KENNECOTT CANADA EXPLORATION, INC.

Assessment Report For The Falling Creek Coal Property
Peace River District

#888

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January 3, 2006

Kim Stone
Gold Commissioner
Mineral Titles Branch
1810 Blanshard Street, 6th Floor
PO Box 9326
Victoria, BC V8W 9N3
250-952-0567

Re: Technical Reports

Ms Stone:

Please find attached two copies of a technical report describing work conducted on the Falling Creek (Goodrich) coal property by Kennecott Canada Exploration in 2004-2005.

Sincerely,

Steven Coombes, P.Geo.

ASSESSMENT REPORT FOR THE FALLING CREEK COAL PROPERTY
PEACE RIVER DISTRICT

NTS Sheets: 093O-8, 093O-9, 093P-5, 093P-12

Licenses: 414994, 414995, 414996, 414997, 414998, 414999
415005, 415006, 415007, 415008
417020, 417021, 417022, 417023

Located at: Lat. 55° 30' 25" Long. 122° 08' 22"

UTM: 554300N 6151550E (NAD 83, Zone 10)

Licenses Owned and Operated By: Kennecott Canada Exploration Inc.
354-200 Granville Street
Vancouver, BC
V6C 1S4

Work Conducted Between November, 2004 and September, 2005

Authors: Steven T. Hovis
James Crawford
Steven F. Coombes, P. Geo

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QUALIFICATIONS AND WORK EXPERIENCE OF THE AUTHORS

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I, Steven F. Coombes, P.Geo., am a Professional Geoscientist, employed as a contract consulting geologist by Kennecott Canada Exploration Inc., and reside at 226 Westridge Drive, in the village of Invermere, province of British Columbia, Canada.

I am a member of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC) and a Fellow of the Geological Association of Canada (GAC). I graduated from the University of British Columbia with a Bachelor of Science degree in Geology in 1983.

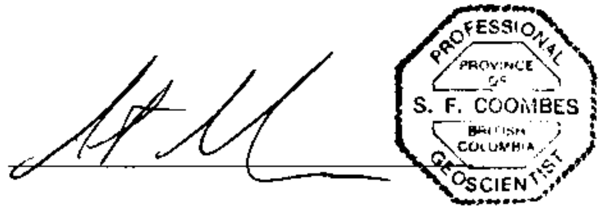
I have practiced my profession continuously since 1983 and have been involved with preliminary to advanced exploration projects for base metals, precious metals, diamonds, and coal in Canada and the United States.

I am currently a Consulting Geologist and have been so since September 2005.

I was involved with the planning of the 2005 Falling Creek exploration program described herein and visited the project area during the August 2005 drilling program.

I am not aware of any material fact or material change with respect to the subject matter of this technical report that is not reflected in this report and that the omission to disclose would make this report misleading.

Dated at Invermere, British Columbia, this 30 day of December, 2005.



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James Crawford
Queen's University, Kingston, Canada, MSc. (2003), BSc. (1989).
Employee of Kennecott Canada Exploration, Inc. since November, 2003.
Present Title: Project Geologist.

SECTION I: INTRODUCTION

This report presents the results of coal exploration activities conducted over the first 12 month period of coal license tenure on the Falling Creek Property in northeastern British Columbia. The property lies within the Peace River Coalfield (PRC), an area that has been shown to contain thick coal seams with the potential to yield medium volatile hard coking coal.

Objectives

Work on the Falling Creek Property was undertaken with the intent to define coal seams, collect analytical data to indicate the character of coal on the property, and outline a surface mineable resource of low-volatile coking coal if possible. This was undertaken with a plan of work consisting of historic data compilation, geologic mapping, and drilling.

Data Compilation

Historic work of interest to this project was done by Esso Resources Canada, Ltd. in the Falling Creek area, and by Norcen Energy Resources, Ltd. in the Hasler Mine area. A large portion of their geologic data was digitized from Coal Assessment Reports (Numbers 525, 588) on file with the British Columbia Government. This data proved invaluable to the project.

Geologic Mapping

The field area is heavily covered with forest growing on top of thick sequences of glacial debris. As a result of the lack of naturally exposed outcrop, geologic mapping by Kennecott personnel was limited primarily to outcrops in the road cuts of logging roads that cross the property. Many of these cuts were not in existence during the first round of exploration in the area in the early 1980's. The new data collected allowed a refinement of existing geologic maps and a reinterpretation of the historic data in light of new models developed in the previous 25 years.

Drilling

The primary focus of the 2004/2005 field season was to drill a number of holes that targeted coal seams near the surface. This was accomplished with both diamond core drilling and rotary reverse circulation drilling.

Location and Access

The project area is located in the Peace River district of northeastern British Columbia (Figure 1 and Plate 1), 45 kilometers by road west of the town of Chetwynd. The Property is primarily in the Hasler Creek and Falling Creek watersheds, on 1:50,000 NTS map sheets 093O-08, 093O-09, 093P-05 and 093P-12.

Access to the western portions of the property can be gained via the Willow Creek and Falling Creek Forestry Roads, which connect with BC Hwy 97, approximately 45 kilometers west of Chetwynd. The central portions of the property can be accessed from the Hasler Creek Forestry Road, which connects with BC Hwy 97 approximately 25 kilometers west of Chetwynd. Access to the eastern portions of the property can be gained via the West Coast Forestry Road, which intersects the Hasler Creek Road at kilometer marker 9, with subsequent connections along the Caron Creek, High Hat and Upper High Hat Forestry Roads.

Geographic Setting

The topography of the Peace River District varies from Rocky Mountains in the west to the Interior Plains in the eastern sections. The Peace River or its tributaries drain most of the region, with tributaries of the Fort Nelson River draining the northern portions.

The Falling Creek licenses are in the Rocky Mountain Foothills characterized by moderately steep mountains and discontinuous high plateaus. Relief is considerable with elevations in the project area ranging from about 600 meters to 2,000 meters with higher mountains to the west.

Mountain ridges are typically north-northwest trending with gentle eastern slopes and steeper western slopes. Well-incised creeks are common throughout the region and there are numerous scattered small lakes and wetlands, particularly in upland areas.

Coal License Numbers

Licenses: 414994, 414995, 414996, 414997, 414998, 414999
415005, 415006, 415007, 415008
417020, 417021, 417022, 417023,

which are contained on NTS map sheets: 093O-8, 093O-9, 093P-5, 093P-12

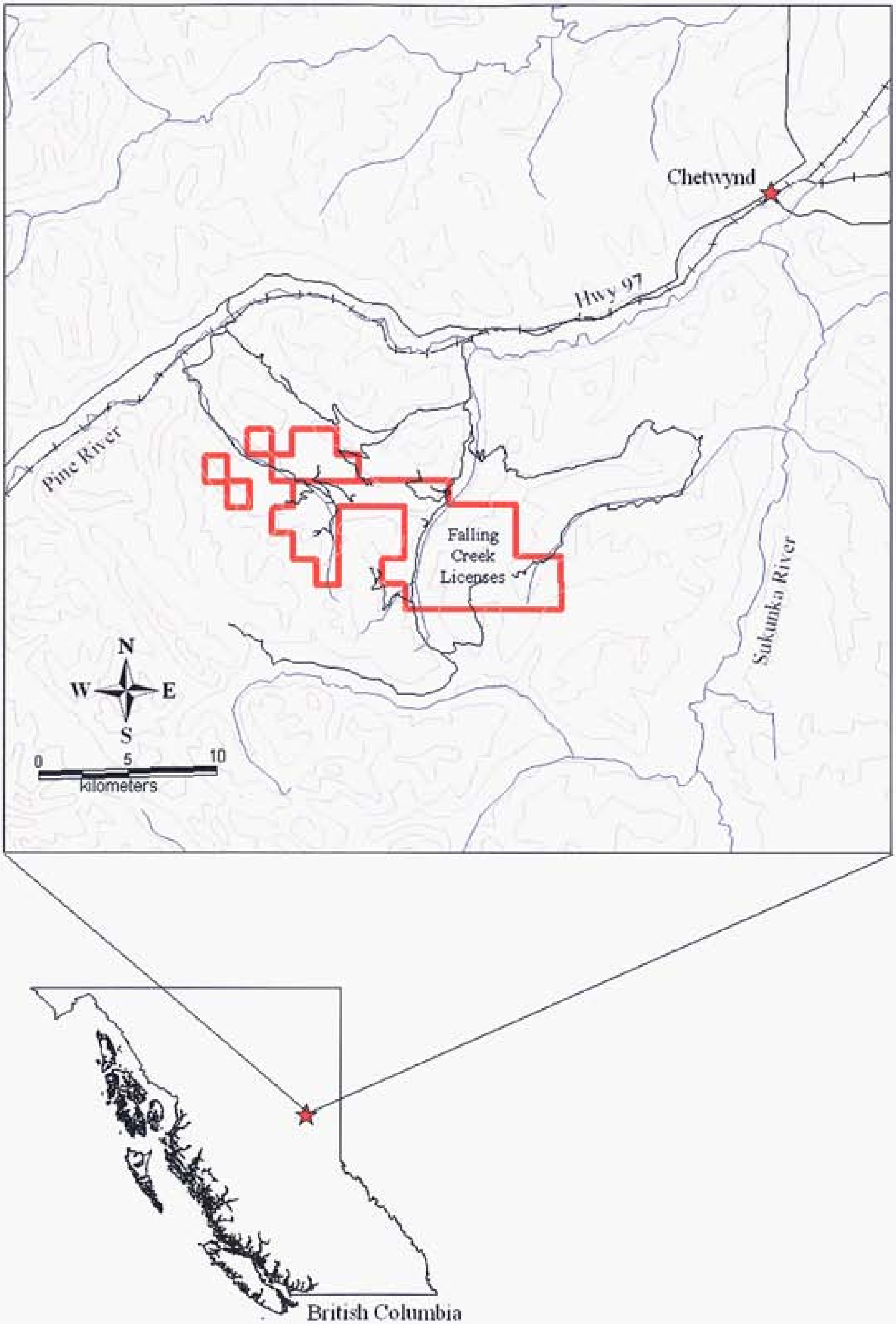

Figure 1: Location of Falling Creek Licenses. KCEI property boundary shown in red.

Previous Work

Coal was first reported in the Peace River District in 1793. The first coal licenses were granted in 1908 but the remoteness of the area hindered anything other than very small-scale mining until the 1940's. From 1946 to 1951, the Coal Division of the British Columbia Department of Lands and Forests conducted coal exploration in the Pine River area of the Peace River District. This work included mapping, trenching and diamond drilling and was focused on the Willow Creek, Noman Creek and Falling Creek areas. Interest in the area was renewed in the 1970's as coking coal markets strengthened and many oil companies including Esso, Gulf Canada, Shell and BP commenced exploration at this time (Andrews, 2004).

Between 1972 and 1977, Pan Ocean Oil Ltd. held coal licenses over portions of Kennecott's current Falling Creek Property, specifically the Hasler Mine area. They completed eight drill holes and mapped the area as lower Gething Formation. Norcen Energy Resources, Ltd. took over this property and worked it into the early 1980's, completing more drilling and mapping (Newson, 1980).

From 1980 to 1983 Esso Resources Canada, Ltd. held a total of 59 coal licenses in the Falling Creek area. They completed 27 drill holes, as well as, trenching and extensive surface mapping. The Esso work identified the Gething Formation as being the most important coal bearing formation in the area and that the coal is most abundant in the Upper Gething. Their analytical work identified the coal as a thermal blend product (Klatzel Mudry, 1983).

Exploration halted in 1984 as coal markets declined.

SECTION II: DETAILS OF COSTS INCURRED

Coalfield: Peace River District

Property Name: Falling Creek

NTS Sheets: 093O-8, 093O-9, 093P-5, 093P-12

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Dates of Work: Between November, 2004 and September, 2005

CATEGORY OF WORK	DIMENISIONS	COST
Geological Mapping		
-reconnaissance	14,100 ha	$120,000
Geophysical		
-downhole surveys	2,800 meters	$38,000
Geochemistry	108 samples analyzed	$44,000
Surveys		
-LIDAR	20,000 ha	$53,000
Drilling		
-core (diamond)	500 meters	$257,000
-reverse circulation	2,530 meters	$654,000
Drilling Contractors		
-core (diamond)	Foundex Exploration Ltd, Surrey, BC	
-reverse circulation	T&J Enterprises Ltd., Missoula, Montana, USA	
Where Core Stored:	Kennecott field office in Chetwynd, BC	
Logging	500 meters of drill core logged	$25,000
Reclamation Work	0.6 ha	$42,000
On-Property Costs		$2,156,000
Off-Property Costs		$99,000
Total Expenditures		$2,255,000

Table 1: Costs incurred.

SECTION III: DRILLING AND DRILLING RECORDS

Kennecott first drilled on the Falling Creek licenses in late fall of 2004. Two diamond core holes were drilled. Many drilling problems were experienced and production was slow. In an attempt to keep costs low and increase production rates in 2005, a reverse circulation rotary drill rig was contracted. It was thought that a reasonable coal sample could be obtained from the drill cuttings and the pace of drilling would allow many holes to be completed in a short time. This proved to not be the case.

For the map of drill hole locations see Plate 2. For the UTM coordinates, orientation, and dates of drilling see Table 2.

Drilling Equipment

Core

Drilling on the Falling Creek Property in 2004 was undertaken with a track mounted Nodwell diamond core rig. This was accompanied by a water truck and a drill rod hauling boom truck.

Rotary

Drilling on the Falling Creek Property in 2005 was undertaken with a truck mounted Jaswell reverse circulation (RC) rotary drill rig. The drill was accompanied by an 1100 gallon water truck/ rod carrier, and an auxiliary Ingersol Rand air compressor.

Drilling Procedures

Core

Each drill crew consisted of a driller and a driller helper. Drilling was carried out 24 hours per day with two drill shifts.

The two drill sites were located adjacent to existing roads to minimize environmental impact. The holes were cased to bedrock and the casing was pulled after drilling and geophysical surveying was completed. However, DD04PR001 encountered drilling problems and the drill string was left in the hole when it became stuck.

Rotary

Each drill crew consisted of a driller, a driller helper, and a sampler. For approximately half of the project drilling took place 20 hours of each day, the remainder of the time only a single day shift was available due to personnel problems.

All drill sites were built along existing logging roads or trails to minimize environmental disturbance. A large sump was constructed at each site to catch drill cuttings and water. It was intended that all water produced during drilling would be contained in the sump. However, the large volume of water encountered in most of the drill holes made it impossible to construct a sump large enough to contain all the water. In these cases, the sumps were allowed to spill over after filling. This ensured that all the rock cuttings from the hole remained in the sump and only discolored water escaped.

All rotary drill holes were cased to bedrock with 6 inch diameter steel casing. This was necessary to ensure that the drill hole could be completed under the conditions of thick glacial overburden and that the hole stayed open so that it could be geophysically logged after the drilling was finished.

Due to the thickness of the glacial overburden at many of the drill sites, and the large volume of water in most of the holes, drilling proceeded more slowly than expected. The difficulty of advancing the holes to depth caused by the large volume of water encountered led the drill company to bring in an auxiliary air compressor to increase the volume of air being injected into the hole and over come the hydraulic head of water in the hole. This was successful and extended drilling depths to 305 meters (1000ft).

Hole Abandonment

Drill holes were abandoned as follows. The steel casing was left in the ground because the drill rig was not capable of pulling it from the hole. The holes were first filled with a combination of bentonite and concrete to within approximately 2 meters of the top of the casing. Next, the ground around the casing was excavated down to approximately 1.5 meters below the original ground surface, where the casing was cut off with a grinder and buried so that no trace of the collar is left at the site. Holes 05RCPR02, 05RCPR07, and 05RCPR10 were left open, but capped so that they can be deepened during the 2006 season.

Holes 05RCPR05 and 05RCPR08 hit artesian water that flowed from the top of the casing at an estimated 30 to 40 gallons per minute. These holes were grouted by Schlumberger Drilling Services to ensure that they will not make water at any point in the future.

Drill Site Reclamation

Drill sites were reclaimed at the end of the drill program. This was done with a Hitachi EX200 excavator that was used to fill in each sump, burying all drill cuttings. The entire site was then recontoured to match the ground surface that existed before the drilling operations commenced. Where possible, stumps, logs, and other debris were distributed around the site to complete the reclamation.

Hole ID	Drill Type	Property	Easting	Northing	Elev (m)	Total Depth (m)	Start Date	Casing Depth (m)	Casing Dia (cm)	Hole Dia	Depth to Bedrock (m)
DD04PR001	Diamond	Falling Creek	552850	6151530	1170	282.4	11/29/04	6	PQ	NQ	5.9
DD04PR002	Diamond	Falling Creek	555108	6149960	1067	290.93	12/16/04	40	PQ	NQ	39.87
05RCPR01	RC Rotary	Falling Creek	562708	6151507	865	27.43	7/12/05	21.33	15.2	13.3	NA
05RCPR01A	RC Rotary	Falling Creek	562703	6151505	865	262.13	7/14/05	30.48	15.2	13.3	27
05RCPR02	RC Rotary	Falling Creek	561784	6151459	930	259.08	7/19/05	30.48	15.2	13.3	27.4
05RCPR03	RC Rotary	Falling Creek	556051	6151213	1200	262.13	7/24/05	12.19	15.2	13.3	4.57
05RCPR04	RC Rotary	Falling Creek	556466	6151619	1260	258	7/28/05	6.1	15.2	13.3	3
05RCPR05	RC Rotary	Falling Creek	554624	6149476	1100	204.22	8/13/05	48.77	15.2	13.3	65.53
05RCPR06	RC Rotary	Falling Creek	554087	6149209	1161	259.08	8/18/05	6.1	15.2	13.3	3.05
05RCPR07	RC Rotary	Falling Creek	553767	6153778	1025	304.8	8/22/05	24.3	15.2	13.3	22
05RCPR08	RC Rotary	Falling Creek	568701	6146461	1040	259.08	9/11/05	36.5	15.2	13.3	33.5
05RCPR08A	RC Rotary	Falling Creek	568708	6146469	1040	103.7	9/16/05	35.6	15.2	13.3	33.5
05RCPR09	RC Rotary	Falling Creek	567573	6146014	1204	245.4	9/17/05	12.2	15.2	13.3	4.5
05RCPR10	RC Rotary	Falling Creek	568118	6146187	1118	121.92	9/21/05	6.09	15.2	13.3	3.05

Table 2: List of drill holes completed on the FallingCreek Property in 2004 and 2005. Datum: NAD83 UTM Zone 10

Drill Chip Sampling

Sampling of the reverse circulation rotary drill holes was conducted by one man on each drill shift dedicated to the task. Rock chips were collected as they exited a rudimentary splitter at the bottom of the cyclone. A single sample of approximately 3-5 kilograms was taken for every 1.5 meters drilled. This was accomplished by placing a strainer on top of a 5 gallon bucket and allowing a portion of the sample stream to collect in the strainer. At the end of every 1.5 meter run, the accumulated sample was placed in a sample bag and a portion of that sample was collected in a chip tray for later geological logging.

The above procedure was followed in the first half of the drilling campaign regardless of whether rock or coal was being drilled. After cross referencing the drill chip logs with the down hole geophysical logs it was found that samples containing coal were not representative of the true interval of coal drilled. A typical problem was coal appearing in a sample interval lower in the hole than was actually the case. Additionally, the chip percentage of coal in a given sample often did not represent the true percentage of coal in the interval as calculated from the density log. Both these results are attributed to the lag time between when the coal was drilled and the time it took for the sample to reach the cyclone. Finally, the large volumes of water coming out of the hole washed most of the fine coal particles into the sump. Therefore it is a prime concern that most of the fine fraction of the coal seams never made it to the laboratory for analysis.

In an attempt to assess and mitigate the above sampling problems it was decided to twin a drill hole where coal had been intersected. 05RCPR08A was drilled 10 meters northeast of drill hole 05RCPR08 in an attempt to collect a complete coal sample from coal seams intersected in hole 05RCPR08.

05RCPR08 intersected several thin coal seams including a 1.7 meter thick coal interval at 46.5 meters of depth, and was drilled to a total depth of 259 meters. 05RCPR08A was drilled to a total depth of 103 meters and did not intersect coal seams where they were expected. It was thought that twinning a hole would make it possible to drill down to the top of a known seam where the sampler would be well prepared to catch 100% of the sample coming out of the drill hole. In reality this did not happen due to unexpected structural complexity. Correlation of the geophysical density logs shows the seams in the top of 05RCPR08A are a thrust repeat of the seams lower in the hole. This was not known at the time 05RCPR08A was being sampled, so the coal seams were encountered at unexpected depths within the hole. However, by keeping a close watch on the cuttings coming out of the cyclone the samplers were able to catch most of the chips from a coal seam when it was intersected.

Coal samples were collected in large, porous sample bags placed in 5 gallon buckets. When a seam was intersected, the bags were placed under the cyclone so as to catch all chips and water coming out of the hole. As one bag was filled, it was removed and another bag and bucket immediately placed in the sample stream. The high volume of water coming out of the hole filled the sample bags quickly. Each bag was tied off with all the sample water inside, and the bag was placed to one side of the drill pad.

As the bags drained over time, it was noted that a lot of the fine coal fraction flowed through the bag material and onto the ground. Once the bags had completely drained there were only 2-3 kilograms of sample chips in most of the bags. It appears that a significant portion of the coal fines are still being lost from the coal sample.

Sample bags were left to drain over night and samples to be sent to the laboratory were collected the next day. Four analytical samples were collected from each interval. One of the four analytical samples consisted primarily of the finest fraction found in each of the large sample bags. The remaining three analytical samples were collected to be as representative as possible of the spectrum of size fractions present. The intent of preferentially sampling the fine fraction is to look for inconsistencies in the analytical results between the fine fraction samples and the sample of the entire size range.

Four samples were collected from each of four seams in 05RCPR08A. Two of these seams were greater than one meter thick. The values for percent volatile matter and percent ash (air dry basis) show only minor variations across the four samples for each seam. There is no significant difference between the values of the sample of predominately fines and the samples of the full range of size particles. While these samples did not turn out to be representative of the entire particle size distribution of the chips coming up the hole, the minor variation in the results of four samples of the same seam suggest that there is reasonable continuity in our sampling technique.

See Appendix I for a complete list of samples collected by drill hole.

SECTION IV: GEOPHYSICAL SURVEYS

Down Hole Logging

Down hole geophysical surveys were conducted on each drill hole completed in the 2005 season and on 04DDPR02 from 2004. Century Geophysics, Inc. was contracted to provide a survey truck and a surveyor on a call out basis from Chetwynd, BC.

The geophysical suite consisted of surveys for gamma, neutron, and density response; formation dip; and hole deviation. The contractor used three separate down hole tools to collect the data. The tools were run down the open hole after the drill rig had vacated the site in most cases.

Data traces for each hole are plotted on the strip logs for each drill hole. See Plates 10 – 22.

<u>Tool Description</u>
(from Century Geophysics literature)

9055 Multi-Parameter E-Log, Neutron: This tool contains a single detector, neutron system using a 1.0 Curie, Am241Be source to record neutron porosity of the formation. It also records natural gamma, spontaneous potential, single-point resistance, and borehole deviation.

9139 Compensated Density: This tool uses two focused density detectors to compute borehole compensated density real time while logging. It has a 200 mCi Cesium 137 radioactive source. It also records natural gamma, caliper, medium guard resistivity, and borehole temperature.

9410 Dipmeter: This tool is a formation strike and dip directional probe. It also records natural gamma, X-Y calipers, and bore hole deviation computed from the slant angle and bearing measurements calculated from the inclinometer and magnetometer sensors.

The geophysical data proved invaluable for defining formation boundaries, coal seam, contacts, and geologic correlations between drill holes.

The gamma-neutron data clearly show the contact between the Moosebar and Gething Formations, and defines coal seams moderately well.

The density data distinctly shows the coal seam contacts and any partings or bone within an individual seam.

The dipmeter data show the dip and dip direction of bedding contacts. This data proved to always be suspect and was not trusted unless the dip information could be verified at outcrops in close proximity to the hole collar.

The hole deviation survey was effective in precisely locating a drill hole on plotted sections.

Hole ID	Gamma-Neutron 9055	Density 9139	Dip Meter 9410	Hole Deviation
DD04PR001				
DD04PR002	x	x	x	
05RCPR01				
05RCPR01A	x	x	x	x
05RCPR02	x	x	x	x
05RCPR03	x	x	x	x
05RCPR04	x	x	x	x
05RCPR05	x			
05RCPR06	x	x	x	x
05RCPR07	x	x	x	x
05RCPR08	x	x	x	x
05RCPR08A	x	x	x	x
05RCPR09	x	x	x	x
05RCPR10	x	x	x	x

Table 3: List of geophysical surveys performed on each drill hole.

SECTION V: TECHNICAL SURVEYS

LIDAR Airborne Survey

Terrapoint Canada, Inc. was contracted to provide a high resolution digital elevation model (DEM) of the Falling Creek Property. They used a fixed wing Airborne LIDAR Terrain Mapping System (ALTMS) of their own proprietary design to collect the data. This data has been used to pick out geological expressions on the land surface that are not otherwise visible due to thick vegetation and glacial overburden. This data was invaluable to the geologic interpretation of the area. The data was delivered in three formats: 3D digital elevation data (DEM) files; a shaded relief full feature geotiff; and a shaded relief bare earth geotiff. The full feature geotiff shows the land surface including all vegetation cover. Whereas, the bare earth geotiff has had the vegetation surface stripped from the data and therefore renders only the land surface. The geotiff bare earth image is used as the base on the geologic map (Plate 3).

SECTION VI: GEOLOGICAL WORK

Regional Stratigraphy

The sedimentary rocks found on the Falling Creek Property where deposited during the Mesozoic as part of a thick shelf sequence. Triassic rocks are carbonates, Jurassic rocks are marine shales, and Cretaceous rocks are a combination of marine and non marine sand and mud sequences. The stratigraphic nomenclature of the Pine River area was originally developed in the 1920's and 1940's by McLearn, Beach, and Spivak (Hughes, 1967).

The work described in this report is focused on the Cretaceous rocks of the upper portion of the Crassier Group and the lower part of the Fort St. John Group (Figure 2). These Formations are detailed below.

<u>Crassier Group</u>
The Crassier Group is composed of three formations; the Brenot, the Dresser, and the Gething. The Crassier Group is 1060 meters to 1140 meters thick in the Pine River area and consists of mudstones, shales, siltsones, sandstones, grits, and conglomerates with thin beds of coal. It is divided into Formations on the basis of shale:sandstone ratios; the thickness of coal seams; the percentage of coarse clastics and conglomerates; and the character of cyclothems. The high variability within the formations is the result of an ever changing, non marine depositional environment of swamps, lakes, and rivers. However, the deposition of sediment was not chaotic and occurred in definable cycles. These cycles or cyclothems record a succession on the earth's surface beginning with conglomerates and sandstones of high energy river channels; siltstones and mudstones of quiet, shallow lakes; and organic-rich mudstones and coals of dense swamps. The extreme lateral variation of this environment is reflected in the rocks by discontinuous beds that pinch out over short distances. This depositional sequence repeated itself many times as the mountains to the westward eroded and pushed more sediment into the deltas and subsiding basins to the east. As a result, the Crassier Group thickens from west to east (Hughes, 1967).

<u>Brenot Formation</u>
The Brenot Formation is approximately 230 meters thick and consists of thin cyclothems of sandstone, siltstone, and mudstone. Very little coal occurs (Hughes, 1967). This formation does not occur on the Falling Creek Property and will not be discussed further in this report.

<u>Dresser Formation</u>
The Dresser Formation is approximately 365 meters thick, consisting of medium to very coarse-grained sandstones, grits, and conglomerates, with minor thin coal seams of less than 75 centimeters. Cyclothems of 60 centimeters to 3.5 meters are the norm, but many are incomplete sequences. The Dresser is divided out of the rest of the Crassier to include a significant development of medium to very coarse grained sandstones, grits,

and conglomerates. The Dresser-Gething contact is placed at the top of a 15 to 20 meter thick sequence of sandstones, grits, and conglomerates (Hughes, 1967).

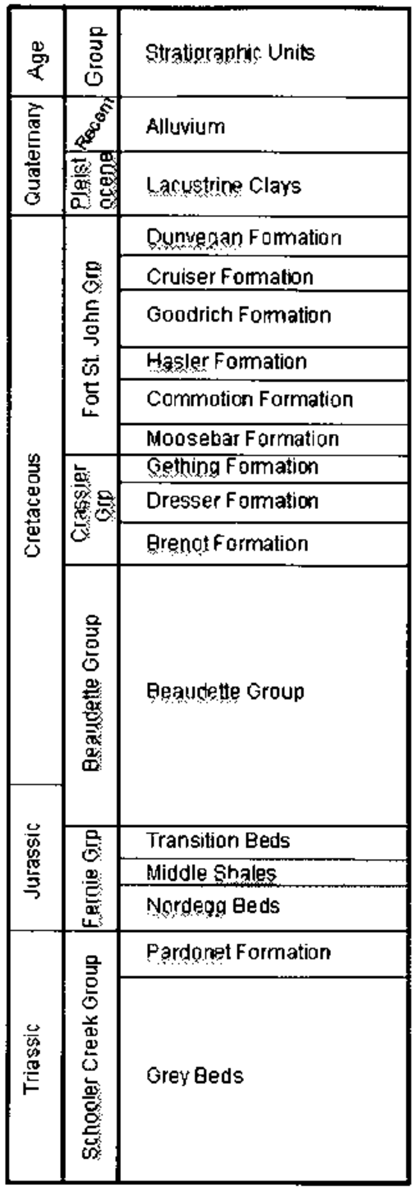

Figure 2: Stratigraphic column taken from Hughes (1967)

Gething Formation

The Gething Formation is 485 to 550 meters thick in the Pine River area. It is unique in the Crassier Group because it has a low sand:shale ratio; thick, more uniform cyclothems; and frequent, well developed coal seams (Hughes, 1967) .

The Gething consists of well developed and regular cyclothems of 1.5 meters to 7.5 meters thickness. They are composed of beds of "dark grey mudstones and shales; shales with siltstones and sandstones in partings, and thin interbeds; sandstones, very fine to medium grained; silty, sandy mudstones and argillaceous, silty sandstones with unbedded texture, coalified plant debris, with or without pyritic concretions; grey or black, soft mudstones with plant debris and listric surfaces; coals; and thin, black, fissile, carbonaceous shales with, or without plant debris" (Hughes, 1967) .

Sandstones in Gething cyclothems occur up to 3 meters thick; are plane bedded, current bedded, or ripple marked; and may contain thin shale interbeds. Very coarse grained sandstones and grits are found only in the bottom portion of the formation. Occasionally cyclothems are incomplete or in reverse order (Hughes, 1967).

Coal seams are common in the top 300 meters and the lower 75 meters of the Gething. These seams range in thickness up to 7 meters. However, individual seams may pinch out quickly and/or contain significant percentages of bone and shale partings (Hughes, 1967).

The top contact of the Gething Formation corresponds to the top the Crassier Group and marks a change from fluvial sedimentation to marine sedimentation. The Moosebar Formation of the Fort Saint John Group overlies the Gething Formation and its basal conglomerate sits on the 'wave cut' surface of the Gething (Hughes, 1967).

Fort Saint John Group

The Fort Saint John Group is composed of five formations: the Moosebar; Commotion (equivalent to Gates); Hasler; Goodrich; and Cruiser. The formation boundaries have been established to delineate predominantly shale units from the sandstone/conglomerate units. The Moosebar, Hasler, and Cruiser Formations are marine shales. The Moosebar Formation is the only unit of this group of interest on the Falling Creek Property. The remaining units of the Fort Saint John Group will not be detailed further (Hughes, 1967).

Moosebar Formation

The Moosebar Formation is approximately 425 meters thick in the Pine River Area. It consists primarily of rubbly, locally calcareous mudstones and shales, with lesser accumulations of fine grained sandstone. The Moosebar has a distinctive basal unit of chert pebble conglomerate of varying thickness from 0 to 5 meters. This contact is disconformable and represents a marine transgression over the terrestrial Gething sediments (Hughes, 1967). It is also the only reliable stratigraphic marker on the Falling Creek Property.

Regional Structure

The Falling Creek prospect straddles the "foreland" and "foothills" domains of the Rocky Mountain fold and thrust belt. The boundary between these provinces is usually taken as the easternmost major thrust fault to breach the surface. Units within the Rocky Mountain fold and thrust belt are characterized by thrust repetition and fault-related folding. In general, the degree of structural complexity (ie. the amount of thrust faulting, and fault related folding of beds and earlier faults) decreases from the hinterland towards the foreland. This is because thrust faults typically propagate into the undeformed sedimentary layers in the footwall, towards the tectonic foreland (ie. "foreland" or "footwall propagation"). They then climb towards the surface using a ramp and flat "staircase" trajectory in competent and incompetent units respectively, until there is not sufficient weight and "push" in the hangingwall for the fault to go any further; at which point, a new fault will again propagate into the undeformed footwall (Figure 3). The net result is that old faults and their hanging wall-ramp generated folds get passively back-rotated and refolded by progressively younger faults in the footwall (Pope, 2004).

The location of the Falling Creek prospect close to the edge of the thrust belt suggests that the general degree of structural complexity should be low, fairly predictable, and have generally shallow dips, because it has not been back-tilted and refolded by several generations of younger faults in the footwall (Pope, 2004).

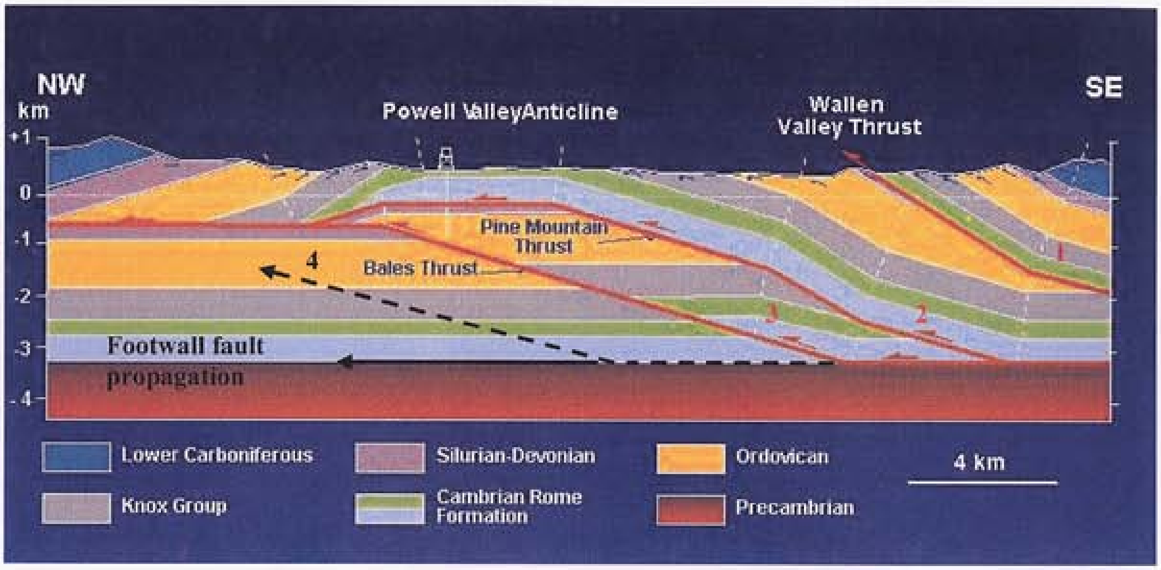

Figure 3. An example of a footwall-propagating fold and thrust system. Earlier faults are back-rotated and folded by successively younger faults in the footwall. In this example the Powell Valley Anticline would be analogous to the Fort St John gas field or the major anticline in the Peace River gorge east of Hudson Hope. The kink-folds in the back-limb of the Powell Valley Anticline are analogous to those exposed at the Peace River Dam. The Falling Creek prospect would be located in a thrust sheet analogous to the hanging wall of the Wallen Valley Thrust. The blind thrust geometry was predicted from the kink geometry of the Powell Valley Thrust Sheet (Pope, 2004).

Property Stratigraphy

Plate 3 contains a 1:20,000 scale geologic map of the Falling Creek Property. It shows both recent work done by Kennecott in 2004/2005 and some of the compiled historic data. Though all faults and geologic contacts are drawn in solid lines, most all of the contacts are in inferred locations on the map. Six cross sections accompany the map and are found in Plates 4 through 9. The geologic interpretations in these cross sections are based on drill hole data; surface geologic mapping data; and surface geologic expressions seen with the LIDAR DEM data. In areas with limited data available contacts were drawn consistent with the regional structural style of deformation.

The Dresser, Gething, and Moosebar Formations outcrop on the Falling Creek Property. The Gething and Moosebar Formations predominate in area of exposure and are the primary focus of this project. The importance of the Moosebar Formation lies in the fact that its basal contact is the only definite and reliable stratigraphic marker that can be identified on the Falling Creek Property. The Upper Gething Formation contains the coal seams of interest.

Dresser Formation

The only known outcrop of Dresser Formation within the Falling Creek license block is along the Hasler Road. It is a small exposure of chert pebble conglomerate with clasts 1.5 to 3 centimeters in size. This is interpreted to be near the top of the Dresser Formation where coarse sandstones, grits, and conglomerates predominate. No Dresser Formation was intersected in the drill holes.

Gething Formation

The coal seams in the Gething Formation are the target of exploration activities on the Falling Creek Property. Outcrops of Gething on the property commonly show cyclothems of varying thicknesses consisting of fine to medium grained sandstone, siltstone, carbonaceous mudstone, and coal. Sandstone and siltstones are locally calcareous, and often weather to a distinctive orange color. Sandstone and siltstones are often cross bedded and provide a reliable means to ascertain topping directions of the beds in the field.

The upper 200 meters of the Gething hold the thickest coal seams of the Formation. Coal is ubiquitous throughout the sequence occurring as .01 to 10 meter seams, thin stringers, rip up clasts, and coalified or carbonaceous plant debris. Work done by Esso in the early 1980's correlated a number of thick coal seams of which the 'Brenda Seam' is the thickest, at up to 10 meters (Newson, 1983). These seams are stratigraphically located by their distance beneath the Moosebar formation. The Brenda Seam occurs 40-90meters beneath this contact where it is present.

The all important contact of Moosebar and Gething Formations is very abrupt and distinct in core, drill chips, and geophysical log traces. Once the basal member of the Moosebar has been penetrated it is not uncommon to intersect thin coal seams within the first 1-5 meters of Gething Formation. In drill chips, small bits of coal begin to show up within samples of siltstones and sandstones. The geophysical trace clearly shows an immediate change from the uniform shales of the Moosebar to the well developed cyclothems of the Gething. Where the basal conglomerate of the Moosebar is present it creates an unmistakable response on the gamma-neutron log.

Moosebar Formation

The Moosebar Formation covers a large area of the eastern portion of the Falling Creek Property. Where exposed it is found as low relief, crumbly, thinly bedded shales. It may also be found at the surface as a light to dark grey, fine grained sandstone; medium bedded, often with cross beds.

In drill core the Moosebar Formation is light to dark grey, thin to medium bedded, often laminated and cross bedded fine grained sandstones, siltstones, and shales. Rootlets, worm borrows, and bioturbated zones are not uncommon. Some soft sediment deformation may be observed. Disseminated pyrite is common in 1 to 2 millimeter subhedral grains. In core the rock is typically competent and is easily recoverable.

The most important feature of the Moosebar Formation is the basal Blue Sky Member. This unit is 2 to 20 meters thick. The top is marked by a horizon of 1-2 millimeter green glaucantite and a base of distinctive 0.1 to 2 meter chert pebble conglomerate sitting immediately on the Gething Formation. The Blue Sky conglomerate is easily recognizable in core and drill chips. However, the conglomerate is not always present at this contact. It has not been seen in outcrop.

Property Structure

The Falling Creek Prospect is interpreted to be located within the synclinal domain of a major (mountain scale), northeasterly verging, thrust related, anticline-syncline fold-pair (Figure 4). The syncline is a large scale synclinorium, characterized by different styles of deformation in different rock units. The central part of the synclinorium is dominated by >40d bedding dips and is locally tightly folded. It is flanked to the NE and to the SW by northeasterly and southwesterly vergent (i.e. direction of tectonic transport) zones where the bedding generally dips <30d (Pope, 2005).

The restricted domain of SW verging folds and faults on the SW side of the synclinorium axis is interpreted to result from local over tightening of the syncline resulting in the formation of a localized pop up zone, which dies out along strike to the NW and SE. There may be some underlying syn-depositional structures that are the ultimate cause of this pop up (Pope, 2005).

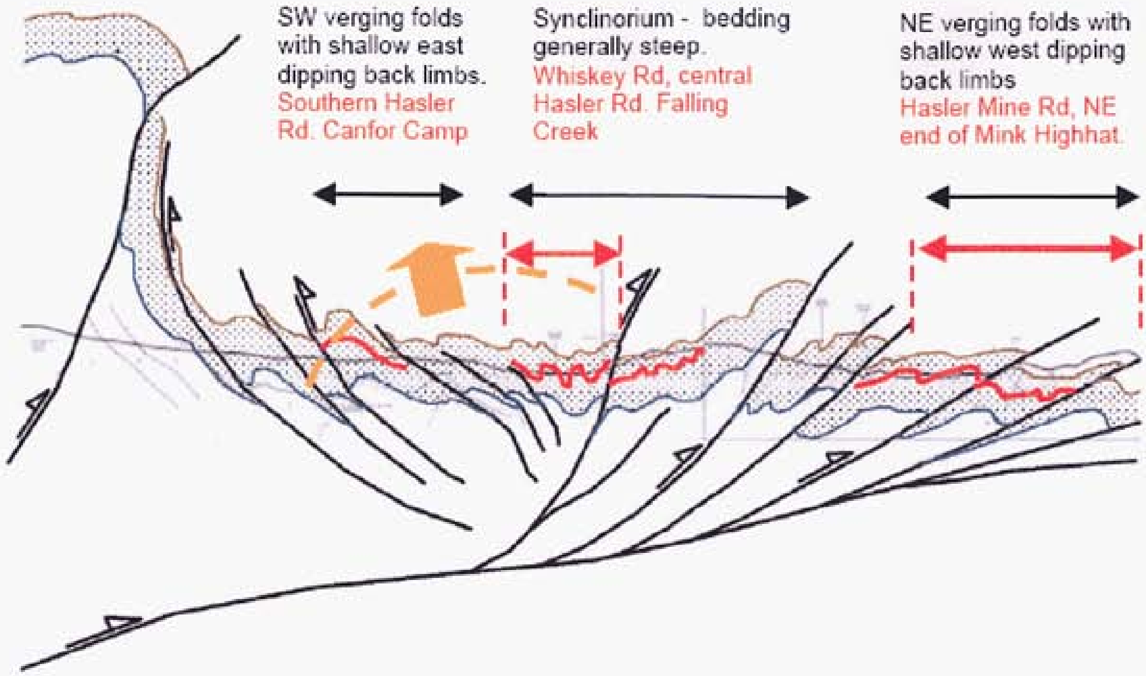

Figure 4: Falling Creek-Hook Creek Section from Coal Assessment Report 525 (Newson, 1983) adapted to show generalized structural setting of Falling Creek Property (Gething Formation in stipple). The yellow arrow indicates the area of a pop up structure. Although coal should be present across most of the Falling Creek Property, known coal occurrences are concentrated in two main belts (red arrows), reflecting a combination of structural repetition and level of erosion (Pope, 2005).

On the regional geological map it can be seen that the Falling Creek district occupies a lozenge shaped domain that trends obliquely WNW across the NNW strike of the fold and thrust belt. This is suggestive of an underlying (pre-thrusting) structure and change in stratigraphic thickness (perhaps a half-graben with locally thicker development of coal beds??) that may have acted as an oblique ramp during thrusting. Falling Creek and the southern part of Hasler Creek contain several west verging thrust faults, antithetic to the regional tectonic transport direction. These are known as "backthrusts" and are most easily seen in the Dresser Formation. Backthrusts result from temporary sticking of foreland propagating thrust faults, so that the actively moving hanging wall wedges beds apart, transporting them vertically "out of harms way" rather than laterally (a process known as "delamination"). The result is a "pop up" zone (Figures 4 and 5) and it will be characterized by relatively less deformation than seen elsewhere in the same thrust sheet (Pope, 2004).

The structural style in the Falling Creek Property is a product of the tectonic setting and the mechanical properties of the stratigraphic sequence (the "mechanical stratigraphy"). We should expect to see thrust faults ramping in mechanically strong sandstone units and taking bedding-parallel "flat" trajectories in incompetent shale and coal units to form fault related fault-bend, fault-propagation, and fault-detachment folds (see Figure 5, which shows analogous structures from the Sikani Chief River along strike to the NNW) (Pope, 2004).

Because the stratigraphic sequence contains packages of thick-bedded sandstones, shales with sandstone interlayers and coal cyclothems with coarse clastic bases and shale/coal tops; fold and fault wavelength, amplitude and periodicity will vary significantly within the sequence. Different mechanical packages will accommodate strain to form significantly different structural styles in response to the same amount of stress. This is an important point, because the recessive coal-bearing target sequence can have a significantly different structural style to competent, coarser clastic units (Pope, 2004). (Figure 5)

The best exposures of coal bearing stratigraphy of the Gething Formation are exposed along the road section to the northwest of the Willow Creek Mine (Figures 6 and 7). The mechanical contrast between coarse sandstone at the base of cyclothems and the shale/coal at the top of the cyclothems (Figure 7) is the ideal situation in which to form a thrust fault. Although the contact in Figure 7 appears to be intact, it is clear that a similar contact at a lower level in the Gething Formation has been used as a thrust fault, leading to modest structural repetition and fault-bend folding of the coal bearing cyclothems (Figure 8). We should expect to see similar styles of folding and faulting elsewhere in the Gething Formation, because the structural style is ultimately governed by the mechanical stratigraphic properties of the cyclothems (Pope, 2004).

The wavelength and amplitude of the folds indicate that the faults are repeating a relatively minor part of the stratigraphy (perhaps 50 meter thickness repeated every 200 meters). The folds have not been transported very far, indicating relatively minor structural repetition through imbrication. This shortening will be accommodated by fewer, but higher amplitude, longer wavelength folds and thrusts in the coarser clastic units of the underlying Dresser Formation (as illustrated in Figure 4). We should expect some structural repetition of the target coal seams (Pope, 2004).

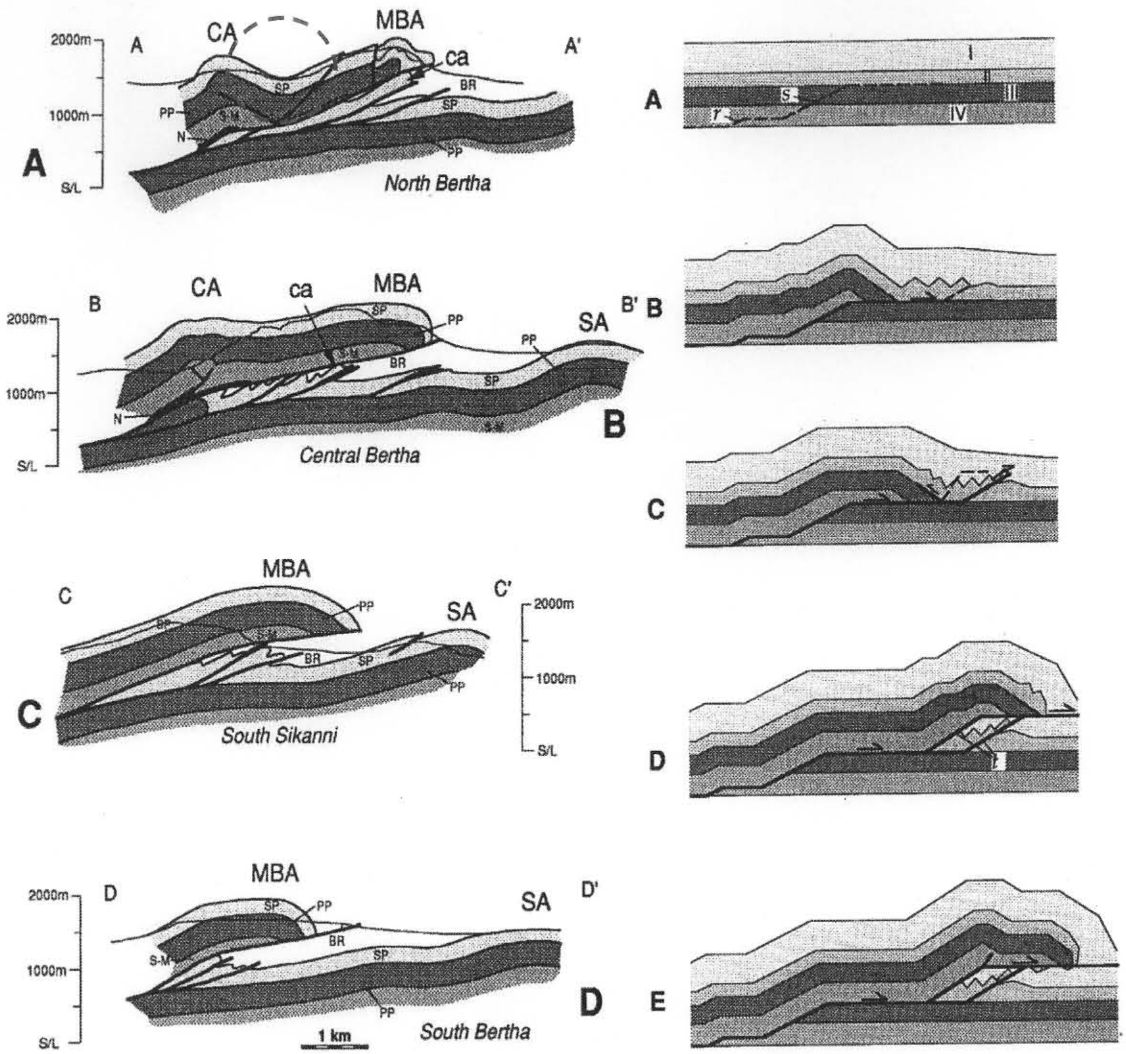

Figure 5: Four profile sections A-D through the Mt Bertha anticline on the Sikani Chief River, along tectonic strike to the NNW, broadly illustrate the structural style of the Falling Creek prospect. That is, east verging low angle thrust faults with short steep forelimbs and wide shallow dipping back-limbs. Note imbrication and tighter folding in less competent units in the footwall, analogous to what we might see with competent Dresser Formation thrust over less competent and thinner bedded Gething Formation. Profile A is most analogous to the zone of Falling Creek, with development of a "pop-up" structure. Sketches A-E on the right hand side of the diagram illustrate the progressive evolution of and the "staircase" thrust trajectory (Jamison, 1996).

Figure 6: Steep to overturned major fold limb showing mid(?) Gething Formation fining upwards cyclothems along Hwy 97.

Figure 7: Black shale, siltstone and coal bearing top of a cyclothem, and coarse, graded, tool marked sandstone base of subsequent cyclothem, middle Gething Formation, exposed in the forelimb of a fault-bend fold on Highway 97 (E545300 N6163667).

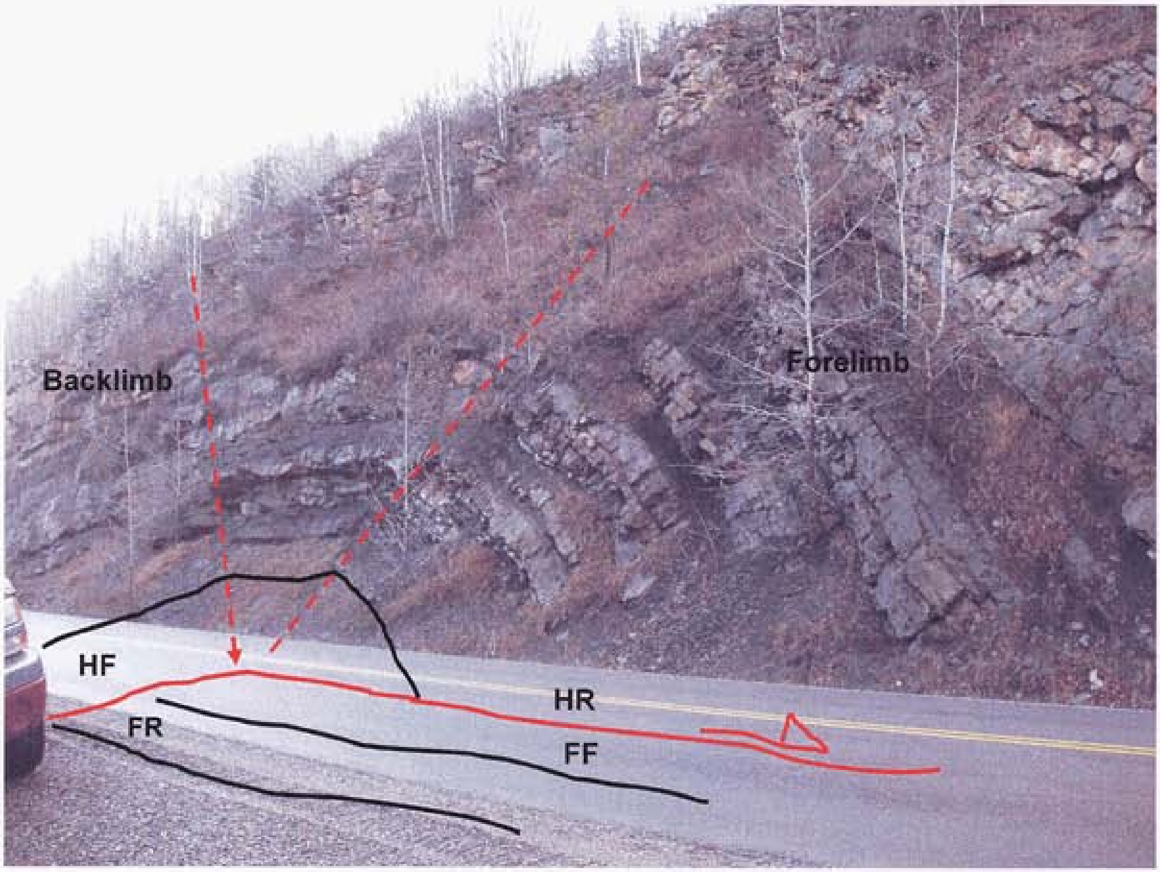

Figure 8: A classic fault-bend (or "snakes-head") fold in coal bearing cyclothem units of the middle(?) Gething Formation on highway 97 NW of the Willow creek coal mine. The fold displays classic kink geometry, resulting from a "staircase" ramp-flat thrust trajectory (as seen in Figure 5). The kink fold axial traces nearly converge, suggesting that the underlying thrust fault is close to surface. The back-limb kink fold remains stationary and points to the top of the fault ramp that formed the fold. The forelimb kink fold is passively transported along the thrust fault, which can be divided into hangingwall flat (HF) and ramp (HR) and footwall flat (FF) and ramp (FR) domains (Pope, 2004).

Well-bedded sandstone units within the Gething Formation (Figure 9a) and dominating within the Moosebar and Dresser Formations (Figures 9b and 10 respectively) are typically internally imbricated. Figure 10 represents an extreme case where a duplex has developed. Several duplexes were seen in outcrops of Dresser Formation exposed on Highway 97 to the west of the Willow Creek Mine. These abundant minor thrust faults accommodate bulk shortening in situations where there is not enough interbedded shale to allow the sandstone units to fold easily. This is an extremely common, but often unrecognized style of deformation. The important point is that this type of bulk shortening has to be accommodated by bigger faults, folds or cleavage in other units, so seeing these kinds of structures in our prospective shallow limb domains is a signal that we can expect some complexity, e.g. folding at depth (Pope, 2004).

Where there is enough interbedded shale or coal to allow folds to form in competent sandstone units, quite complicated folds can develop, as seen in Figure 11. In this case the intensity of folding is attributed to proximity to a thrust fault, and is not thought to be representative of the majority of the coal bearing strata. The sandstones have folded as groups of layers and have kept the geometry of the interbedded shales fairly tidy, the apparent complexity being due to local over tightening. In thicker shale and coal units, where there is not enough sandstone to keep the style of folding organized, coal beds could fold as independent single layers, which would make them very hard to evaluate and mine. No evidence for this amount of mudstone/shale dominance has been seen in any unit to suggest that this style of deformation may be significant (Pope, 2004).

Gething Formation underlies much of the Falling Creek Prospect. However, the vast majority of known coal occurrences fall within two main NW-SE trending belts, the Hasler Mine-Mink Highhat area and the Falling Creek area (Figure 4).

Figure 9: Back-limb thrusts in well-bedded sandstone units of a) mid (?) Gething Formation on Highway 97, NW of the Willow creek Mine; and b) Moosebar Formation close to drill DD04PR002 in Falling Creek. Both outcrops continue eastwards into steeply dipping forelimbs of larger scale fault related folds.

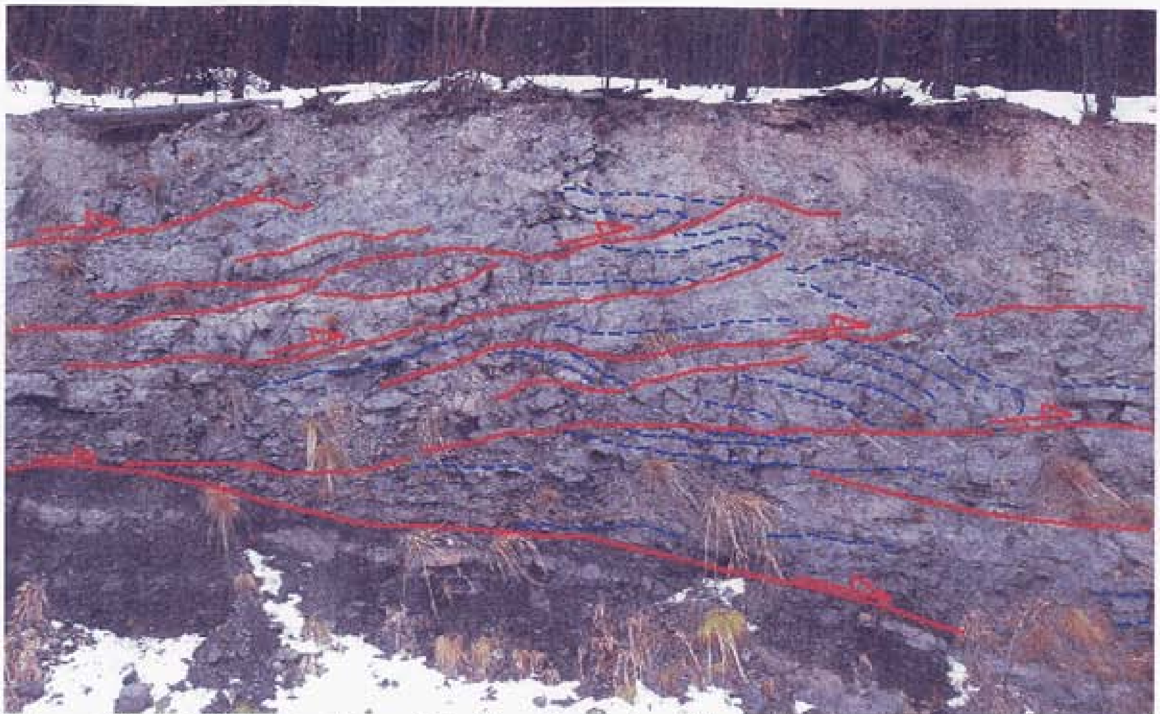

Figure 10: Imbricate stacking of Gething Formation (?) sandstone beds in a shallow dipping fold limb on Mink High Hat road (E 564134 N6140982). An upper roof fault is apparent out of the field of view, making this imbricate stack a duplex.

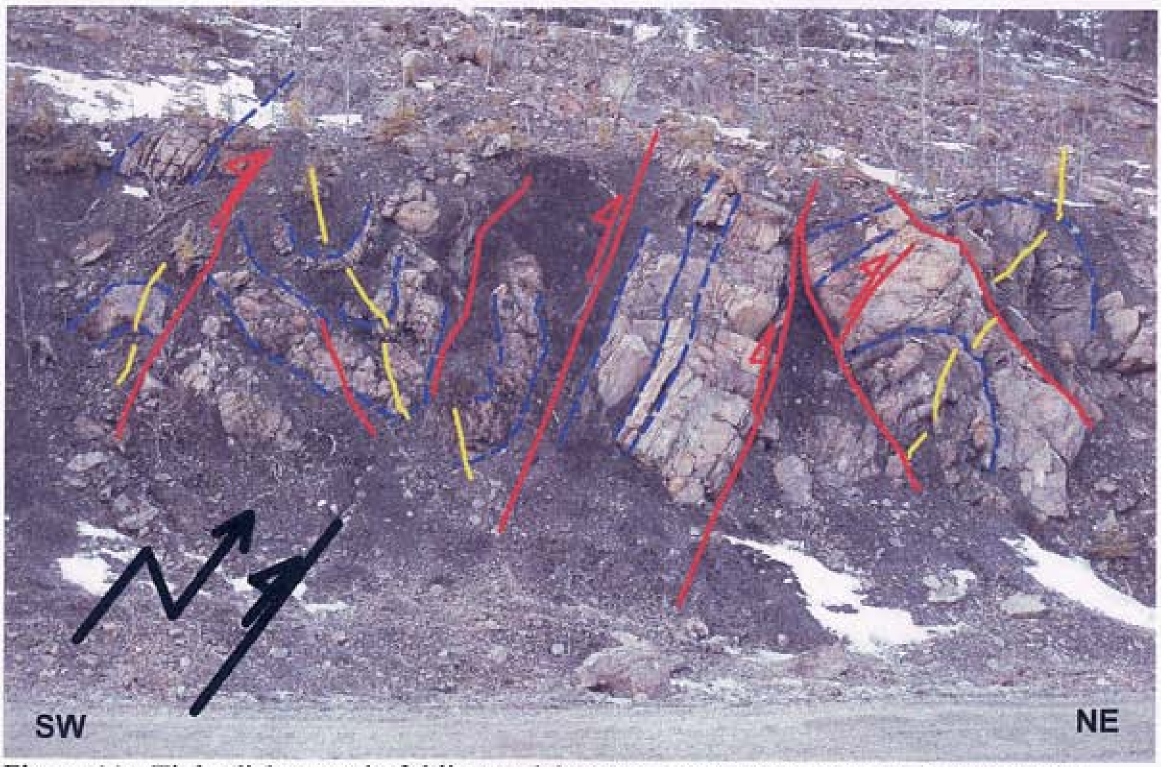

Figure 11: Tight disharmonic folding and faulting of 20 centimeters to 2 meter thick sandstone beds within black shales. The folds are have a "Z" asymmetry and have been

broken up by faults as they have over tightened, suggesting proximity to a major, steep dipping, east verging thrust fault. Hasler Creek (E560548 N6145846) (Pope, 2004).

Drill Hole Geology Summary

A chip sample was collected at the cyclone for every 1.5 meter interval drilled and placed in a chip tray. The chips were logged by a geologist underneath a binocular microscope. However, all formation and coal seam contacts in the graphic logs from RC rotary holes are taken from geophysical logs due to their greater accuracy. Strip logs plotting lithology intervals; sample intervals and numbers; Free Swelling Index (FSI) values; density traces; gamma traces; and neutron traces for each hole are included in Plates 10 through 22. A summary of the geology of each drill hole follows.

<u>DD04PR001</u>
This is a vertical core hole drilled to 283 meters. It collared in Moosebar and intersected Gething at 230 meters. Only a few small coal seams were intersected before the drill rods were stuck and the hole abandoned. No geophysical surveys could be completed. Beds have shallow dips throughout the hole. See Plate 10 for a strip log of data from this hole.

<u>DD04PR002</u>
This is a vertical core hole drilled to 291 meters. It collared in Moosebar and intersected Gething at 158 meters. An 8.3 meter coal intersect at 182 meters is referred to as 'Seam E'. It has weak coking properties and may be the Brenda Seam or equivalent. A 1.8 meter coal intersect at 166.2 meters has is referred to as 'Seam F'. It shows potential to be of coking quality. Beds dip at 45 degrees, but dip direction is uncertain. This hole can be correlated with 05RCPR03 using the gamma-neutron logs. See Plate 11 for a strip log of data from this hole.

<u>05RCPR01</u>
This was the first rotary hole of 2005. It was abandoned at approximately 21meters in overburden when the casing could be advanced no further. The drill was moved 5 meters and collared 05RCPR01A.

<u>05RCPR01A</u>
This is a vertical hole drilled to a depth of 262.1 meters. It is located in the Hasler Creek portion of the property and collared just above several thin coal seams in outcrop. The rocks here are dipping at 25 to 35d inferred from nearby outcrop and dip meter results. However, the dip can change significantly over short intervals. Several seams were intersected, the best of which have approximate true thicknesses of 3.6 meters at 100.6 meters depth; 1.8 meters at 143.7 meters depth; and 1.8 meters at 216.2 meters depth. These seams have Free Swelling Indexes of 0 to 1; volatile matter of 15-18%; and ash contents ranging from 10 to 23 % and don't appear to be of coking quality. It is not known exactly where this sequence of Gething lies within the overall stratigraphy, but it

likely is in the middle to upper part of the Upper Gething. Twelve coal samples were collected from this hole. See Plate 12 for a strip log of data from this hole.

05RCPR02

This is a vertical hole drilled to a depth of 259.1 meters. It was sited 900 meters west of 05RCPR01A with the intent to intersect Moosebar Formation before entering the Gething so as to have a stratigraphic marker to pin the geology on. Unfortunately, the Moosebar Formation is thicker than was expected at this location and Gething rocks were not encountered until 208 meters depth. The 50 meters of Upper Gething drilled had only a few submeter thick coal seams. This hole has been left open so that it can be deepened in the 2006 season. The bedding dip in this hole is not known for certain, but is inferred to average 15-20 degree dips to the southwest. The gamma-neutron log shows an approximately 100 meter thick section of uniform Moosebar shales immediately above the Blue Sky Member. This shale sequence is seen in many other drill holes on the property. The Blue Sky Member is distinct in the gamma-neutron log and is about 10 meters thick with the characteristic pattern of the basal conglomerate. No samples were collected from this hole. See Plate 13 for a strip log of data from this hole.

05RCPR03

This is a vertical hole drilled to 262.1 meters. This hole is located north of Falling Creek, collared in Moosebar and proceeded into Gething at 92.3 meters. This hole is situated on the southern, northeast dipping limb of an syncline that can be seen on the LiDAR imagery. Beds are dipping approximately 25-35 degrees to the north according to the dip meter survey. This seems reasonable, but there is no outcrop nearby to verify the data. The three thickest coal intercepts are 2.5 meters at 95.2 meter depth; 2.4 meters at 115.0 meters depth; and 3.4 meters at 141.5 meters depth. The gamma-neutron traces show the top 80 meters of the hole to be uniform shales with about 10 meters of distinctive Blue Sky Member above the Gething. See Plate 14 for a strip log of data from this hole.

05RCPR04

This is a vertical hole drilled to 260 meters. This hole is sited on the North limb of the same syncline that 05RCPR03 cut. It intersected only Moosebar Formation. Though there is no reliable bed dip data in or near this hole, the rocks are interpreted to be dipping steeply southwest on the basis of the gamma-neutron log. A 50 meter sequence of very uniform shales at the bottom of the hole appears to be a 'stretched' match to the trace of the Blue Sky Member seen in 05RCPR03. This stretching of the log trace could occur if the drill hole cut a long lateral sequence of the Blue Sky Member due to the steep (>70degrees) dip of the beds. The Gething is thought to be within a couple of meters of the bottom of the hole. See Plate 15 for a strip log of data from this hole.

05RCPR05

This is a vertical hole drilled to 204 meters. It collared in Moosebar and entered the Gething Formation at 73.8 meters. A combination of thick overburden and artesian water flow from this hole made it impossible to geophysically survey the open hole. It was surveyed through the drill rods and only the 'slim hole' gamma-neutron tool was small enough diameter to use. No dip information is available for this hole, but it is interpreted to lie near the trough of a syncline. Significant coal was intersected. A 16 meter interval at 129.0 meters depth has 11.7 meters of coal (not true thickness). Analytical results from these seams are favorable for coking coal with high FSI values, medium to low volatile matter, and low ash content. This seam is interpreted to be the Brenda seam. See Plate 16 for a strip log of data from this hole.

<u>05RCPR06</u>
This is a vertical hole drilled to 259 meters. It collared in Gething and intersected 6.8m of very bony coal at 10 meters depth and 3.6 meters of somewhat cleaner coal at 18.6 meters depth. Several thin seams occur below this but nothing of potentially economic interest. These upper seams are dipping at 30 degrees southwest based on outcrop measured in the drill sump. Outcrop mapping near the drill collar shows several folds, but suggests that near surface coal may be found further to the south in the shallow dipping limb of an anticline. See Plate 17 for a strip log of data from this hole.

<u>05RCPR07</u>
This is a vertical hole drilled to 304 meters. It intersected only Moosebar Formation. This hole was sited to test an area that has no historic drill holes or available outcrop and is thought to have relatively flat lying strata. Dip meter results are unreliable. Correlation of gamma-neutron logs suggests that the bottom of the hole is near the Gething Formation contact. The hole has been left open so that it may be extended during the 2006 season. See Plate 18 for a strip log of data from this hole.

<u>05RCPR08</u>
This is a vertical hole drilled to 259.1 meters depth. It is located in the High Hat area of the Falling Creek Property. The hole collared in Gething Formation and intersected several thin, coal seams, the thickest being 1.7 meters at 46.3 meters. Based on stratigraphic correlation with 05RCPR08A the top part of this hole is dipping steeply to the southwest, but below 80 meters the beds are dipping more shallowly to the southwest. See Plate 19 for a strip log of data from this hole.

<u>05RCPR08A</u>
This is a vertical hole drilled to 103 meters depth. It was collared 10 meters northeast of 05RCPR08 for the purpose of collecting a more complete sample of the coal seams encountered in 05RCPR08. This hole did not intersect the coal seams where they were expected. After the hole was geophysically logged correlation of the coal seams show a thrust fault repeat of the top portion of the hole. These twin holes illustrate the complexity of the structure in the Falling Creek area. See Plate 20 for a strip log of data from this hole.

<u>05RCPR09</u>
This is a vertical hole drilled to 245.3 meters. It collared in Gething Formation and intersected several thin coal seams. Two 2 meter thick seams were encountered at 53 meters and 60 meters depth. These seams are believed to be dipping at approximately 20 degrees southwest. See Plate 21 for a strip log of data from this hole.

05RCPR10
This is a vertical hole drilled to a depth of 122 meters. It was sited between 05RCPR09 and 05RCPR08 and collared in Gething, intersecting a number of thin coal seams. This hole allows the stratigraphy to be correlated from 05RCPR09 in the southwest to 05RCPR08 in the northeast, a distance of 1.2 kilometers. This hole has been left open so that it may be deepened in the 2006 field season if warranted. See Plate 22 for a strip log of data from this hole.

SECTION VII: COAL

Coal Seam Stratigraphy and Quality

A detailed coal seam stratigraphy was not assembled during this project. Coal seam positions and names from the previous work done by Esso (Klatzel Mudry, 1983) and Norcen (Newson, 1980) were used loosely during this work. The target of the drilling was the Brenda Seam, so named by Esso geologists and described as occurring 40 meters to 90 meters below the Moosebar/Gething contact. This seam varies in thickness up to 10 meters and has been shown to have limited and laterally spotty coking properties by Esso (Klatzel Mudry, 1983). It was hoped that further drilling by Kennecott would further delineate the Brenda Seam and add further coal quality results of a positive nature.

The thick seam intersections in DD04PR002 and 05RCPR05 are interpreted to be the Brenda Seam due to their stratigraphic position and thickness. The intersection at 182 meters in DD04PR002 (labeled Seam E in the analytical results) has a low CSN number, but has low volatile and ash content. It does not appear to be of good coking quality. Results from drill chip samples in 05RCPR05 show favorable FSI values and low volatile content, but moderately high ash numbers. This seam will need to be further tested with diamond core drilling to gain confidence in the analytical results from the RC drilling.

Coal Analyses

A total of 88 samples of drill chips were collected from the rotary reverse circulation holes drilled in 2005. These samples were submitted to Loring Laboratories in Calgary, Alberta, Canada where they under went proximate coal analysis only.

Twenty-one coal core samples were collected from hole DD05PR002 during the 2004 drill program. These samples were put through a full suite of proximate and ultimate analyses at CCI Australia Pty. Ltd. Laboratories in Warabrook, New South Whales, Australia. The analytical program included a ply by ply proximate analysis of each sample; washability tests on selected plies; a clean coal composite sample of the entire seam was created and analyzed for both proximate and ultimate tests; and a coal petrography maceral analysis was completed on selected samples.

Any further drilling at Falling Creek will be diamond drilling to insure a high quality coal sample for analysis. Results from the RC chips have not yielded a high degree of confidence.

Please see Appendix II for analytical results.

Coal Reserves

Work on the Falling Creek Property has not proceeded to a stage where reserve calculations can be undertaken with any confidence. However, drilling and mapping has defined several areas within the property that have the potential to contain surface mineable, metallurgical coal resources. These resources are expected to be less than 10 to 15 million tons at an economically viable strip ratio.

SECTION VIII: CONCLUSIONS

The purpose of drilling at Falling Creek was to determine the presence, depth, and thickness of coal seams in the Gething Formation; to ascertain whether these seams were of coking quality; and, to define an open pit-able coking coal resource if possible.

The thirteen drill holes completed by Kennecott combined with publicly available data from historic drilling on the Falling Creek Property have shown that coal seams of mineable thickness are present. However, analytical data suggests that the coking properties of the coal are perhaps not laterally continuous. In addition, the structural complexity of the area ensures that any resource to be found will be similar in size and complexity to the known coal resource in the area; i.e. the Willow Creek Mine, the Lossan deposit, and the Brule deposit.

Kennecott Canada will require more drill holes on a tighter grid in specific areas of interest on the property before a resource can be outlined with confidence.

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PROVINCE OF BRITISH COLUMBIA
S. F. COOMBES

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APPENDIX I: Sample List

Sample No	Drill Hole	Sample Type	From	To	Interval	Comment
NA102000	DD04PR002	Diamond Core	182.07	182.36	0.29	Coal
NA102001	DD04PR002	Diamond Core	182.36	182.45	0.09	Coal
NA102002	DD04PR002	Diamond Core	182.45	184.13	1.68	Coal
NA102003	DD04PR002	Diamond Core	184.13	185.46	1.33	Coal
NA102004	DD04PR002	Diamond Core	185.46	185.78	0.32	Coal
NA102005	DD04PR002	Diamond Core	185.78	186.96	1.18	Coal
NA102006	DD04PR002	Diamond Core	186.96	187.30	0.34	Coal
NA102007	DD04PR002	Diamond Core	187.30	187.69	0.39	Coal
NA102008	DD04PR002	Diamond Core	187.69	187.91	0.22	Coal
NA102009	DD04PR002	Diamond Core	187.91	188.82	0.91	Coal
NA102010	DD04PR002	Diamond Core	188.82	189.87	1.05	Coal
NA102011	DD04PR002	Diamond Core	189.87	190.35	0.48	Coal, stony
NA102012	DD04PR002	Diamond Core	190.35	190.54	0.19	Shale
NA102013	DD04PR002	Diamond Core	181.87	182.11	0.24	Mudstone
NA102014	DD04PR002	Diamond Core	165.96	166.21	0.25	Shale
NA102015	DD04PR002	Diamond Core	166.29	167.28	0.24	Coal
NA102016	DD04PR002	Diamond Core	167.28	167.45	0.17	Coal, stony
NA102017	DD04PR002	Diamond Core	167.45	167.99	0.54	Coal
NA102018	DD04PR002	Diamond Core	167.99	168.14	0.15	Shale
NA102019	DD04PR002	Diamond Core	204.64	204.79	0.15	Mudstone
NA102020	DD04PR002	Diamond Core	204.79	205.74	0.95	Coal
NA102021	DD04PR002	Diamond Core	205.74	205.99	0.15	Mudstone
NA103000	05RCPR01A	RC Chips	71.63	73.15	1.52	Chip % not representative
NA103001	05RCPR01A	RC Chips	100.58	102.11	1.53	Chip % not representative
NA103002	05RCPR01A	RC Chips	102.11	103.63	1.52	Chip % not representative
NA103003	05RCPR01A	RC Chips	103.63	105.16	1.53	Chip % not representative

Sample No	Drill Hole	Sample Type	From	To	Interval	Comment
NA103004	05RCPR01A	RC Chips	129.54	131.06	1.52	Chip % not representative
NA103005	05RCPR01A	RC Chips	144.78	146.3	1.52	Chip % not representative
NA103006	05RCPR01A	RC Chips	176.78	178.31	1.53	Chip % not representative
NA103007	05RCPR01A	RC Chips	216.41	217.93	1.52	Chip % not representative
NA103008	05RCPR01A	RC Chips	217.93	219.46	1.53	Chip % not representative
NA103009	05RCPR01A	RC Chips	219.46	220.98	1.52	Chip % not representative
NA103010	05RCPR01A	RC Chips	220.98	222.5	1.52	Chip % not representative
NA103011	05RCPR01A	RC Chips	233.17	234.7	1.53	Chip % not representative
NA103012	05RCPR03	RC Chips	94.49	96.01	1.52	10% coal
NA103013	05RCPR03	RC Chips	96.01	97.54	1.53	100% coal
NA103014	05RCPR03	RC Chips	115.82	117.35	1.53	95% coal
NA103015	05RCPR03	RC Chips	117.35	118.87	1.52	100% coal
NA103016	05RCPR03	RC Chips	118.87	120.4	1.53	30% coal
NA103017	05RCPR03	RC Chips	131.06	132.59	1.53	50% coal
NA103018	05RCPR03	RC Chips	141.73	143.26	1.53	40% coal
NA103019	05RCPR03	RC Chips	143.26	144.78	1.52	90% coal
NA103020	05RCPR03	RC Chips	144.78	146.3	1.52	100% coal
NA103021	05RCPR03	RC Chips	146.3	147.83	1.53	20-30% coal
NA103022	05RCPR03	RC Chips	147.83	149.35	1.52	95% coal
NA103023	05RCPR03	RC Chips	149.35	150.88	1.53	20% coal
NA103024	05RCPR05	RC Chips	117.35	118.87	1.52	
NA103025	05RCPR05	RC Chips	118.87	120.4	1.53	
NA103026	05RCPR05	RC Chips	132.59	134.11	1.52	
NA103027	05RCPR05	RC Chips	134.11	135.64	1.53	
NA103028	05RCPR05	RC Chips	135.64	137.16	1.52	
NA103029	05RCPR05	RC Chips	137.16	138.68	1.52	
NA103030	05RCPR05	RC Chips	138.68	140.21	1.53	
NA103031	05RCPR05	RC Chips	143.26	144.78	1.52	
NA103032	05RCPR05	RC Chips	144.78	146.3	1.52	
NA103033	05RCPR06	RC Chips	10.67	12.19	1.52	
NA103034	05RCPR06	RC Chips	12.19	13.72	1.53	
NA103035	05RCPR06	RC Chips	13.72	15.24	1.52	
NA103036	05RCPR06	RC Chips	15.24	16.76	1.52	
NA103037	05RCPR06	RC Chips	16.76	18.29	1.53	
NA103038	05RCPR06	RC Chips	18.29	19.81	1.52	
NA103039	05RCPR06	RC Chips	19.81	21.34	1.53	
NA103040	05RCPR06	RC Chips	21.34	22.86	1.52	
NA103041	05RCPR06	RC Chips	88.39	89.92	1.53	
NA103042	05RCPR06	RC Chips	112.78	114.3	1.52	

Sample No	Drill Hole	Sample Type	From	To	Interval	Comment
NA103043	05RCPR06	RC Chips	114.3	115.82	1.52	
NA103044	05RCPR06	RC Chips	115.82	117.35	1.53	
NA103045	05RCPR06	RC Chips	117.35	118.87	1.52	
NA103046	05RCPR06	RC Chips	118.87	120.4	1.53	
NA103047	05RCPR06	RC Chips	129.54	131.06	1.52	
NA103048	05RCPR06	RC Chips	152.4	153.92	1.52	
NA103049	05RCPR06	RC Chips	153.92	155.45	1.53	
NA103050	05RCPR06	RC Chips	211.84	213.36	1.52	
NA103051	05RCPR08	RC Chips	45.72	47.24	1.52	
NA103052	05RCPR08	RC Chips	47.24	48.77	1.53	
NA103053	05RCPR08	RC Chips	48.77	50.29	1.52	
NA103054	05RCPR08	RC Chips	96.01	97.54	1.53	
NA103055	05RCPR08	RC Chips	156.97	158.5	1.53	
NA103056	05RCPR08A	RC Chips	50.29	50.5	0.21	Fines preferentially sampled; 50.29-51.21m actual interval
NA103057	05RCPR08A	RC Chips	50.5	50.7	0.2	composite sample of 50.29 - 51.21m.
NA103058	05RCPR08A	RC Chips	50.7	51	0.3	composite sample of 50.29 - 51.21m
NA103059	05RCPR08A	RC Chips	51	51.21	0.21	composite sample of 50.29 - 51.21m.
NA103060	05RCPR08A	RC Chips	74.07	74.2	0.13	Fine preferentially sampled; interval sampled is 74.07 - 74.98m.
NA103061	05RCPR08A	RC Chips	74.2	74.4	0.2	composite sample of 74.07 - 74.98m.
NA103062	05RCPR08A	RC Chips	74.4	74.7	0.3	composite sample of 74.07 - 74.98m.
NA103063	05RCPR08A	RC Chips	74.7	74.98	0.28	composite sample of 74.07 - 74.98m.

Sample No	Drill Hole	Sample Type	From	To	Interval	Comment
NA103064	05RCPR08A	RC Chips	83.2	83.4	0.2	Fines preferentially sampled. sample interval 83.2 - 84.4m
NA103065	05RCPR08A	RC Chips	83.4	83.8	0.4	composite sample 83.2 - 84.4m.
NA103066	05RCPR08A	RC Chips	83.8	84.1	0.3	composite sample 83.2 - 84.4m.
NA103067	05RCPR08A	RC Chips	84.1	84.4	0.3	composite sample 83.2 - 84.4m
NA103068	05RCPR08A	RC Chips	95.1	95.5	0.4	Fines preferentially sampled; sample interval is 95.1 - 96.9m.
NA103069	05RCPR08A	RC Chips	95.5	96	0.5	composite sample 95.1 - 96.9m.
NA103070	05RCPR08A	RC Chips	96	96.5	0.5	composite sample from 95.1 - 96.9m.
NA103071	05RCPR08A	RC Chips	96.5	96.9	0.4	composite sample of 95.1 - 96.9m.
NA103072	05RCPR09	RC Chips	15.24	16.76	1.52	
NA103073	05RCPR09	RC Chips	16.76	18.29	1.53	
NA103074	05RCPR09	RC Chips	51.82	53.34	1.52	
NA103075	05RCPR09	RC Chips	53.34	54.86	1.52	
NA103076	05RCPR09	RC Chips	54.86	56.39	1.53	
NA103077	05RCPR09	RC Chips	59.44	60.96	1.52	
NA103078	05RCPR09	RC Chips	60.96	62.48	1.52	
NA103079	05RCPR09	RC Chips	80.73	82.30	1.57	
NA103080	05RCPR09	RC Chips	82.30	83.82	1.52	
NA103081	05RCPR09	RC Chips	114.30	115.82	1.52	
NA103082	05RCPR09	RC Chips	115.82	117.35	1.53	
NA103083	05RCPR09	RC Chips	129.54	131.06	1.52	
NA103084	05RCPR09	RC Chips	131.06	132.59	1.53	
NA103085	05RCPR09	RC Chips	185.93	187.45	1.52	
NA103086	05RCPR10	RC Chips	24.38	25.91	1.53	
NA103087	05RCPR10	RC Chips	32.00	33.53	1.53	
NA103088	05RCPR10	RC Chips	33.53	35.05	1.52	

APPENDIX II: Coal Analyses

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ORIGIN : Rio Tinto Exploration Pty Limited
DESCRIPTION : North American Core Samples - Upper Gething Formation - Seam E
REPORTED TO : Mr Steen Kristensen

CCI REF No. : N5066
DATE REC'D : 1/19/2005
Date Reported : 2/16/2005

UPPER GETHING FORMATION - SEAM E
RAW PLY ANALYSIS

61mm Diameter Core

Ply Description	Seam Description	Rio Tinto Sample Number	CCI Sample Number	Depth (m) Top	Depth (m) Base	Thickness (m)	Sample Mass (kg)	Vol. Core Recovery (%)	Relative Density (g/cc)	Proximate Analysis (%) Moist	Ash	Volatile Matter	Fixed Carbon	Total Sulfur (%)	Calorific Value (MJ/kg)	CSN	Phosphorus in Coal (%)	CV DAF (kcal/kg)
Roof	Seam E	102013	B22121	181.830	182.070	0.240	1.663	95.2	2.49	1.4	84.5	7.8	6.3	<0.01	2.26	n/a	0.076	3828
Ply 1	Seam E	102000	B22122	182.070	182.360	0.290	1.069	91.4	1.38	1.2	5.0	19.6	74.2	0.61	33.45	1	0.002	8517
Ply 2	Seam E	102001	B22123	182.360	182.450	0.090	0.434	106.5	1.55	1.0	27.6	16.2	55.2	0.45	25.42	1.5	0.140	8503
Ply 3	Seam E	102002	B22124	182.450	184.130	1.680	1.290	18.7	1.36	1.3	3.2	17.4	78.1	0.47	34.50	1	0.062	8628
Ply 4	Seam E	102003	B22125	184.130	185.460	1.330	1.435	26.9	1.37	1.2	3.8	18.6	76.4	0.40	34.22	1	0.055	8603
Ply 5	Seam E	102004	B22126	185.460	185.780	0.320	1.214	94.1	1.38	1.2	3.4	18.0	77.4	0.39	34.20	1	0.055	8562
Ply 6	Seam E	102005	B22127	185.780	186.960	1.180	1.378	27.2	1.47	1.4	12.9	18.0	67.7	0.33	30.09	1	0.011	8386
Ply 7	Seam E	102006	B22128	186.960	187.300	0.340	1.242	85.0	1.47	1.4	12.0	16.2	70.4	0.27	30.66	1	0.022	8456
Ply 8	Seam E	102007	B22129	187.300	187.690	0.390	0.849	52.0	1.49	1.8	14.2	16.8	67.2	0.29	29.79	1	0.110	8471
Ply 9	Seam E	102008	B22130	187.690	187.910	0.220	0.797	86.1	1.44	1.4	8.2	16.8	73.6	0.29	32.65	1	0.065	8626
Ply 10	Seam E	102009	B22131	187.910	188.820	0.910	1.170	29.1	1.51	1.2	22.0	18.1	58.7	0.29	27.23	5.5	0.019	8468
Ply 11	Seam E	102010	B22132	188.820	189.870	1.050	2.186	42.4	1.68	1.3	39.2	15.7	43.8	0.32	20.93	5	0.020	8402
Ply 12	Seam E	102011	B22133	189.870	190.350	0.480	2.760	89.4	2.20	1.4	72.1	9.0	17.5	0.21	7.12	0.5	0.034	6417
Floor	Seam E	102012	B22134	190.350	190.540	0.190	0.858	72.9	2.18	1.3	74.2	9.1	15.4	0.16	6.82	n/a	0.065	6849

All analysis results reported on an Air Dried Basis.

Analysed in accordance with Australian Standard Methods AS1038.3, AS1038.5, AS1038.6.3.3, AS1038.12.1, AS1038.21.1.1 and AS4264.1.

J. England

CCI AUSTRALIA

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ORIGIN :	Rio Tinto Exploration Pty Limit	**CCI REF No. :**	N5066
DESCRIPTION :	North American Core - Upper Gething Formation - Seam E	**DATE REC'D :**	2/28/2005
REPORTED TO :	Mr Steen Kristensen	***Date Reported :***	3/10/2005
		Reported By :	S. England

UPPER GETHING FORMATION - SEAM E
CF1.80 CLEAN COAL COMPOSITE

Seam		: Seam E
Depth	(m)	: 182.070 to 190.350
Plies		: Plies 1 to 12
Yield	(%)	: 83.3
Rio Tinto Number		: 102000_11
CCI Sample Number		: B23705

Analysis Basis		(ad)	(db)	(daf)
Proximate Analysis				
Air Dried Moisture	(%)	1.0		
Ash	(%)	7.9	8.0	
Volatile Matter	(%)	18.5	18.7	20.3
Fixed Carbon	(%)	72.6	73.3	79.7
Total Sulfur	(%)	0.41	0.41	
Phosphorus	(%)	0.040	0.040	
Gross Calorific Value	(MJ/kg)	32.64	32.97	35.83
	(kcal/kg)	7796	7874	8558
Ultimate Analysis				
Carbon	(%)	81.3	82.1	89.2
Hydrogen	(%)	4.22	4.26	4.63
Nitrogen	(%)	1.14	1.15	1.25
Oxygen *(by difference)*	(%)	4.03	4.07	
Carbon Dioxide	(%)	0.50	0.51	
Carbonate Carbon	(%)	0.14	0.14	
Forms of Sulfur				
Pyritic Sulfur	(%)	0.02	0.02	
Sulfate Sulfur	(%)	<0.01	<0.01	
Organic Sulfur	(%)	0.39	0.39	
Mineral Matter	(%)	8.9	9.0	*(low temp. oxidation)*
Crucible Swelling Number		1		

Analysed at CCI Newcastle in accordance with Australian Standard Methods AS1038.3, AS1038.5, AS1038.6.3.3, AS1038.6.4 (draft), AS1038.11, AS1038.12.1, AS1038.20, AS1038.21.1.1, AS1038.22, AS1038.23 and AS4264.1.

AUSTRALIA

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COAL PETROGRAPHY - MACERAL ANALYSIS

CLIENT : Rio Tinto Exploration Pty Limited
SAMPLE : North American Borecore - Gething Seam E
Plies 1 to 12 (102000_11) Depth: 182.07m to 190.35m
CF1.80 Clean Coal Composite CCI Sample No.: B23705

CCI REF. NO. : N5066
DATE RECEIVED : 2/28/2005
DATE ANALYSED : 3/3/2005

Maceral Group ISO7404:BS6127:AS2856	%	%mmf	Maceral Sub Group	Maceral	%	%mmf
				Textinite		
			Telovitrinite	Texto-ulminite		
				Eu-ulminite		
				Telocollinite	23.3	24.1
				Attrinite		
Vitrinite	30.3	31.3	Detrovitrinite	Densinite		
				Desmocollinite	7.0	7.2
				Corpogelinite		
			Gelovitrinite	Porigelinite		
				Eugelinite		
				Sporinite		
				Cutinite	0.2	0.2
				Resinite		
Liptinite	0.2	0.2		Liptodetrinite		
				Alginite		
				Suberinite		
				Fluorinite		
				Exsudatinite		
				Bituminite		
				Fusinite	6.1	6.3
			Telo-inertinite	Semifusinite	49.3	50.9
				Funginite		
Inertinite	66.3	68.5	Detro-inertinite	Inertodetrinite	8.9	9.2
				Micrinite	0.5	0.5
			Gelo-inertinite	Macrinite	1.5	1.6
Minerals	3.2				3.2	
	100.0	100.0			100.0	100.0

Points counted 660

COMMENTS: Minerals mainly disseminated clays, slight trace carbonate & pyrite. Trace shale. Minor Heat affected coal.

Analysed by Harold Read & Associates P/L, in accordance with Australian Standard AS2856, based on ICCP guidelines and ISO7404.
Report No.: AH229

Reported by: H. Read

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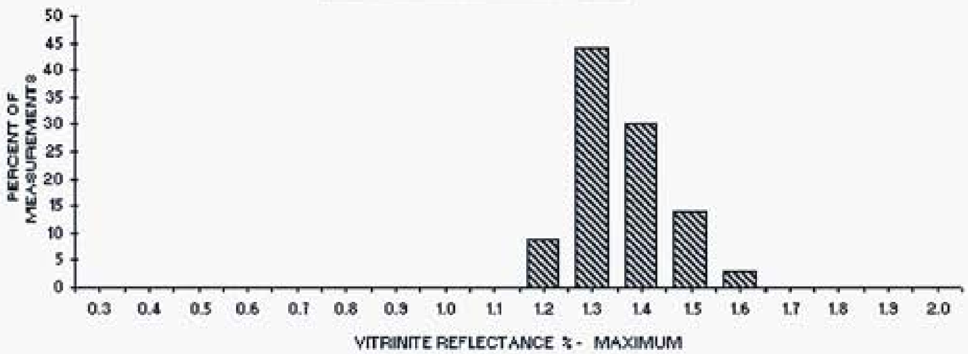
COAL PETROGRAPHY - VITRINITE REFLECTANCE

CLIENT :	Rio Tinto Exploration Pty Limited	**CCI REF. NO. :**	N5066
SAMPLE :	North American Borecore - Gething Seam E	**DATE RECEIVED :**	2/28/2005
	Plies 1 to 12 (102000_11) Depth: 182.07m to 190.35m	**DATE ANALYSED :**	3/3/2005
	CF1.80 Clean Coal Composite CCI Sample No.: B23705		

REFLECTANCE HISTOGRAM



Reflectance (AS2486; 546NM; Oil RI 1.518; Standards 0.3% - 3.3%)

		Ro MAX%	No.	Min%	Max%	S.D.	Rr%
Telovitrinite	%	1.40	100	1.25	1.62	0.09	1.31
Detrovitrinite	%						
All Vitrinite	%	1.40	100		1.62		

VITRINITE REFLECTANCE DISTRIBUTION

Telovitrinite	%
Detrovitrinite	%
All Vitrinite	%

		V12	V13	V14	V15	V16
Telovitrinite	%	9.0	44.0	30.0	14.0	3.0
Detrovitrinite	%					
All Vitrinite	%	9.0	44.0	30.0	14.0	3.0

Reflectance on Telovitrinite only as per client request.

TOTAL
100.0

Note: Rr calculated from Rmax

100.0

Analysed by Harold Read & Associates P/L
Report No.: AH229

Reported by: H. Read

AUSTRALIA

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ORIGIN :	Rio Tinto Exploration Pty Limited	**CCI REF No. :**	N5066
DESCRIPTION :	North American Core Samples - Seam E	**DATE REC'D :**	1/19/2005
REPORTED TO :	Mr Steen Kristensen	**Date Reported :**	2/8/2005

UPPER GETHING FORMATION - SEAM E
WASHABILITY ANALYSIS

Size Fraction Tested : -11.2 mm

Sample Description		Depth (m)		Mass (g	Relative Densit	Fractional (%ad		Cumulative (%ad)	
Comp. No. / S	Plies	Top	Base	Tested	Fraction	Mass	Ash	Mass	Ash
102000	Ply 1	182.070	182.360	1060	F1.30	68.6	2.0	68.6	2.0
Seam E					S1.30 F1.40	24.1	5.1	92.7	2.8
					S1.40 F1.50	2.9	18.2	95.6	3.3
					S1.50 F1.60	1.3	22.6	96.9	3.6
					S1.60 F1.70	1.0	33.4	97.9	3.9
					S1.70 F1.80	0.4	43.0	98.3	4.1
					S1.80	1.7	49.8	100.0	4.9
102001	Ply 2	182.360	182.450	430	F1.30	7.5	6.3	7.5	6.3
Seam E					S1.30 F1.40	16.3	14.4	23.8	11.8
					S1.40 F1.50	19.7	24.4	43.5	17.5
					S1.50 F1.60	32.7	32.4	76.2	23.9
					S1.60 F1.70	20.9	39.0	97.1	27.2
					S1.70 F1.80	1.6	44.2	98.7	27.5
					S1.80	1.3	52.9	100.0	27.8
102002	Ply 3	182.450	184.130	1280	F1.30	25.3	1.4	25.3	1.4
Seam E					S1.30 F1.40	71.7	3.0	97.0	2.6
					S1.40 F1.50	1.4	9.2	98.4	2.7
					S1.50 F1.60	0.6	23.6	99.0	2.8
					S1.60 F1.70	0.5	27.9	99.5	2.9
					S1.70 F1.80	0.2	33.2	99.7	3.0
					S1.80	0.3	65.0	100.0	3.2

Analysed at CCI Newcastle in accordance with Australian Standards
AS1038.3, AS4156.1 and AS4264.1.

J. England

ORIGIN :	Rio Tinto Exploration Pty Limited	**CCI REF No. :**	N5066
DESCRIPTION :	North American Core Samples - Seam E	**DATE REC'D :**	1/19/2005
REPORTED TO :	Mr Steen Kristensen	***Date Reported :***	2/8/2005

UPPER GETHING FORMATION - SEAM E
WASHABILITY ANALYSIS

Size Fraction Tested : -11.2 mm

Sample Description		Depth (m)		Mass (g	Relative Densit	Fractional (%ad		Cumulative (%ad)	
Comp. No. / S	Plies	Top	Base	Tested	Fraction	Mass	Ash	Mass	Ash
102003	Ply 4	184.130	185.460	1410	F1.30	54.4	1.6	54.4	1.6
Seam E					S1.30 F1.40	41.8	4.4	96.2	2.8
					S1.40 F1.50	2.0	14.5	98.2	3.0
					S1.50 F1.60	0.4	21.6	98.6	3.1
					S1.60 F1.70	0.2	28.5	98.8	3.2
					S1.70 F1.80	0.1	38.9	98.9	3.2
					S1.80	1.1	49.2	100.0	3.7
102004	Ply 5	185.460	185.780	1190	F1.30	36.5	1.2	36.5	1.2
Seam E					S1.30 F1.40	60.0	4.3	96.5	3.1
					S1.40 F1.50	3.0	14.2	99.5	3.4
					S1.50 F1.60	0.2	17.6	99.7	3.4
					S1.60 F1.70	0.1	25.2	99.8	3.4
					S1.70 F1.80	0.1	29.9	99.9	3.4
					S1.80	0.1	52.8	100.0	3.4
102005	Ply 6	185.780	186.960	1370	F1.30	4.8	1.6	4.8	1.6
Seam E					S1.30 F1.40	64.8	3.9	69.6	3.7
					S1.40 F1.50	9.8	12.0	79.4	4.7
					S1.50 F1.60	4.2	21.2	83.6	5.5
					S1.60 F1.70	3.3	32.1	86.9	6.5
					S1.70 F1.80	1.9	39.6	88.8	7.2
					S1.80	11.2	60.2	100.0	13.1

Analysed at CCI Newcastle in accordance with Australian Standards
AS1038.3, AS4156.1 and AS4264.1.

J. England

ORIGIN	:	Rio Tinto Exploration Pty Limited	**CCI REF No. :**	N5066
DESCRIPTION	:	North American Core Samples - Seam E	**DATE REC'D :**	1/19/2005
REPORTED TO :		Mr Steen Kristensen	***Date Reported :***	2/8/2005

UPPER GETHING FORMATION - SEAM E
WASHABILITY ANALYSIS

Size Fraction Tested : -11.2 mm

Sample Description		Depth (m)		Mass (g)	Relative Density	Fractional (%ad)		Cumulative (%ad)	
Comp. No. / S	Plies	Top	Base	Tested	Fraction	Mass	Ash	Mass	Ash
102006	Ply 7	186.960	187.300	1240	F1.30	9.1	1.6	9.1	1.6
Seam E					S1.30 F1.40	62.0	5.4	71.1	4.9
					S1.40 F1.50	14.3	13.9	85.4	6.4
					S1.50 F1.60	3.4	22.4	88.8	7.0
					S1.60 F1.70	2.8	33.8	91.6	7.8
					S1.70 F1.80	2.9	42.3	94.5	8.9
					S1.80	5.5	63.0	100.0	11.9
102007	Ply 8	187.300	187.690	845	F1.30	24.8	6.1	24.8	6.1
Seam E					S1.30 F1.40	39.6	7.0	64.4	6.7
					S1.40 F1.50	21.6	16.2	86.0	9.1
					S1.50 F1.60	5.4	28.4	91.4	10.2
					S1.60 F1.70	2.7	36.0	94.1	10.9
					S1.70 F1.80	1.2	42.4	95.3	11.3
					S1.80	4.7	63.8	100.0	14.0
102008	Ply 9	187.690	187.910	790	F1.30	6.3	5.2	6.3	5.2
Seam E					S1.30 F1.40	82.8	6.5	89.1	6.4
					S1.40 F1.50	8.2	15.1	97.3	7.1
					S1.50 F1.60	1.0	22.1	98.3	7.3
					S1.60 F1.70	0.4	31.3	98.7	7.4
					S1.70 F1.80	0.1	38.0	98.8	7.4
					S1.80	1.2	57.1	100.0	8.0

Analysed at CCI Newcastle in accordance with Australian Standards
AS1038.3, AS4156.1 and AS4264.1.

J. England

ORIGIN :	Rio Tinto Exploration Pty Limited	**CCI REF No.** :	N5066
DESCRIPTION :	North American Core Samples - Seam E	**DATE REC'D** :	1/19/2005
REPORTED TO :	Mr Steen Kristensen	***Date Reported*** :	2/8/2005

UPPER GETHING FORMATION - SEAM E
WASHABILITY ANALYSIS

Size Fraction Tested : -11.2 mm

Sample Description		Depth (m)		Mass (g	Relative Densit	Fractional (%ad		Cumulative (%ad)	
Seam / Comp	Plies	Top	Base	Tested	Fraction	Mass	Ash	Mass	Ash
102009	Ply 10	187.910	188.820	1160	F1.30	33.8	2.8	33.8	2.8
Seam E					S1.30 F1.40	18.0	6.9	51.8	4.2
					S1.40 F1.50	17.2	15.4	69.0	7.0
					S1.50 F1.60	9.6	26.5	78.6	9.4
					S1.60 F1.70	3.4	40.3	82.0	10.7
					S1.70 F1.80	1.9	50.0	83.9	11.6
					S1.80	16.1	75.2	100.0	21.8
102010	Ply 11	188.820	189.870	2150	F1.30	18.6	5.2	18.6	5.2
Seam E					S1.30 F1.40	22.1	11.8	40.7	8.8
					S1.40 F1.50	9.3	21.3	50.0	11.1
					S1.50 F1.60	5.7	32.4	55.7	13.3
					S1.60 F1.70	4.8	42.7	60.5	15.6
					S1.70 F1.80	4.2	52.6	64.7	18.0
					S1.80	35.3	77.7	100.0	39.1
102011	Ply 12	189.870	190.350	2770	F1.30	1.5	8.5	1.5	8.5
Seam E					S1.30 F1.40	1.9	15.6	3.4	12.5
					S1.40 F1.50	1.4	22.1	4.8	15.3
					S1.50 F1.60	1.7	34.1	6.5	20.2
					S1.60 F1.70	1.8	49.0	8.3	26.4
					S1.70 F1.80	3.0	52.6	11.3	33.4
					S1.80	88.7	77.2	100.0	72.3

Analysed at CCI Newcastle in accordance with Australian Standards
AS1038.3, AS4156.1 and AS4264.1.

J. England

AUSTRALIA

CCI AUSTRALIA PTY LTD ABN 64 001 285 427
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TEL: (02) 4967 4477 FAX: (02) 4968 1534
E-MAIL: cciadmin@cciaustralia.com.au

ORIGIN : Rio Tinto Exploration Pty Limited
DESCRIPTION : North American Core Samples - Upper Gething Formation - Seam F
REPORTED TO : Mr Steen Kristensen

CCI REF No. : N5067
DATE REC'D : 1/19/2005
Date Reported : 2/16/2005

UPPER GETHING FORMATION - SEAM F
RAW PLY ANALYSIS

61mm Diameter Core

Ply Description	Seam Description	Rio Tinto Sample Number	CCI Sample Number	Depth (m)		Thickness (m)	Sample Mass (kg)	Vol. Core Recovery (%)	Relative Density (g/cc)	Proximate Analysis (%)				Total Sulfur (%)	Calorific Value (MJ/kg)	CSN	Phosphorus in Coal (%)	CV DAF (kcal/kg)
				Top	Base					Moist	Ash	Volatile Matter	Fixed Carbon					
Roof	Seam F	102014	B22135	165.960	166.210	0.250	1.319	*84.0*	2.15	1.4	71.9	8.5	18.2	0.29	7.70	n/a	0.121	6888
Ply 1	Seam F	102015	B22136	166.210	167.280	1.070	3.479	*83.7*	1.33	1.0	3.7	20.0	75.3	0.47	34.61	5	0.031	8674
Ply 2	Seam F	102016	B22137	167.280	167.450	0.170	1.232	100.4	2.47	0.5	52.5	35.6	11.4	0.12	8.44	0	0.019	4289
Ply 3	Seam F	102017	B22138	167.450	167.990	0.540	1.200	*52.1*	1.46	1.2	20.6	18.8	59.4	0.57	27.85	8	0.107	8506
Floor	Seam F	102018	B22139	167.990	168.140	0.150	0.933	99.0	2.15	1.4	72.4	9.2	17.0	0.18	7.44	n/a	0.077	6782

All analysis results reported on an Air Dried Basis.

Analysed in accordance with Australian Standard Methods AS1038.3, AS1038.5, AS1038.6.3.3, AS1038.12.1, AS1038.21.1.1 and AS4264.1.

J. England

CCi AUSTRALIA

CCI AUSTRALIA PTY LTD ABN: [illegible]
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Box 201 HUNTER REGION MAIL CENTRE NSW 2310 AUSTRALIA
TEL: [illegible] FAX: [illegible]
E-MAIL: [illegible]

ORIGIN :	Rio Tinto Exploration Pty Limited	**CCI REF No. :**	N5067
DESCRIPTION :	North American Core - Upper Gething Formation - Seam F	**DATE REC'D :**	2/28/2005
REPORTED TO :	Mr Steen Kristensen	***Date Reported :***	3/18/2005
		Reported By :	S. England

UPPER GETHING FORMATION - SEAM F
CF1.80 CLEAN COAL COMPOSITE

Seam		: Seam F
Depth	(m)	: 166.210 to 167.990
Plies		: Plies 1 to 3
Yield	(%)	: 82.7
Rio Tinto Number		: 102015_17
CCI Sample Number		: B23706

Analysis Basis		(ad)	(db)	(daf)
Proximate Analysis				
Air Dried Moisture	(%)	0.8		
Ash	(%)	7.3	7.4	
Volatile Matter	(%)	20.1	20.3	21.9
Fixed Carbon	(%)	71.8	72.3	78.1
Total Sulfur	(%)	0.64	0.65	
Phosphorus	(%)	0.052	0.050	
Gross Calorific Value	(MJ/kg)	33.03	33.30	35.94
	(kcal/kg)	7890	7954	8584
Ultimate Analysis				
Carbon	(%)	81.4	82.1	88.6
Hydrogen	(%)	4.43	4.47	4.82
Nitrogen	(%)	1.30	1.31	1.41
Oxygen (by difference)	(%)	4.13	4.16	
Carbon Dioxide	(%)	0.46	0.46	
Carbonate Carbon	(%)	0.13	0.13	
Forms of Sulfur				
Pyritic Sulfur	(%)	0.02	0.02	
Sulfate Sulfur	(%)	<0.01	<0.01	
Organic Sulfur	(%)	0.62	0.63	
Mineral Matter	(%)	8.2	8.2	*(low temp. oxidation)*
Crucible Swelling Number		7 1/2		

Analysed at CCI Newcastle in accordance with Australian Standard Methods AS1038.3, AS1038.5, AS1038.6.3.3, AS1038.6.4 (draft), AS1038.11, AS1038.12.1, AS1038.20, AS1038.21.1.1, AS1038.22, AS1038.23 and AS4264.1.

AUSTRALIA

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COAL PETROGRAPHY - MACERAL ANALYSIS

CLIENT : Rio Tinto Exploration Pty Limited
SAMPLE : North American Borecore - Gething Seam F
Plies 1 to 3 (102015_17) Depth: 166.21m to 167.99m
CF1.80 Clean Coal Composite CCI Sample No.: B23706

CCI REF. NO. : N5067
DATE RECEIVED : 2/28/2005
DATE ANALYSED : 3/3/2005

Maceral Group ISO7404:BS6127:AS2856	%	%mmf	Maceral Sub Group	Maceral	%	%mmf
			Telovitrinite	Textinite		
				Texto-ulminite		
				Eu-ulminite		
				Telocollinite	47.5	48.9
Vitrinite	55.8	57.5	Detrovitrinite	Attrinite		
				Densinite		
				Desmocollinite	8.3	8.6
			Gelovitrinite	Corpogelinite		
				Porigelinite		
				Eugelinite		
Liptinite	0.2	0.2		Sporinite		
				Cutinite	0.2	0.2
				Resinite		
				Liptodetrinite		
				Alginite		
				Suberinite		
				Fluorinite		
				Exsudatinite		
				Bituminite		
Inertinite	41.1	42.3	Telo-inertinite	Fusinite	3.8	3.9
				Semifusinite	30.0	30.9
				Funginite		
			Detro-inertinite	Inertodetrinite	7.0	7.2
				Micrinite		
			Gelo-inertinite	Macrinite	0.3	0.3
Minerals	2.9				2.9	
	100.0	100.0			100.0	100.0

Points counted 683

COMMENTS: Minerals mainly disseminated clays, trace quartz. Minor weathered/oxidised coal. Trace heat affected coal (with devolatolised pores).

Analysed by Harold Read & Associates P/L, in accordance with Australian Standard AS2856, based on ICCP guidelines and ISO7404.
Report No.: AH230

Reported by: H. Read

AUSTRALIA

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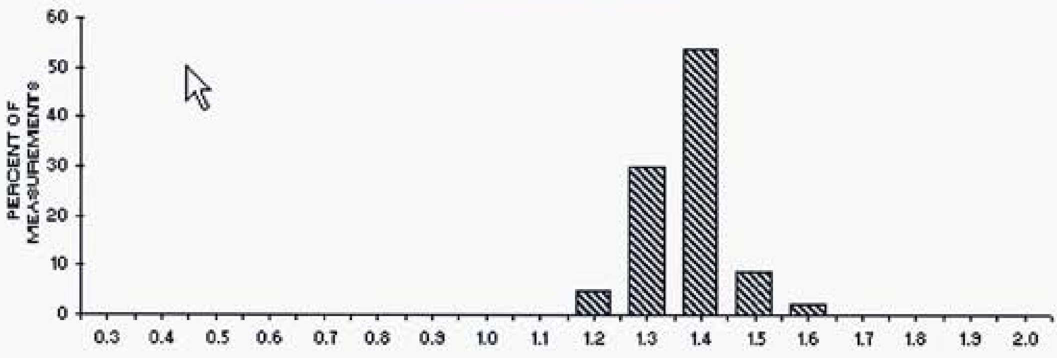
TEL: [illegible] FAX: [illegible]
E-MAIL: [illegible]

COAL PETROGRAPHY - VITRINITE REFLECTANCE

CLIENT :	Rio Tinto Exploration Pty Limited	**CCI REF. NO. :**	N5067
SAMPLE :	North American Borecore - Gething Seam F	**DATE RECEIVED :**	2/28/2005
	Plies 1 to 3 (102015_17) Depth: 166.21m to 167.99m	**DATE ANALYSED :**	3/3/2005
	CF1.80 Clean Coal Composite CCI Sample No.: B23706		

REFLECTANCE HISTOGRAM



Reflectance (AS2486; 546NM; Oil RI 1.518; Standards 0.3% - 3.3%)

		Ro MAX%	No.	Min%	Max%	S.D.	Rr%
Telovitrinite	%	1.41	100	1.26	1.62	0.07	1.32
Detrovitrinite	%						
All Vitrinite	%	1.41	100		1.62		

VITRINITE REFLECTANCE DISTRIBUTION

Telovitrinite	%
Detrovitrinite	%
All Vitrinite	%

		V12	V13	V14	V15	V16
Telovitrinite	%	5.0	30.0	54.0	9.0	2.0
Detrovitrinite	%					
All Vitrinite	%	5.0	30.0	54.0	9.0	2.0

Reflectance on Telovitrinite only as per client request.

TOTAL
100.0

Note: Rr calculated from Rmax

100.0

Analysed by Harold Read & Associates P/L
Report No.: AH230

Reported by: H. Read

CCI AUSTRALIA

CCI AUSTRALIA PTY LTD ABN: 64 884 285 527
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E-MAIL: [illegible]

ORIGIN :	Rio Tinto Exploration Pty Limited	CCI REF No. :	N5067
DESCRIPTION :	North American Core Samples - Seam F	DATE REC'D :	##########
REPORTED TO :	Mr Steen Kristensen	Date Reported :	2/8/2005

UPPER GETHING FORMATION - SEAM F
WASHABILITY ANALYSIS

Size Fraction Tested : -11.2 mm

Sample Description		Depth (m)		Mass (g)	Relative Density		Fractional (%ad)		Cumulative (%ad)	
Comp. No. / Se	Plies	Top	Base	Tested	Fraction		Mass	Ash	Mass	Ash
102015	Ply 1	166.210	167.280	3445		F1.30	60.4	1.5	60.4	1.5
Seam F					S1.30	F1.40	35.6	3.9	96.0	2.4
					S1.40	F1.50	1.5	16.7	97.5	2.6
					S1.50	F1.60	0.5	27.4	98.0	2.7
					S1.60	F1.70	0.4	40.2	98.4	2.9
					S1.70	F1.80	0.4	54.6	98.8	3.1
					S1.80		1.2	65.4	100.0	3.8
102016	Ply 2	167.280	167.450	1225		F1.30	3.1	1.2	3.1	1.2
Seam F					S1.30	F1.40	4.3	8.0	7.4	5.2
					S1.40	F1.50	2.4	17.4	9.8	8.2
					S1.50	F1.60	2.0	25.7	11.8	11.2
					S1.60	F1.70	2.0	30.6	13.8	14.0
					S1.70	F1.80	1.5	37.0	15.3	16.3
					S1.80		84.7	58.8	100.0	52.3
102017	Ply 3	167.450	167.990	1180		F1.30	36.0	3.2	36.0	3.2
Seam F					S1.30	F1.40	17.5	8.8	53.5	5.0
					S1.40	F1.50	12.6	21.2	66.1	8.1
					S1.50	F1.60	14.0	29.8	80.1	11.9
					S1.60	F1.70	5.8	38.6	85.9	13.7
					S1.70	F1.80	3.5	47.4	89.4	15.0
					S1.80		10.6	67.6	100.0	20.6

Analysed at CCI Newcastle in accordance with Australian Standards
AS1038.3, AS4156.1 and AS4264.1.

J England

Sample ID	1.8 Flt Recov PCT Wt	1.8 AD H20 PCT	1.8 AD VM PCT	1.8 AD Ash PCT	1.8 AD FC PCT	1.8 AD S PCT	1.8 AD KJ/KG	1.8 AD P PCT	1.8 AD FSI	1.8 Dry H20 PCT	1.8 Dry VM PCT	1.8 Dry Ash PCT
NA103000	33.63	0.46	17.54	28.61	53.39	0.53	25194	0.12	3.00		17.62	28.74
NA103001	45.18	0.64	16.18	11.92	71.26	0.44	31143	0.02	1.00		16.28	12.00
NA103002	38.33	0.59	16.50	22.88	60.03	0.39	27113	0.04	1.00		16.60	23.02
NA103003	42.95	0.71	18.25	11.05	69.99	0.42	31571	0.02	1.00		18.38	11.13
NA103004	82.48	1.08	17.28	28.59	53.05	0.66	24506	0.11	1.00		17.47	28.90
NA103005	5.52	0.68	15.42	23.78	60.12	0.66	26850	0.01	1.00		15.53	23.94
NA103006	1.96	0.72	13.96	34.57	50.75	0.86	22860	0.03	0.00		14.06	34.82
NA103007	88.54	1.35	15.47	6.37	76.81	0.65	33181	0.02	0.00		15.68	6.46
NA103008	14.62	1.16	15.98	17.50	65.36	0.55	28479	0.04	0.00		16.17	17.71
NA103009	2.98	0.85	16.44	22.78	59.93	0.64	27183	0.03	0.00		16.58	22.98
NA103010	19.93	1.02	15.54	18.36	65.08	0.84	28557	0.14	0.00		15.70	18.55
NA103011	11.26	0.85	15.01	30.27	53.87	0.74	24303	0.12	0.00		15.14	30.53
NA103012	4.36	0.87	19.10	18.94	61.09	0.59	28500	0.16	2.50		19.27	19.11
NA103013	92.27	1.04	23.73	2.17	73.06	0.51	34531	0.05	2.50		23.98	2.19
NA103014	73.56	0.95	21.06	7.59	70.40	0.39	32451	0.05	1.00		21.26	7.66
NA103015	79.40	0.94	20.89	10.97	67.20	0.38	31237	0.06	2.00		21.09	11.07
NA103016	15.34	0.78	18.84	29.03	51.35	0.59	24838	0.03	3.50		18.99	29.26
NA103017	6.28	0.55	19.04	34.77	45.64	0.72	22577	0.05	3.50		19.15	34.96
NA103018	19.75	0.72	18.04	16.86	64.38	0.34	29152	0.04	1.00		18.17	16.98
NA103019	82.01	0.80	19.65	7.26	72.29	0.29	32730	0.08	1.50		19.81	7.32
NA103020	78.63	0.88	21.22	8.12	69.78	0.28	32362	0.05	1.00		21.41	8.19
NA103021	9.11	0.82	19.49	13.95	65.74	0.30	30425	0.06	1.00		19.65	14.07
NA103022	56.02	0.51	18.60	7.44	73.45	0.36	32849	0.02	1.00		18.70	7.48
NA103023	11.35	0.76	18.50	18.07	62.67	0.39	28877	0.04	1.00		18.64	18.21
NA103024	82.21	2.62	18.57	2.26	76.55	0.48	34391	0.04	1.00		19.07	2.32
NA103025	3.81	1.70	17.22	16.82	64.26	0.41	28998	0.13	1.00		17.52	17.11
NA103026	6.08	0.65	18.10	28.57	52.68	0.41	25252	0.03	4.00		18.22	28.76
NA103027	79.87	1.02	17.29	13.99	67.70	0.44	30410	0.06	1.00		17.47	14.13
NA103028	26.62	1.23	16.38	23.80	58.59	0.33	26267	0.03	2.50		16.58	24.10

Sample ID	1.8 Dry FC PCT	1.8 Dry S	1.8 Dry KJ/KG	1.8 Dry P PCT
NA103000	53.64	0.53	25310.43	0.12
NA103001	71.72	0.44	31343.60	0.02
NA103002	60.39	0.39	27273.92	0.04
NA103003	70.49	0.42	31796.76	0.02
NA103004	53.63	0.67	24773.55	0.11
NA103005	60.53	0.66	27033.83	0.01
NA103006	51.12	0.87	23025.79	0.03
NA103007	77.86	0.66	33635.07	0.02
NA103008	66.13	0.56	28813.23	0.04
NA103009	60.44	0.65	27416.04	0.03
NA103010	65.75	0.85	28851.28	0.14
NA103011	54.33	0.75	24511.35	0.12
NA103012	61.63	0.60	28750.13	0.16
NA103013	73.83	0.52	34893.90	0.05
NA103014	71.08	0.39	32762.24	0.05
NA103015	67.84	0.38	31533.41	0.06
NA103016	51.75	0.59	25033.26	0.03
NA103017	45.89	0.72	22701.86	0.05
NA103018	64.85	0.34	29363.42	0.04
NA103019	72.87	0.29	32993.95	0.08
NA103020	70.40	0.28	32649.31	0.05
NA103021	66.28	0.30	30676.55	0.06
NA103022	73.83	0.36	33017.39	0.02
NA103023	63.15	0.39	29098.15	0.04
NA103024	78.61	0.49	35316.29	0.04
NA103025	65.37	0.42	29499.49	0.13
NA103026	53.02	0.41	25417.21	0.03
NA103027	68.40	0.44	30723.38	0.06
NA103028	59.32	0.33	26594.11	0.03

Sample ID	1.8 Flt Recov PCT Wt	1.8 AD H20 PCT	1.8 AD VM PCT	1.8 AD Ash PCT	1.8 AD FC PCT	1.8 AD S PCT	1.8 AD KJ/KG	1.8 AD P PCT	1.8 AD FSI	1.8 Dry H20 PCT	1.8 Dry VM PCT	1.8 Dry Ash PCT
NA103029	95.21	0.46	26.79	12.27	60.48	0.32	31752	0.26	9.00		26.91	12.33
NA103030	50.07	0.36	25.69	14.52	59.43	0.35	30990	0.23	7.50		25.78	14.57
NA103031	92.33	0.55	21.64	8.45	69.36	0.32	32895	0.14	4.00		21.76	8.50
NA103032	23.34	0.38	25.37	11.70	62.55	0.42	32188	0.03	8.00		25.47	11.74
NA103033	64.32	1.39	15.20	29.25	54.16	0.37	23958	0.04	0.00		15.41	29.66
NA103034	35.19	0.93	17.11	36.34	45.62	0.31	21150	0.04	0.00		17.27	36.68
NA103035	70.88	0.88	21.23	28.79	49.10	0.28	24334	0.13	1.00		21.42	29.05
NA103036	81.22	0.96	21.99	25.47	51.58	0.28	25203	0.13	1.00		22.20	25.72
NA103037	32.80	0.99	16.85	42.20	39.96	0.25	19138	0.07	0.00		17.02	42.62
NA103038	11.33	0.99	21.25	27.68	50.08	0.28	23958	0.11	0.00		21.46	27.96
NA103039	62.10	1.83	19.26	21.51	57.40	0.29	26004	0.08	0.00		19.62	21.91
NA103040	24.64	1.07	16.79	31.11	51.03	0.30	22500	0.05	0.00		16.97	31.45
NA103041	8.72	0.69	16.66	38.99	43.66	0.46	20830	0.03	1.00		16.78	39.26
NA103042	8.09	0.65	17.67	31.14	50.54	0.56	24050	0.03	1.50		17.79	31.34
NA103043	2.77	0.76	18.12	32.78	48.34	0.61	23216	0.05	2.50		18.26	33.03
NA103044	10.85	0.70	18.76	26.87	53.67	0.68	25424	0.03	2.50		18.89	27.06
NA103045	31.38	0.80	20.54	19.86	58.80	0.62	28216	0.05	6.50		20.71	20.02
NA103046	13.56	0.51	16.66	30.68	52.15	0.49	23883	0.02	1.00		16.75	30.84
NA103047	15.96	0.60	22.27	14.30	62.83	0.70	30479	0.04	9.00		22.40	14.39
NA103048	2.47	0.80	16.95	35.52	46.73	0.62	22403	0.04	2.00		17.09	35.81
NA103049	3.38	0.58	17.76	32.70	48.96	0.59	23498	0.09	2.00		17.86	32.89
NA103050	5.79	0.72	18.08	33.96	47.24	0.89	23286	0.04	5.00		18.21	34.21
NA103051	2.56	0.18	14.71	40.57	44.54	0.63	20185	0.13	1.00		14.74	40.64
NA103052	53.95	0.58	15.79	28.30	55.33	0.66	25704	0.19	2.00		15.88	28.47
NA103053	6.37	0.81	15.33	30.15	53.71	0.69	24477	0.13	1.00		15.46	30.40
NA103054	29.44	0.34	14.16	28.19	57.31	0.66	25141	0.05	1.00		14.21	28.29
NA103055	10.71	0.74	14.53	23.69	61.04	2.24	26943	0.04	0.50		14.64	23.87
NA103056	2.69	0.41	14.18	48.92	36.49	0.61	16849	0.09	0.00		14.24	49.12

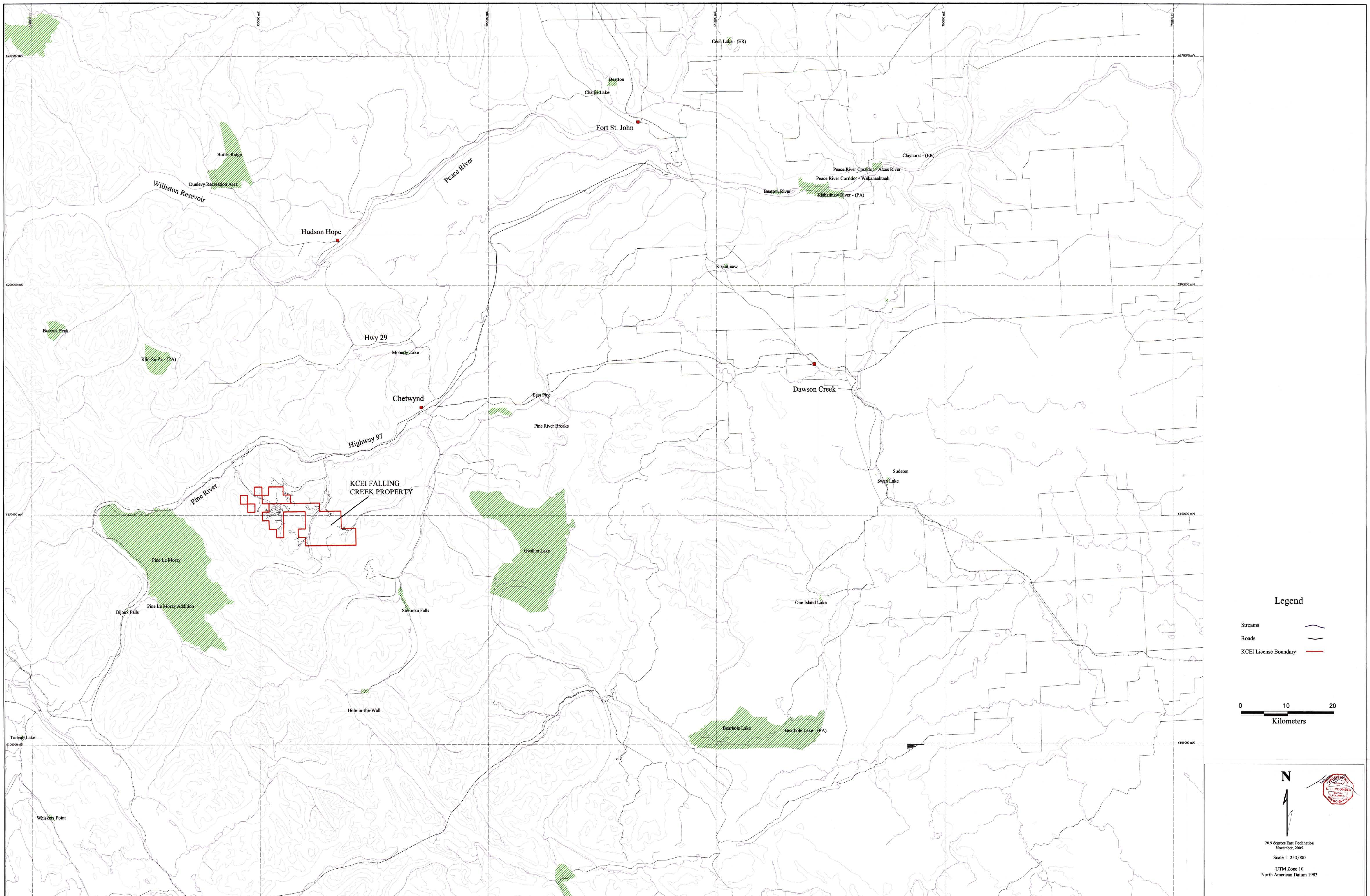
Sample ID	1.8 Dry FC PCT	1.8 Dry S	1.8 Dry KJ/KG	1.8 Dry P PCT
NA103029	60.76	0.32	31898.73	0.26
NA103030	59.64	0.35	31101.97	0.23
NA103031	69.74	0.32	33076.92	0.14
NA103032	62.79	0.42	32310.78	0.03
NA103033	54.92	0.38	24295.71	0.04
NA103034	46.05	0.31	21348.54	0.04
NA103035	49.54	0.28	24550.04	0.13
NA103036	52.08	0.28	25447.29	0.13
NA103037	40.36	0.25	19329.36	0.07
NA103038	50.58	0.28	24197.56	0.11
NA103039	58.47	0.30	26488.74	0.08
NA103040	51.58	0.30	22743.35	0.05
NA103041	43.96	0.46	20974.73	0.03
NA103042	50.87	0.56	24207.35	0.03
NA103043	48.71	0.61	23393.79	0.05
NA103044	54.05	0.68	25603.22	0.03
NA103045	59.27	0.63	28443.55	0.05
NA103046	52.42	0.49	24005.43	0.02
NA103047	63.21	0.70	30662.98	0.04
NA103048	47.11	0.63	22583.67	0.04
NA103049	49.25	0.59	23635.08	0.09
NA103050	47.58	0.90	23454.88	0.04
NA103051	44.62	0.63	20221.40	0.13
NA103052	55.65	0.66	25853.95	0.19
NA103053	54.15	0.70	24676.88	0.13
NA103054	57.51	0.66	25226.77	0.05
NA103055	61.50	2.26	27143.86	0.04
NA103056	36.64	0.61	16918.37	0.09

Sample ID	1.8 Flt Recov PCT Wt	1.8 AD H20 PCT	1.8 AD VM PCT	1.8 AD Ash PCT	1.8 AD FC PCT	1.8 AD S PCT	1.8 AD KJ/KG	1.8 AD P PCT	1.8 AD FSI	1.8 Dry H20 PCT	1.8 Dry VM PCT	1.8 Dry Ash PCT
NA103057	2.46	0.63	13.28	54.18	31.91	0.57	14689	0.10	0.00		13.36	54.52
NA103058	4.09	0.53	13.35	46.94	39.18	0.64	17864	0.11	0.00		13.42	47.19
NA103059	4.03	0.28	13.72	48.73	37.27	0.67	17334	0.13	1.00		13.76	48.87
NA103060	4.24	0.70	13.84	47.20	38.26	1.16	17879	0.06	1.00		13.94	47.53
NA103061	4.24	0.78	15.28	38.99	44.95	1.58	20872	0.06	1.00		15.40	39.30
NA103062	4.78	0.62	15.49	37.74	46.15	1.60	21399	0.06	1.50		15.59	37.98
NA103063	5.08	0.83	15.24	39.14	44.79	1.72	20875	0.06	1.50		15.37	39.47
NA103064	96.40	2.03	13.46	20.31	64.20	0.89	27671	0.09	0.00		13.74	20.73
NA103065	82.44	2.22	13.71	22.36	61.71	0.89	26800	0.10	0.00		14.02	22.87
NA103066	79.68	2.71	13.79	18.86	64.64	0.86	27940	0.08	0.00		14.17	19.39
NA103067	77.02	1.89	14.33	21.99	61.79	0.88	27118	0.07	0.00		14.61	22.41
NA103068	81.54	1.54	14.44	28.25	55.77	0.69	24688	0.04	0.00		14.67	28.69
NA103069	71.71	2.65	12.83	25.22	59.30	0.61	25459	0.04	0.00		13.18	25.91
NA103070	70.84	2.28	12.86	26.97	57.89	0.61	25091	0.04	0.00		13.16	27.60
NA103071	76.20	2.40	13.50	27.22	56.88	0.63	24860	0.04	0.00		13.83	27.89
NA103072	3.92	0.64	11.94	61.40	26.02	0.37	12351	0.08	0.0		12.02	61.80
NA103073	24.00	0.87	14.04	47.34	37.75	0.52	17834	0.03	1.0		14.16	47.76
NA103074	1.93	0.76	16.55	59.94	22.75	0.32	10913	0.06	0.0		16.68	60.40
NA103075	85.87	1.02	13.77	21.15	64.06	0.55	27740	0.01	1.0		13.91	21.37
NA103076	5.55	0.85	14.38	39.65	45.12	0.56	20939	0.03	1.5		14.50	39.99
NA103077	45.47	1.26	15.86	13.76	69.12	0.61	30335	0.01	1.0		16.06	13.94
NA103078	62.42	1.23	15.14	6.43	77.20	0.62	33119	0.02	1.0		15.33	6.51
NA103079	2.41	0.72	12.12	51.87	35.29	0.51	16795	0.03	0.0		12.21	52.25
NA103080	35.57	1.00	18.44	13.91	66.65	0.85	30604	0.15	6.0		18.63	14.05
NA103081	3.49	0.69	10.16	52.26	36.89	0.41	16470	0.05	0.0		10.23	52.62
NA103082	3.09	0.73	13.53	31.43	54.31	0.66	24631	0.04	0.0		13.63	31.66
NA103083	3.56	0.84	13.15	45.35	40.66	0.69	18841	0.04	1.0		13.26	45.73
NA103084	6.24	0.79	13.81	26.64	58.76	0.60	26214	0.24	0.0		13.92	26.85

Sample ID	1.8 Dry FC PCT	1.8 Dry S	1.8 Dry KJ/KG	1.8 Dry P PCT
NA103057	32.11	0.57	14782.13	0.10
NA103058	39.39	0.64	17959.18	0.11
NA103059	37.37	0.67	17382.67	0.13
NA103060	38.53	1.17	18005.04	0.06
NA103061	45.30	1.59	21036.08	0.06
NA103062	46.44	1.61	21532.50	0.06
NA103063	45.16	1.73	21049.71	0.06
NA103064	65.53	0.91	28244.36	0.09
NA103065	63.11	0.91	27408.47	0.10
NA103066	66.44	0.88	28718.26	0.08
NA103067	62.98	0.90	27640.40	0.07
NA103068	56.64	0.70	25074.14	0.04
NA103069	60.91	0.63	26152.03	0.04
NA103070	59.24	0.62	25676.42	0.04
NA103071	58.28	0.65	25471.31	0.04
NA103072	26.19	0.37	12431	0.08
NA103073	38.08	0.52	17991	0.03
NA103074	22.92	0.32	10997	0.06
NA103075	64.72	0.56	28026	0.01
NA103076	45.51	0.56	21119	0.03
NA103077	70.00	0.62	30722	0.01
NA103078	78.16	0.63	33531	0.02
NA103079	35.55	0.51	16917	0.03
NA103080	67.32	0.86	30913	0.15
NA103081	37.15	0.41	16584	0.05
NA103082	54.71	0.66	24812	0.04
NA103083	41.00	0.70	19001	0.04
NA103084	59.23	0.60	26423	0.24

Sample ID	1.8 Flt Recov PCT Wt	1.8 AD H20 PCT	1.8 AD VM PCT	1.8 AD Ash PCT	1.8 AD FC PCT	1.8 AD S PCT	1.8 AD KJ/KG	1.8 AD P PCT	1.8 AD FSI	1.8 Dry H20 PCT	1.8 Dry VM PCT	1.8 Dry Ash PCT
NA103085	1.01	1.26	12.92	41.42	44.40	0.51	19837	0.20	0.0		13.08	41.95
NA103086	5.51	0.92	14.21	30.12	54.75	0.86	24214	0.09	0.0		14.34	30.40
NA103087	9.67	0.70	11.98	46.60	40.72	0.48	17903	0.12	0.0		12.06	46.93
NA103088	11.09	0.85	13.45	35.40	50.30	0.82	22191	0.06	0.0		13.57	35.70

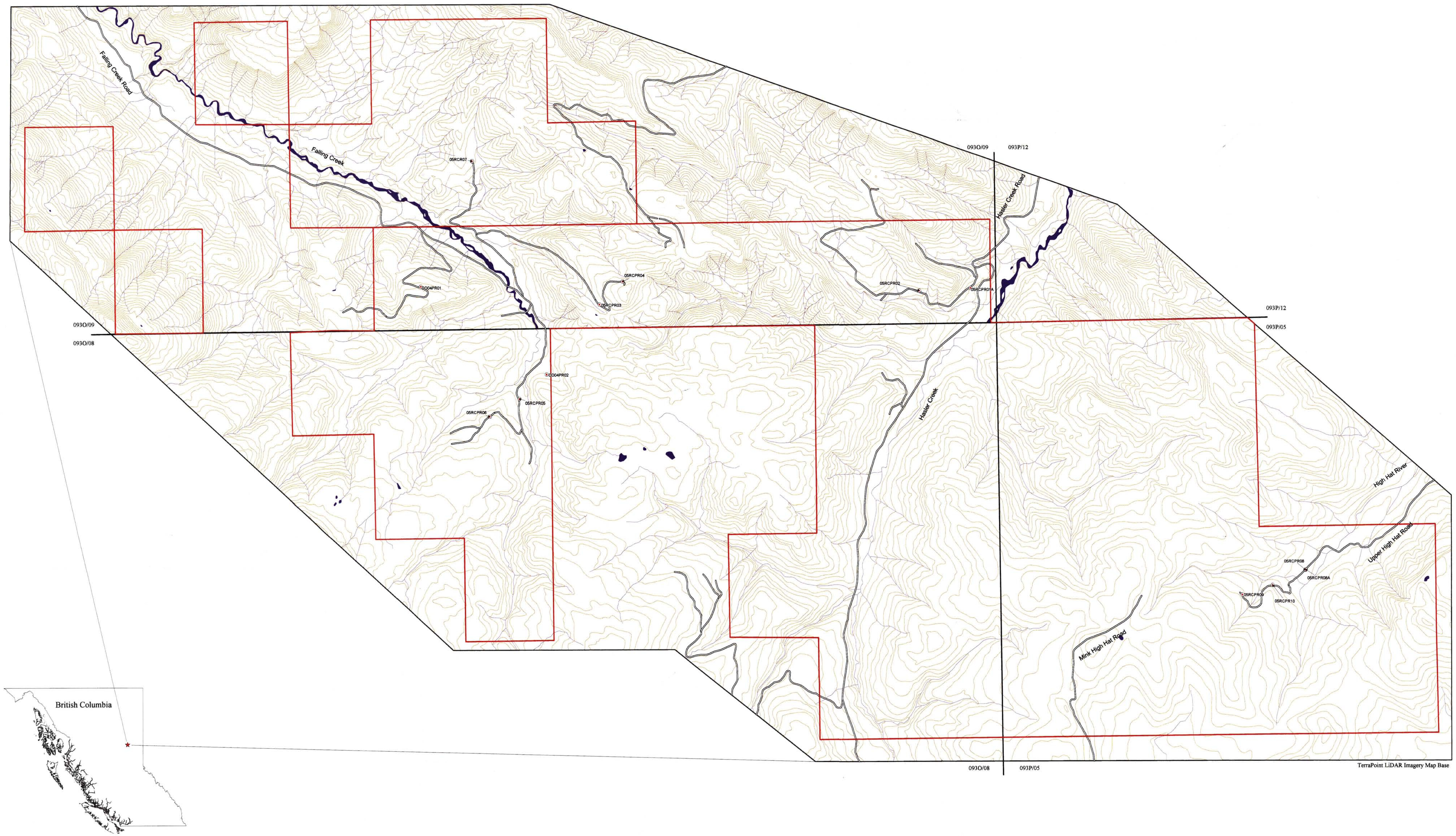
Sample ID	1.8 Dry FC PCT	1.8 Dry S	1.8 Dry KJ/KG	1.8 Dry P PCT
NA103085	44.97	0.52	20090	0.20
NA103086	55.26	0.87	24439	0.09
NA103087	41.01	0.48	18029	0.12
NA103088	50.73	0.83	22381	0.06



Compiled by S. Hovis, November 10, 2005

PLATE 1
Falling Creek
Property Location
Map

Kennecott Canada Exploration, Inc.



Legend

Streams	
Roads	
KCEI License Boundary	
KCEI Drill Hole	

0 1,000 2,000

meters

N

20.9 degrees East Declination
November, 2005

Scale 1: 20,000

UTM Zone 10
North American Datum 1983

Compiled by S. Hovis, November 10, 2005

PLATE 2

Falling Creek Property Boundary and Drill Hole Location Map

Kennecott Canada Exploration, Inc.

Falling Creek Cross Section Names
Section A
Section B
Section C
Section D
Section E
Section F
Legend
Streams
Roads
KCEI License Boundary
KCEI Strike/Dip
Historic Strike/Dip
Fault
Anticline
Syncline
Coal Occurence
KCEI Drill Hole
Historic Drill Hole
Cross Section Line
Cretaceous
Fort St. John Group
Crassier Group
Commotion Formation (Cm)
Moosebar Formation (Mb)
Gething Formation (Gt)
Dresser Formation (Dr)
0
1,000
2,000
meters
N
20.9 degrees East Declination
November, 2005
Scale 1: 20,000
UTM Zone 10
North American Datum 1983
Compiled by S. Hovis, November 10, 2005
PLATE 3
Falling Creek Property
Geologic Map
Kennecott Canada Exploration, Inc.
Falling Creek Road
Falling Creek
Creek Road
High Hat River
Upper High Hat Road
Hasler Creek
Cm
Mb
Gt
Dr
093O/09
093P/12
093O/08
093P/05
British Columbia
LiDAR Imagery from Terrapoint.
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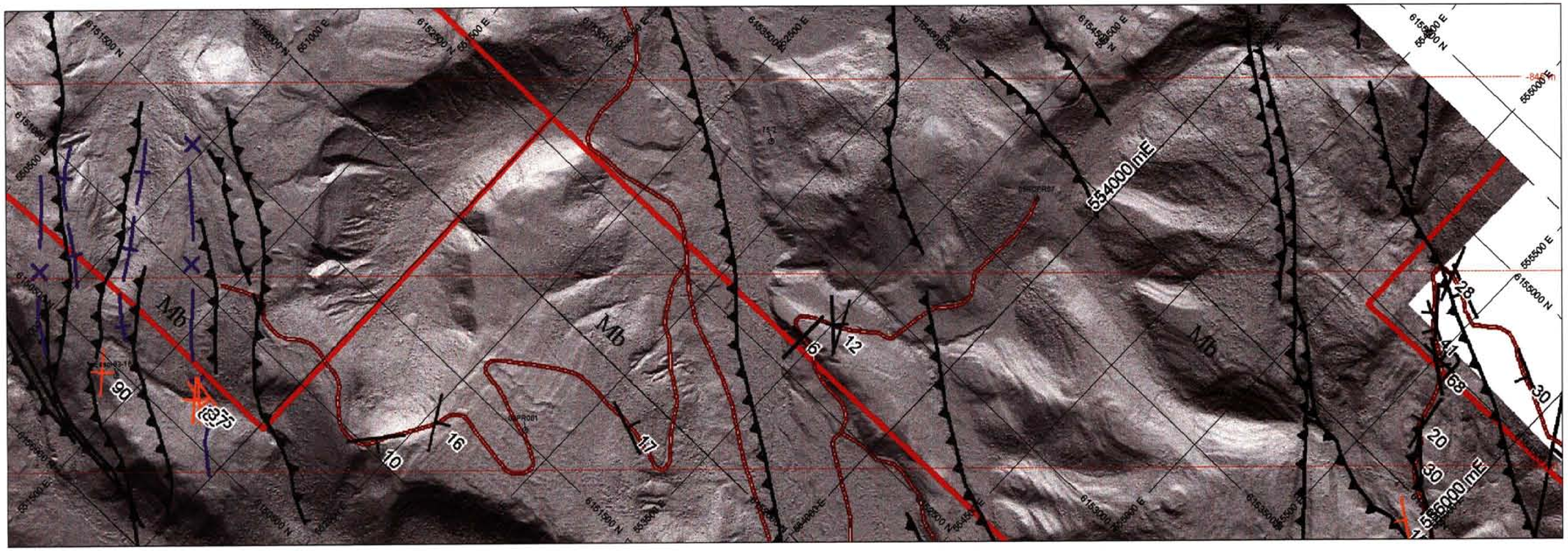
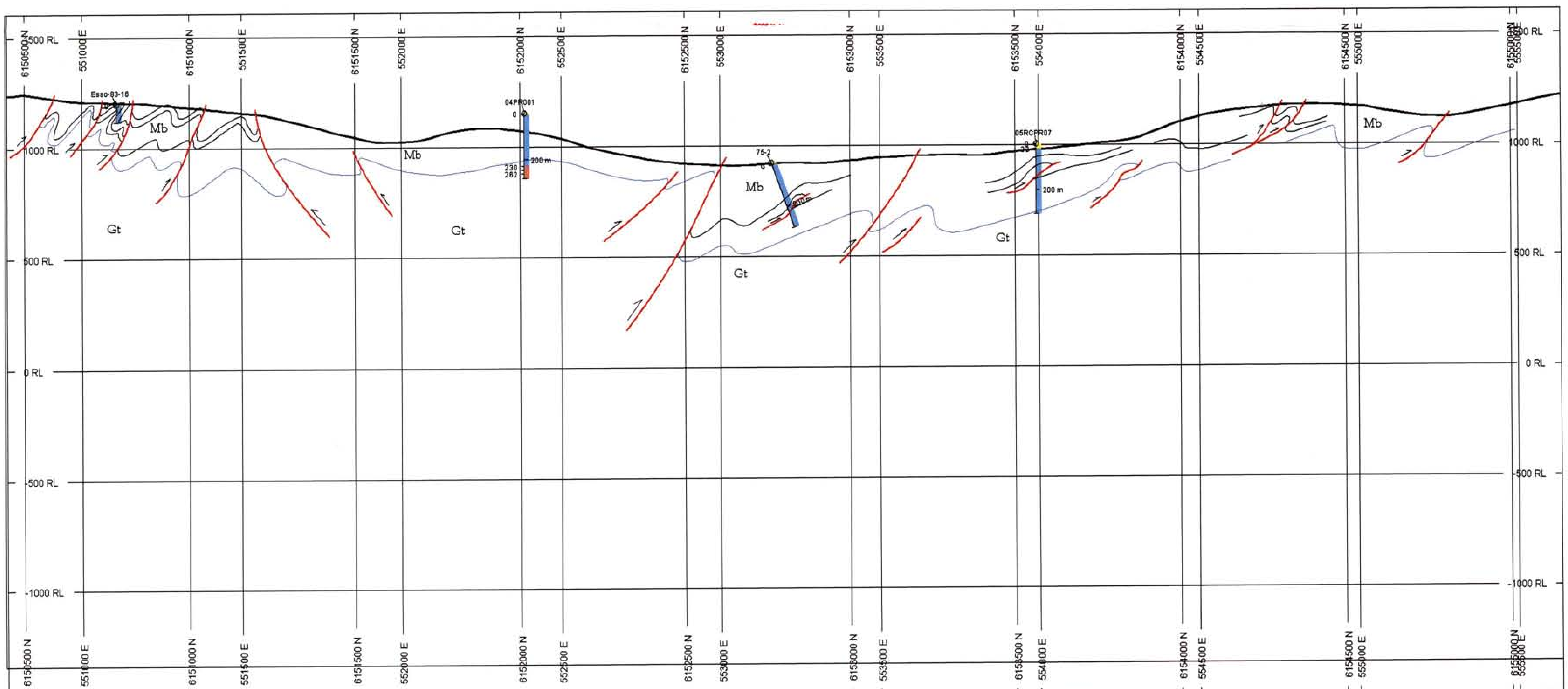




HOLES PLOTTED

TOTAL 4

04PR001 D5RCPR07 75-2 Esso-83-16

Fault

Moosebar/Gething Contact

ROCK CODES Lith	L/R R	PAT	LABEL	DESCRIPTION
			Coal	
			Gething	
			Moosebar	
			Overburden	

ASSAYS At	L/R L	TEXT

SECTION SPECS:

REF. PT. E, N	553200 m	6152800 m
EXTENTS	6771 m	3099 m
SECTION TOP, BOT	1610 m	-1489 m
TOLERANCE +/-	845 m	

SCALE 1 : 15000

(m)

-100 0 100 200 300 400 500

NAD83 / UTM zone 10N

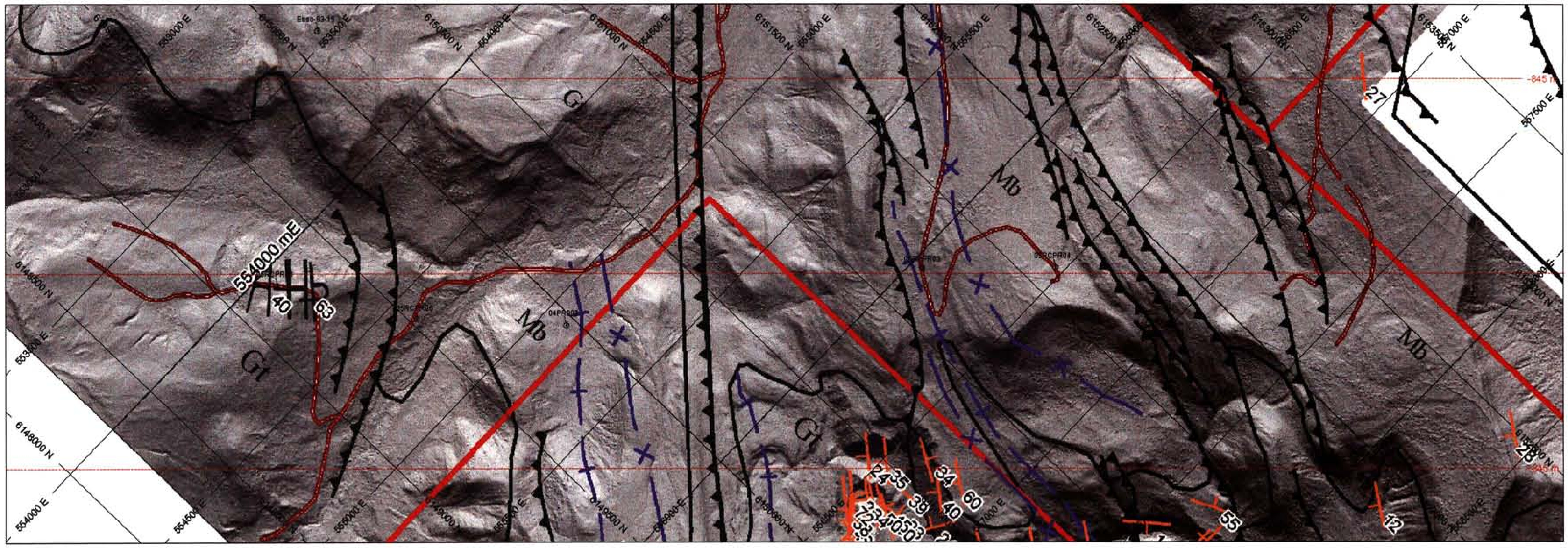
AZIMUTH = 48°

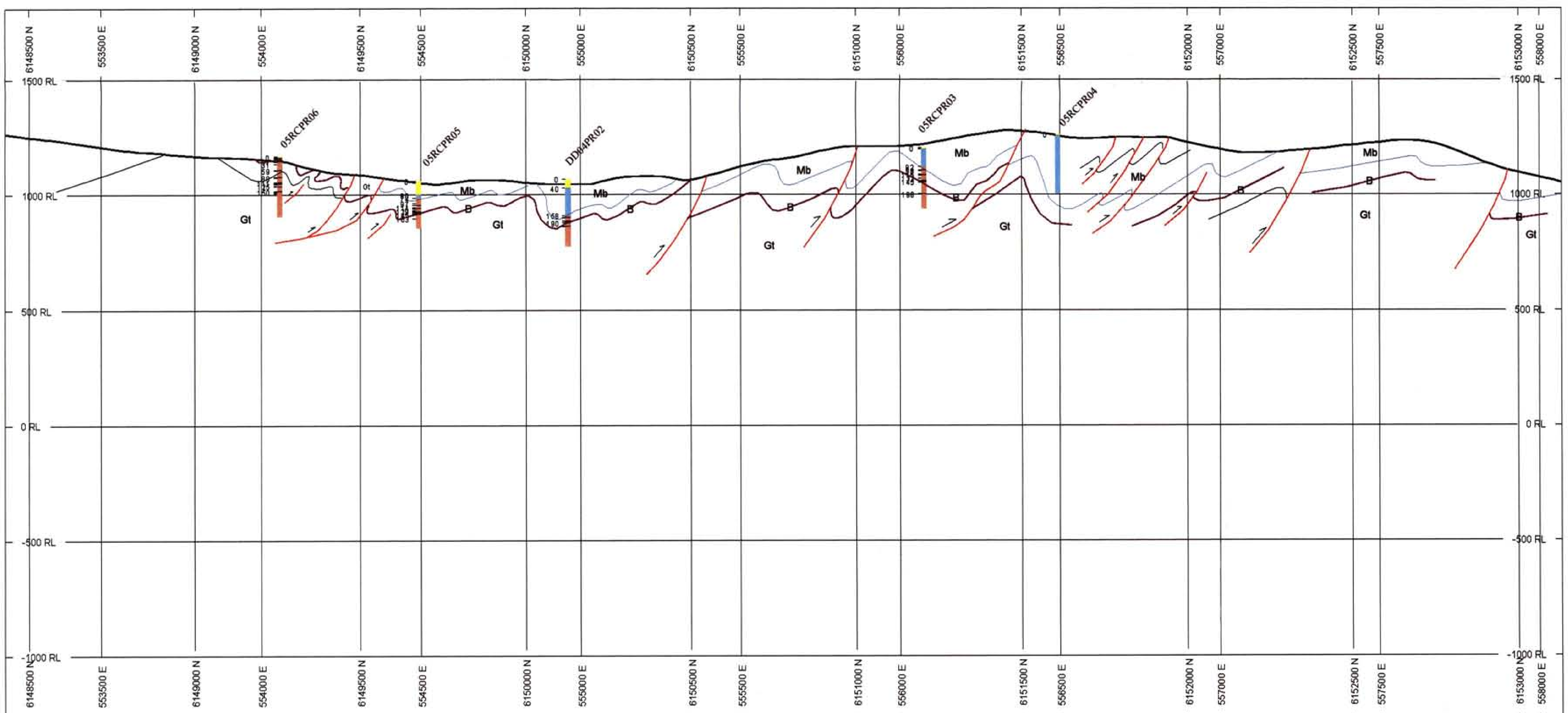
PROFESSIONAL PROVINCE OF S. F. COOMBES BRITISH COLUMBIA GEOSCIENTIST

Kennecott Canada Exploration, Inc.

PLATE 4
Cross Section A
Falling Creek Area

Falling Creek Property





HOLES PLOTTED

TOTAL 5

04PR002 05RCPR03 05RCPR04 05RCPR05
05RCPR06

Brenda Seam

Moosebar/Gething Contact

Fault

ROCK CODES Lith	L/R R	PAT	LABEL	DESCRIPTION
			Coal	
			Gething	
			Moosebar	
			Overburden	

ASSAYS At	L/R L	TEXT

SECTION SPECS:

REF. PT. E, N	555635 m	6150780 m
EXTENTS	6771 m	3099 m
SECTION TOP, BOT	1810 m	-1289 m
TOLERANCE +/-	845 m	

SCALE 1 : 15000

(m)

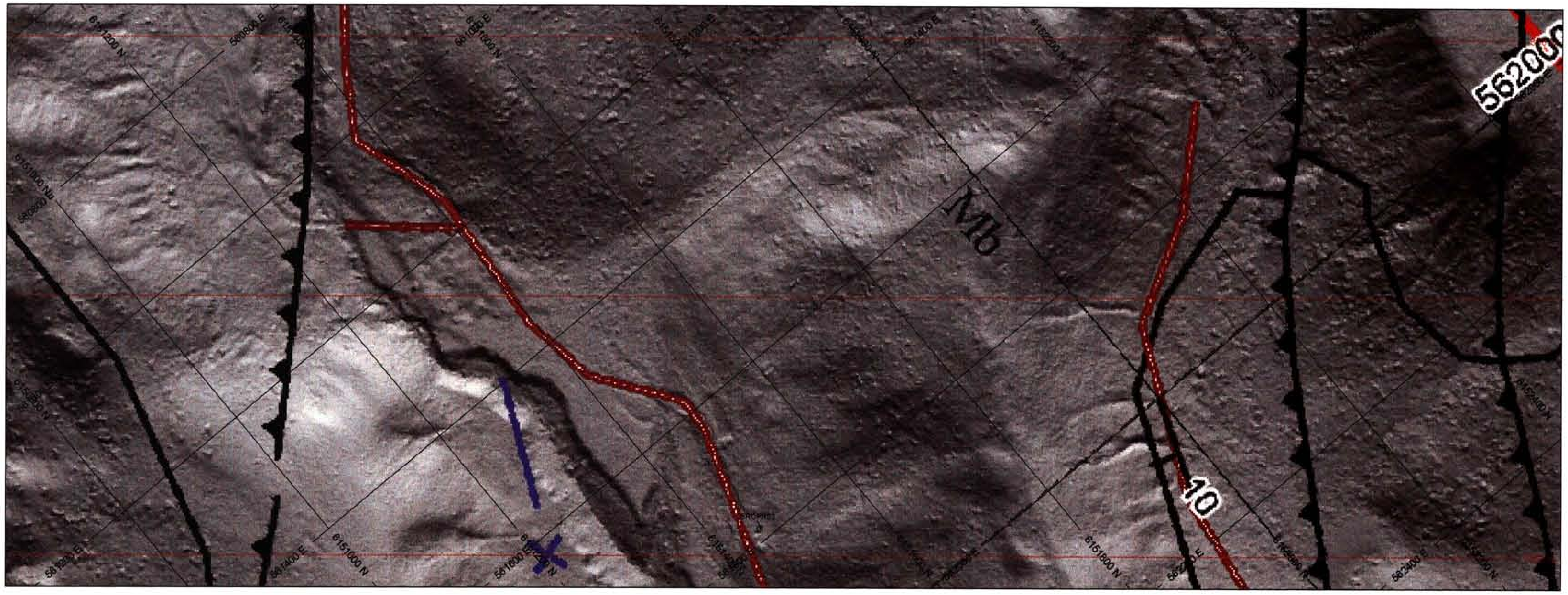
NAD83 / UTM zone 10N

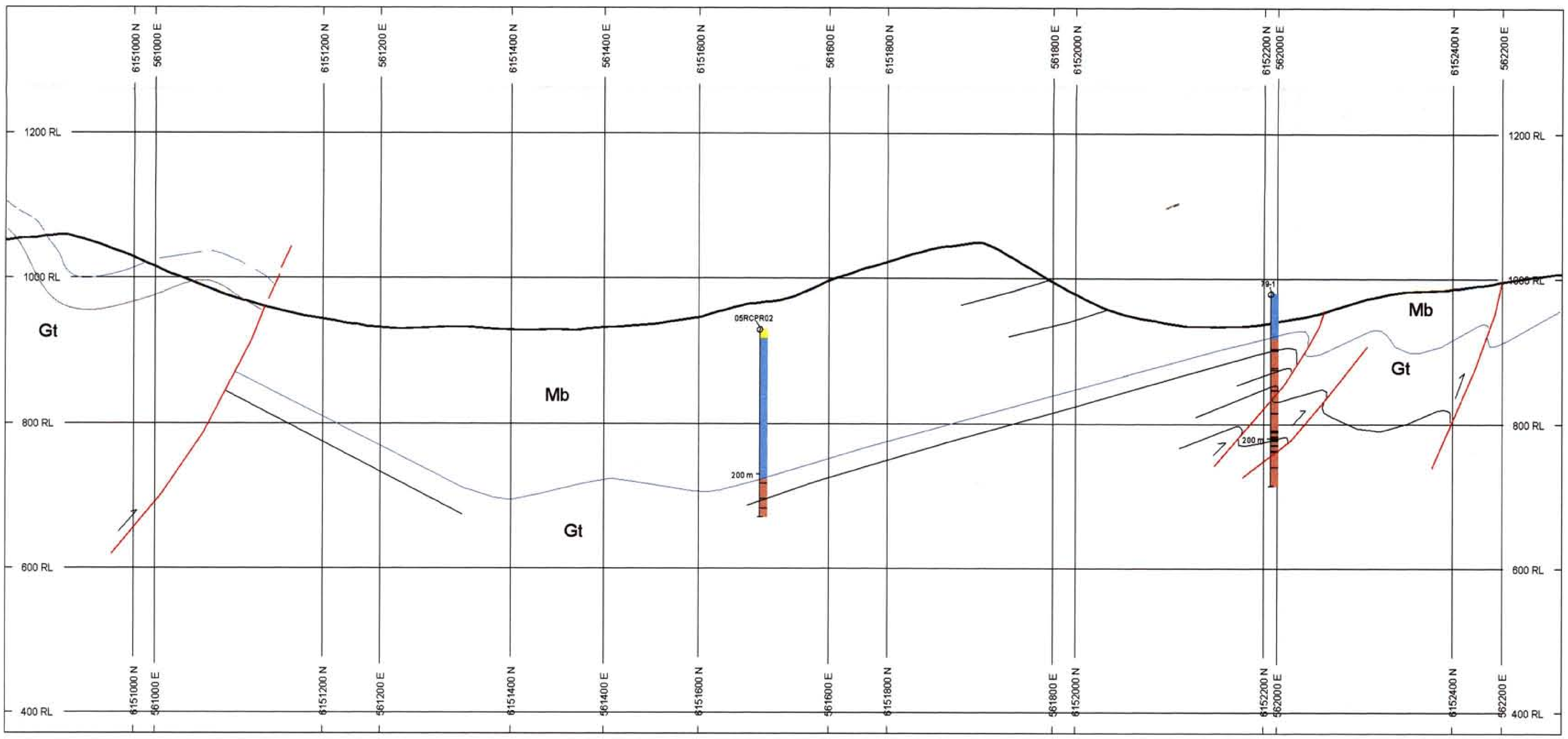
AZIMUTH = 45°

Kennecott Canada Exploration, Inc.

PLATE 5
Cross Section B
Falling Creek Area

Falling Creek Property





Fault

Moosebar/Gething Contact

ROCK CODES	L/R	PAT	LABEL	DESCRIPTION
Lith	R		Coal	
			Gething	
			Moosebar	
			Overburden	

SECTION SPECS:

REF. PT. E, N	561560 m	6151690 m
EXTENTS	2157 m	1004 m
SECTION TOP, BOT	1375 m	371.2 m
TOLERANCE +/-	358 m	

SCALE 1 : 5000

(m)

-50 0 50 100 150 200

NAD83 / UTM zone 10N

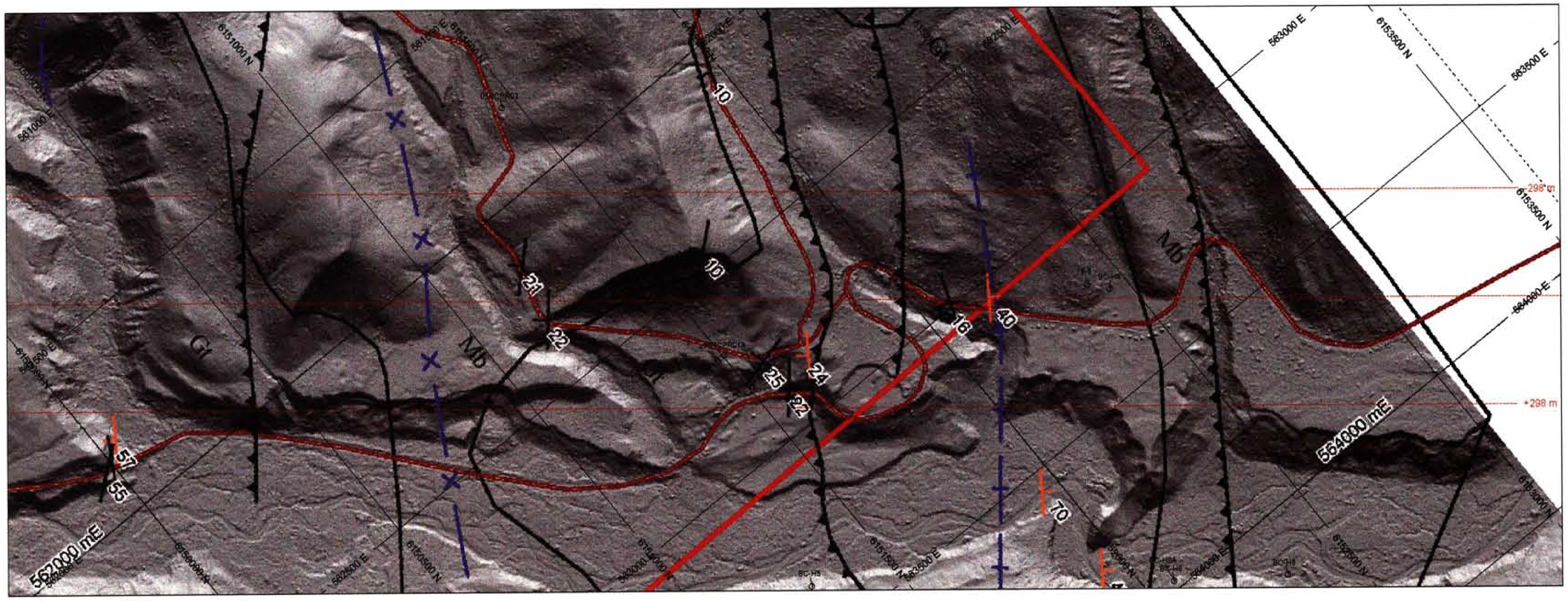
AZIMUTH = 40°

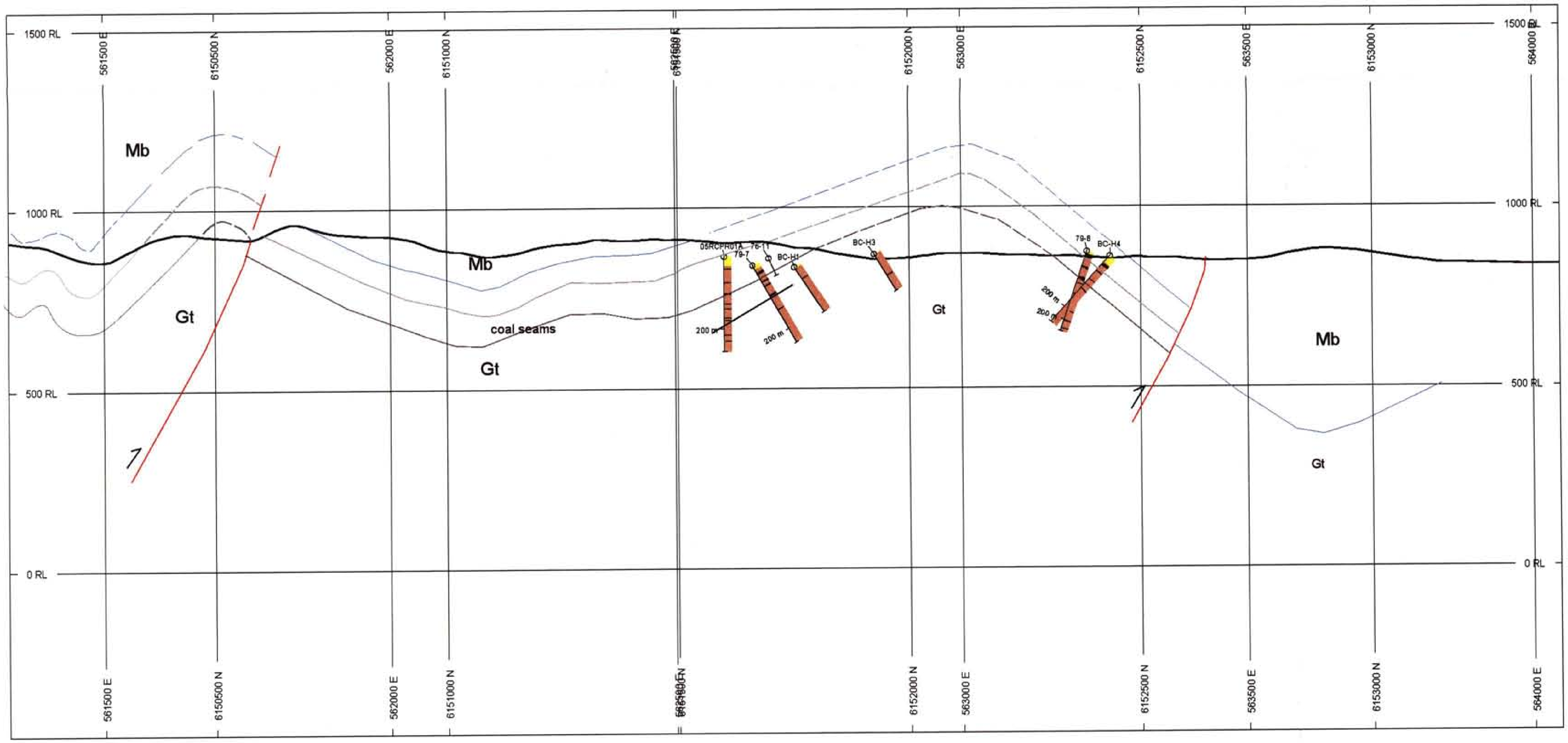
N W E S

Kennecott Canada Exploration Inc.

PLATE 6
Cross Section C
Hasler Creek Area

Falling Creek Property





Fault

Moosebar/Gething Contact

PROFESSIONAL
PROVINCE OF BRITISH COLUMBIA
S. F. COOMBES
GEOSCIENTIST

ROCK CODES	L/R	PAT	LABEL	DESCRIPTION
Lith	R		Coal	
			Fault	
			Gething	
			Overburden	

SECTION SPECS:

REF. PT. E, N	562690 m	6151730 m
EXTENTS	4314 m	2008 m
SECTION TOP, BOT	1551 m	-457.5 m
TOLERANCE +/-	298 m	

SCALE 1 : 10000

(m)

-100 0 100 200 300 400

NAD83 / UTM zone 10N

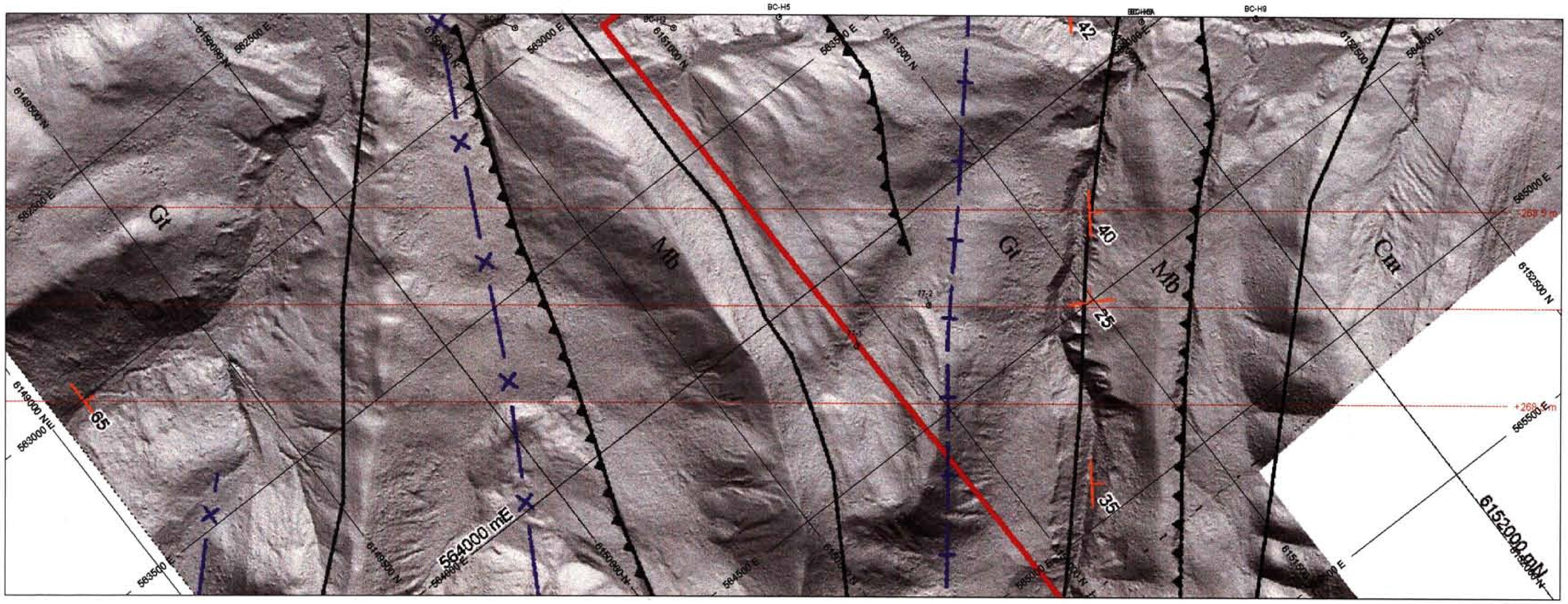
AZIMUTH = 39°

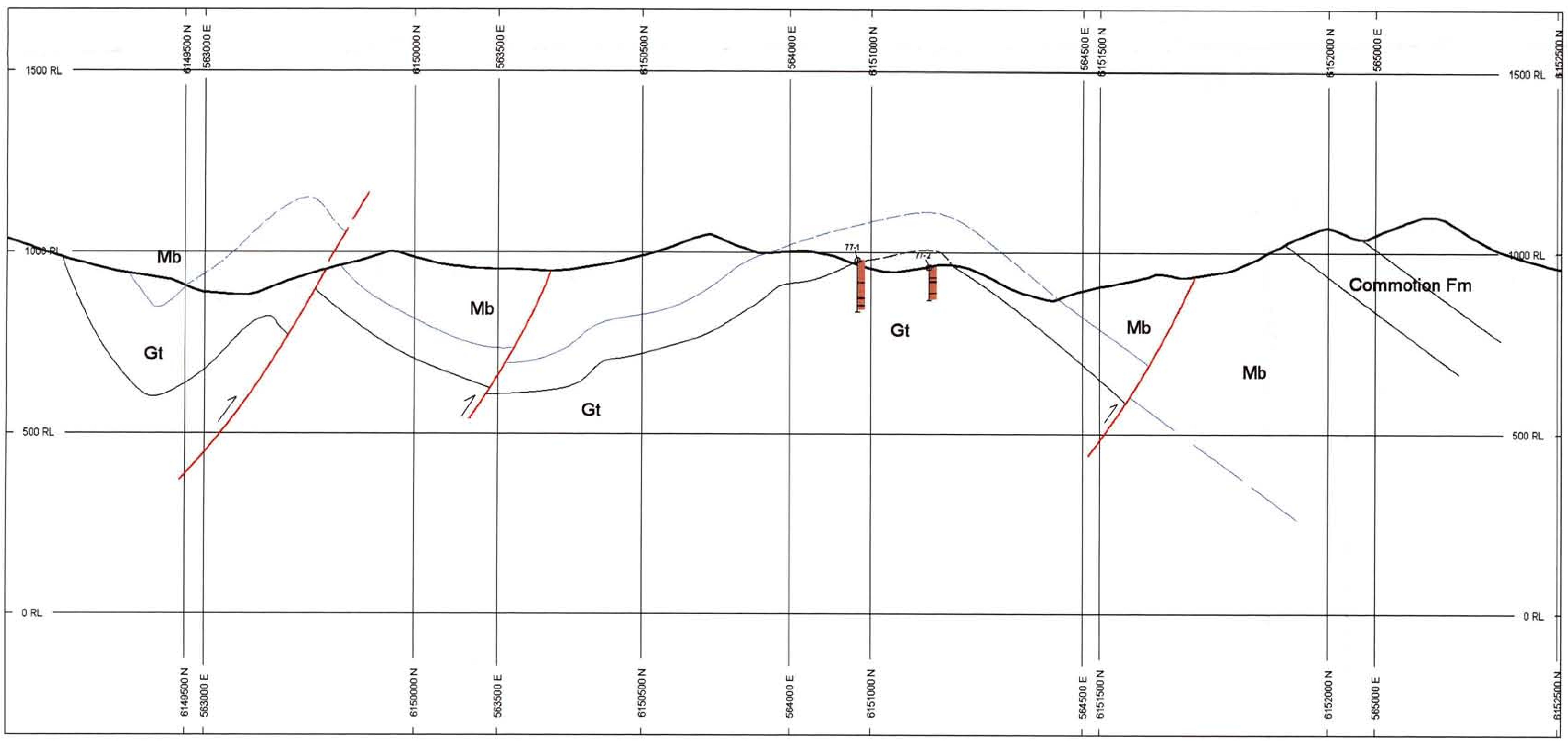
N W E S

Kennecott Canada Exploration Inc.

PLATE 7
Cross Section D
Hasler Creek Area

Falling Creek Property





Fault

Moosebar/Gething Contact

PROFESSIONAL PROVINCE OF S. F. COMBES BRITISH COLUMBIA GEOSCIENTIST

ROCK CODES	L/R	PAT	LABEL	DESCRIPTION
Lith	R		Coal	
			Gething	

SECTION SPECS:

REF. PT. E, N	563990 m	6150810 m
EXTENTS	4314 m	2008 m
SECTION TOP, BOT	1673 m	-335.5 m
TOLERANCE +/-	268.5 m	

SCALE 1 : 10000

(m)

-100 0 100 200 300 400

NAD83 / UTM zone 10N

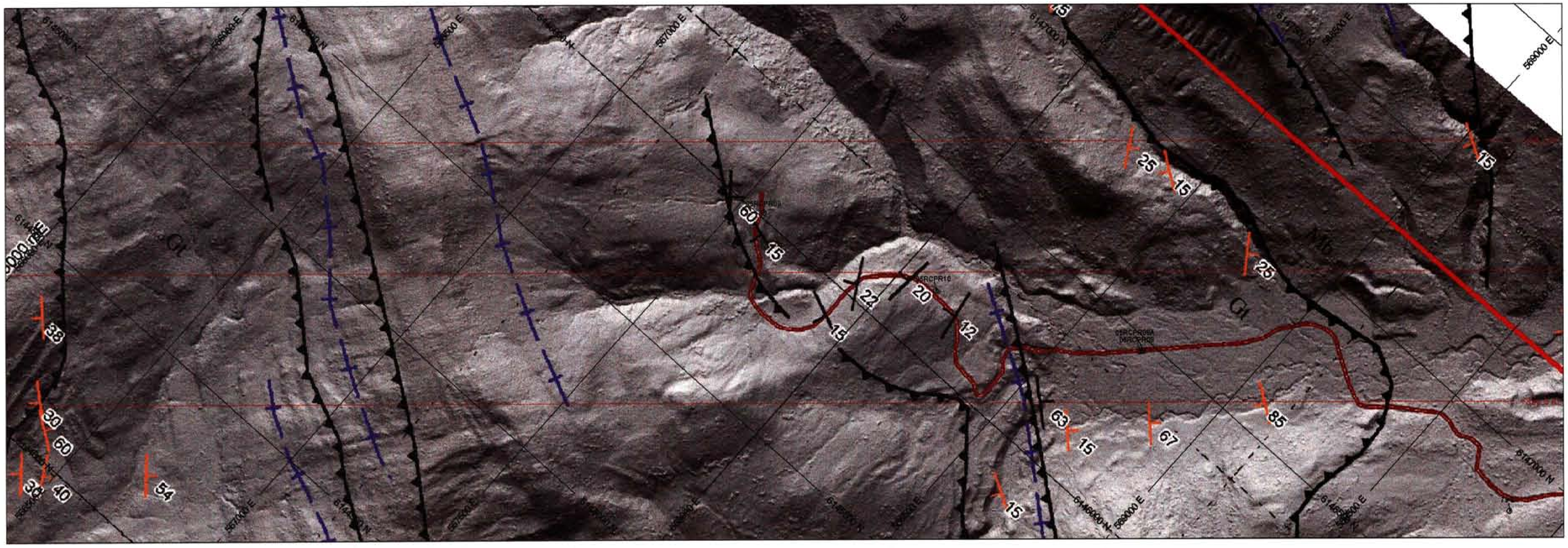
AZIMUTH = 38°

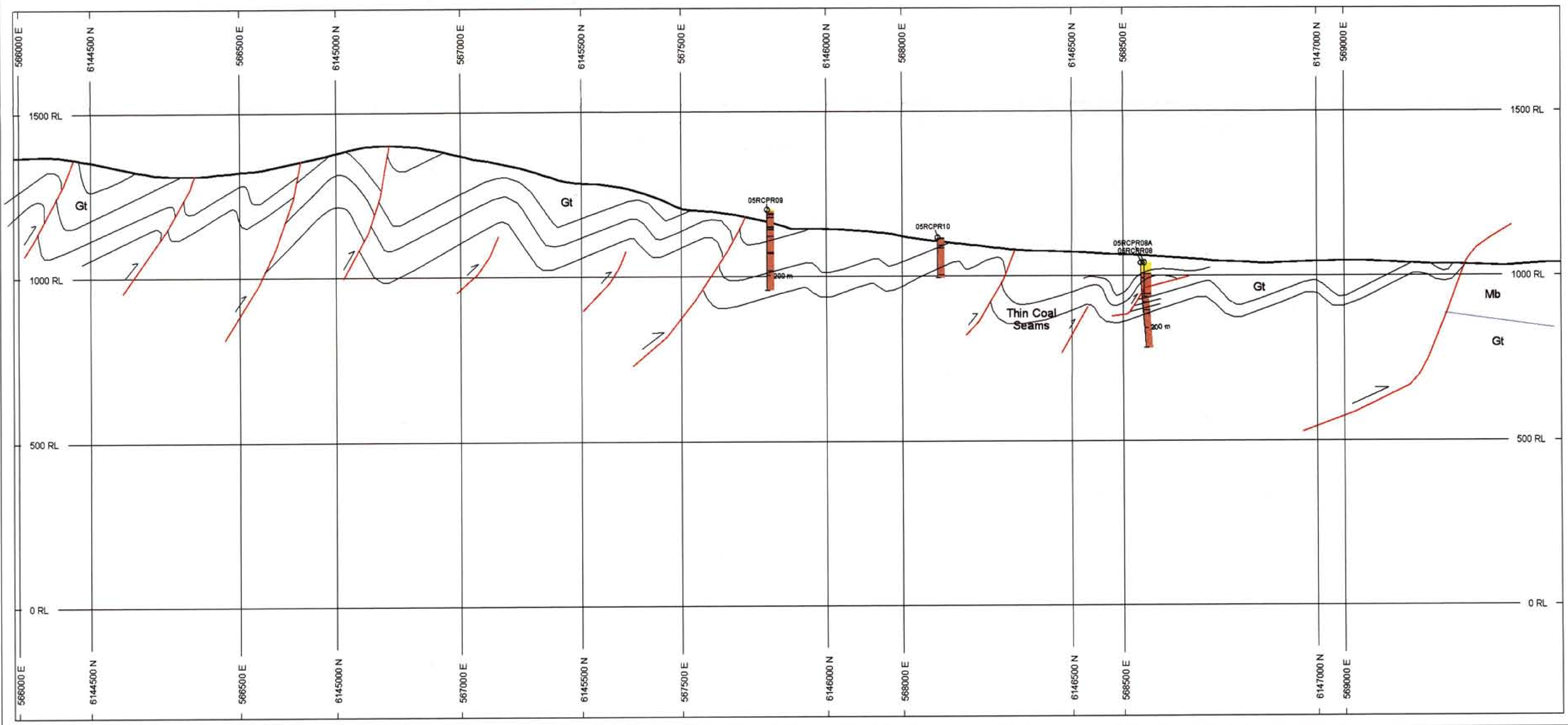
N E S W

Kennecott Canada Exploration Inc.

PLATE 8
Cross Section E
Hasler Creek Area

Falling Creek Property





HOLES PLOTTED

TOTAL 4

05RCPR08 05RCPR08A 05RCPR09
05RCPR10

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Fault

Moosebar/Gething Contact

ROCK CODES Lith	L/R R	PAT	LABEL	DESCRIPTION
			Coal	
			Gething	
			Overburden	

SECTION SPECS:

REF. PT. E, N	587740 m	6145920 m
EXTENTS	4714 m	2151 m
SECTION TOP, BOT	1815 m	-336.3 m
TOLERANCE +/-	394.5 m	

SCALE 1 : 10000
(m)
-50 0 50 100 150 200 250 300
NAD83 / UTM zone 10N

AZIMUTH = 49°
N W E S

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PLATE 9
Cross Section F
High Hat Area

Falling Creek Property

STRIP LOG: 04PR001

Easting	Northing	RL	Azimuth	Dip	Depth
552850.0	6151530.0	1170.0	0.0	-90.0	282.4

STRIP			
2	Lith	PAT	LABEL
			Coal
			Gething
			Moosebar
			Overburden

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PLATE 10
Strip Log
DD04PR01

Falling Creek Property

STRIP LOG: 04PR002

Easting	Northing	RL	Azimuth	Dip	Depth
555108.0	6149960.0	1067.0	0.0	-90.0	290.9

STRIP

2 Lith

PAT	LABEL
(black)	Coal
(brown)	Gething
(blue)	Moosebar
(yellow)	Overburden

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PLATE 11
STRIP LOG
DD04PR002

Falling Creek Property

STRIP LOG: 05RCPR01A

Easting	Northing	RL	Azimuth	Dip	Depth
562703.0	6151505.0	865.0	0.0	-90.0	262.1

STRIP 2

Lith

PAT	LABEL
(black)	Coal
(brown)	Gething
(yellow)	Overburden

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PLATE 12
Strip Log
05RCPR01A

Falling Creek Property

STRIP LOG: 05RCPR02

Easting	Northing	RL	Azimuth	Dip	Depth
561784.0	6151459.0	930.0	0.0	-90.0	259.1

STRIP		PAT	LABEL
2	Lith		Coal
			Gething
			Moosebar
			Overburden

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PLATE 13
Strip Log
05RCPR02

Falling Creek Property

STRIP LOG: 05RCPR03

Easting	Northing	RL	Azimuth	Dip	Depth
556051.0	6151213.0	1200.0	0.0	-90.0	262.1

STRIP
2

Lith	PAT	LABEL
	(black)	Coal
	(brown)	Gething
	(blue)	Moosebar
	(yellow)	Overburden

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PLATE 14
Strip Log
05RCPR03

Falling Creek Property

STRIP LOG: 05RCPR04

Easting	Northing	RL	Azimuth	Dip	Depth
556466.0	6151619.0	1260.0	0.0	-90.0	260.0

STRIP
2

Lith	PAT	LABEL
	(blue)	Moosebar
	(yellow)	Overburden

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PLATE 15
Strip Log
05RCPR04

Falling Creek Property

STRIP LOG: 05RCPR05

Easting	Northing	RL	Azimuth	Dip	Depth
554619.0	6149527.0	1059.0	0.0	-90.0	204.0

Vertical scale 1:300

STRIP 2

Lith	PAT	LABEL
	(black)	Coal
	(brown)	Gething
	(blue)	Moosebar
	(yellow)	Overburden

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PLATE 16
Strip Log
05RCPR05

Falling Creek Property

STRIP LOG: 05RCPR06

Easting	Northing	RL	Azimuth	Dip	Depth
554087.0	6149209.0	1164.0	0.0	-90.0	259.0

STRIP		PAT	LABEL
2	Lith	(black)	Coal
		(brown)	Gething
		(yellow)	Overburden

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PLATE 17
Strip Log
05RCPR06

Falling Creek Area

STRIP LOG: 05RCPR07

Easting	Northing	RL	Azimuth	Dip	Depth
553767.0	6153798.0	1030.0	0.0	-90.0	304.8

STRIP		PAT	LABEL
2	Lith	(blue)	Moosebar
		(yellow)	Overburden

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PLATE 18
Strip Log
05RCPR07

Falling Creek Property

STRIP LOG: 05RCPR08

Easting	Northing	RL	Azimuth	Dip	Depth
568701.0	6146461.0	1040.0	0.0	-90.0	259.1

STRIP
2 Lith

PAT	LABEL
(black)	Coal
(brown)	Gething
(yellow)	Overburden

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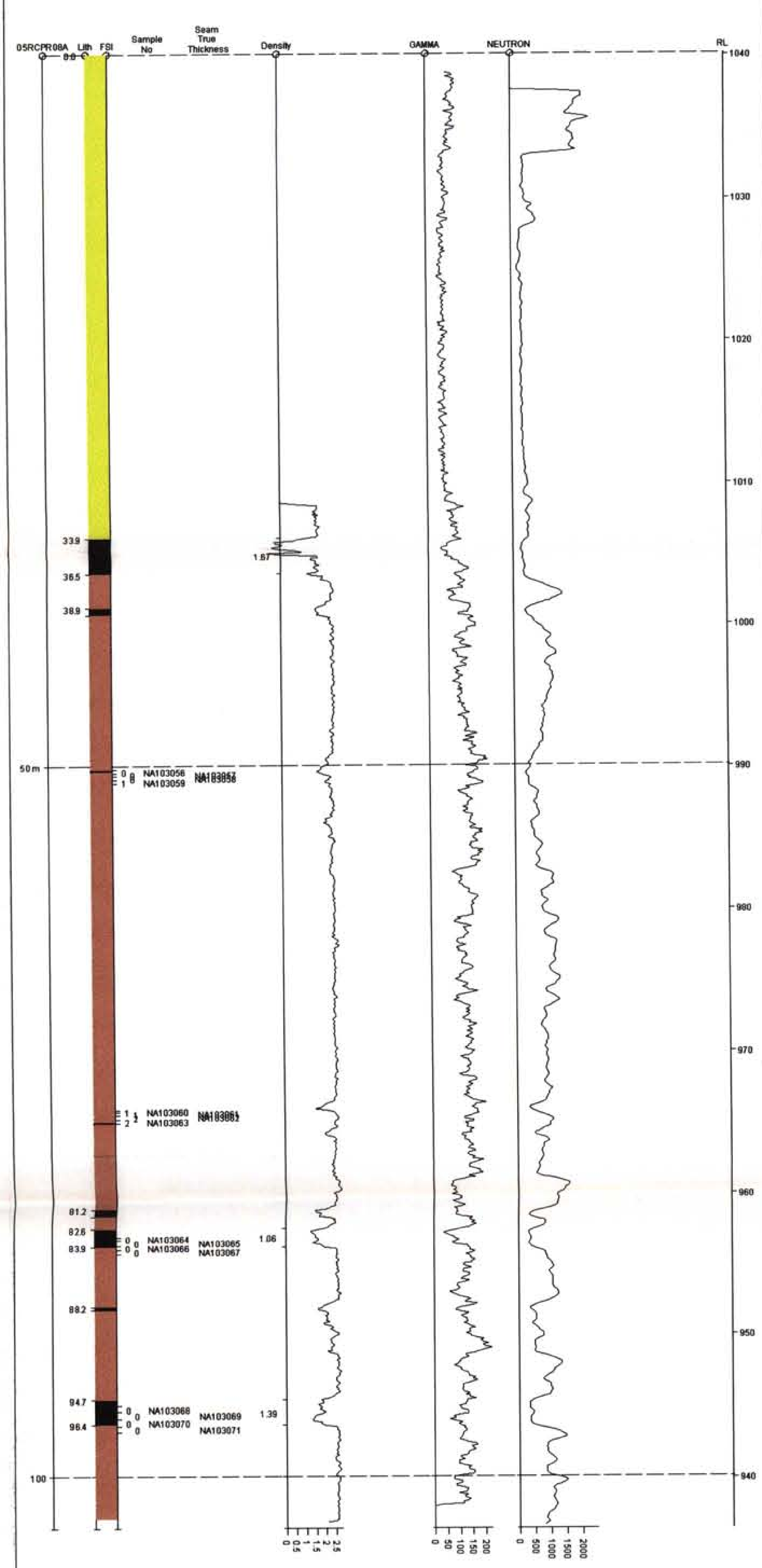
PLATE 19
Strip Log
05RCPR08

Falling Creek Property



STRIP LOG: 05RCPR08A

Easting	Northing	RL	Azimuth	Dip	Depth
568708.0	6146469.0	1040.0	0.0	-90.0	103.7

STRIP

2 Lith

PAT	LABEL
	Coal
	Gething
	Overburden

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PLATE 20
Strip Log
05RCPR08A

Falling Creek Property

STRIP LOG: 05RCPR09

Easting	Northing	RL	Azimuth	Dip	Depth
587573.0	6146014.0	1204.0	0.0	-90.0	245.3

STRIP 2

Lith	PAT	LABEL
		Coal
		Gething
		Overburden

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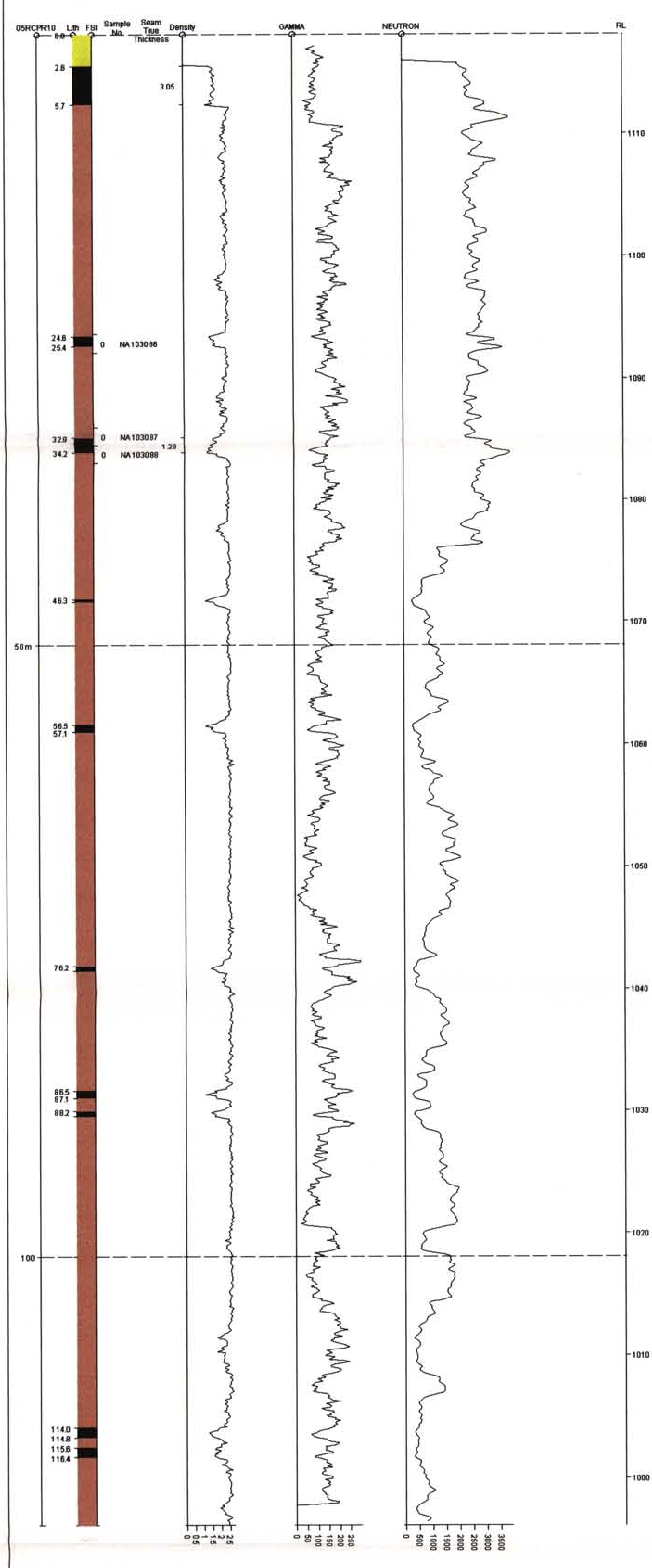
PLATE 21
Strip Log
05RCPR09

Falling Creek Property



STRIP LOG: 05RCPR10

Easting	Northing	RL	Azimuth	Dip	Depth
568118.0	6146186.0	1118.0	0.0	-90.0	121.9

STRIP		PAT	LABEL
2	Lith		
			Coal
			Gething
			Overburden

PROFESSIONAL GEOSCIENTIST
PROVINCE OF [illegible]
S. F. COOMBES

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PLATE 22
Strip Log
05RCPR10

Falling Creek Property