specifically, this changed the original trenching program, wherein cat and backhoe trenching would be replaced by less expensive hand trenching and additional To assist the hand EM-16R resistivity surveys. trenching operation, a certified blaster and 8 temporary labourers were employed from the Chetwynd area. Supervising of the trenching as well as logging and sampling of the completed trenches was carried out by an L.A. Smith Consulting & Development, Ltd. geologist.

The main objectives of the program were to increase the level of confidence in the project's coal reserves, to satisfy work requirements on the above coal licences, and to move the project toward a Holding Lease.



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2.1 History

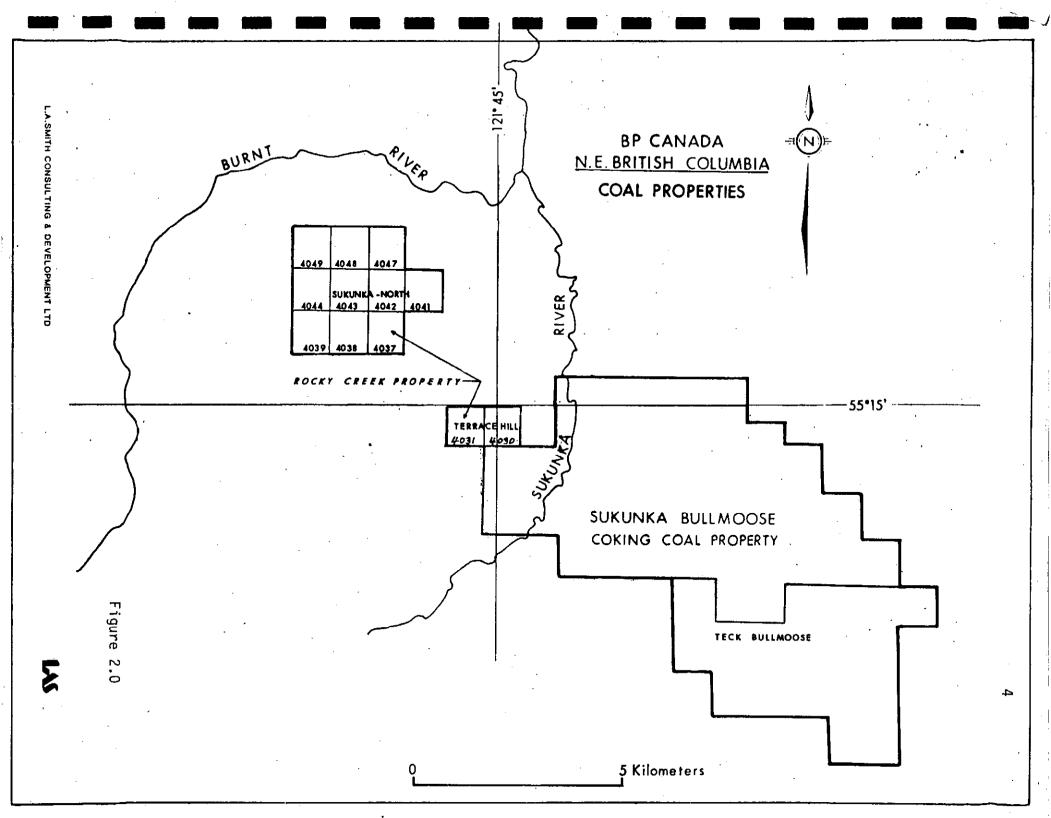
Coal licences 3617 and 4036 to 4049 inclusive were initially licenced in 1978 by Master Exploration (Manalta Coal). In August, 1979, BP entered an option agreement with Manalta and as a result of work carried out in 1979 and 1980, BP obtained the sole right to these licences. The above licences, known as the Sukunka North block, along with licences filed by BP in March 1979 in three neighbouring blocks, are now collectively known as the Rocky Creek Property.

The Sukunka North block was mapped on a reconnaissance basis during the 1979 field season. This was followed by surface mapping, the drilling of five diamond drill holes, with a total of 1400 metres of core, and hand trenching, measuring and sampling of 23 coal seam outcrops. An additional followup program was conducted in 1981 consisting of surface mapping, drilling and hand trenching. During that program, 14 diamond drill holes, with a total of 2800 metres of core, and ten hand trenches were measured and sampled.

Since 1981, due to the lack of open pit reserve potential, various parts of the Rocky Creek Property have been dropped and at present only a portion of the original so called Sukunka North licence block remains. The remaining Rocky Creek property is divided into two groups as shown in Table 1 below and on Figure 2.0.

<u>Group</u> <u>No</u> .	Coal Licences	Acreage	<u>Anniversary</u> Date
332	4030, 4031	592 ha.	Dec. 31/85
335	4037, 4038, 4039, 4041, 4042, 4043, 4044, 4047, 4048, 4049	2950 ha.	Dec. 31/85

Table 1 Status of Coal Licences



Group 335 retains the original name of Sukunka North, while Group 332 is now known as the Terrace Hill Block and is where the most recent work has taken place. In September, 1984 a field program consisting of surface mapping, hand trenching and EM-16R Resistivity surveys was conducted to meet the annual work requirements, as documented in the 1984 Rocky Creek Report, "Geology and Coal Reserves, 1984 Exploration Report".

2.2 Physiography of the Rocky Creek Property

The Rocky Creek property lies from immediately west of, and across the Sukunka River from the Sukunka property. Rocky Creek separates the Terrace Hill and Sukunka North blocks. Surface elevations vary from 650m in the Sukunka River valley to 1450m and 1739m on Terrace Hill and Sukunka North blocks respectively. Both licence blocks are characterized by glacially rounded slopes with locally outcropping sandstone cliffs. Numerous relatively flat lying sandstone and conglomerate units in the Upper Jurassic and Lower Cretaceous has resulted in a terraced effect on the south and east flanks of Terrace Hill. Similar effects are found on Sukunka North, however deep incising by local runoff channels has created terraced outliers.

Glacial overburden is generally thin and varied from Om. to 15m (BP8) but is commonly 1 to 2 metres thick. Terrace Hill is entirely forested except for low lying swampy areas that are flat, open, grassy and very wet. Sukunka North ranges from alpine on Mt. Jilg in the southwest to light sub-alpine on the lower hill tops, to sub-boreal forest in the lower lying areas and creek Large open grassy and very wet swamps are interspersed valleys. within the flatter low lying timbered areas. Hillsides exhibit poor drainage with numerous springs and thick growths of alder and willows. Forest vegetation consists of spruce, pine and balsam. The climate in the region is Humid Continental, with short summers, a mean annual temperature of 0°C, and a total annual precipitation ranging from 42 to 69 cm.

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2.3 Access

At present neither Terrace Hill or Sukunka North can be accessed by vehicle, therefore a Bell 206B helicopter was used to transport men and equipment to the properties from Chetwynd. Old logging and fire access roads provide very nominal access routes to both the Sukunka North and Terrace Hill blocks. The Sukunka River must be either bridged or forded in order to reach either one of these roads. With improvements, both roads could provide an adequate transport system to the reserve areas, however road extensions would be required.

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3.0 THE 1985 EXPLORATION PROGRAM

3.1 Program Objectives

The 1984 exploration program was planned to achieve the following:

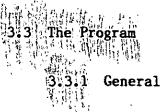
- i) collect all available outcrop, structural and stratigraphic data,
- ii) trench all known coal occurrences, log the coal seams, sample and analyse the coal samples,
- iii) utilize EM-16R Resistivity Surveys to locate the coal zones in covered terrain, and
- iv) interpret the geology and coal development and provide an estimation of coal reserves and mining ratios.

3.2 Budget and Project Costs

The program budget was designed to be sufficient to satisfy all work requirements for 1984. The actual invoiced costs are shown on Table 2 below.

Table 2 Project Cost Breakdown

Item		Amount
BP Head Office Supervision Consulting Fees Subcontract Fees - Including Blasting	r	\$ 6,400 43,700
A Trenching Staff Helicopter		4,900 18,300
Field Costs - Including Transportation, Vehicle Rental, Accommodation, Meals, Field Maps and Materials		11,500
Laboratory Analyses Miscellaneous Supplies and Disbursements		11,500 1,100 1,900
	Total:	\$87,800



The program was planned and managed by L.A. Smith Consulting & Development, Ltd. of Calgary, Alberta. The other primary contracts used on the program were:

> Highland Helicopters, Chetwynd The OrthoShop, Calgary Loring Labs Ltd., Calgary Geonics Ltd., Toronto

The time disbursements of the consulting staff during the field program are tabulated in Table 3 below.

<u>Staff Member</u>	Travel	Mapping	<u>Plotting</u>	<u>GP</u> Survey	<u>Trenching</u>
L.A. Smith G.F. Lawrence J. Green E. McKenzie B. Warren C. Pulver C. Lockerbie A. McNabb H. Pella K. Groves R. Vipond D. Zimmerman K. Squires	242200000000000000000000000000000000000	$ \begin{array}{c} 6 \\ 10 \\ 11 \\ 6 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0$	2344000 00000000000000000000000000000000	5 10 6 0 0 0 0 0 0 0 0	09652.55 1.2332222

Table 3 Staff Time Spent on Field Program (Mandays)

Four days were lost to inclement weather when it was impossible to fly to the property, however this time was used to plot and interpret field data. Field activities were postponed for a period of 11 days in early September due to an Arctic front which sent a heavy snow fall over the entire Peace River area.

LAS

Eight labourers and a licenced blaster were employed over a 3 day period to assist with the digging of the coal seam outcrop trenches. Overburden depths (1-2m) were greater than anticipated and since the Grizzly Coal Seam could be found anywhere within the coal that often exceeded zones 7m. the trench lengths were quite long (+10m), especially in areas of flat terrain. These trenches took considerable effort to excavate, and the blasting assistance proved to be invaluable.

3.3.2 Geologic Mapping

Geologic mapping concentrated on the Sukunka North and Terrace Hill blocks which have less than than 5% outcrop due to glacial overburden and forest cover. Sixteen geologist days were spent mapping the stratigraphy and orientation of Lower Gething rocks and coal measures. and creek Sandstone terrace gully exposures were mapped and provided the control for the structural interpretation. Approximately 180 rock and coal outcroppings were located and multiple bedding orientations were measured on the two blocks. Closed traverse chain and compass surveys were run in conjunction with scale corrected orthophotos which provided the necessary field control for locating the outcrop stations. Field traverses and structural orientations were recorded on 1:5000 scale topographical base maps (see Figures 3.0 and 4.0 for results of this work).

3.3.3 Resistivity Surveys

An EM-16R Model EM16 VLF-EM Resistivity unit was leased from Geonics Ltd. of Toronto to conduct resisitivity surveys in areas where the coal measures were expected to occur. Concentric horizontal magnetic

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fields are transmitted from VLF transmitting stations in the U.S. When these magnetic fields meet conductive fields in the ground, secondary fields radiate from these bodies. The EM16 VLF-EM measures the vertical components of these secondary fields.

In the EM-16R mode, the resistivity of the ground between the electrodes is measured from the secondary vertical magnetic field of the ground, and measurements are in ohm-metres. The phase angle measures how much of phase the ground induced field is out from the transmitting station field. This project used the Cutler, Maine, the Seattle. Washington and Annapolis transmitting station fields. A potential coal anomaly is determined where there is a coincident change in both the phase angle and the resistivity.

A total of 15 surveys were carried out on the Sukunka North property and one was carried out on the Terrace Hill The resistivity property. surveys confirmed coal occurrences in only two areas, one on Terrace Hill and one on Sukunka North. The lack of major response on the remaining 14 surveys on Sukunka North is not known, however the coal seam development is less than 2.0m in many localities and this was probably a factor. Survey Line I, run near trench TR19 with a 2.72m and a 1.2 metre coal seam was the only survey to confirm the presence of coal on Sukunka North. The survey line on Terrace Hill also confirmed coal in an area with thick (+2m) coal seam. Figures 3.0 and 4.0 show the location of the surveys.

3.3.4 Trenching

Coal seam outcrops were trenched in 9 localities (Figure 3.0). In addition, 3 earlier (1980/81) coal seam outcrop trenches were cleaned out, re-measured and sampled. One of the 1985 trenches (TR22) was dug adjacent to and on the opposing side of a gully containing the 1980/81 trench (SNT19). The ninth and last trench (TR58) was left uncompleted because extensive digging and blasting were required to completely expose the +7m coal zone, program, time and budget was running out, and the trenching previously carried out confirmed the extension of the same coal zone that had been measured and sampled in nearby trench TR19.

Hand trenching on the selected sites proved to be more involved than originally thought. Overburden cover ouite thick (1-2m) and on the was steep hillside locations, slumping necessitated very deep trenches to locate in-place coal seams. In two trenches, TR54 and TR55, depth of colluvium prevented complete The use of drilling and blasting resolved the exposure. problem and permitted ease of digging. After blasting. the remaining loose material was shoveled out and the face of the coal seams dressed in vertically cut steps for measuring and sampling. In at least three of the $20m^3$ trenches on the Grizzly coal zone, as much as of material had been moved by hand.

In order to keep helicopter costs down during the trenching operation, most of the crew was driven as close possible to the as property and airlifted to their respective locations. One geologist was kept very busy the with supervising trenching and measuring and sampling of completed trenches.

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4.1 Stratigraphy

The stratigraphy of the Upper Jurassic and Lower Cretaceous in the general Rocky Creek area is well documented in the BP 1981 Rocky Creek Report and other reports in the BP files. Table 4 below, from the BP report, provides the stratigraphic section of rocks in the area.

	Tal	ole 4
Table	of	Formations

Unit	Lithology	<u>Thickness(m)</u>
Bullhead Group Gething Formation Upper Middle Lower	sandstone siltstone, mudstone, sst. sst., siltstone, mudstone, minor conglomerate	+10 104 coal, 320-354
Cadomin Formation	conglomerate, sandstone; minor fine sediments	25-35
Minnes Group Bickford Formation	sandstone, mudstone coal, conglomerate	285+
Monach Formation	quartzite; finer sediments as above/below	+-50
Beattie Peaks Formation	sandstone, mudstone thin coals, conglomerate	300+
Monteith Formation	quartzite, sandstone	+-600

Outcrop exposures on the Rocky Creek Property are restricted to the Lower Gething Formation and Cadomin Formation strata. This report will discuss only the relative Bullhead Group stratigraphy.

The Cadomin Formation consists of 2 units of thick bedded massive pebble and cobble conglomerates, and associated sandy lenses. The individual units are separated by a thin interval of argillaceous rocks. The common constituents of the pebbles and cobbles is white, black and green chert and red feldspar or granite. Commonly the pebbles are well packed in the conglomerate with sand matrix representing less than 30%, the pebbles and cobbles +60% and the quartz cement <10%. This unit is, however, very competent and very hard. The Cadomin is commonly 25 to 35m thick (+40m in drill hole BP81-13 on the Terrace Hill Block). Both the upper and lower contacts are locally unconformable and in many places the Cadomin interfingers with the overlying and underlying units.

On the Terrace Hill Block (Figure 4.0), the Cadomin outcrops around much of the mountain top and, in places, forms a vertical cliff that is easily identified.

The Sukunka North Block is likewise encircled by the Cadomin which forms an excellent mapping unit and readily defines the sedimentary basin under study in the area (see Figure 3.0).

The Gething Formation is well documented in many BP reports and in public files, thus the detail in this report will be directed towards the stratigraphy of the coal zones. BP has divided the Gething into Lower, Middle and Upper units.

The Lower Gething at Rocky Creek is 320 to 345m in total thickness. On the Terrace Hill Block, this unit has been partially eroded with only 275m of strata overlying the Cadomin. On the Sukunka North block at drillhole BP2, there is 420m of strata overlying the Cadomin, indicating that quite possibly there may be Middle Gething strata present. This study, however, addresses only the Lower Gething strata.

The Lower Gething unit consists predominantly of sandstone, siltstone, mudstone, coal seams and minor conglomerates, with the coarser units being more common at the base. BP geologists identified 10 major coal zones in the Lower Gething strata on the Rocky Creek property.

Four coal zones, designated B through C Lower, have been traced north from Bullmoose Creek to the Burnt River property, and occur on the Sukunka property and on Rocky Creek's Terrace Hill

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Block (refer to 1984 report, "Rocky Creek Coal Property - Terrace Hill, Geology and Coal Reserves").

On the Sukunka North Block, however, the four coal zones are: B, Pump, Grizzly and Cadomin. It is believed that the Pump and Grizzly zones are the lateral equivalents to the 'D' and 'E' coal zones at the Sukunka mine property, and the Cadomin lies under the other coal zones ("Rocky Creek 1981 Exploration Report").

4.2 Structural Geology

Mount Jilg, located in the southwest corner of the Sukunka North Block, is marked by the chevron-form Jilg Anticline. The west limb of this structure is marked by a tight subsidiary syncline, while the east limb passes into what is known as the Rocky Creek Synclinorium (see Figure 6.0 and Cross-Sections 6000N to 8500N).

This structure is characterized by gentle to moderate limb dips, common subsidiary open folds and one major internal thrust fault, the Rocky Creek Thrust. An ideal dip-slope situation exists on the west limb of the synclinorium where east dipping beds have 10 to 15 degree dips. This has produced attractive mining situations for both the Pump and Grizzly Seams on Hill BP1 and for the Grizzly Seam on the long ridge between BP6 and BP7. Hill BP6 is an example of subsidiary folding which is marked by a plunging open anticline-syncline pair.

From BP7 eastwards to BP2, rock cover becomes much thicker due to topography. The main axis of the synclinorium passes just to the east of BP2. Evidence of subsidiary folding along the main axial trend can be seen in the deeply incised creek gully cutting to the northeast from a point midway between BP7 and BP8.

The major structure on the east limb of the synclinorium, which has gentle to moderate westerly dips, is the Rocky Creek Thrust. BP10 and BP12 both indicate the northwesterly strike of the thrust from its surface trace on Coal Licence 4041. This is a west-dipping fault estimated to have a vertical throw of 90 to 100m. Associated with the thrust are steep dips and minor tight folds.

The Rocky Creek Thrust and the axis of the Rocky Creek Synclinorium both appear to extend south of Rocky Creek and form the dominant structures on the Terrace Hill Block as well. At Terrace Hill the synclinorium narrows into a tighter fold that changes from asymmetrical in the north to symmetrical in the south. This appears to have been caused by the Rocky Creek Thrust cutting from the east limb across the fold axes into the west limb of the syncline. The east limb of the asymmetric fold is nearly flat-lying, while the western limb is steeply dipping and locally near vertical. The thrust turns westwards away from the synclinal axis area in the south. The syncline becomes symmetrical with both limbs dipping at about 30° . Details on the structure of the Terrace Hill Block are covered in the 1984 Exploration Report for that property.

4.3 Coal Development

Four of the ten major coal zones identified on the Rocky Creek property locally have +1 metre seam development on the Sukunka North Block. These are the Cadomin, Grizzly, Pump and 'B' coal zones.

To date, surface traces of the Cadomin Seam, the lower most seam in the Lower Gething, have been locally identified on the east flank of Mt. Jilg only. In subsurface, the Cadomin seam has been recorded in three drill holes, BP6, BP7 and BP15. This indicates a 3000m lateral, down-dip continuation from the outcrop (see Cross-Section 6000N). The Cadomin Seam has been measured in ten outcrop trenches on Mt. Jilg. These measurements, combined with the three drill hole intersections indicate a localized seam

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thickness range of 0.43 to 2.14m, averaging 1.26m. The seam thickness appears to deteriorate down-dip from the outcrop.

The Grizzly Seam is the major coal zone on the Sukunka North Block and stratigraphically located about 150m above the Cadomin Conglomerate. Two separate mine sections have been identified within the +7 metre coal zone, however they are not consistantly developed throughout the property. Seams can vary within short distances. Twenty-seven data points have been collected on the Grizzly Seams since 1979. The thicknesses range from 0.0 (BP10 and BP12) where the coal zone has completely shaled out, to 2.89m (SNTR18). The average thickness is about 1.66m. Four data points (trenches SNTR31, TR54, TR55 and TR58) have incomplete sections because of excessive overburden cover. One other locality (trench TR56) is believed to be an erosional remnant with the top part of the coal zone missing. The data indicates a deterioration of the Grizzly Seam in an easterly direction, especially on the east limb of the Rocky Creek Synclinorium.

Due to glacial erosion and post-glacial erosion on the Sukunka North Block, the Grizzly Seam (also the seams above the Grizzly) has been split into three separate reserve blocks or outliers, each having a prominent topographical high point. For convenience, the reserve blocks are named according to the drill hole located on each one's highpoint, for example Hill BP1, Hill BP6 and Hill BP7. All Grizzly Seam data points were plotted and a structural contour map of the seam top was made (see Figure 6.0).

The Pump Seam is located approximately 30m above the Grizzly coal zone or approximately 180m above the Cadomin Conglomerate. Evidence indicates that the Pump Seam contains mine section thickness (+1m) in one area of the property block, on Hill BP1. There are only four data points for the seam (BP1, SNTR19/TR22 and TR57), three of them located on Hill BP1 where the seam is best developed. BP18 intersected what is believed to be the Pump Seam on Hill BP7. Seam thickness on Hill BP1 ranges from 2.30m to

3.21m and average 2.72m, while the BP18 drill hole intersection was only 0.13m. Due to erosion the Pump Seam does not occur on Hill BP6. As with the Cadomin and Grizzly Seams, the Pump Seam appears to deteriorate to the east.

The 'B' Seams are located in the uppermost coal zone in the Sukunka North Block. The Upper 'B' Seam occurs approximately 70m above the Pump coal zone, in drillhole BP2. Little evidence of the Lower 'B' Seam exists, except on Hill BP1 where a thin muddy coal seam occurs in drillhole BP1 about 30m above the Pump coal zone. The Upper 'B' Seam could not occur here due to erosion.

Three data points have been investigated on the Upper 'B' Seam, SNTR20-30/TR50, SNT29/TR51 and BP2. The 1985 field work shows that the coal seams investigated by BP's 1980/81 trenches SNT20-30 and SNT29 (relogged by LAS as TR50 and TR51 respectively) are not the Grizzly Seam. Cross-Section 7000N shows that the current interpretation indicates this seam to be the Upper 'B' SNT20-30 and SNT29 have thick Both BP trenches. Seam. intersections of coal, 4.01m and 3.17m respectively, however the Upper 'B' Seam intersected in nearby BP2 indicates only 0.88m of The coal seams appear to be severely slumped, in SNT20-30 coal. and SNT29, and since hand trenching does not penetrate deeply, the outcrops logically may be thicker than the seam is in reality. Even if the trench data is valid, the area does not have significant reserve potential and the coal zone will not have significant lateral continuity.

Table 5 below lists the coal seam data points and seam thicknesses used in this report to evaluate the coal reserves, the mining potential and coal quality.

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Data Location Sukunka North	Pump	Coal Seam Thick	knesses (m) Lower Grizzly
Hill BP1 BP1	2.65	2.42	1.25
SNT18 TR21 SNT19	3.21 3.05		2.89 2.76
TR22 SNT28 TR19 TR57	≤ ^{2.30}	1.98 <u>5</u> 2.76	
Hill BP6 BP6 SNT12 SNT14 SNT16 SNT17	•	1.26	1.0 0.7 1.33 1.8
Hill BP7 BP 7 BP19 SNT23 SNT25 TR56		1.25 2.30 1.35 1.00 1.20	
Terrace Hill Overall Average True Th:	Seam ick. 3.4	C	Seam B 5.7

Table 5Coal Seam Intersections and Thicknesses

5.0 COAL RESERVES AND MINING POTENTIAL

5.1 Reserve Calculation Methodology -

The Pump and Grizzly Seam coal reserves near surface on Sukunka North Block were isopached and reserve measurements were completed on the isopach areas (see Figure 7). Reserves for the Pump Seam on Hill BP1 and for the Terrace Hill reserves were based upon average thicknesses of prevalent data points. The Terrace Hill Seam thicknesses were increased to compensate for apparent thickness rather than true thickness.

The Maximum open pit reserve depth was not limited on Hill BP1 and at Terrace Hill due to the thick seam developments. In the area around Hill BP6 and BP7, however, the limited development of the Grizzly Seam resulted in the overburden thicknesses being limited to 30m of cover. Overburden measurements on the Sukunka North reserve areas were completed on the planimetered area of the isopachs of overburden thicknesses shown on Figure 8. In the Terrace Hill reserve block, overburden isopachs are not available so the 1984 overburden measurements are used. Due to lack of coal quality data, a specific gravity of 1.5 is used for all reserves. It is assumed that mining losses will equal pit dilution and therefore the in-place tonnages will approximate the raw coal A maximum overburden depth of 30m is assumed for tonnages. Reserve Area BP7 because of the thin seam nature of the Grizzly Seam in this area.

5.2 Open Pit Coal Reserves

Table 6 below indicates the Possible and Probable coal reserves available for open pit mining on the Rocky Creek Property. Of the total 17.6 megatonnes, nearly 11 megatonnes occur on Terrace Hill, the remaining 7 megatonnes occur in three scattered localities on the Sukunka North Block. The average mine ratio is 5.3 bcm/trc with none of the areas containing particularly low ratio coal.

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Coal Reserve Summary				
Reserve Area	Coal <u>Seams</u>	In-Place Coal Reserves (tonnes)	Overburden (bcm)	Mine Ratio (bcm/trc)
BP1	Pump Grizzly	269,000 3,656,700	1,340,000 24,834,000	5.0 6.8
		3,925,700	26,174,000	6.7
BP6 BP7	Grizzly Grizzly	420,100 2,411,100	2,581,700 11,970,500	6.1 5.0
Terrace Hill	B C	7,442,300) 3,407,000)	, · ·	
		10,849,300	53,116,000	4.9
		17,606,200	93,842,200	5.3

Table 6

5.3 Mining Potential

The bulk of the coal reserves in the defined pit areas lie in dip slope situations and very gradual ($\langle 20^{\circ} \rangle$) dips. Potentially this could provide an ideal situation for a dragline mining scheme. The major difficulty that the reserves present, however, is access from one reserve block to another. It would be impractical to move a dragline from Terrace Hill to Hill BPl, for example, because of the creek valley between the two reserve blocks. Accordingly a more practical scheme will involve a more mobile equipment fleet with associated higher mining costs.

The mining ratios, at 5 to 6 bcm/trc, are considered to be consistent with metallurgical coal properties but are probably too high for thermal coal deposits in the northeast B.C. coal mining areas.

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6.1 General

The coal quality and rank is determined from drill hole and trench analytic information. The data is tabulated below and shown in detail in the Seam Profiles in Appendix I. The 1985 data is used to supplement the results reported in the 1980 and 1981 Exploration Report. A total of nine new trenches were completed, two in the Pump Seam and seven in the Grizzly Seam.

After a review of the 1984 and the 1981 program analyses, the trench samples were limited to ash and moisture analyses because the previous results indicate that the 1984 trench samples do not provide accurate V.M. %, moisture %, F.C. % or heat content.

6.2 Pump Seam

Data from two 1985 trenches in the Pump Seam on Hill BP1 are combined with previous data and reported in Table 7 below. The data indicates that the Pump Seam has about 20% ash content.

•	Table / Hill BP1 Reserve Area Pump Seam Quality	· · ·
Data Point	Thickness (m)	<u>Raw Ash Content</u>
BP1 SNT19 TR22 TR57	2.65 3.21 3.05 2.3	22.4 22.64 17.24 15.49

6.3 Grizzly Seam

Data is available on the Grizzly Seam from three areas, BP1, BP6 and BP7. The 1985 program collected additional information from only two areas, BP1 and BP7. Table 8 below provides the relevant coal quality data for the Hill BP1 area. In this area the coal seam is about 2.7m thick with about 27% ash content.

		Table 8 Grizzly Seam Quality	· .
	<u>Data Point</u>	<u>Seam Thickness (m)</u>	Raw Ash %
	BP1 TR53	2.47 2.51	21.5 16.48
ł	SNT18 SNT28 TR19*	2.71 3.75 2.72	42.6 35.0 21.2
	TR58	+2.50	not sampled
	Avera	age: 2.775	27.3

* excludes fault repeated material.

The coal ash content for the reserve area under Hill BP7 is listed on Table 9.

Table 9 Grizzly Seam Quality

		HII BP/	
<u>Data Point</u>	<u>Seam '</u>	[hickness (m)	<u>Raw Ash %</u>
BP7 BP19		1.25 2.3 1.35	26.3 no data
SNT23 TR56 SNT25 TR55		1.35 1.2 1.0 0.82 0.53	17.29 30.9 23.75
TR54	•	0.53	22.47
1	Average:	1.21	24.0%

The data indicates the Grizzly Seam to be of marginal thickness with about 25% ash content in the area around Hill BP7. There was no new data collected at Terrace Hill. For quality data, refer to the 1984 Terrace Hill Report.

It is obvious from the above data that both the Grizzly Seam and the Pump Seam will require beneficiation prior to marketing. BP notes the coal is a thermal coal because of erratic and low Free Swelling Indices. This program collected only surface samples therefore did nothing to address the coke-ability of the coals.

1. Rocky Creek property has four potential open pit coal reserve areas as shown in Table 10.

Table 10 Rocky Creek Reserve Summary

Reserve Area	Open Pit <u>Reserves (tonnes)</u>	Mine Ratio (bcm/trc)
BP1 BP6 BP7 Terrace Hill	3,925 420 2,333 10,849	6.6 6.1 5.3 4.9
. ,	17,577	5.3

The reserves generally lie in a relatively flat-lying rounded mountaintop environment amenable to dragline mining, however movement of the dragline from Terrace Hill to the other reserves is impractical.

2. Based upon BP data, the coal does not appear to be a superior coking coal, therefore would have to market as a coking blend or a low volatile thermal coal. The 1985 program did not address coal marketability.

3. The 1985 mapping and trenching program identified the coal subcrop areas and trenched and sampled additional localities in the potential reserve area. The data confirmed that the coal seam development at Areas BP6 and BP7 may be too thin to practically consider mining.

4. Coal Licences 4037, 4041 and 4049 do not contain any open pit mineable coal as the coal zones have been eroded in these areas. Coal Licences 4047 and 4048 do contain the Grizzly Seam coal zone, however the coals lie in a scarp slope situation and are unlikely to contain open pit mining potential. Licences 4038, 4039, 4042, 4043 and 4044 all contain dip slope open pit mining potential in the Grizzly Seam and, locally, in the Pump Seam. Licences 4030,

and 4031 contain open pit coal reserves in the B and C Coal Zones.

5. The next stage of follow-up exploration program will require a major rotary drilling program, substantial road building, a bridge over the Sukunka River, and a bulk sample program. This will bring the coal reserves to the stage of mine planning and marketing and will be costly to complete.

6. Annual work requirements are no longer required, thus the advancement of the coal reserves on Rocky Creek can easily await more favorable marketing conditions.

8.0 RECOMMENDATIONS

The following recommendations are forwarded for consideration:

1. Licence Surrender

Licences 4037, 4041 and 4049 are recommended for relinquishing because they contain no coal mining potential.

2. Licence Review

Licences 4047 and 4048 contain nominal reserve and mining potential and should be retained and further evaluated to be certain they do not have mining potential.

3. Licence Retention

Licences 4038, 4039, 4042, 4043, 4044, 4030 and 4031 should be retained and further exploration carried out as soon as market circumstances justify the expenditures.

4. Follow-up Exploration

The next phase of exploration should be a major shallow rotary drilling program in the four reserve areas, and a bulk sampling program in B and C Zones at Terrace Hill and Grizzly Seam at Sukunka North. The following budget, although brief, is considered logical:

Proposed Rocky Creek Exploration Budget

1.234.56.78	Bridge over Sukunka Road upgrade & 30 km new road construction Drilling - 100 holes @ average 30m/hole @ \$50/m Food, accommodation, vehicles, travel Three bulk samples - digging & sampling Coal tests and analyses Supervision, evaluation, report preparation	\$150,000 75,000 150,000 60,000 75,000 100,000 65,000
8.	Contingency	100,000
		\$775,000

9.0 BIBLIOGRAPHY

 BP Resources Canada Limited, Report to the British Columbia Government on the Rocky Creek 1979 Exploration Program.

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4.

BP Resources Canada Limited, Report to the British Columbia Government on the Rocky Creek 1981 Exploration Program, Northeast B.C.

3. BP Exploration Canada Limited, Coal Division, Report on the North East B.C. Thermal Coal Exploration Program, 1980.

> L.A. Smith Consulting & Development, Ltd., Report on the Rocky Creek Coal Property, Terrace Hill Block, 1984 Exploration Report, Geology and Coal Reserves.

10. APPENDICES

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1.	Application for Work, Approval
2.	Analytical Results
3.	Seam Logs and Profiles
4.	Reserve Calculations
5.	Cross-Sections
6.	Maps

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APPENDIX 1

APPLICATION FOR WORK, APPROVAL

LA.SMITH CONSULTING & DEVELOPMENT LTD



Province of British Columbia Ministry of Energy, Mines and Petroleum Resources

MINERAL RESOURCES BRANCH INSPECTION AND ENGINEERING DIVISION

NOTICE OF WORK ON A COAL LICENCE

(Sections 6 and 28 of the Mines Act)

This notice is to be completed by all companies or individuals carrying out exploration work prior to commencement of work and at cessation of work and forwarded to the Chief Inspector of Mines with a copy to the District Inspector of Mines. If mechanical equipment is used in surface work, Form 7 overleaf must be completed. Items noted * are information collected on behalf of Coal Resources Section, and eliminate the form previously forwarded to the operator for this purpose.

1.	NAME OF PROPERTY Rocky Creek
	Coal Licence Numbers
	4048, 4049
2.	LOCATION 5 km west of Sukunka River
	Lat, 55. ". 17. 30.", Long 121. ". 50 Access via . helicopter. for. ground. crews
	and the old Rocky Creek Trail for the cat and backhoe,
3.	OWNER'S NAME BP Resources Canada Ltd., Selco Division
	Address 55 University Ave., Suite 1700. Toronto. Ont. M5J.2H7 Telephone no. (416).361-0794
4.	OPERATOR'S NAME
	Address . 201, 701-14, St., N., W., Calgary, Alta. T2N. 2A4 Telephone no. (403). 270-3254
5.	ESTIMATED DURATION OF WORK: From August 12, 1985
	OR: ACTUAL DATE WORK COMPLETED: From
6.	DESCRIPTION OF WORK (Use metric measure – 1 metre = 3.3 feet.) (Show on 1:50.000-scale map.)
0.	Linecutting (distance, width, method)
	Clearing of timber
	(a) Road Construction: Total length .14,000 m Approximate width
	(b) Test Pits: No. 9 Maximum dimensions: Width m Length m Depth m
	*Sum total length
	(c) Drilling: No. of D.D.H 0 Size No. of R.D.H Size Max. hole length
	[*] Sum total depth
	*Down hole geophysics: types
	(d) Adits: No. rising at ° is No. level No. dipping at ° is
	Maximum length of adit
	*Sum total length
	(e) Trenches: No
	"Sum total length
	(f) Other (for example, please specify underground work): geological mapping,
	. EM-Resistivity .Survey
	*(g) If mapping done, forward description of area and scale to Coal Resources Section, Victoria.
·	GRAND TOTAL OF AREA DISTURBED 67,000 m ²
	6 .7ha
	(h) Approximate number of men employed
•7.	OTHER: an estimate of approximate exploration expenditure is requested to be forwarded to Coal Resources Section,
	Victoria, after work is complete
	1.00 010
	SIGNATURE OF APPLICANT ASmith, 1. Cert. TITLE . Geologist
	PRINT NAME L. A. Smith DATE July 3, 1985.
NOTE:	Owner, agent, or manager is responsible for ensuring the Contractor complies with pertinent regulations (see section 27(2), Mines Act).

: Owner, agent, or manager is responsible for ensuring the Contractor complies with pertinent regulations (see section 27(2), Mines Act). Pursuant to section 30, of the Mines Act, where the employment of mechanical equipment is likely to disturb the surface of the land in clearing, stripping, trenching, or any other operation, the reclamation program on the reverse side is also to be submitted.

Province of British Columbia Ministry of Energy, Mines and Petroleum Resources

MINERAL RESOURCES BRANCH INSPECTION AND ENGINEERING DIVISION

RECLAMATION PROGRAM

(Sections 7 and 30 of the Mines Act)

	*Senior Reclamation Inspector, Victoria Regional Manager, Ministry of Forests *Inspector of Mines and Resident Engineer Regional Manager, Water Management Brench *Inspector of Mines Technician (Reclamation) Regional Manager, Lands Branch Regional Manager, Fish and Wildlife Branch Regional Manager, Ministry of Agriculture and Food
	For advice on procedure and reclamation methods, see booklet entitled, 'Guidelines for Coal Exploration.'
1.	THIS IS: A proposed reclamation program 🖾 a completed reclamation program 🗆.
2.	PRESENT STATE OF LAND ON WHICH EXPLORATION WILL BE DONE IS:
	Canada Land Inventory (where possible)
	Present Land Use (ranching, timber, etc.) . Un-uṣẹḍ buṣḥ lạṇḍ.
	Type of Vegetation Thin light conifer with 10% clearings.
	Access Road (present use, condition) 01d Rocky Creek Trail - unused (present condition unknown).
[.] 3.	EQUIPMENT TO BE USED FOR EXPLORATION (List size, capacity, and number.)
	<pre>(a) Bell 206B helicopter</pre>
	(ь) D6C widepad dozer (е) EM-16R Resistivity Unit
	(c) 12 cu meter crawler backhoe
4.	RECLAMATION EQUIPMENT TO BE USED (for example, restoping, harrowing, or specialty equipment):
	(a)D6 dozer
5.	GENERAL DESCRIPTION OF PROTECTIVE MEASURES PURSUANT TO SECTION 7
	(Show work and reclamation on 1:50 000 scale map and include with full distribution noted above.) [*For proposed work programs include with submissions to Ministry of Energy, Mines and Petroleum Resources documentation on 1:10 000 (approximate scale) air photograph or air photograph overlay.]
	The property will be geologically mapped on 1:5000 scale. EM-16R Resistivity
	Survey will be run across the coal seam subcrops on more or less 1 km spacing.
	No line cutting will be necessary. Cat and backhoe access trails will be
	flagged, avoiding heavy timber whenever possible. Also trench locations will
	be flagged for subsequent clearing by dozer and trenching by backhoe. Trenches will be logged (mapped), coal seams sampled and then filled in by the dozer.
	The trench surfaces will be recontoured to natural slope, brush raked back over
	trench locations and the disturbed area seeded with the recommended grass and
	legume mix.
6.	SUMMARY OF AREA DISTURBANCE AND RECLAMATION
. محمور :	Area disturbed current year Previous years
	Area reclaimed current year 6.7 ha Previous years (final) Total to date
7.	RECLAMATION MANAGER'S NAME L. A. Smith Consulting & Development, Ltd.
	Address #201, 701-14 St. N. W. Calgary, Alta., T2N 2A4
	DATE 3 July, 1985 SIGNATURE ASMITH, P. Gebl-
Mir	en geotechnical and reclamation work have been completed for the calendar year a final reclamation report should be submitted to the three histry of Energy, Mines and Petroleum Resources personnel noted at the top of this form. For details see the booklet entitled, 'Guidelines to al Exploration.'

APPENDIX 2

ANALYTICAL RESULTS



ATTN: L.A. Smith

LORING LABORATORIES LTD CERTIFICATE of COAL TESTING

FILE NO.: 28039

Page # 1

DATE: October 17, 1985 PROJECT: Rocky Creek

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	SAMPLE NO.	IDENTIFICATION	SAMPLE TYPE	j			REC'D	%	% VCL	%	% FIXED	%	вти				7
				SINK	FLOAT	······	H₂O	H ₂ O	MATTER	ASH	CARBÓN	S	/LB.	F.S.I.			
	1	TR-19	Raw Coal			As Received Air Dried Dry Basis	24.22	11.55		7.60 8.87 10.03		u					
	2	TR-19	Raw Coal			As Received Air Dried Dry Basis	13.27	4.01		36.52 40.42 42.11		- -			- -		
	3	TR-19	Raw Coal			As Received Air Dried Dry Basis	12.89	5.29		15.10 16.41 17.33							
	4	TR-19	Raw Coal			As Received Air Dried Dry Basis	17.85	- 5.78 -		21.74 24.93 26.46							
	5	TR-19	Raw Coal			As Received Air Dried Dry Basis	12.55	3.64		22.16 24.42 25.34					-	• •	
	6	TR-19	Raw Coal			As Received Air Dried Dry Basis	12.84	4.35		60.18 66.05 69.05		-					
	7	TR-19	Raw Coal ·			As Received Air Dried Dry Basis	13.43	- 4.40 -		53.37 58.94 61.65							
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ATTN: L.A. Smith

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LORING LABORATORIES LTD

CERTIFICATE of COAL TESTING

Page # 2

DATE: October 17, 1985

FILE NO.: 28039

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SAMPLE NO.		SAMPLE TYPE	% REC	OVERY FLOAT		% .H₂O	% H₂O	% VCL MATTER	ASH	% FIXED CARBON	% S	BTU / LB.	F.S.I.	
8	TR-19	Raw Coal			As Received Air Dried Dry Basis	13.61 - -	- 2.39 -		24.80 28.02 28.71					
9	TR-19	Raw Coal			As Received Air Dried Dry Basis	17.73 - -	2.36		25.48 30.24 30.97					
10	TR-19	Raw Coal			As Received Air Dried Dry Basis	17.57	- 5.41 -		16.82 19.31 20.41					
11	TR-19	Raw Coal			As Received Air Dried Dry Basis	14.81	3.63		45.21 51.14 53.07			· · ·		
1	TR-21	Raw Coal		1	As Received Air Dried Dry Basis	25.40 - -	12.96		6.48 7.56 8.69	-				· · ·
2	TR-21	Raw Coal			As Received Air Dried Dry Basis	15.67 - -	3.78		38.91 44.40 46.14					
3	TR-21	Raw Coal			As Received Air Dried Dry Basis	15.02	6.33 -		10.45 11.52 12.30					

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LORING LABORATORIES LTD

Page # 3

DATE: October 17, 1985

FILE NO.: 28039

ATTN: L.A. Smith

CERTIFICATE of COAL TESTING

PROJECT: Rocky Creek

		SAMPLE	% REC	OVERY ;		REC'D		%	%	% FIXED	%		PROJE	CI: RO <u>cky Ureek</u>	
SAMPLE NO.	IDENTIFICATION	TYPE	SINK	FLOAT		% H₂O	% H₂O	VCL MATTER	ASH	FIXED CARBON		BTU / LB.	F.S.I.		
4	TR-21	Raw Coal			As Received Air Dried Dry Basis	12.09 - -			27.23 30.32 30.97						
5	TR-21	Raw Coal			As Received Air Dried Dry Basis	13.06	2.81		22.35 24.99 25.71						
1	TR-22	Raw Coal			As Received Air Dried Dry Basis	21.81	6.12		15.71 18.86 20.09						
2	TR-22	Raw Coal		2	As Received Air Dried Dry Basis	10.61	2.30		14.81 16.19 16.57						
. 3	TR-22	Raw Coal		r	As Received Air Dried Dry Basis	11.69	1.75 -		20.36 22.65 23.05						
4	TR-22	Raw Coal			As Received Air Dried Dry Basis	9.57 - -	1.50 -		14.88 16.20 16.45						
· 5	TR-22 .	Raw Coal			As Received Air Dried Dry Basis	13.80 _ _	2.01		28.26 32.13 32.79	1					
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Page # 4

FILE NO.: 28039 DATE: 0ctober 17, 1985

ATTN: L.A. Smith

CERTIFICATE of COAL TESTING

PROJECT: Rocky Creek

SAMPLE NO.	IDENTIFICATION	SAMPLE TYPE	% RECOVERY SINK FLOAT		REC'D % H₂O	% H₂O	% VCL MATTER	% ASH	% FIXED CARBON	% S	BTU / LB.	F.S.I.	
6	TR-22	Raw Coal		As Received Air Dried Dry Basis	9.80 - -	- 1.04 -		23.81 26.13 26.40					-
1	TR-50	Raw Coal		As Received Air Dried Dry Basis	24.55 - -	- 9,98 -		8.30 9.90 11.00					
2	TR-50	Raw Coal		As Received Air Dried Dry Basis	9.06 - -	4.72		17.01 17.83 18.71					· · · ·
3	TR-50	Raw Coal		As Received Air Dried Dry Basis	17.49	6.31		35.20 39.97 42.66					
4	TR-50	Raw Coal		As Received Air Dried Dry Basis	19.17 _	11.66		8.55 9.35 10.58					
5	TR-50	Raw Coal		As Received Air Dried Dry Basis	18.24	11.05		5.95 6.48 7.28					
6	TR-50	Raw Coal		As Received Air Dried Dry Basis	8.73 - -	2.99		72.82 77.40 79.79					

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ATTN: L.A. Smith

LORING LABORATORIES LTD

CERTIFICATE of COAL TESTING

Page # 5

FILE NO.: 28039 DATE: October 17, 1985 PR0.IECT: Rocky Creek

	r	1	1			REC'D			0/				PROJEC	T: Rocky Creek
SAMPLE NO.	IDENTIFICATION	SAMPLE TYPE	% REC SINK	OVERY FLOAT		REC D % H₂0	% H₂O	% VCL MATTER	% ASH	% FIXED CARBON	°₀́ S	BTU / LB.	F.S.I.	
7	TR-50	Raw Coal			As Received Air Dried Dry Basis	17.80 - -	9.55 -		12.50 13.76 15.21	1				
1	TR-51	Raw Coal			As Received Air Dried Dry Basis	24.20	- 12.89 -		24.82 28.52 32.74					
2	TR-51	Raw Coal			As Received Air Dried Dry Basis	16.81	7.90		8.78 9.72 10.55					· · · · · · · · · · · · · · · · · · ·
3	TR-51	Raw Coal			As Received Air Dried Dry Basis	11.59	3.85		- 58.01 63.09 65.62					•
4	TR-51	Raw Coal			As Received Air Dried Dry Basis	28.53	- 11.85 -		15.07 18.58 21.08					
5	TR-51	Raw Coal			As Received Air Dried Dry Basis	27.71	16.01		11.74 13.64 16.24					
6	TR-51	Raw Coal			As Received Air Dried Dry Basis	19.82	9.39 -		9.69 10.95 12.08					

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FILE NO.: <u>28039</u> DATE: <u>October 17, 1985</u>

Page # 6

ATTN: L.A. Smith

CERTIFICATE of COAL TESTING

__ PROJECT: Rocky Creek

	T	SAMPLE	% REC	OVERY		REC'D		%	%	% FIXED	%	BTU		
SAMPLE NO.	IDENTIFICATION	TYPE	SINK	FLOAT		% H₂O	% H₂O	VCL MATTER	ASH	CARBON	s	/LB.	F.S.I.	
1	TR-52	Raw Coal			As Received Air Dried Dry Basis	20.23	- 7.68 -		50.69 58.67 63.55	Ŭ				
2	TR-52	Raw Coal			As Received Air Dried Dry Basis	20.12	- 5.53 -		61.80 73.08 77.36					,
3	TR-52	Raw Coal			As Received Air Dried Dry Basis	23.34	- 7.48 -		49.00 59.14 63.92					
4	TR-52	Raw Coal			As Received Air Dried Dry Basis	15.77	2.16		60.39 70.15 71.70		-			
5	TR-52	Raw Coal			As Received Air Dried Dry Basis	21.47	5.03		34.59 41.83 44.05					
1	TR-53	Raw Coal			As Received Air Dried Dry Basis	14.41	- 5.97 -		64.36 70.71 75.20					
2	TR-53	Raw Coal			As Received Air Dried Dry Basis	15.69 - -	7.17		41.13 45.28 48.78					
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LORING LABORATORIES LTD

Page # 7

DATE: October 17, 1985

ATTN: L.A. Smith

CERTIFICATE of COAL TESTING

PROJECT: Rocky Creek

FILE NO .: 28039

		SAMPLE	% REC	OVERY		REC'D %	%	% VCL	%	% [*] FIXED	%	BTU		
SAMPLE NO.	IDENTIFICATION	TYPE	SINK	FLOAT		H₂O	H₂0	MATTER	ASH	CARBÖN	S	/ LB.	F.S.I.	
3	TR-53	Raw Coal		•	As Received Air Dried Dry Basis	11.85	3.90		75.49 82.30 85.64					
4	ŤR-53	Raw Coal			As Received Air Dried Dry Basis	27.10	15.63		8.78 10.16 12.04					
5	TR-53	Raw Coal			As Received Air Dried Dry Basis	18.40	4.85 -		40.07 46.72 49.10					
6	TR-53	Raw Coal			As Received Air Dried Dry Basis	17.23	- 8.88 -		7.63 8.40 9.22		-			
7	TR-53	Raw Coal			As Received Air Dried Dry Basis	26.37	10.50		23.30 28.32 31.64					
8	TR-53	Raw Coal			As Received Air Dried Dry Basis	19.48 _ _	8.91 -		16.06 18.17 19.95					
1	TR-54	Raw Coal			As Received Air Dried Dry Basis	26.28	13.00		19.04 22.47 25.83					
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LORING LABORATORIES LTD

FILE NO.: 28039

ATTN: L.A. Smith

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CERTIFICATE of COAL TESTING

Page # 8

DATE: October 17, 1985 PROJECT: Rocky Creek

	IDENTIFICATION	SAMPLE	% REC	OVERY '		REC'D %	%	% VCL	%	% FIXED	%	BTU		
SAMPLE NO.	IDENTIFICATION	TYPE	SINK	FLOAT		H₂O	H₂O	MATTER	ASH	CARBÓN	S	/ LB.	F.S.I.	
1	TR-55	Raw Coal		, , ,	As Received Air Dried Dry Basis		11.99 -		19.63 23.75 26.99					
2	TR-55	Raw Coal		i	As Received Air Dried Dry Basis	15.69 - -	- 6.93 -		55.71 61.50 66.08					
1	TR-56	Raw Coal			As Received Air Dried Dry Basis	22.10	 11.58 		15.23 17.29 19.55		-			
2	TR-56	Raw Coal			As Received Air Dried Dry Basis	14.40	4.85		61.80 68.70 72.20					
1	TR-57	Raw Coal			As Received Air Dried Dry Basis	34.37	 17.44 		14.68 18.47 22.37					
2	TR-57				As Received Air Dried Dry Basis	12.95 - -	5.33		10.67 11.61 12.26					
3	TR-57	Raw Coal			As Received Air Dried Dry Basis	33.45	 14.75 		10.51 13.47 15.80					
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ATTN: L.A. Smith

LORING LABORATORIES LTD

CERTIFICATE of COAL TESTING

FILE NO.: 28039 Page # 9

October 17, 1985 DATE: PROJECT: Rocky Creek

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SAMPLE NO.	IDENTIFICATION	SAMPLE TYPE	ļ			REC'D % H₂O	% H₂O	% VCL MATTER	% ASH	% FIXED CARBON	% S	BTU / LB.	F.S.I.	
4	TR-57	Raw Coal			As Received Air Dried Dry Basis	20.86	- 5.68 -		11.59 13.82 14.65					<u></u>
5	TR-57	Raw Coal			As Received Air Dried Dry Basis	26.32	8.80 -		18.13 22.44 24.61					•
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				· · ·										
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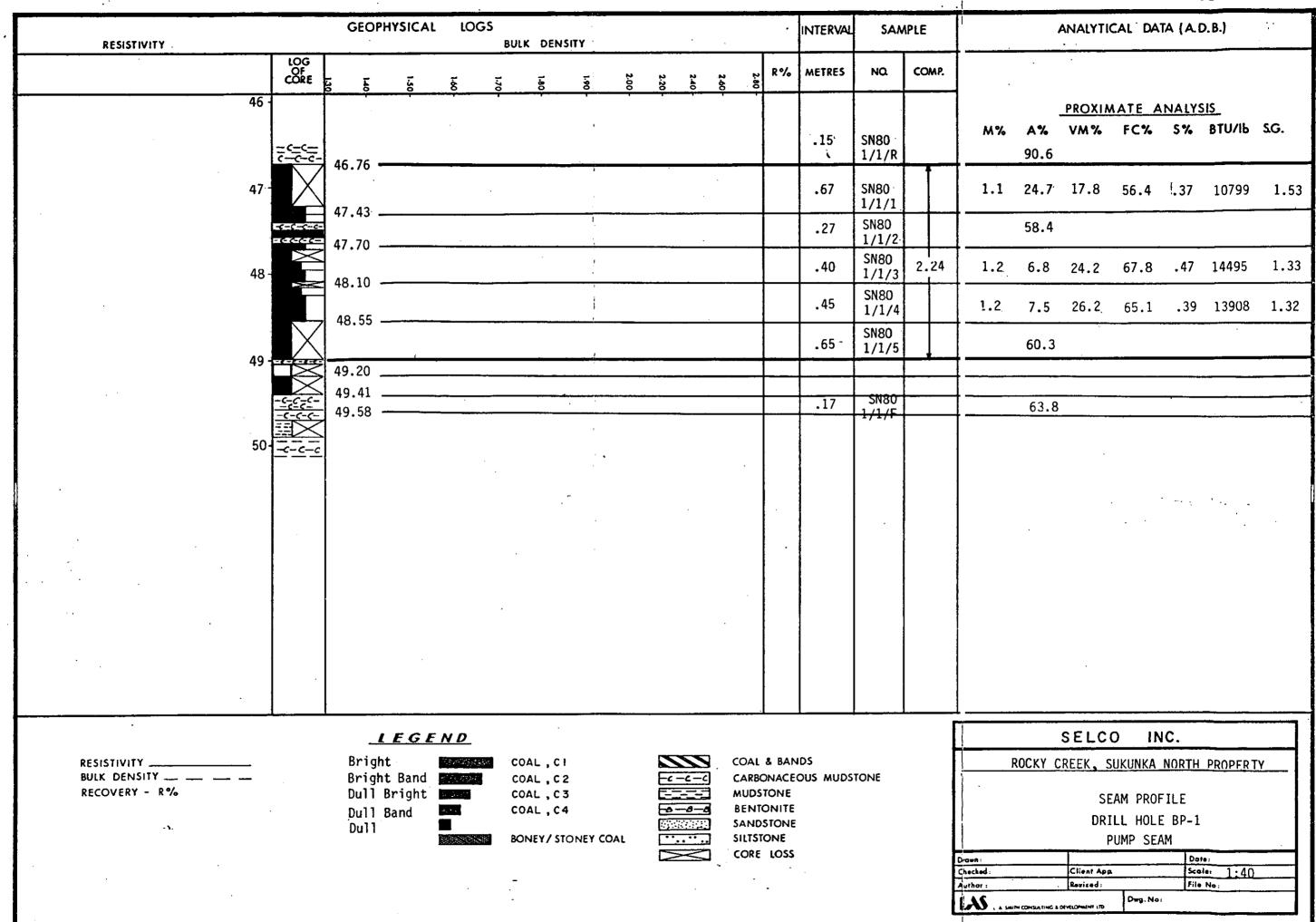
APPENDIX 3

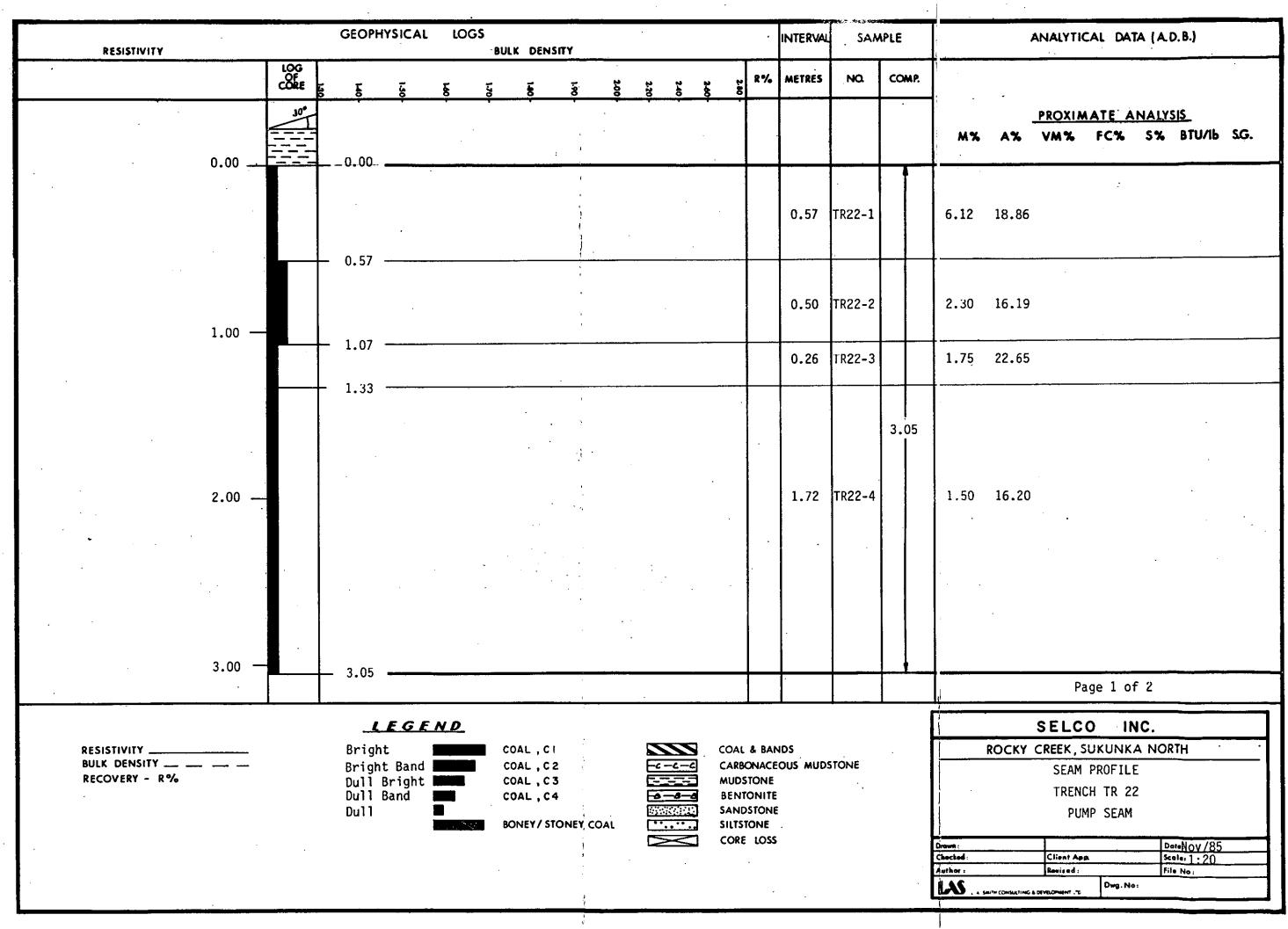
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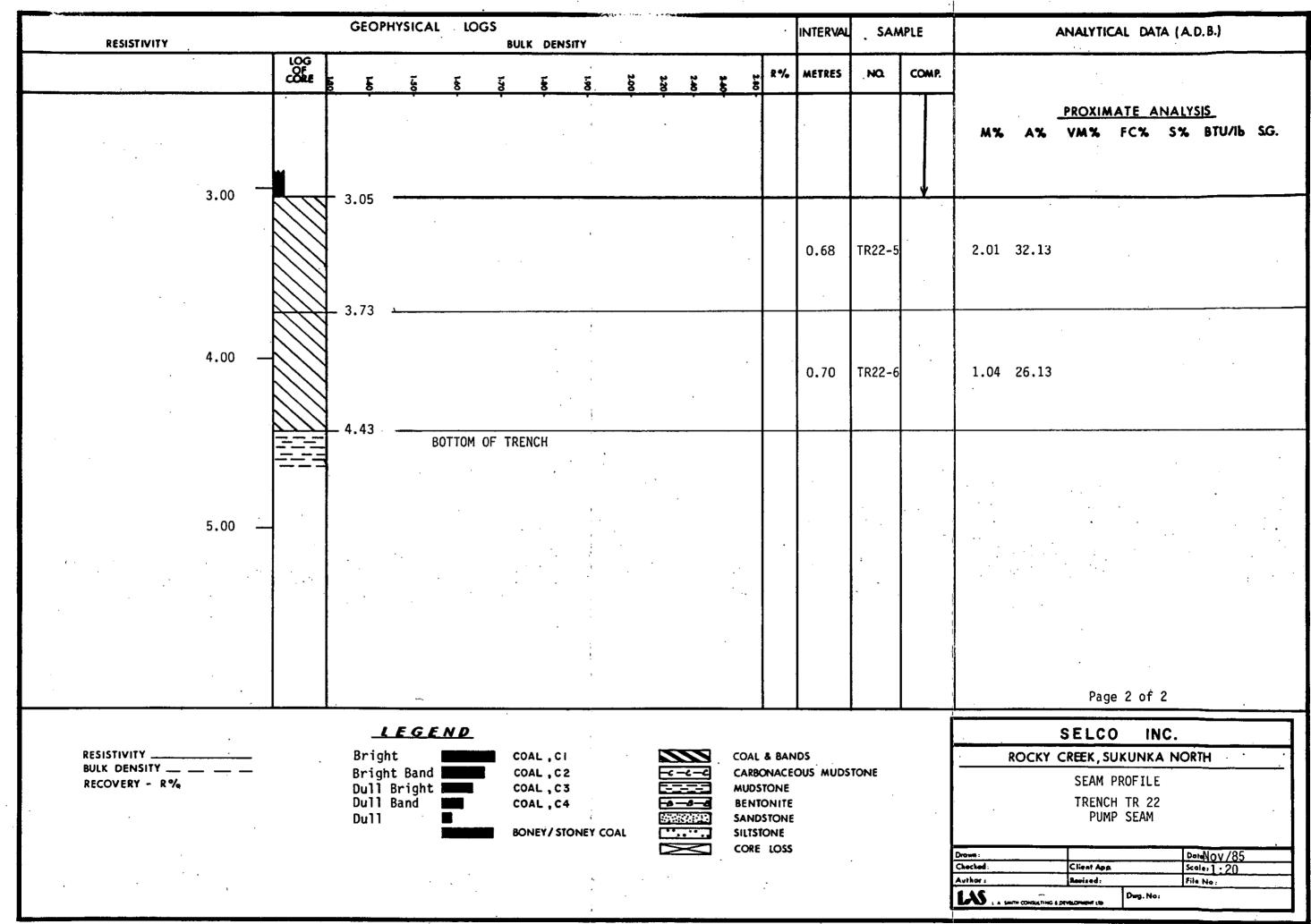
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SEAM LOGS AND PROFILES

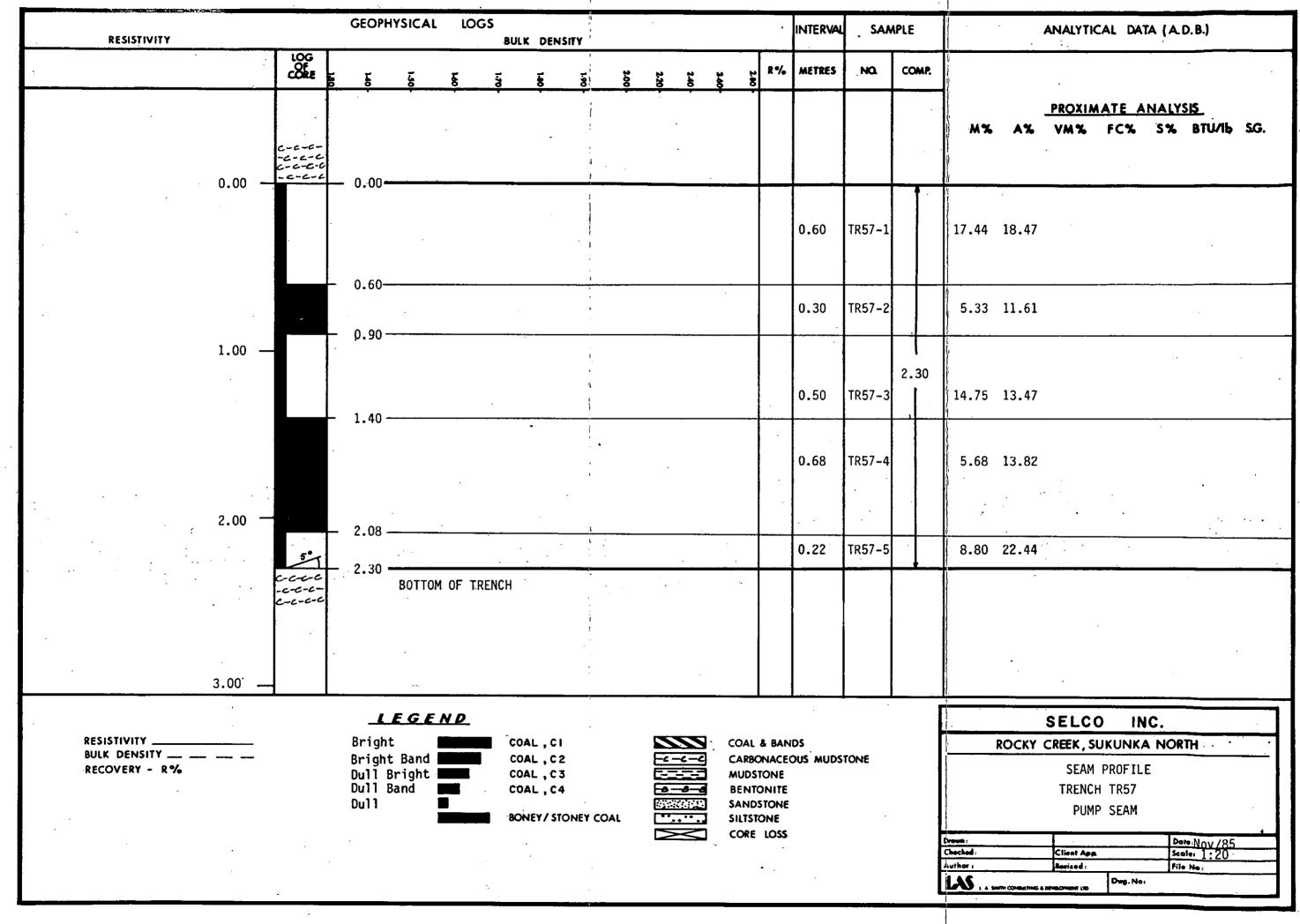
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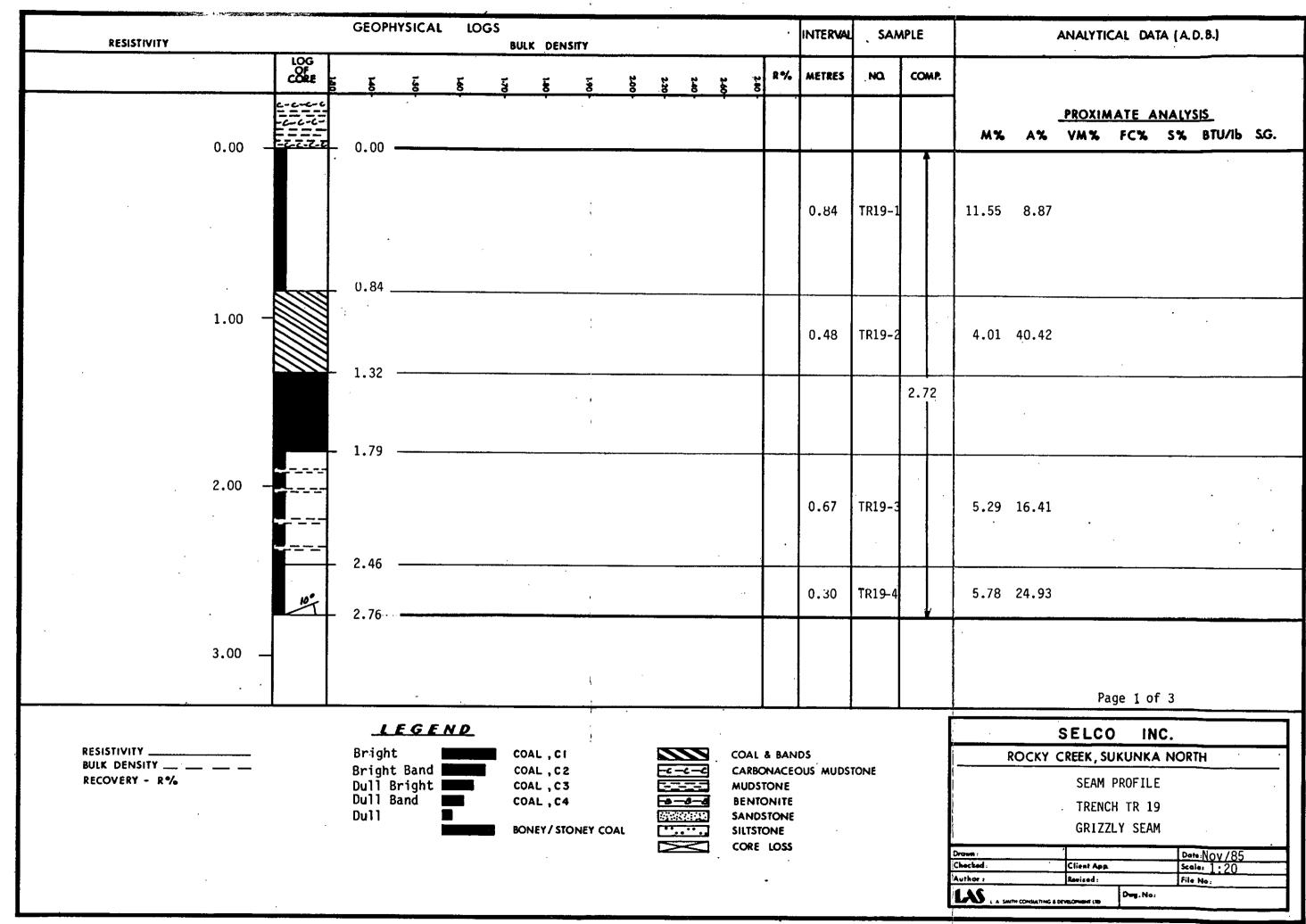




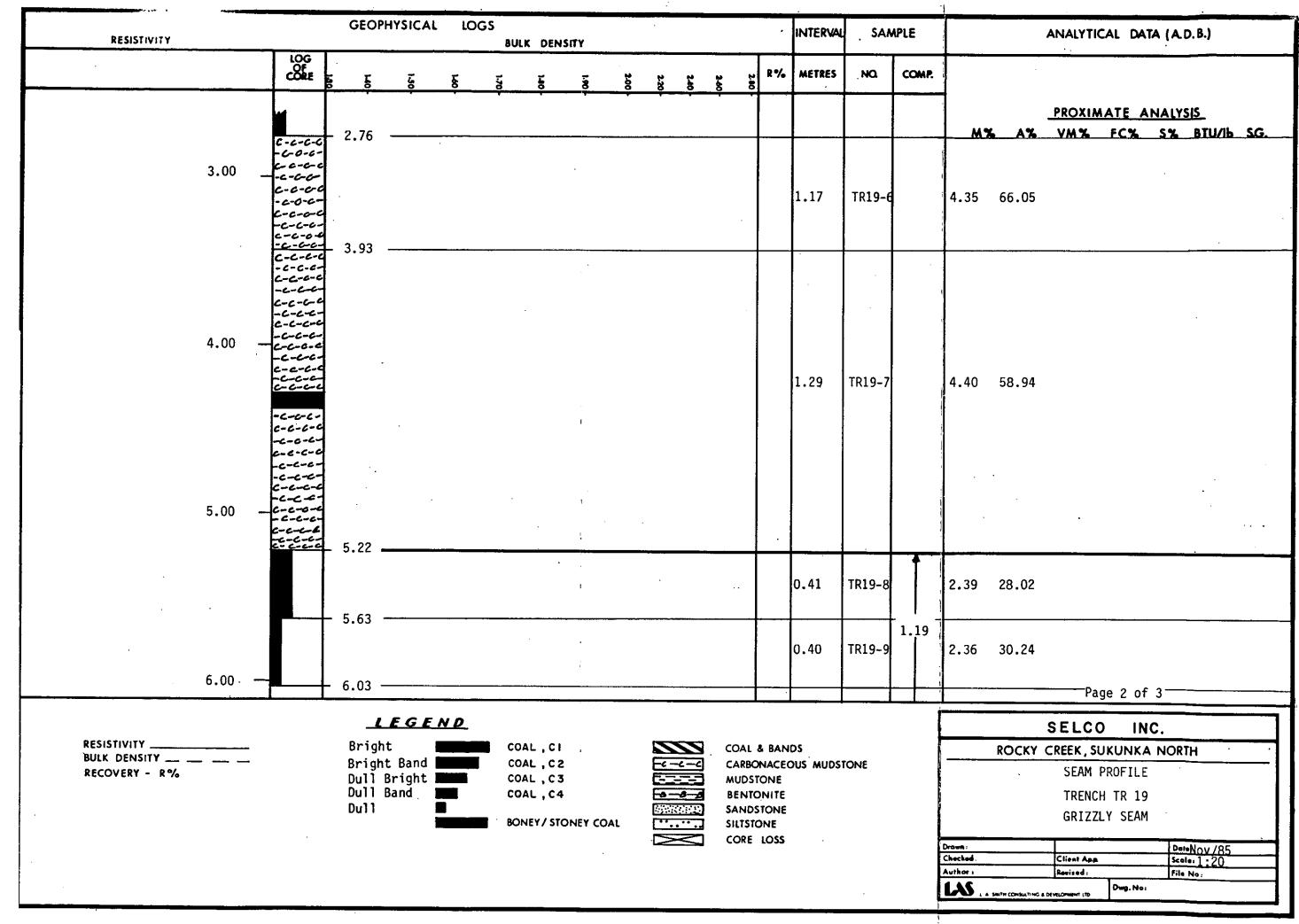
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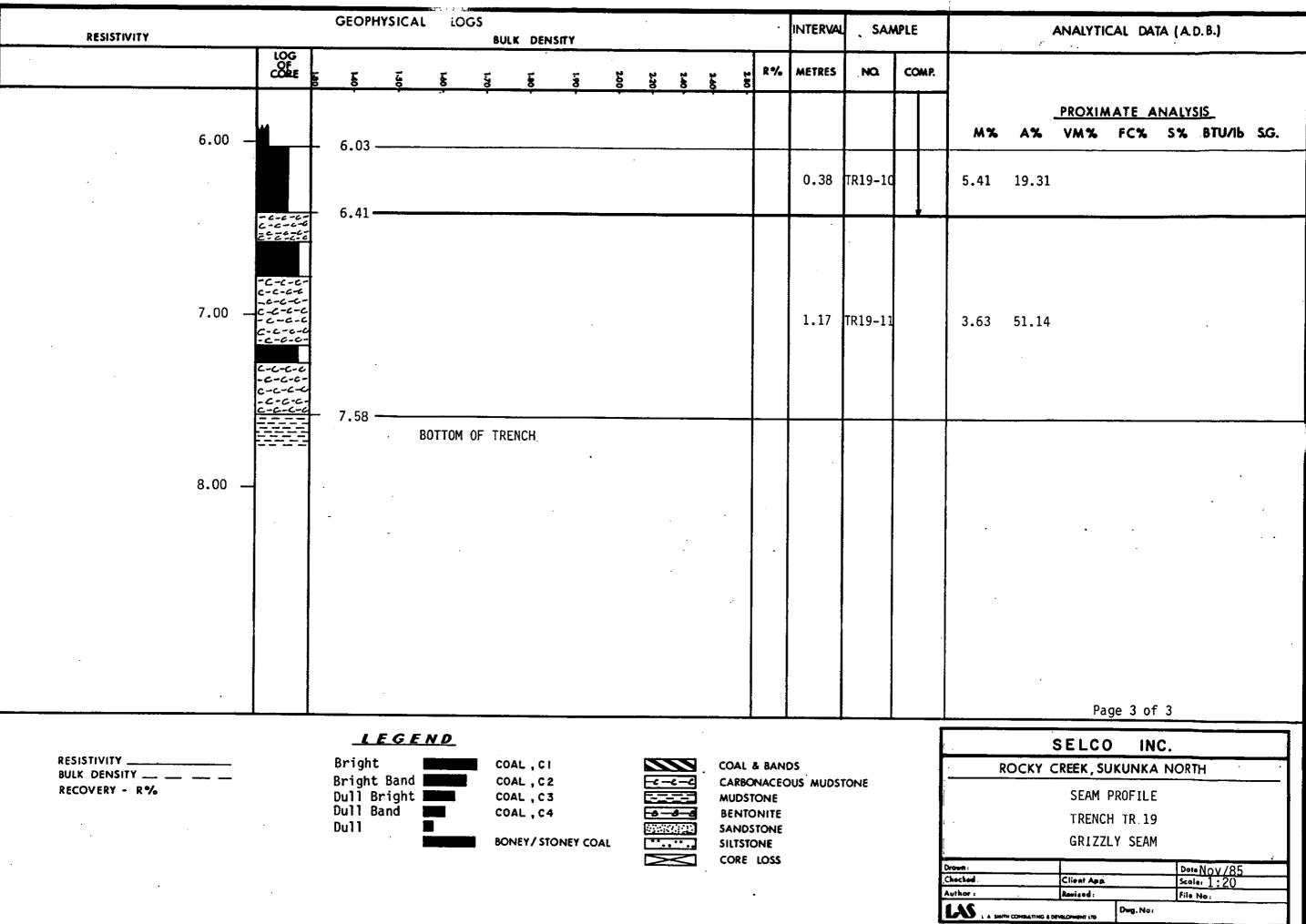


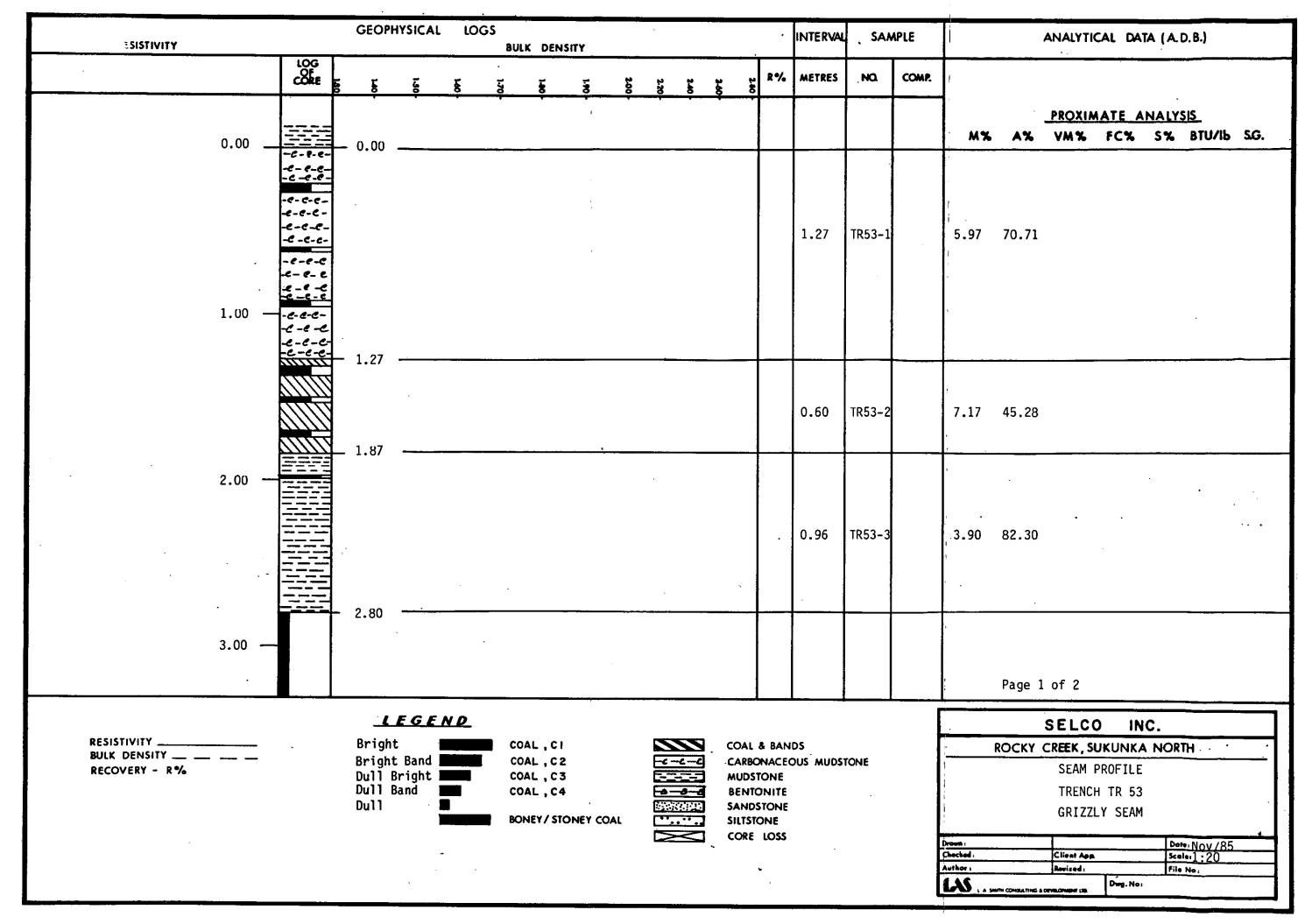
RESISTIVITY		GEO	PHYSICA	1 100		K DENS	SITY						INTERVAL	SAN	APLE			ANALYTI	CAL DAT	A (A.C), B .)	
	OG Of ORE ដ្ឋ	Ŀ	1.50		1.70	1-80	1.90	2.00	2.20	2.40	2.80	R %	METRES	NQ.	COMP.							
79 -			<u> </u>	<u>o</u>	<u> </u>		<u>o</u> 	<u> </u>	<u> </u>				.15	SN80 1/2/R		M%	A% _88.1	VM%	FC%			SG.
80 -		9.43 • 0.15 -											.72	SN80 1/2/1		.1.4	4.4	19 .6	74.6	.37	14561	<u>·</u>
	\times	0.53	.										. 38	SN80 1/2/2	2.42m		57.4	· · · · · · · · · · · · · · · · · · ·			<u> </u>	
81-		L.26 ·				<u></u>				<u>.</u>			.73	SN80 1/2/3 1/2/4		1.1	16.2 33.5	22.3-	60.4	. 36	12741	1.40
82-		1.39 1.85	<u>, , , , , , , , , , , , , , , , , , , </u>								· · · ·		.46	SN80 1/2/5		1.2		19.6				3 1.48
4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	1222222																					ŕ
	······································	3 . 58 ·					`							SN80						-		1.77
84 - 	8 8 5 5 5 5 7 5	3.75 4.08			<u></u>						<u> </u>		.17	1/3/R SN80 1/3/1 SN80		0.7	43.5 18.1 84.8	21.1	40.8 59.7		8204 <u></u> 12355	1.67
85 - 7	$\boldsymbol{\succ}$	4.44 5.00					<u>.</u>		<u> </u>				.36 .56	<u>1/3/2</u> SN80 1/3/3		1.0			51.3	.36	10367	1.54
85-44 11-1 1-1 1-1 1-1 1-1 1-1 1-1 1-1 1-1		85 . 56											.56	SN80 1/3/F			51.0					
RESISTIVITY BULK DENSITY RECOVERY - R%		Brig Brig Dull	ht Band Bright		1 co co	DAL,CI DAL,C2 DAL,C3	<u>.</u>				MUDS	DNACE TONE	OUS MUDS	TONE		R0	· · · · -		O IN KUNKA NO 1 PROFIL	RTH PI	ROPERTY	
		Dull Dull	Band			DAL , C4		AL			SAND SILTSI	ONITE STONE ONE LOSS				Drawn: Checled: Author: LAS , a see		GRIZ Client App Ravised :	Dwg.No.	M Dom	• 1:40	

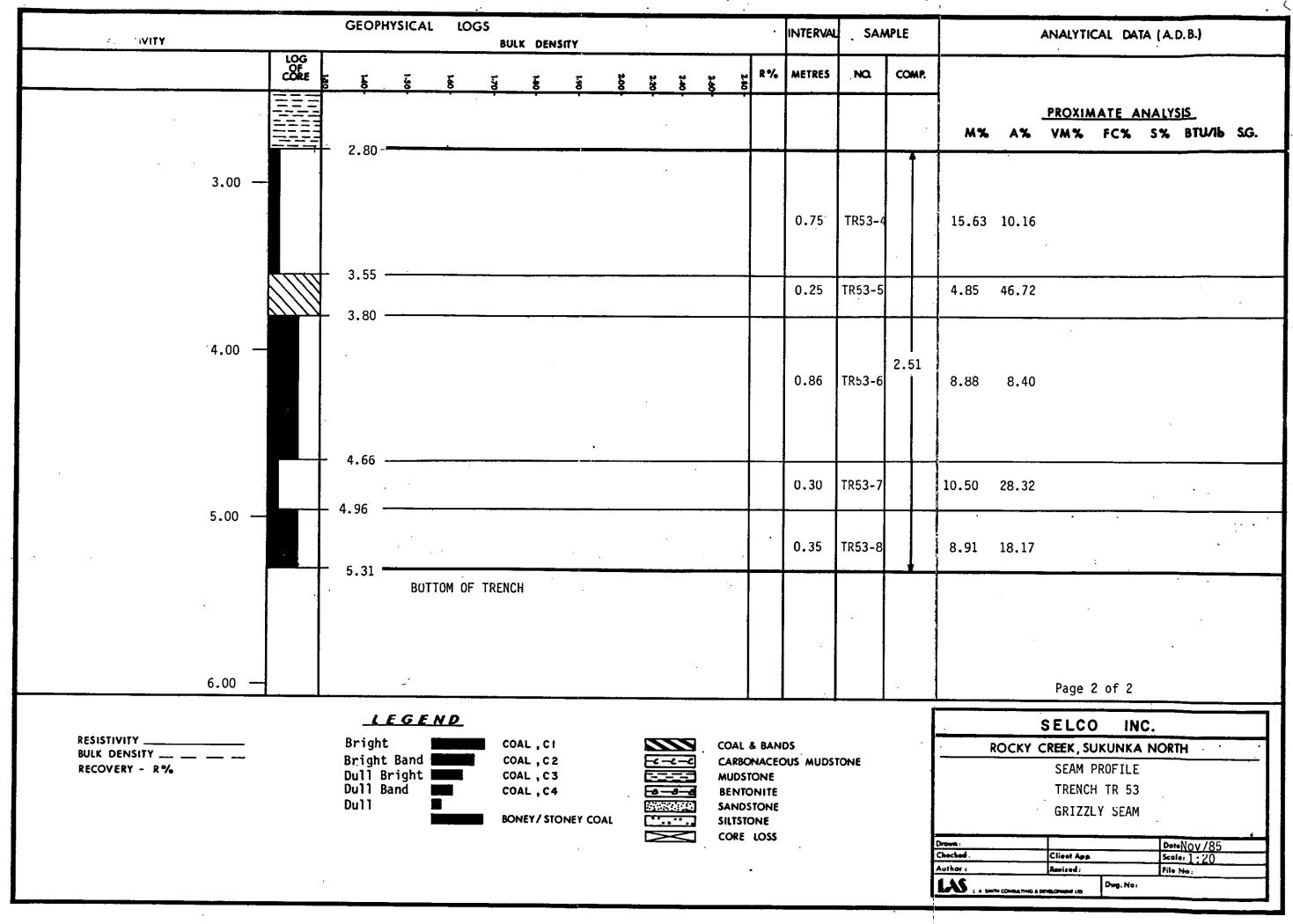


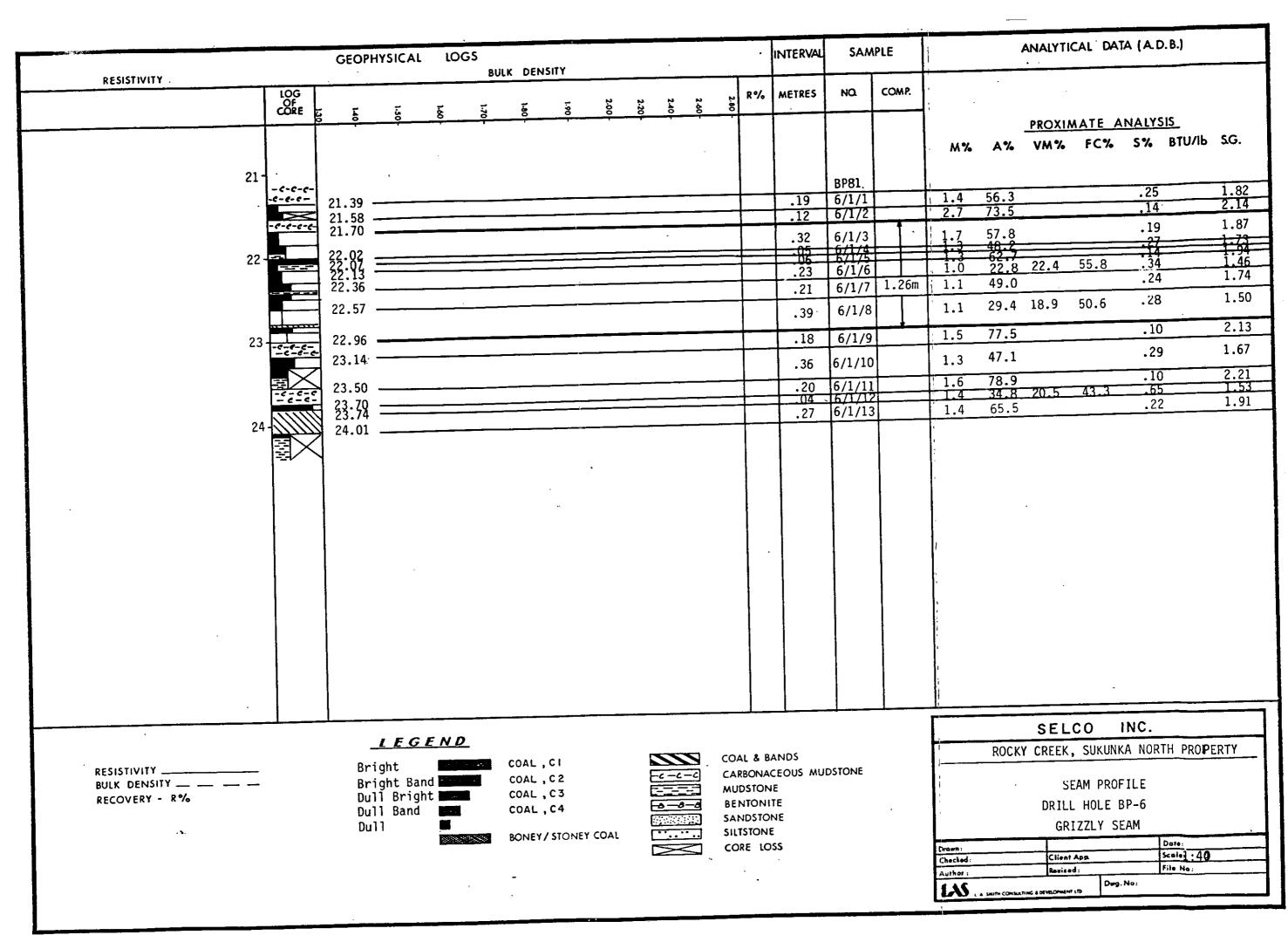
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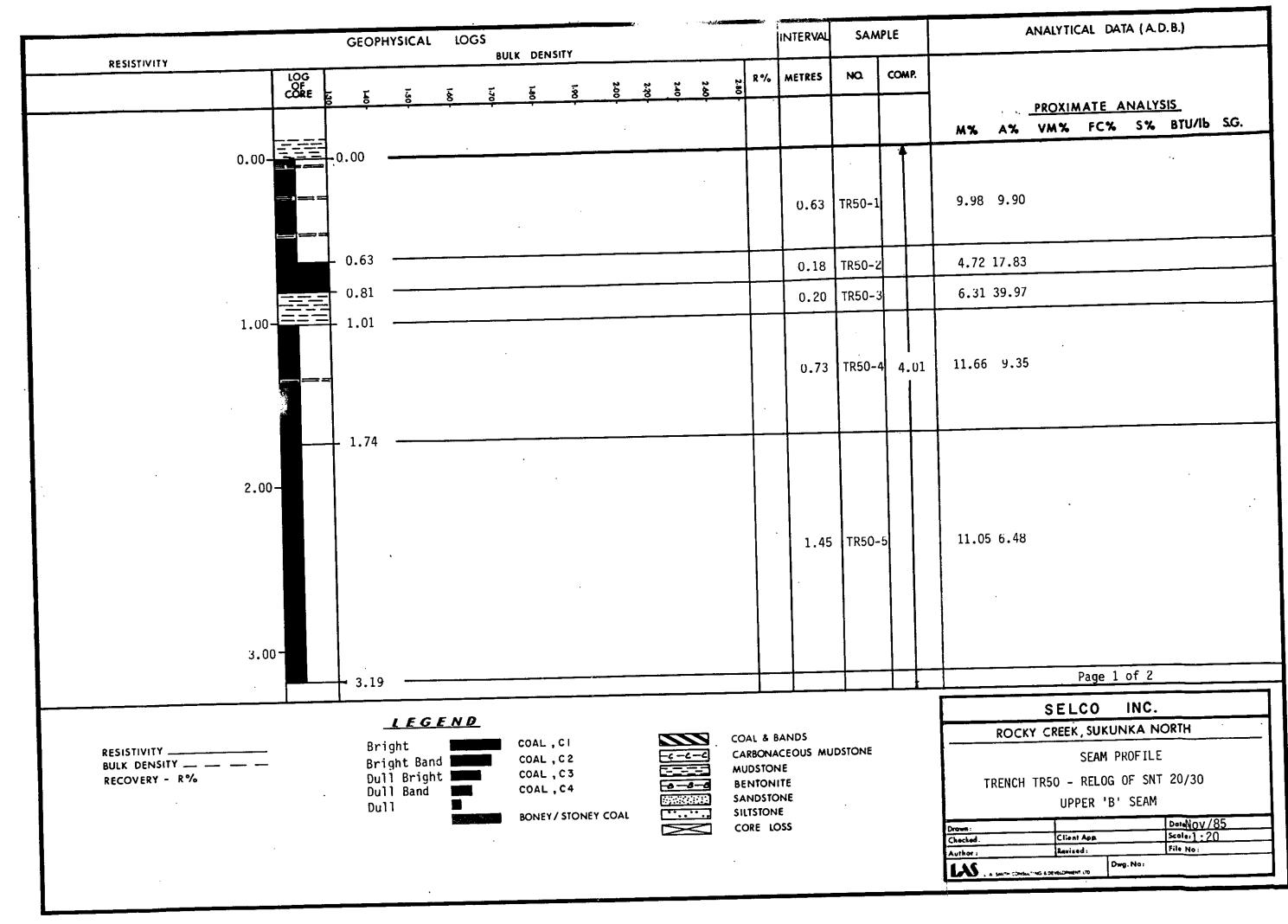


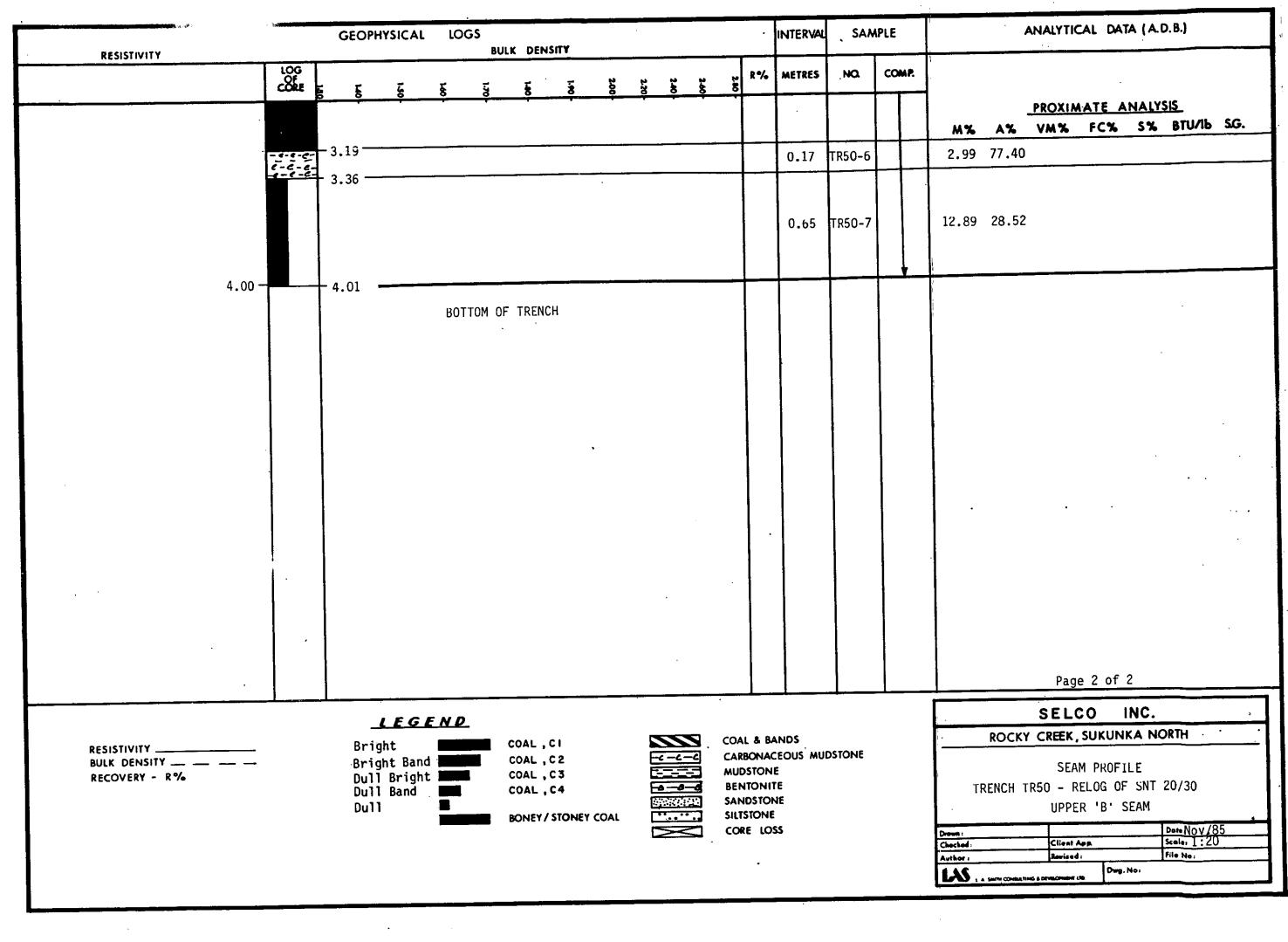


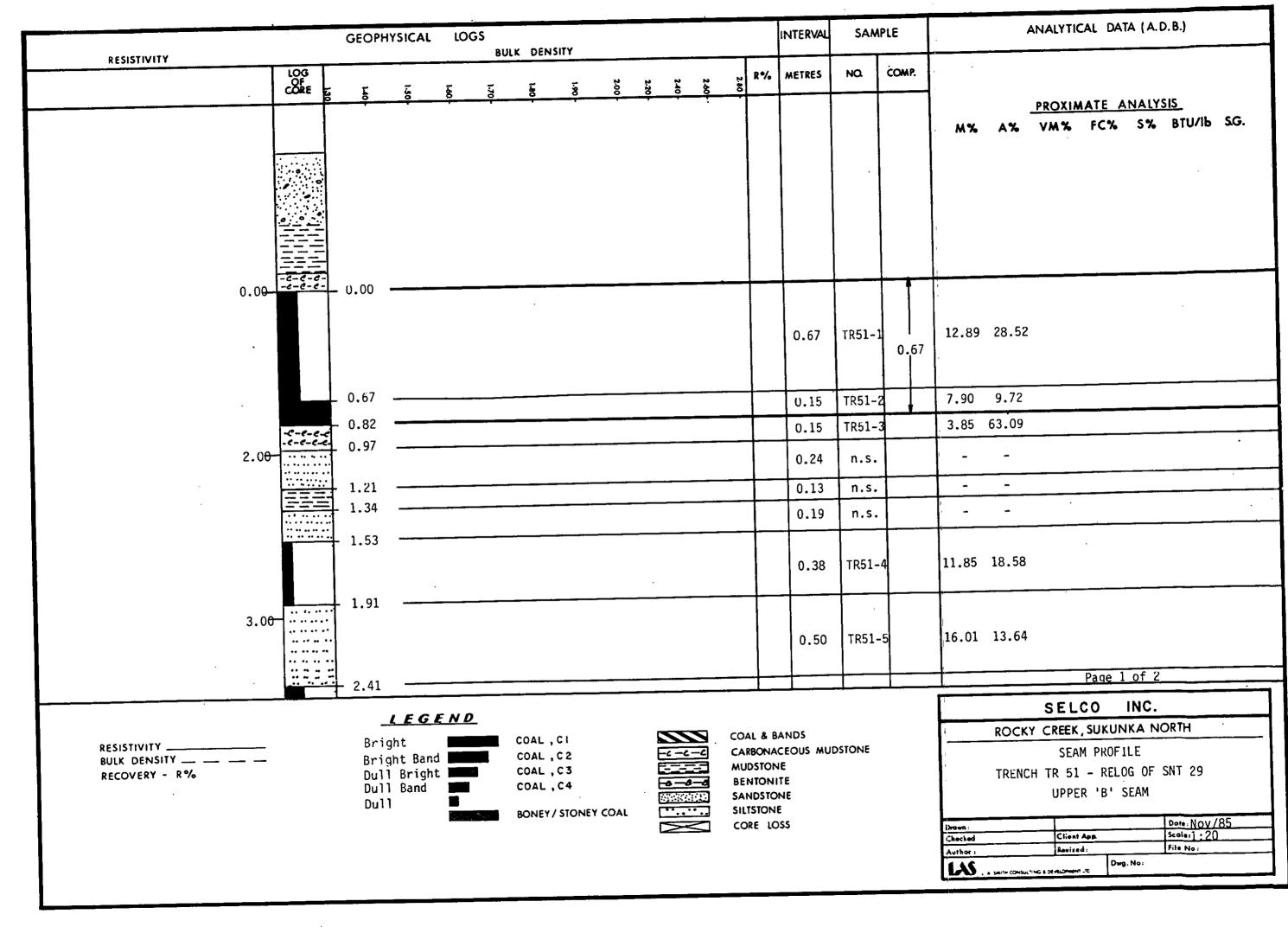


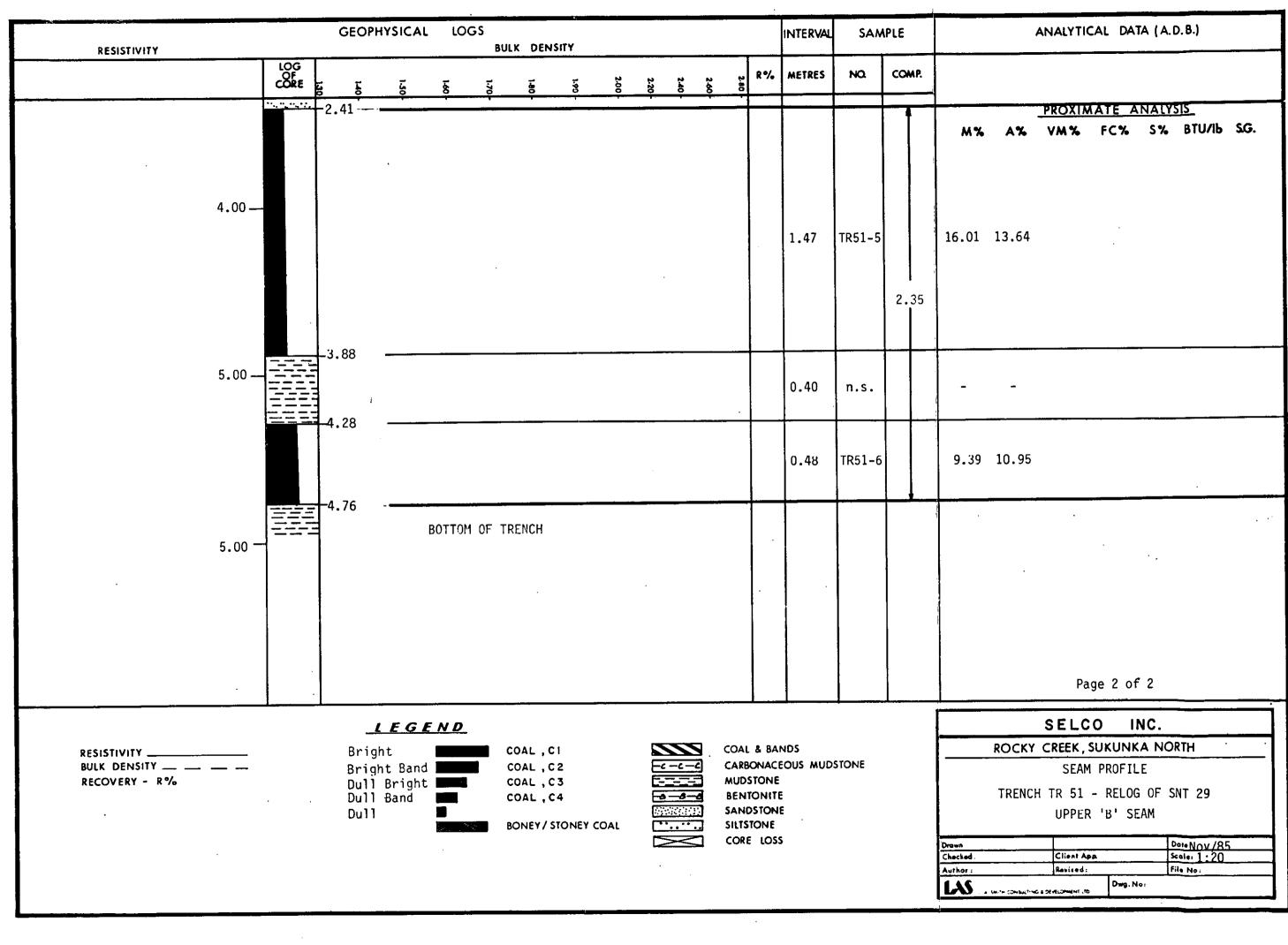


			GEO	PHYSICA	ι ιοσ		K DENS	SITY					•	INTERVAL	5AA	APLE	1			CAL DATA	(A.D.E	B.)	
RESISTIVITY		LOG OF CORE	1-10	1.50	1.60	1.70	1-80		2.00	2.40 2.20	2.60	2.80	%	METRES	NQ.	сомр.							
			<u>5</u> -	<u>0</u>	<u> </u>	- ? -	<u> </u>			- 7 7							M%	A%		MATE AN FC%			SG.
	170 -	·····																					
		 	170.48 170.60	8 ———								_		.15	SN80 271R SN80		-	85.0				14679	
	171-		170.9					<u> </u>						.34	SN80 2/1/1 SN80	0.88	.9	4.0	26.1				
		X	171.4	8										.54	2/1/2		.6	9.1		63.3	.51	14045	1
	170		171.6	57			<u> </u>							.19	2/1/F			66.2				· ·	
	172-																						
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RESISTIVITY			Br	ight		t:::+*:`	COAL, C				• •	COAL CARBO	& BA NAC	NDS EOUS MUC	OSTONE		 	ROCK		SUKUNKA		PROPER	rty_
BULK DENSITY RECOVERY - R%			Du	ight Bar 11 Brigh 11 Band	nt 🖂 🖉		COAL, COAC, COAL, COAC,	С 3			8-8	MUDS BENT	TONE DNIT	E) 			SEAM PROF RILL HOLE			
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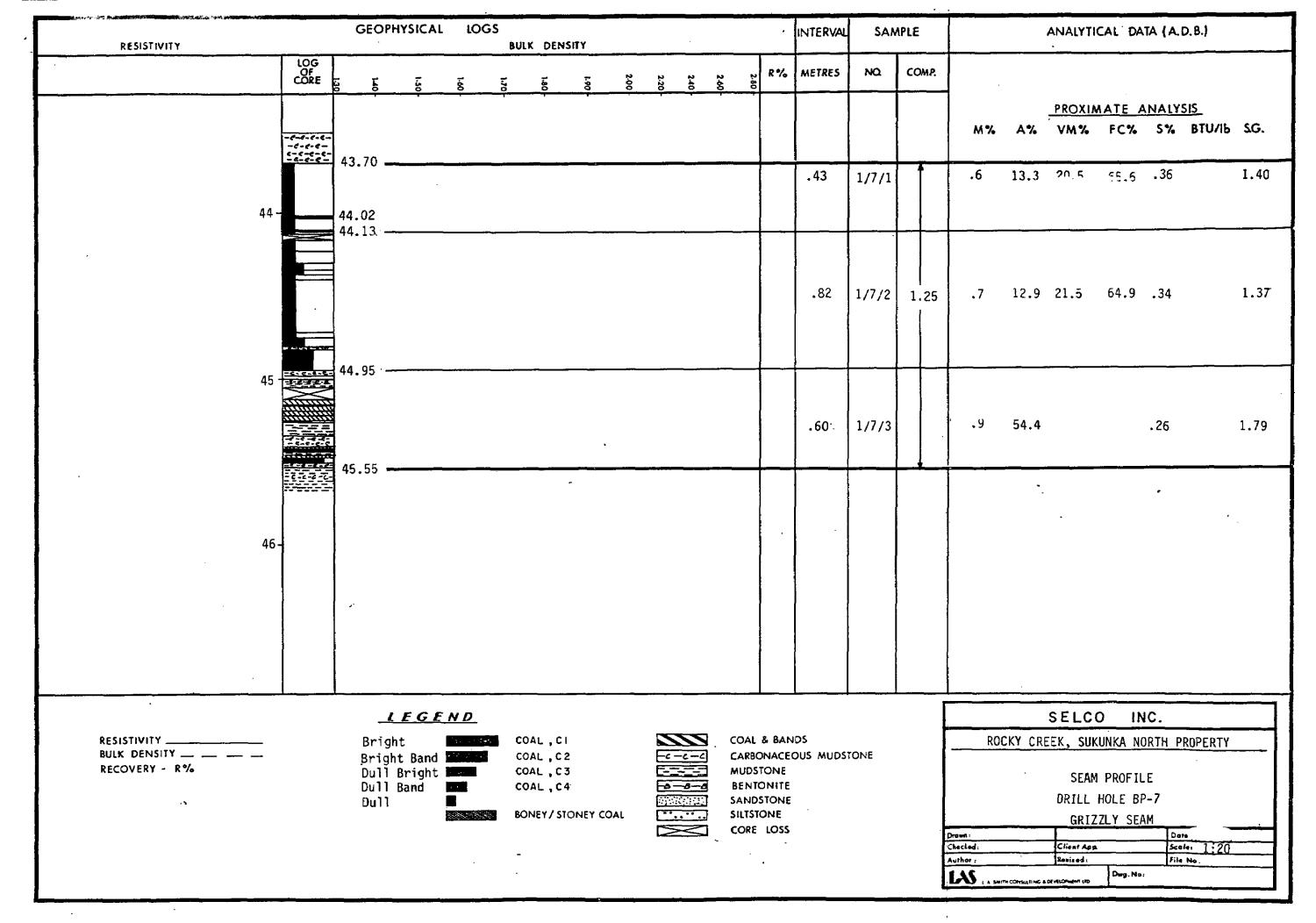


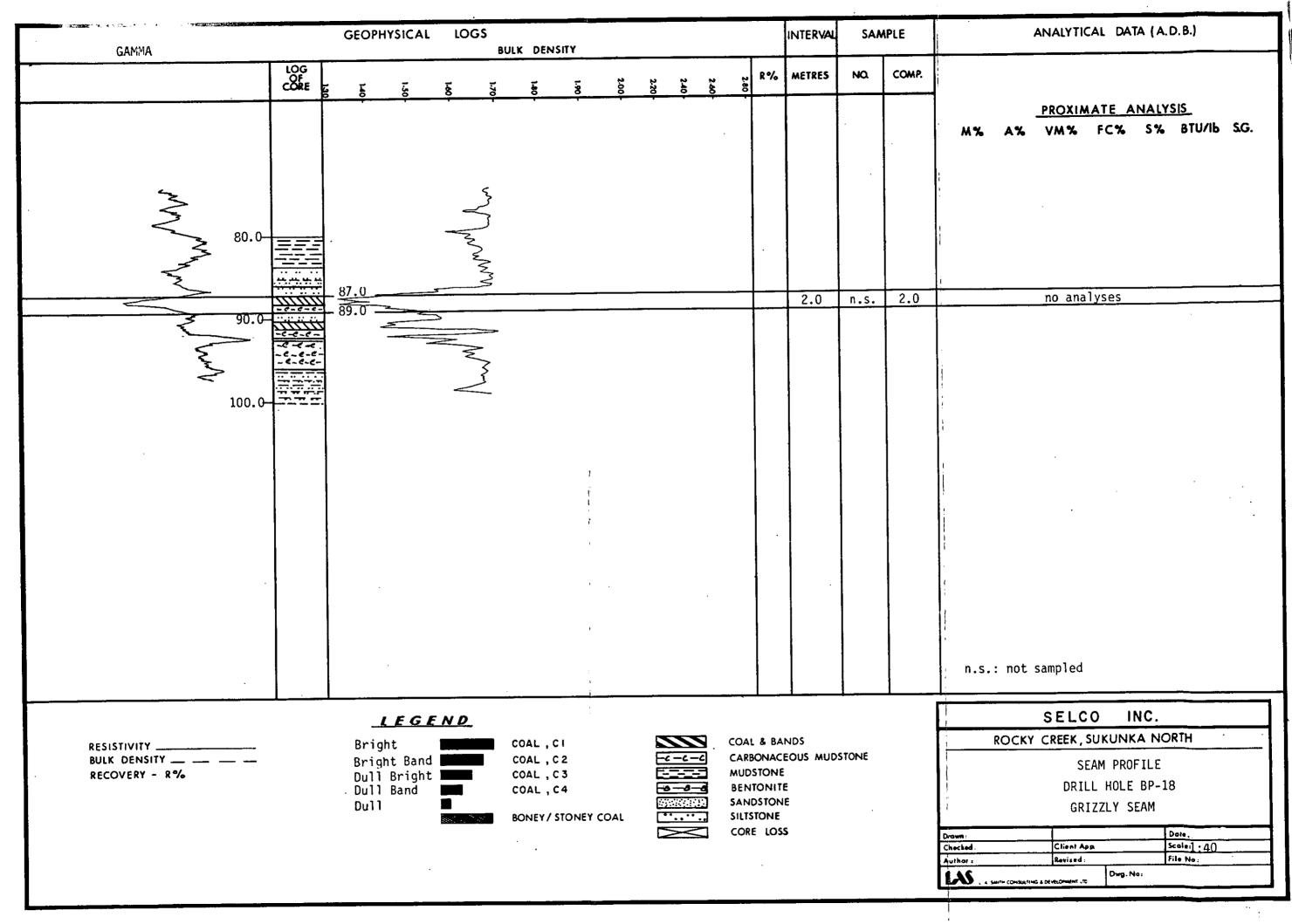


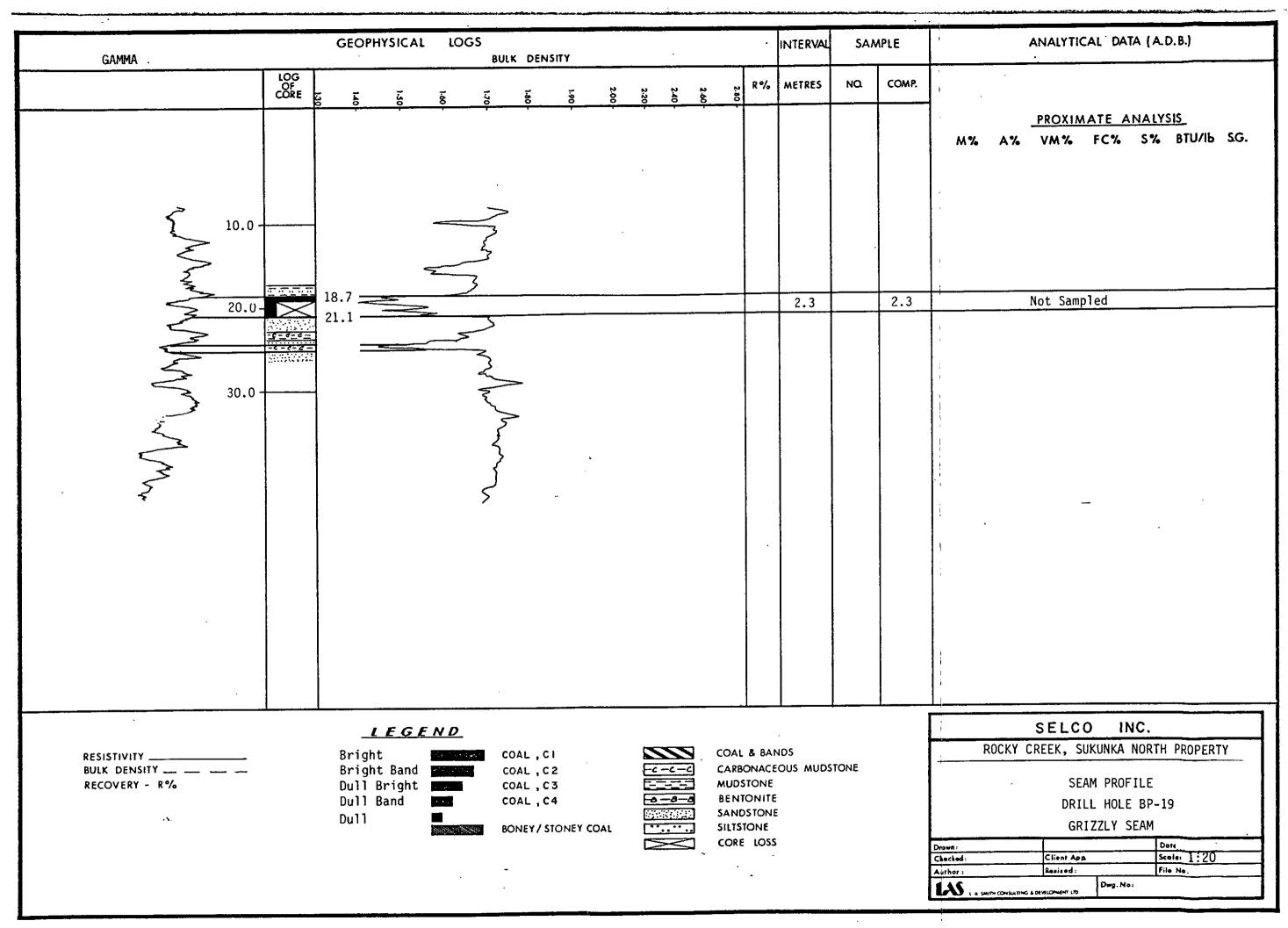


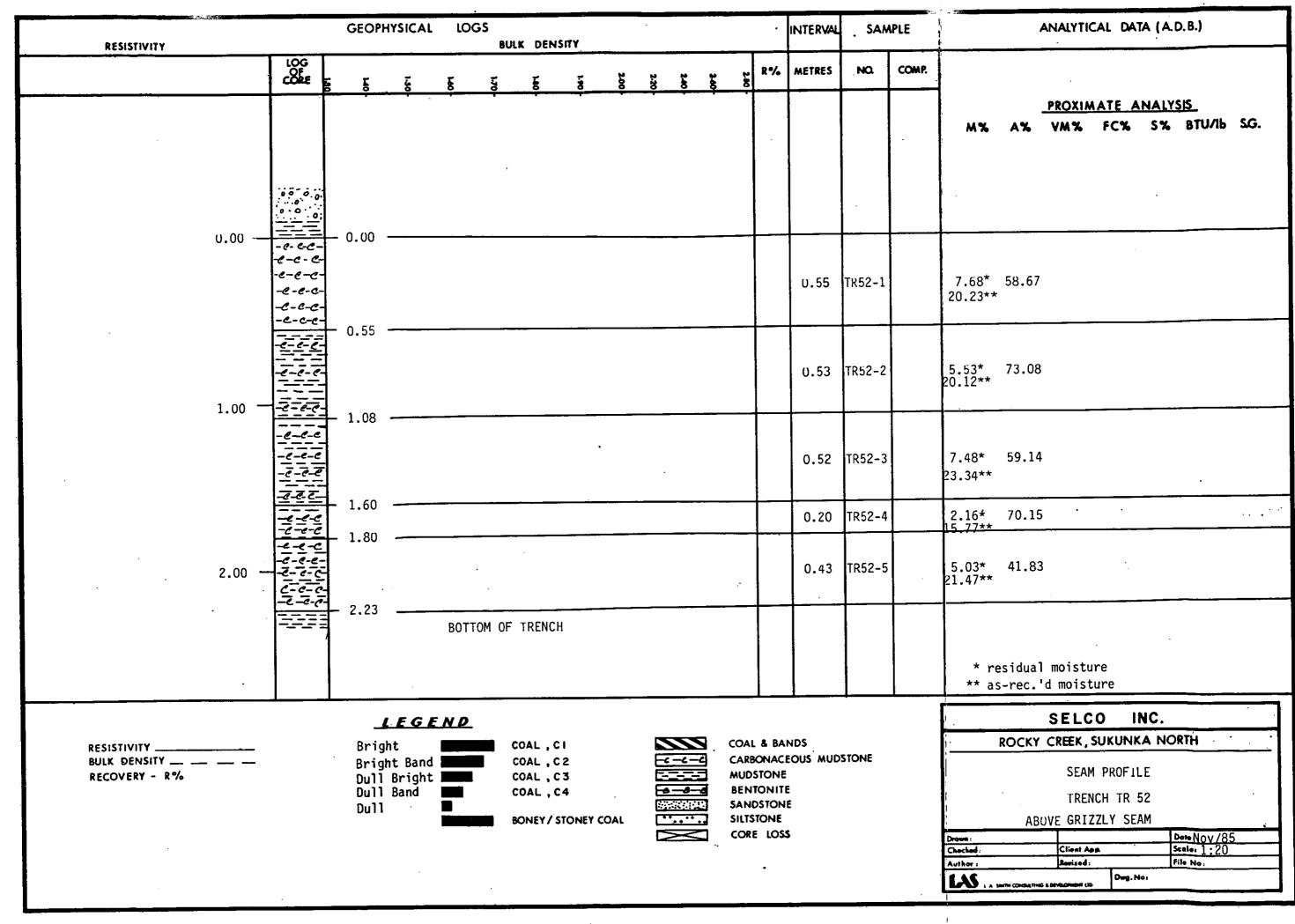


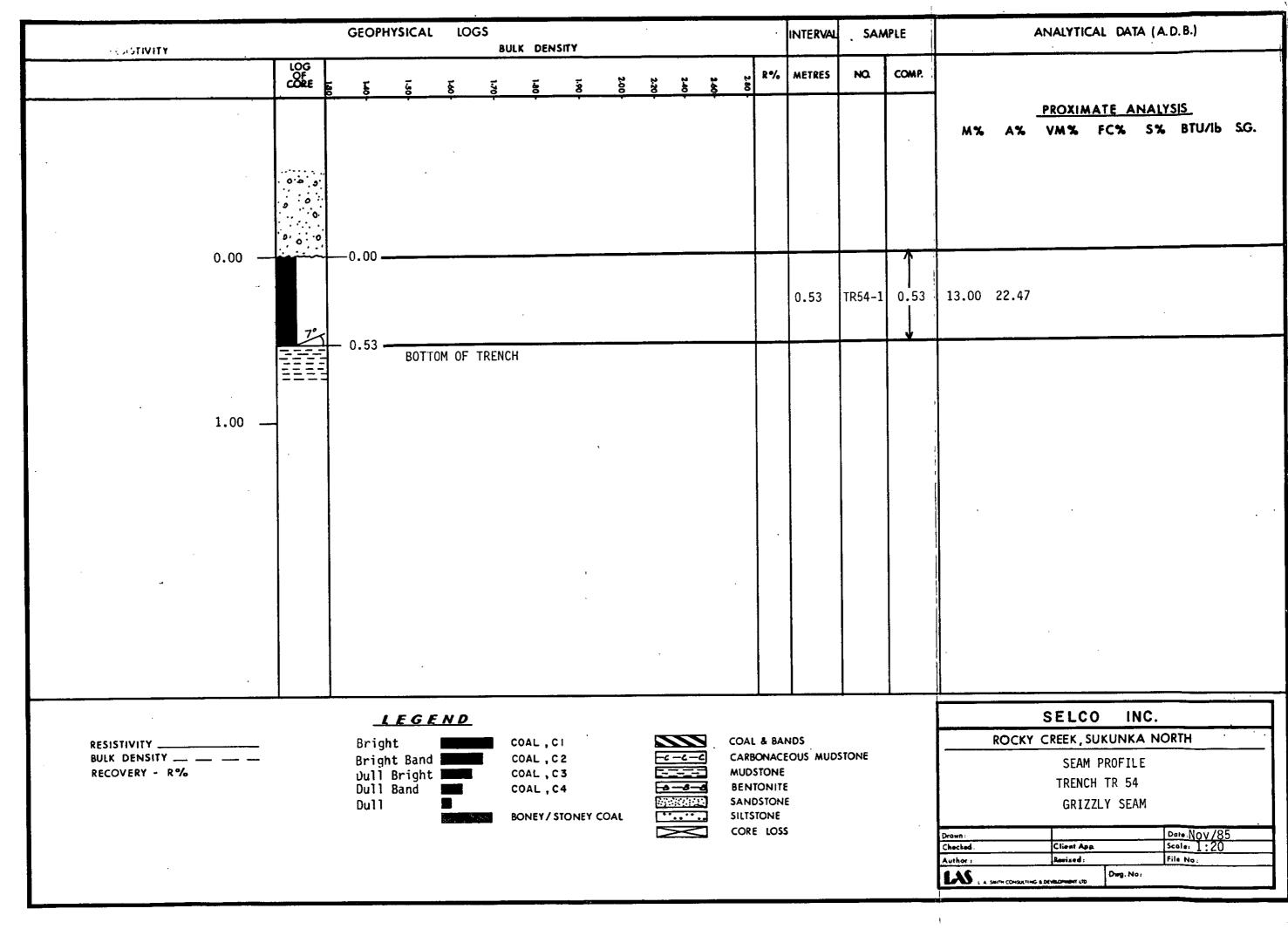
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	RESISTIVITY		LOG	· · · · · ·	<u> </u>	· · · · · · · · · · · · · · · · · · ·	BUL	LK DENSI	TY								<i>co</i>			• ·				
			LOG OF CORE		1.50	8	1-70	1.80	1.90	2.00	2.20	2.60	2.60	R %	METRES	NQ.	COMP.							
										•	•	·								PROXIA				
																		M%	A%	VM.%	FC%	S%	BTU/Ib	SG.
		282 -		•																				
		- IXXI		282.22											.33	SN80 2/3/1			58.9)				
								<u></u>								2/3/3		1.3	46.1		35.6	.49	7646	1.70
		202		282.76			<u></u>								I .	2/3/4.			75.7	7				
		2034-		-283.06									i	· ·	. 36	SN80		.9	23.(0 15.2	60.9	.46	11269	1.53
				283.40											.14	2/3/5 2/3/6		1.1	18.4	4 25.9	54.6	.34		1.53
				283.72			-				<u></u>	<u> </u>	·		.18	2/3/7		1.2	4.8	18.8	<u>75.2</u>	.52	14455	1.35
		284 -													.59	SN80 2/3/8	1.55	1.1	۵ ۵	20.3	69.6	5 . 62	13765	1.37
			₩ ×	284.31									<u> </u>			2/3/9		1.1	64.	7				
				284.46 284.61						<u></u>					.15	2/3/10		1.1	36.	3 19.1	43.	5.45	9373	1.58
		285 -													.23	2/3/11 SN80		[72.				<u></u>	
		203		285.21	. .											2/3/11		1.2		7 17.2	2 37.	9.40	7900	1.67
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	RESISTIVITY BULK DENSITY				jht Banc			OAL,CI					CARB	ONACE	OUS MUDS	STONE		' 7'''''''''''''''''''''''''''''''''''	NUCNI	UNCEN				··· []
	RECOVERY - R%			,Dull	Bright		С	CAL,C3				=		TONE				,			EAM PRO			
	· A .			Dull	Band						67-68-	:23	SAND	STONE				!			ILL HOL			
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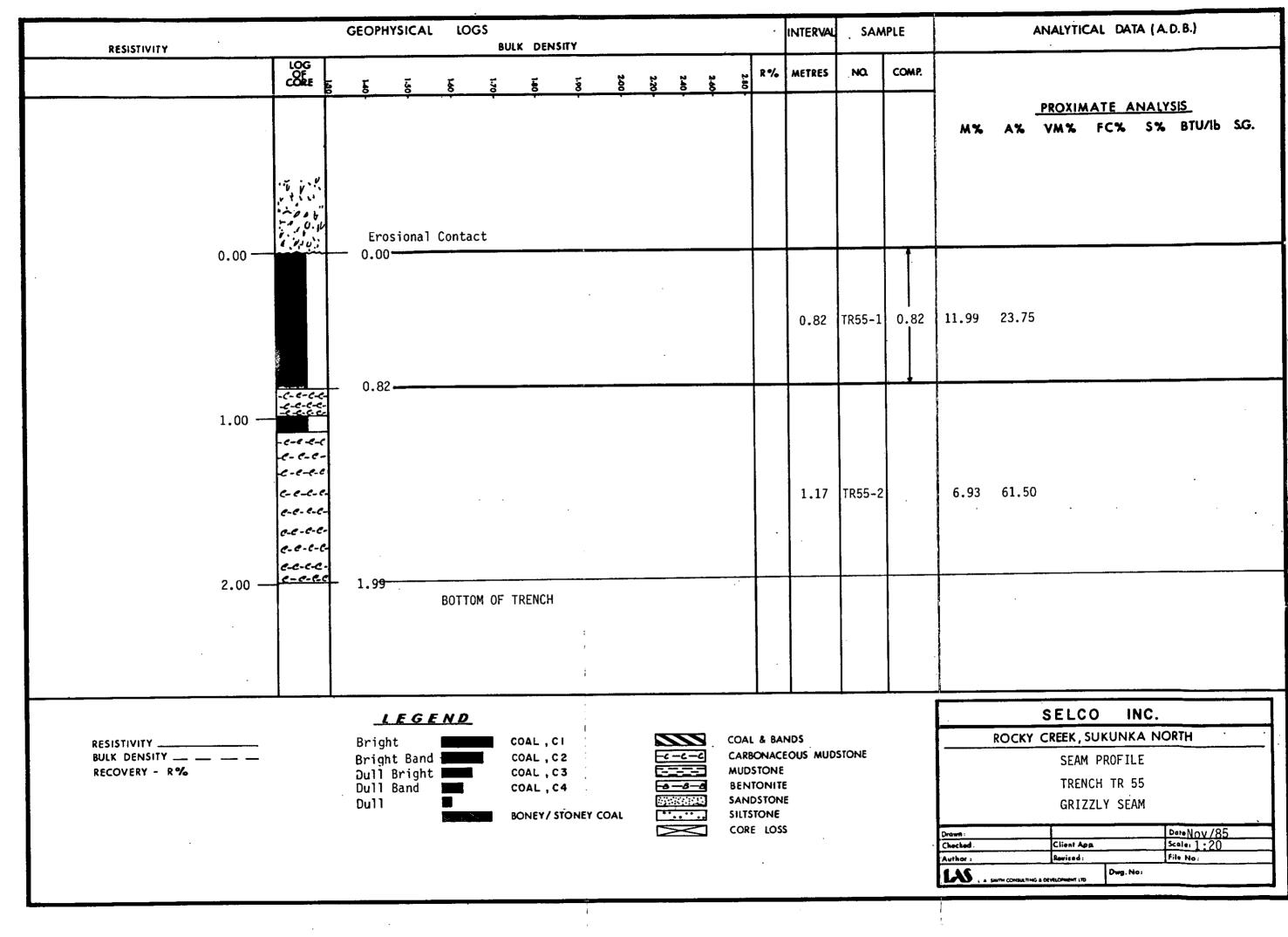


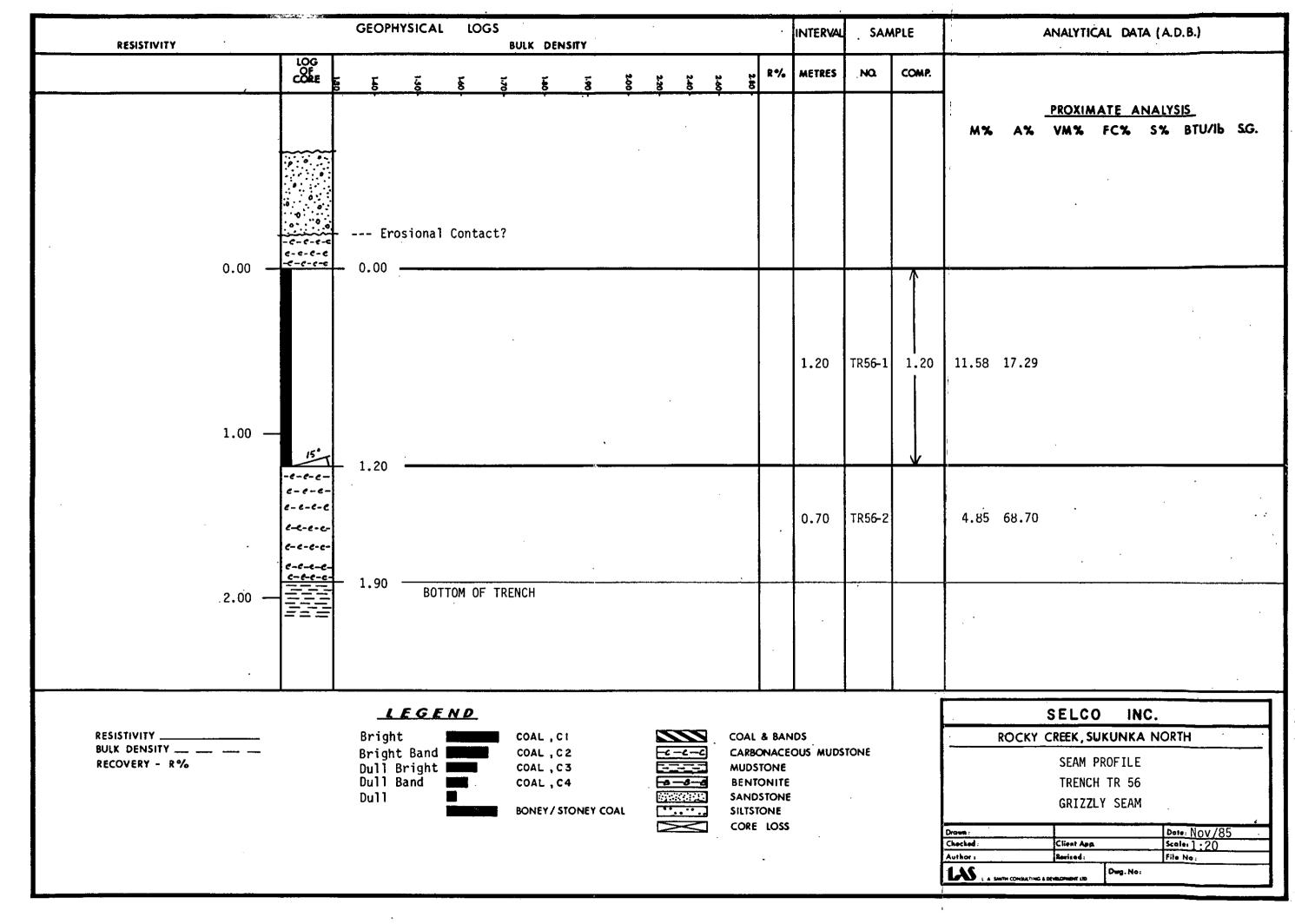












APPENDIX 4 OPEN PIT COAL RESERVE CALCULATIONS

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Reserve Area	Coal <u>Seam</u>	Average Seam Thickness (m)	Area of 2 Reserve (m ²)	Specific Gravity	In-Place <u>Reserve (bcm)</u>
BP1	Pump	2.2	81,500	1.5	269,000
BP1	Grizzl	y 3.625 3.375 3.125 2.875 2.625 2.375 2.125	10,000 30,000 43,000 55,500 182,000 394,000 279,000 Sub Total:	1.5 1.5 1.5 1.5 1.5 1.5 1.5	54,400 151,900 201,600 239,300 716,600 1,403,600 <u>889,300</u> 3,656,700
BP6	Grizzl	y 0.75 0.85 0.95 1.05	2,125 8,075 9,600 14,250	1.5 1.5 1.5 1.5	2,400 10,300 13,700 22,400
		1.15 1.25 1.35 1.45	14,250 17,225 56,750 49,500 32,250	1.5 1.5 1.5 1.5	29,700 106,400 100,200 70,100
		1.55 1.65 1.75	18,500 7,500 1,250 Sub Total:	1.5 1.5 1.5	43,000 18,600 <u>3,300</u> 420,100
BP7	Grizzl	y 1.05 1.15 1.25 1.35 1.45 1.55 1.65 1.75	96,000 215,000 118,000 120,000 89,000 78,000 65,500 35,000	1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	151,200 370,900 221,300 243,000 - 193,600 181,400 162,100 91,900
•		1.85 1.95 2.05	36,000 22,000 34,000	1.5 1.5 1.5	99,900 64,300 104,600
		2.15 2.25 2.35 2.15 2.05 1.95 1.85	34,000 55,000 43,000 8,000 8,750 6,750 2,750	1.5 1.5 1.5 1.5 1.5 1.5 1.5	109,700 185,600 151,600 25,800 26,900 19,700 7,631
		, x•00	Sub Total:	£ • ₽	2,411,000
Terrace	Hill C	4.4 3.8	426,400 57,200	1.5 1.5	2,814,200 326,000

LAS

	3.8	46,800	1.5	<u>266,800</u> 3,407,000
Terrace Hill B	5.7 6.4	72,800 710,450	1.5 1.5	622,000 <u>6,820,300</u> <u>7,442,300</u>

21,013,200

L.A.SMITH CONSULTING & DEVELOPMENT LTD

OPEN PIT OVERBURDEN CALCULATIONS

		1	•
Reserve	Overburden	Isopach	Overburden
Area	<u>Thickness (m)</u>	<u>Area (m)</u>	<u>(bcm)</u>
	-	28.000	1/0.000
BP1 Pump	5	28,000	140,000
	. 15	26,250	394,000
	25	16,250	406,300
•	35	9,250	323,700
	43.4	1,750	75,900
		,	1,339,700
	30	21 500	2 268 000
BP1 Grizzly		31,500	2,268,000
	65	38,500	2,502,500
	55	50,500	2,777,500
	45	117,500	5,287,500
	35	110,000	3,850,000
	25	247,000	6,175,000
	15	160,000	2,400,000
	7,5	100,000	750,000
	2.5	137,000	342,500
	2.5	15,,000	
Less	s Pump overburden	& coal seam	<1,339,700>
	• • •••• F • • • • • •	ş	24,834,000
		·	
BP6	5	90,500	452,500
	15	115,250	1,782,700
	22	15,750	346,500
			2,581,750
	•	,	
BP7	5	492,500	2,462,500
	12	10,000	120,000
	15	554,000	8,310,000
	22	49,000	1,078,000
			11,970,500
то (11+1-1		i	52 116 000*
Terrace Hi	11	1	53,116,000*
		Total	93,841,950
* From 1984 Report.		•	
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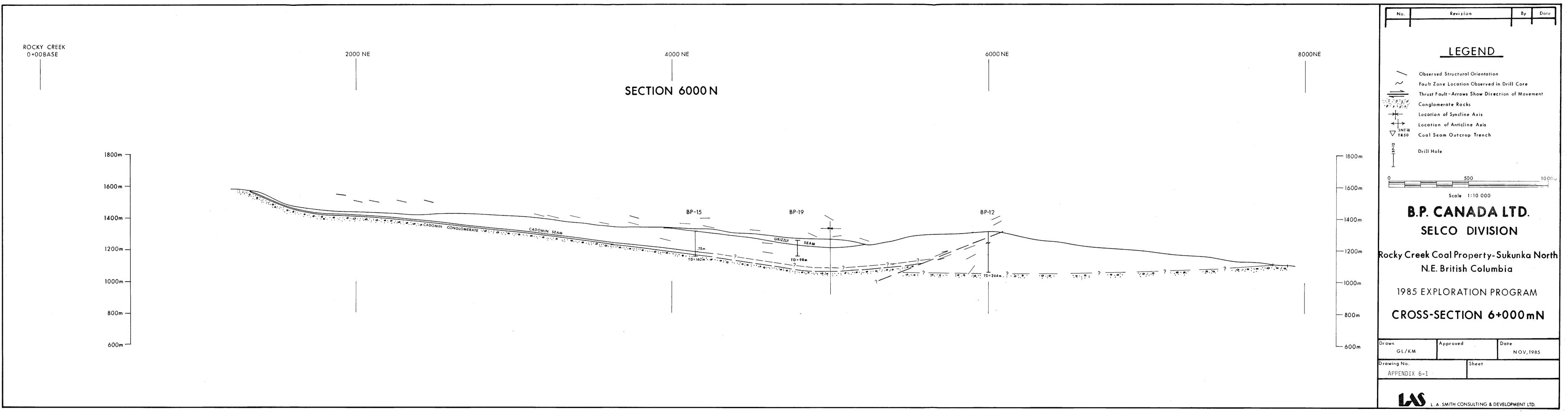
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APPENDIX 5

CROSS-SECTIONS

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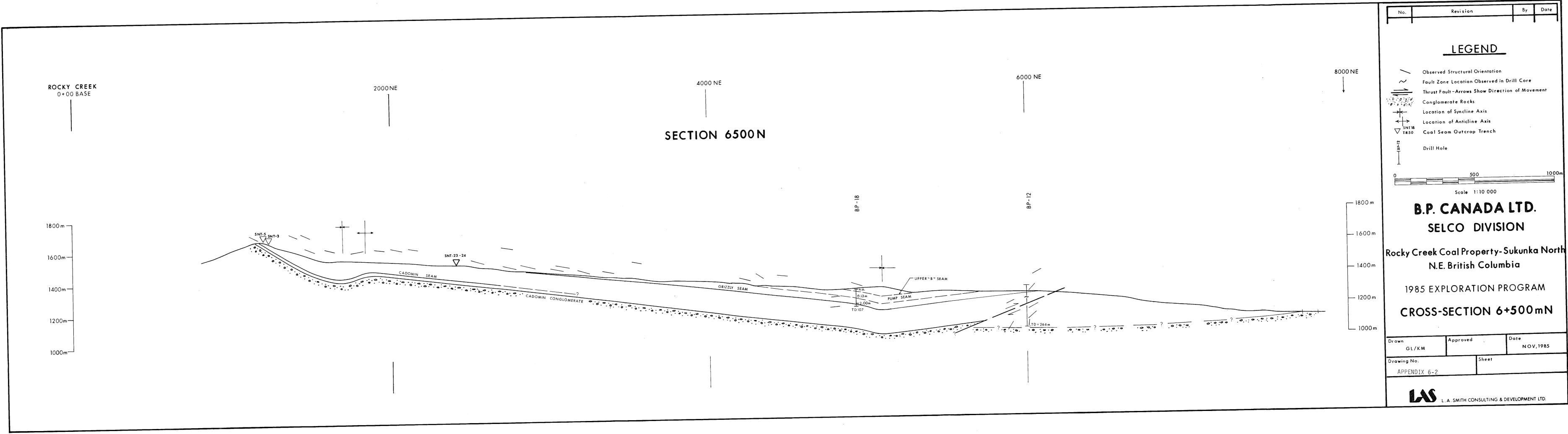
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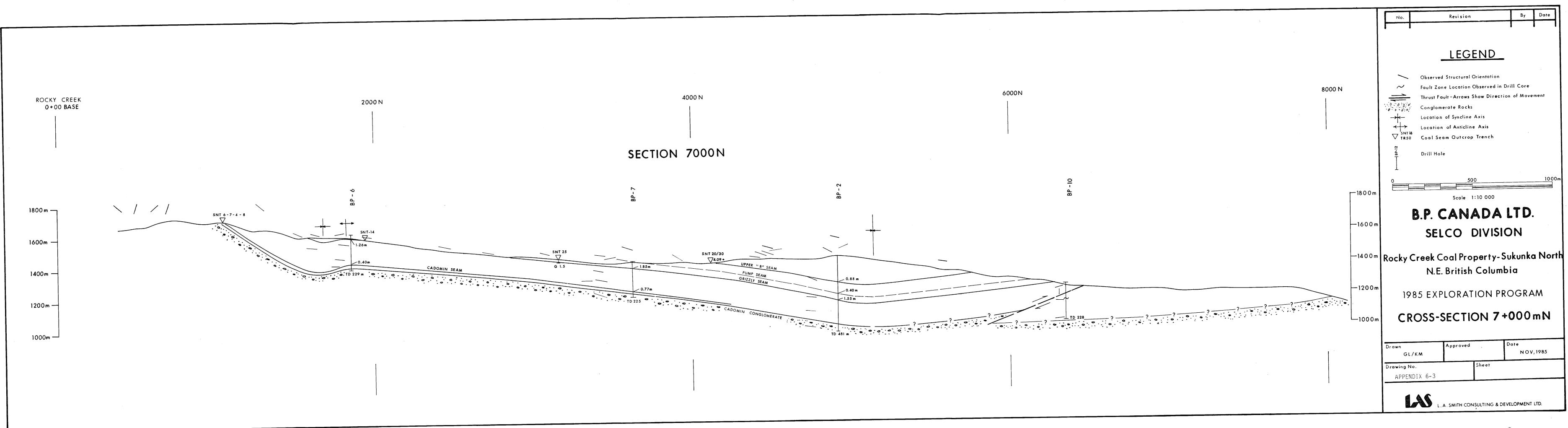


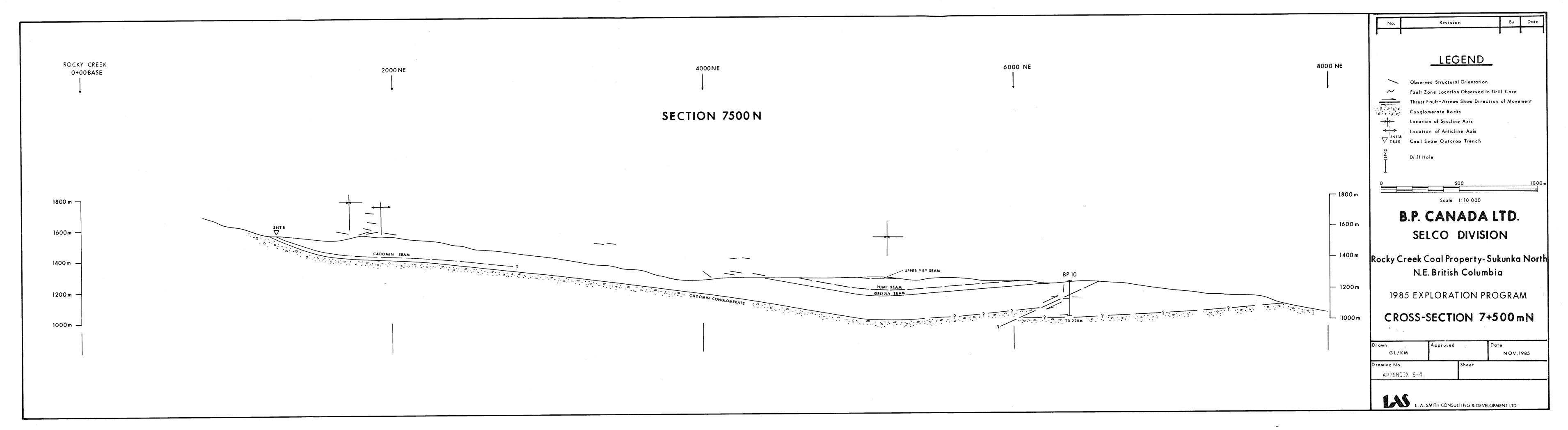
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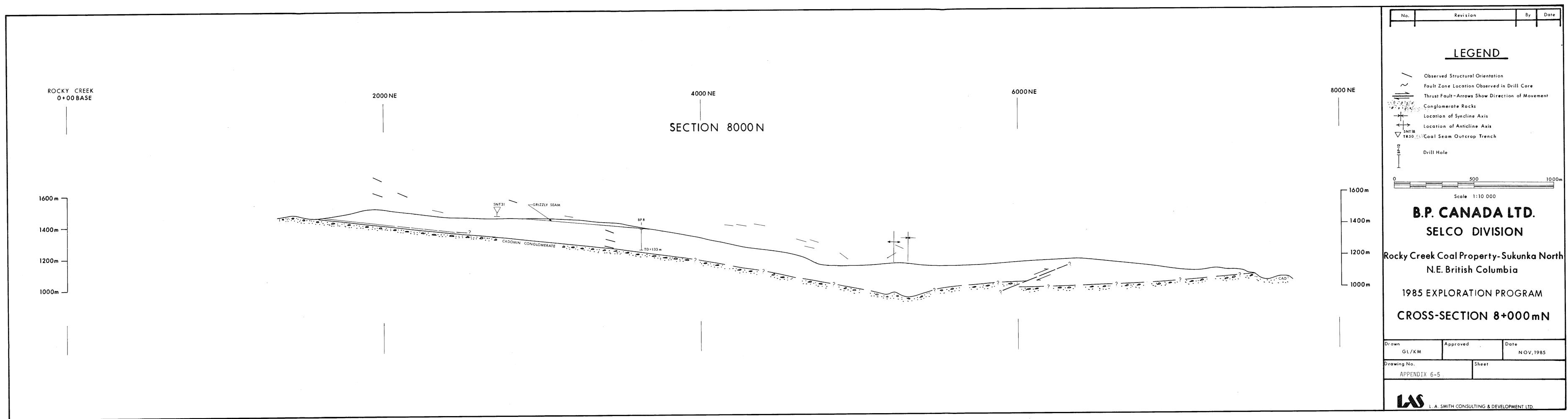


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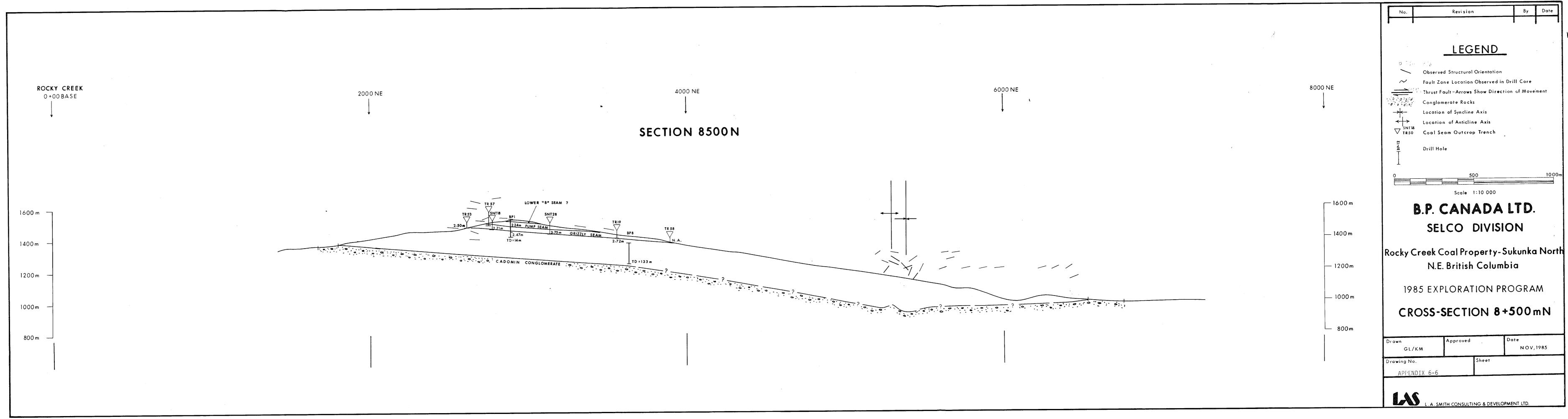
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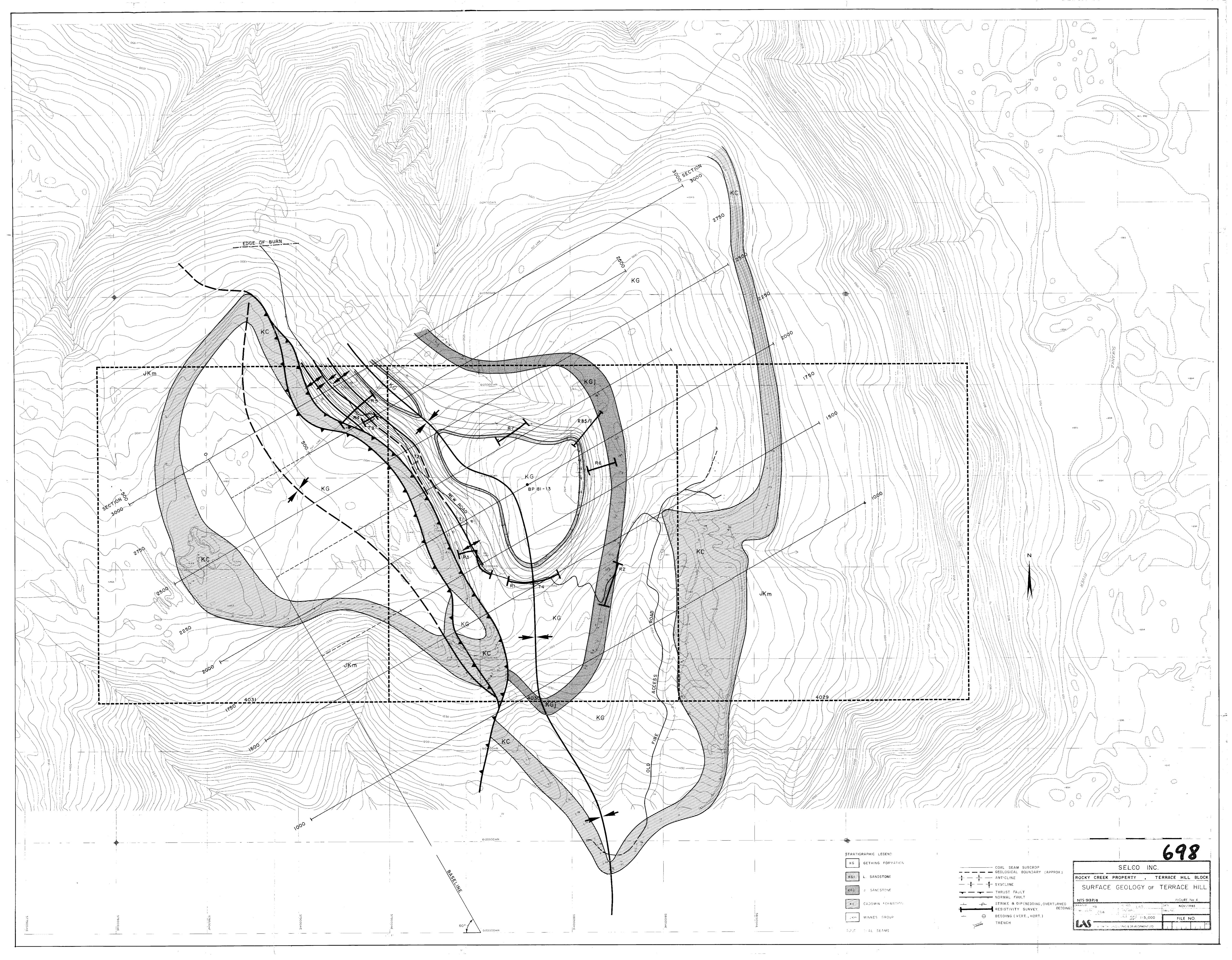
APPENDIX 6

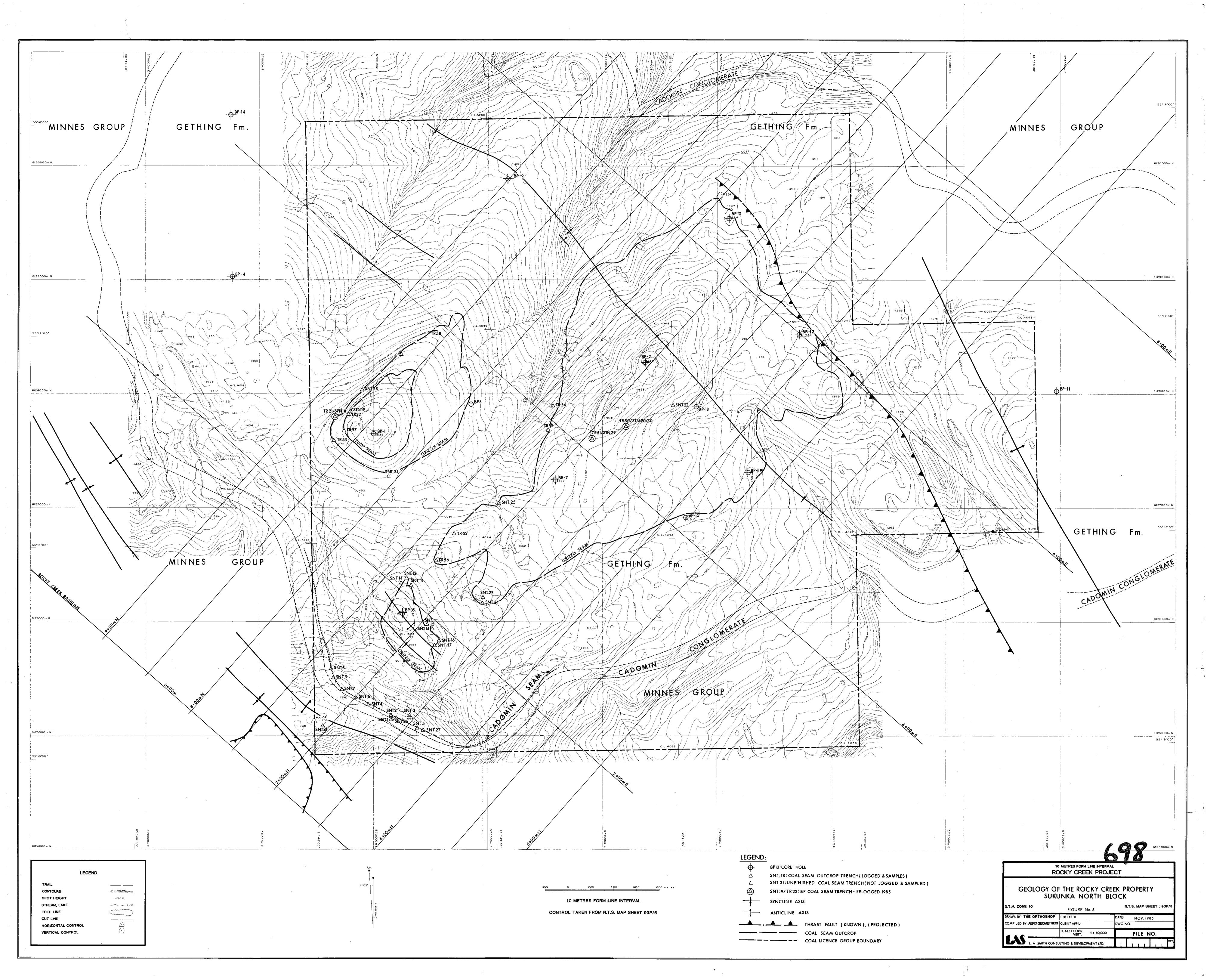
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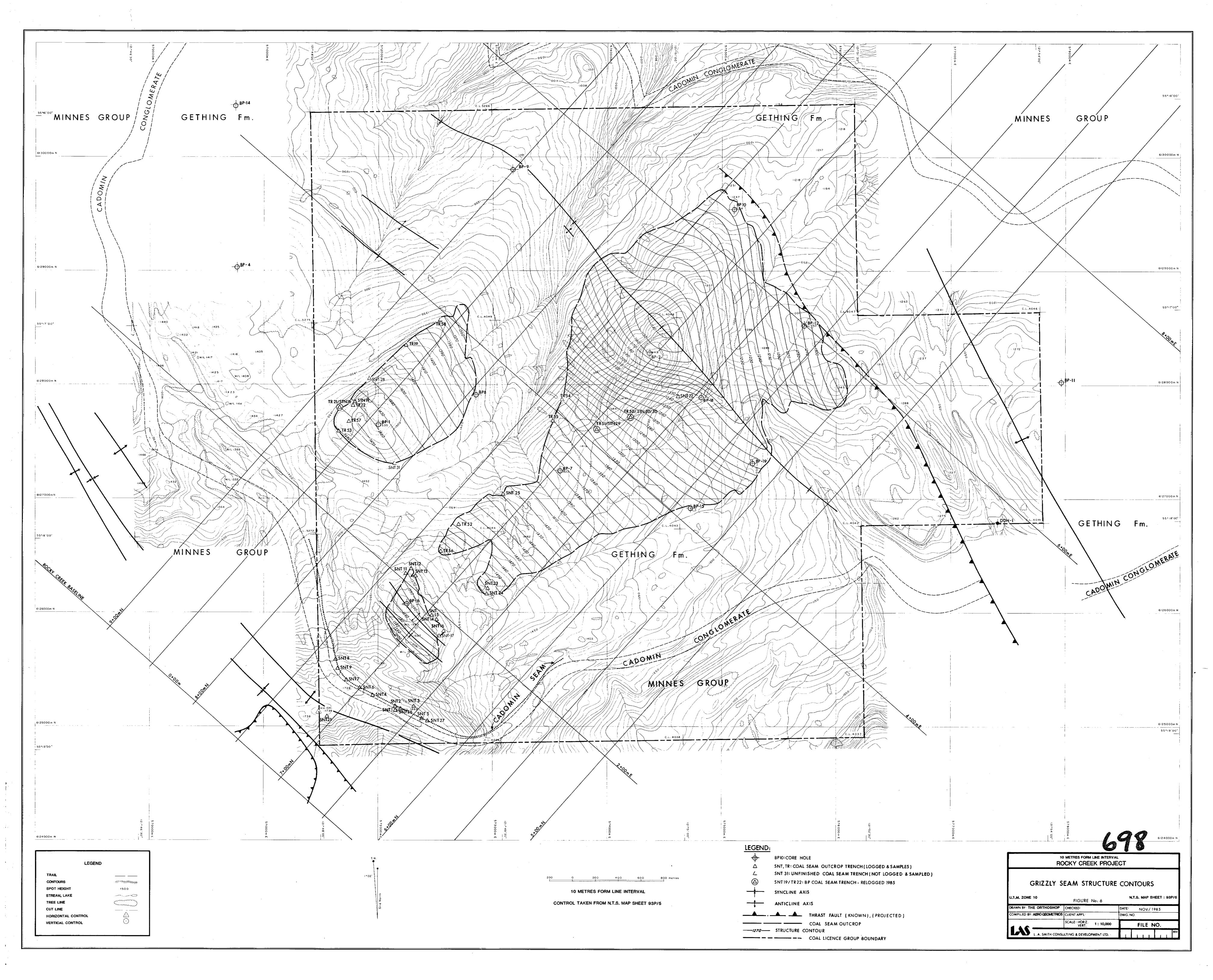
MAPS

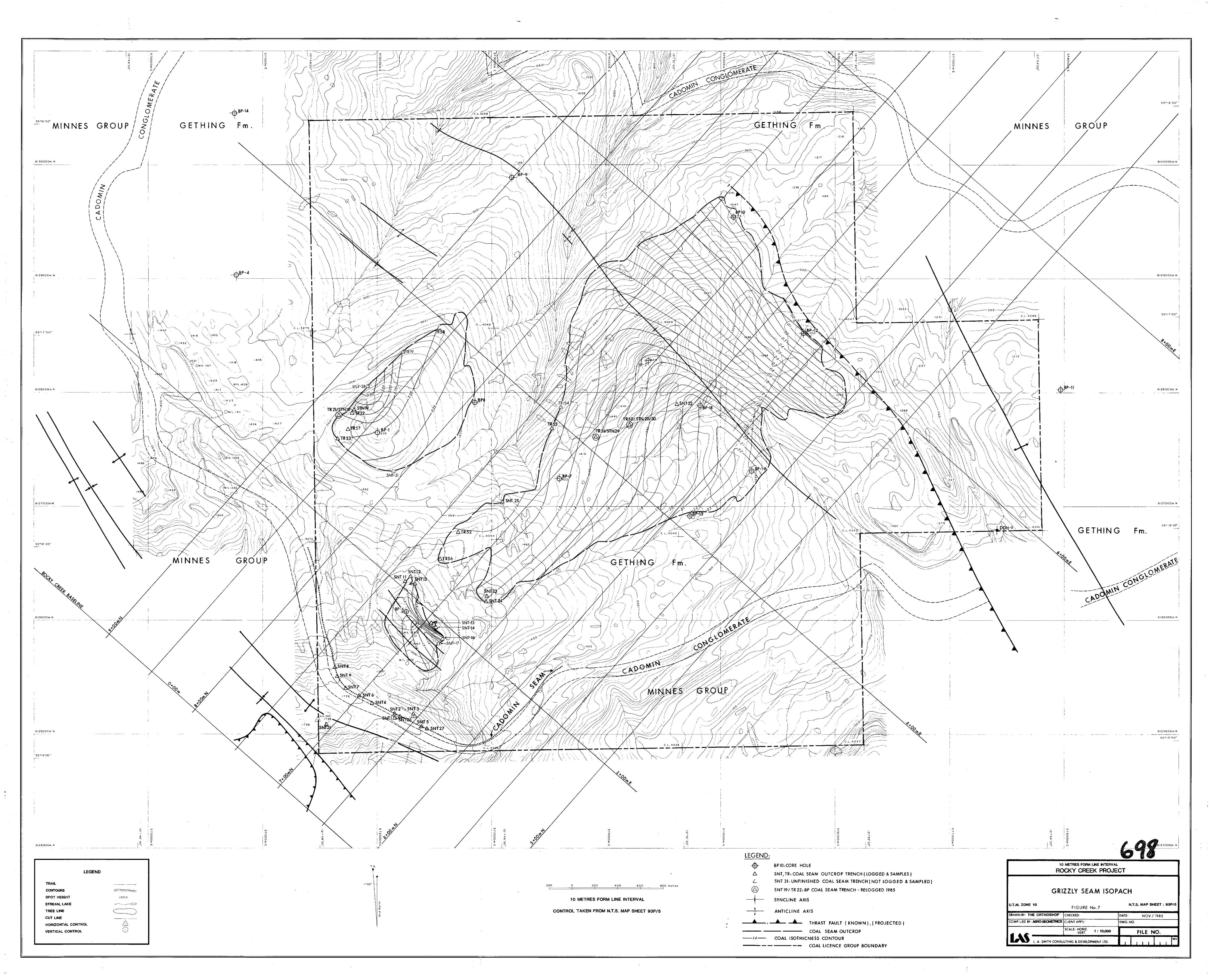
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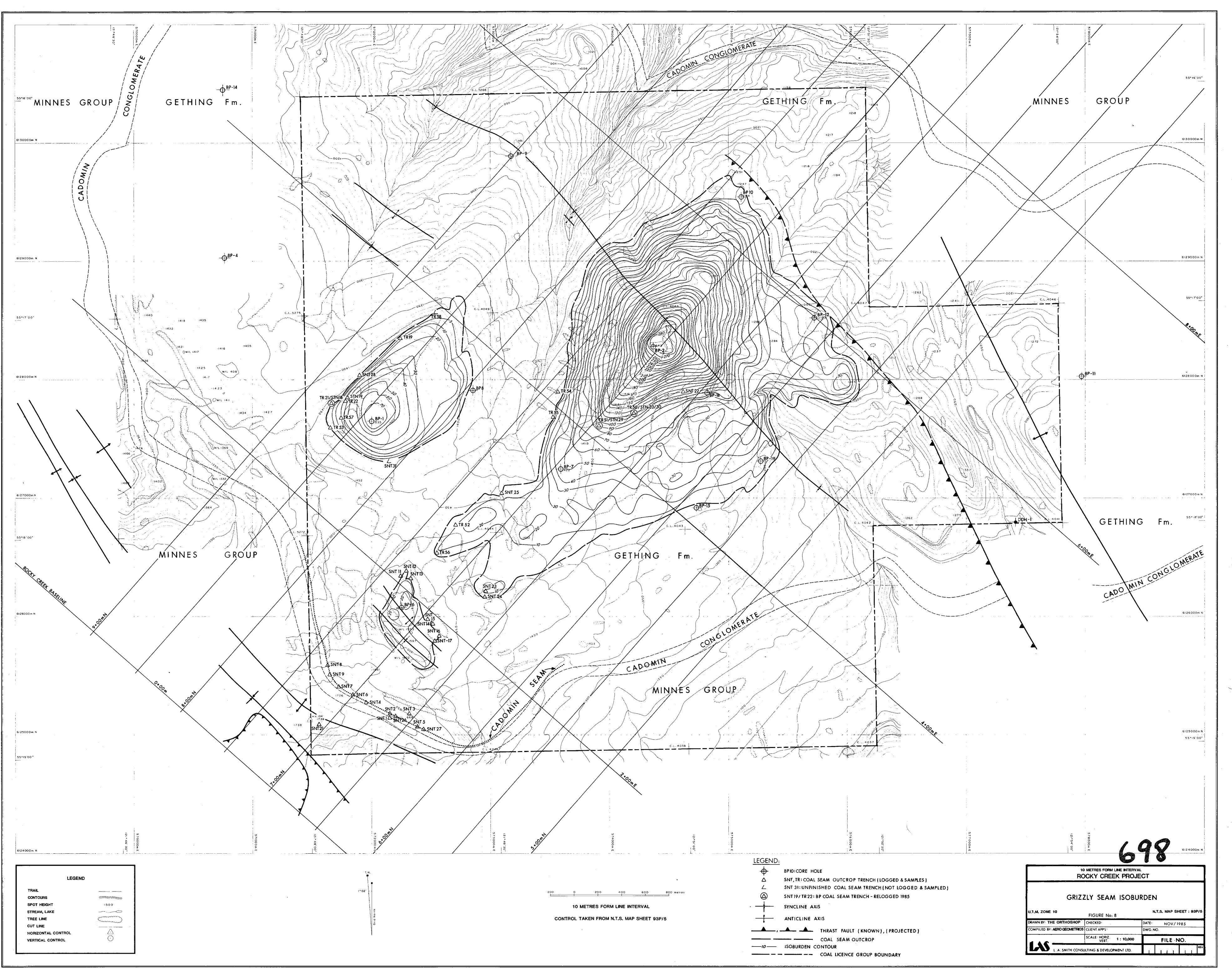
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