SUMMIT ENGINEERING, INC.

AN INDEPENDENT NATIONAL INSTRUMENT 43-101 REPORT
SUMMARIZING MINERAL EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES OF LAUREL FORK PROJECT AREA
KNOTT COUNTY, KENTUCKY

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3 SUMMARY

3.1 INTRODUCTION

The following report was prepared by Summit Engineering for CDR. It is a re-filing of the previous report effective date January 20, 2010. This report addresses the coal geology, resources and reserves of the properties and permits controlled in the project area, which is located in the Eastern Kentucky Coalfields. The location of this project can be found on Figure 1 in item 6.2.2 of this report, at approximately latitude 37°22'50", longitude 83°01'11". The total project area covers approximately 2500 acres.

3.2 PROPERTY DESCRIPTION

The area covered by this report is bounded to the north by Balls Fork, to the south by State Route 80, to the east by Trace Branch, and to the west by Short Fork and Rock Lick. The project area is located within Knott County, Kentucky, primarily in the Vest and Carrie USGS quadrangle maps.

3.3 OWNERSHIP

Leases and agreements for the mining rights necessary to conduct surface and underground mining operations within portions of the Daniel Gayheart property have been obtained. Other leases that have been obtained are provided in Table 1 in section 6.2.3 of this report. Negotiation is on-going for other properties that also lie within the Laurel Fork property area.

3.4 GEOLOGY

As evidenced by the results of the core drilling of the project area, there are eight coal seams within the project area that are of mineable thickness for surface or underground mining operations. These seams are located from an elevation of approximately 700' (Elkhorn #3 seam) up to an elevation of approximately 1600' (Skyline seam).

3.5 EXPLORATION AND DEVELOPMENT

To date, at least 18 drill holes have been bored in the property area. A description of these holes is attached in Table 1. There are no additional holes scheduled for drilling in the near future.

TABLE 1: DESCRIPTION OF COREHOLE DATA

Hole	Northing	Easting	Surface Elevation	Drilling Company	Driller	Inside Property
DG-01-05	388,292	2,798,599	1680	Addington Mining Technologies	Mike Gollihue	Yes
DG-02-05	388,074	2,798,313	1580	Addington Mining Technologies	Mike Gollihue	Yes
DG-03-05	387,086	2,796,005	1690	Addington Mining Technologies	Mike Gollihue	Yes
DG-04-05	389,557	2,797,057	1670	Addington Mining Technologies	Mike Gollihue	Yes
DG-05-05	395,682	2,794,630	1526	Addington Mining Technologies	Mike Gollihue	Yes
DG-06-05	396,473	2,794,235	1510	Addington Mining Technologies	Mike Gollihue	Yes
DG-07-05	396,442	2,791,093	1490	Addington Mining Technologies	Mike Gollihue	Yes
DG-08-05	396,891	2,790,182	1612	Addington Mining Technologies	Mike Gollihue	Yes
LF1	395,125	2,795,758	1590	LJ Hughes & Sons, Inc.	Rick Dorsey	Yes
LF2	394,766	2,794,099	1655	LJ Hughes & Sons, Inc.	Rick Dorsey	Yes
LF3	397,007	2,789,804	1613	LJ Hughes & Sons, Inc.	Rick Dorsey	Yes
MBC1	389,386	2,793,267	Uncertain	CBC Drilling	James Estepp / Arnton McComas	Yes
MBC2	392,650	2,790,120	Uncertain	CBC Drilling	James Estepp / Arnton McComas	Yes
LRR-02-08	386,941	2,795,797	1763	Layne Christensen	Arnton McComas	Yes
LRR-03-08	390,126	2,797,479	1753	Layne Christensen	Arnton McComas	Yes
LRR-04-08	390,089	2,796,188	1685	Layne Christensen	Arnton McComas	Yes
LRR-05-08	393,781	2,794,385	1586	Layne Christensen	Arnton McComas	Yes
LRR-06-08	395,445	2,795,952	1606	Layne Christensen	Arnton McComas	Yes

3.6 STATUS OF OPERATIONS

Currently all surface mining operations on the property are idle. CDR has decided to proceed with permitting a new surface mine on the leases it controls. CDR estimates that it will take approximately 12 months to obtain a new permit. CDR anticipates that water analysis, core drilling, and other studies as necessary will be done in order to hasten the permitting process.

The underground mining being conducted in the Elkhorn #3 seam by Consol Mining is idle as of the third quarter of 2009, according to Mine Safety and Health Administration (MSHA) records.

Core drilling is not, as of this date, taking place on the property.

3.7 CONCLUSIONS

Summit's reserve evaluation indicates that there is an excess of 8 million measured or indicated mineral resource tons on the Daniel Gayheart and adjacent properties. As shown in Item 18 of this report, the coal on the property appears to be high volatile bituminous coal, averages 13,465 BTU/lb, with a sulfur content of 1.69 percent and an ash content of 8.17 percent. Approximately 6 million tons are classified as proven or probable reserve tons. Of the proven or probable reserve tons, about 1.7 million tons are under lease with another 4.2 million tons pending lease.

No permits have yet been retained for these reserves. A permit application is currently being prepared for the area of the Daniel Gayheart property. CDR estimates that it will take approximately 12 months to obtain a new permit.

The projected production tonnages are reasonable based on the reserves associated with the property. The NYMEX lists Central Appalachia coal futures at $77.38 per ton as of 4/1/2011. The projected sales price for subsequent years is reasonable.

Estimates of required capital, manpower, and equipment for the surface mine operations are realistic and operating costs are reasonable.

3.8 RECOMMENDATIONS

The information as reviewed indicates that there exists a coal resource on this property worthy of additional exploration and further development. Additional corehole drilling should be conducted as adjacent properties are leased.

Diligently pursue the acquisition of a permit, including a lease assignment for the properties affected within the permit, and in obtaining the necessary permits for the eastern portion of the property.

Ensure that all mine planning and construction is in conformity with current regulations for environmental and reclamation planning.

Ensure that no outstanding reclamation liability exists on the areas previously mined.

Proceed with the orderly extraction of the coal reserve in this area.

4 INTRODUCTION

4.1 PURPOSE OF TECHNICAL REPORT

The following report was prepared by Summit Engineering for CDR. It addresses the coal geology, resources and reserves of the properties and permits controlled within the project area, which is located in the Eastern Kentucky Coalfields. The location of this project can be found on the general location map at the end of this report.

Preliminary studies on the coal deposit in this area were conducted by Resource Management, Inc. (RMI) in 2006 and by Doss Engineering, Inc. in May of 2008; however additional exploration has occurred within the project area and has been provided in this report. Data from coreholes LRR-02-08, LRR-03-08, LRR-04-08, LRR-05-08 and LRR-06-08 used to prepare this report was forwarded to Summit by CDR. The results of the additional exploration were prepared by Summit.

4.2 TERMS OF REFERENCE

CDR has requested that Summit Engineering produce a technical report of the property as shown in Figure 1 in item 6.2.2. The Terms of Reference for this report are that it should include an independent validation of the coal resources and reserves of the area, and should be in compliance with the current reporting requirements of NI 43-101. The report should address other aspects of the area, including those topics specified in the NI 43-101.

4.3 SCOPE OF DATA

The general sources of information used in this report include recent core drilling data, previous coal reserve studies, mine permit data, and coal quality information. These reports were provided to CDR, forwarded to Summit Engineering and accepted in good faith. A complete list of references is provided in Item 23, References.

While the author, a qualified person for coal exploration, has conducted site visits and inspections in this area, he did not participate in the original exploration of this coal property. In December of 2008, Steve Tackett (licensed P.E. and Manager of Summit's Hazard, Kentucky office), Charles Dale (E.I.T. and Project Manager in Summit's Pikeville, Kentucky office), and Phil Lucas, of Summit Engineering conducted a site visit to the property. There, they reviewed the previous mining which had been conducted on the western portion of the property, the proposed mine plan, site access roads, and the proposed backfill plan. A follow up site visit was conducted by Lucas and Tackett on January 12, 2010.

5 RELIANCE ON OTHER EXPERTS

This report has been prepared for CDR by Summit Engineering. The findings and conclusions area based on information developed by Summit available at the time of preparation and data supplied by outside sources. Summit staff has not conducted any field work, other than site recon, for the preparation of the report and have relied on the results of exploration documented in various public and company reports. These include all of the reports listed in Item 20, and shown as references in Item 23 of this report, plus drillhole database, mapping, and other information was provided to Summit by CDR.

Summit's findings are also based on additional information provided by CDR throughout the course of Summit's investigations. Once further exploration is conducted, the technical conditions as shown in this report will be subject to change over relatively short periods of time.

6 PROPERTY DESCRIPTION AND LOCATION

6.1 EXTENT OF PROPERTY

The area covered by this report is bounded to the north by Balls Fork, to the south by State Route 80, to the east by Trace Branch, and to the west by Short Fork and Rock Lick. The project area is located within Knott County, Kentucky, primarily in the Vest and Carrie USGS quadrangle maps, at approximately latitude 37°22'50", longitude 83°01'11". The seams to be evaluated include the Fireclay (Hazard #4), Hazard #5A, Hazard #7, Hazard #8, Hindman (Hazard#9), and Skyline (Hazard #10). The total project area covers approximately 2500 acres.

6.2 OWNERSHIP

6.2.1 MINING RIGHTS

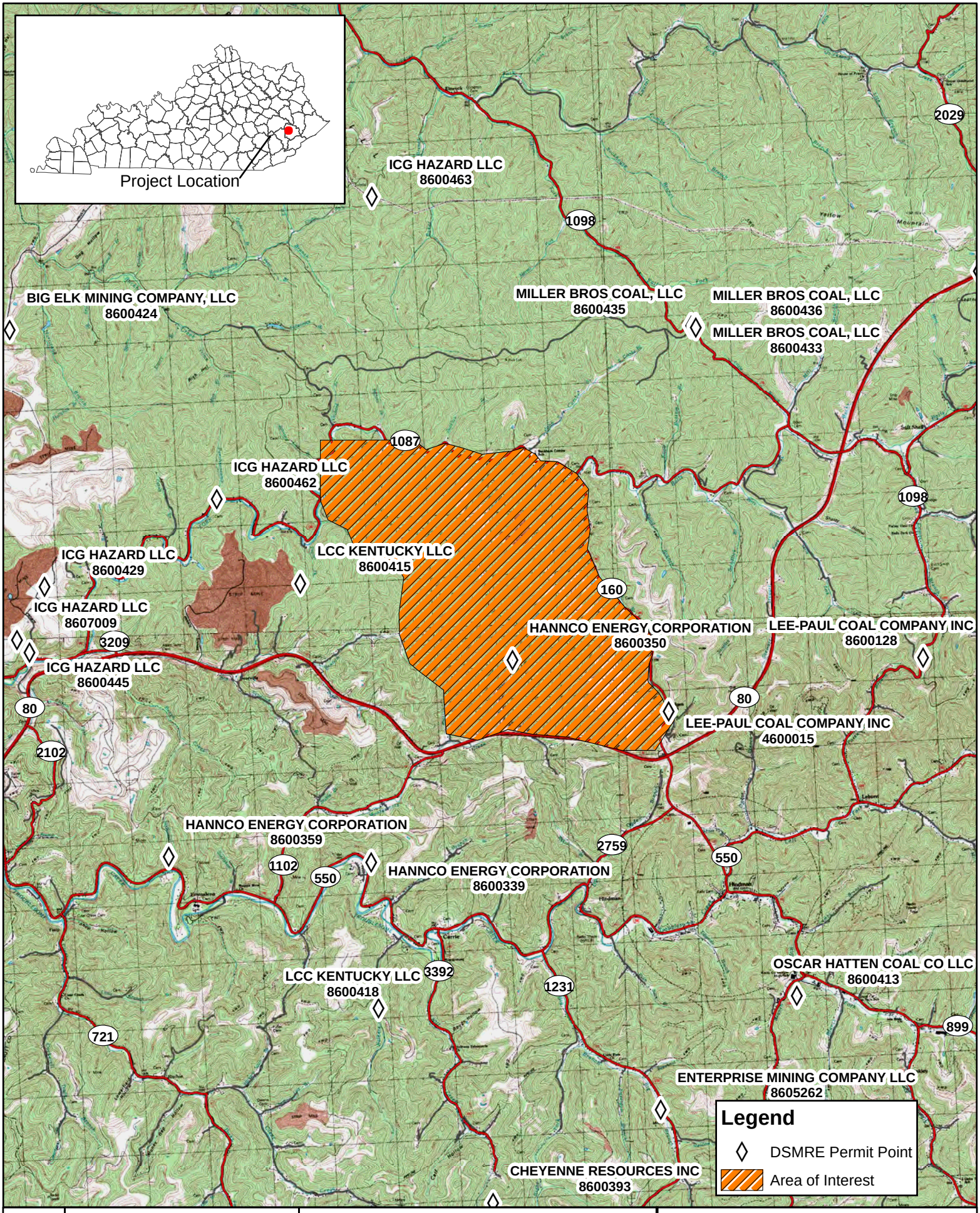
The mining rights necessary to conduct surface and underground mining operations have been obtained for those properties as described in section 6.2.5 of this report. The property lines have been determined based on field observations and agreement among adjoining landowners. Prior to any surface disturbance on these properties, the lines will be surveyed.

Negotiations for the mining rights necessary to conduct operations within portions of the Daniel Gayheart property have been obtained. On December 12, 2008 CDR entered into coal and surface leases with a local property owner, Daniel Gayheart, which gave it the right to surface mine certain parcels of property located in Knott County, Ky. CDR is obligated to pay certain minimum royalties under these agreements. The specifics of these payments as well as other terms of the agreements are summarized in Table 1 in section 6.2.3 of this report. CDR also entered into an option agreement on the same date with Daniel Gayheart which gave it the right to lease coal and surface rights on other parcels of land. CDR made a one-time payment of $125,000 for this right. Negotiation is on-going for other properties that also lie within the Laurel Fork property area.

Surface mining permit 460-0015, owned by Lee-Paul Coal Company, exists in the extreme Southwest portion of the property but has been inactive since 1991. This permit consists of 19 acres in the Hazard #9 seam, and appears to have no value to the project.

6.2.2 LOCATION OF INFRASTRUCTURE

Infrastructure and other features have been digitized from 1" = 2000' USGS topographic quad in a computer-based GIS. A composite map is shown in Figure 1 attached.



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PIKEVILLE, KY HAZARD,KY LEXINGTON, KY
CHARLESTON, WV CHAPMANVILLE, WV
BRIDGEPORT, WV BIG ROCK, VA WISE, VA

FIGURE 1
LAUREL FORK PROPERTY
MINE PERMITS IN THE AREA

6.2.3 ROYALTY RATES

Table 2 below lists the properties within the project area. Summit has been informed that negotiations are also pending for other adjacent tracts within the project area. Upon review of the lease documents as supplied by CDR, the following royalty information is pertinent:

Table 2: Leases

Surface Tracts

Tract(s)	Lessor	Status	Royalty Rate	Minimum
1	John Carter	Pending	Unknown	Unknown
2,3,4,5	Daniel W. Gayheart	Leased	$1.00/t coal and $0.25/t wheelage	$4000/mo
6	Combs	Pending	Unknown	Unknown
7	Fitz	Pending	Unknown	Unknown
8,9,10	Daniel W. Gayheart	Leased	$1.00/t coal and $0.25/t wheelage	$4000/mo
11	KRCC	Unleased	Unknown	Unknown
12A,12B,12C	Unspecified	Pending	Unknown	Unknown
13	Bill West	Leased	$2.00/t or 8% and 0.50/t wheelage	$100/ac-mo
14	Hicks	Pending	Unknown	Unknown
15	Creech	Pending	Unknown	Unknown
16	Hicks	Pending	Unknown	Unknown
17	Sheila Slone	Pending	Unknown	Unknown
18	Jack Allen	Pending	Unknown	Unknown
19	Gary Banks	Pending	Unknown	Unknown
20	Woodrow Ousley	Pending	Unknown	Unknown
21	Amos Nicklous	Leased	Unknown	Unknown
22	Lloyd Woods	Leased	Unknown	Unknown
23	Bailey Woods et.al.	Pending	Unknown	Unknown
24	C.C. Craft	Leased	Unknown	Unknown
25	Phillip Sturgill	Pending	Unknown	Unknown
26	Bill Brewer	Unleased	Unknown	Unknown
27	Pat Bradley	Pending	Unknown	Unknown
28	Unspecified	Unleased	Unknown	Unknown

Mineral Tracts

Tract(s)	Lessor	Status	Royalty Rate	Minimum
1	John Carter	Pending	Unknown	Unknown
2	KYCOGA	Unleased	Unknown	Unknown
3	Combs	Pending	Unknown	Unknown
4,5	Daniel W. Gayheart	Leased	$3.50/t or 8% (min. $2000/yr)	$2000/yr
6	Combs	Pending	Unknown	Unknown
7	Fitz	Pending	Unknown	Unknown
8	Daniel W. Gayheart	Leased	$3.50/t or 8% (min. $2000/yr)	$2000/yr
9	Rose	Pending	Unknown	Unknown
10	Charlie Cornett	Unleased	Unknown	Unknown
11	KRCC	Unleased	Unknown	Unknown
12A,12B,12C	Unspecified	Pending	Unknown	Unknown
13	Charlie Cornett	Unleased	Unknown	Unknown
14	Hicks	Pending	Unknown	Unknown
15	Charlie Cornett / ICG	Unleased	Unknown	Unknown
16	Hicks	Pending	Unknown	Unknown
17,18	Sheila Slone	Pending	Unknown	Unknown
19	Messer Heirs	Pending	Unknown	Unknown
20	Woodrow Ousley	Pending	Unknown	Unknown
21,22	Goldie Fugate	Pending	Unknown	Unknown
23	Bailey Woods et.al.	Pending	Unknown	Unknown
24	C.C. Craft	Leased	Unknown	Unknown
25	Craft	Leased	Unknown	Unknown
26,27,28	KYCOGA	Unleased	Unknown	Unknown

*Note that the Daniel W. Gayheart surface and mineral leases do not included the Hazard #4 seam or the Elkhorn #3 Seam.

Royalty rates will begin on tracts only after a permit is obtained and mining begins. In certain tracts a minimum royalty rate will apply regardless of whether a property has yet been permitted.

6.2.4 EXISTING ENVIRONMENTAL LIABILITIES

A search of available environmental records was conducted by Environmental Data Resources, Inc (EDR). The report was designed to assist parties seeking to meet the search requirements of EPA's Standards and Practices for All Appropriate Inquiries (40 CFR Part 312), the ASTM Standard Practice for Environmental Site Assessments (E 1527-05) or custom requirements developed for the evaluation of environmental risk associated with a parcel of real estate.

No mapped sites were found in EDR's search of available "reasonably ascertainable" government records either on the target property or within the ½ mile search radius around the target property in 41 Federal Records databases or 5 Tribal Records databases.

6.2.5 PERMITTING

There are currently three permits that lie within the project area. Permit 860-0415, which consists of 920.54 acres and is owned by Lexington Coal Company, lies primarily to the west of the project area. Surface mining permit 460-0015, owned by Lee-Paul Coal Company, exists in the extreme Southeast portion of the property but has been inactive since 1991. This permit consists of 19 acres in the Hazard #9 seam. Permit 867-5167, operated by Consol of Kentucky, Inc., lies in the Northern project area and consists of a deep mine in the Elkhorn #3 seam (below the seams studied in this report).

CDR has decided to permit a new surface mine on the leases it controls. CDR estimates that it will take approximately 12 months to obtain a new permit. A permit application is currently being prepared for the area of the Daniel Gayheart property.

6.3 LOCATION OF COAL RESOURCES AND RESERVES

The area covered in the project area is bounded to the north by Balls Fork, to the south by State Route 80, to the east by Trace Branch, and to the west by Short Fork and Rock Lick. The project area is located within Knott County, Kentucky, primarily in the Vest and Carrie USGS quadrangle maps.

The primary coal seams that have been historically mined in close proximity to the project area are, in a stratigraphic ascending order, the Fireclay (Hazard No. 4), the the Hazard 5A, the Hazard No. 7, the Hazard No. 8, the Hindman (Hazard No. 9), and the Skyline coal seams.

7 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

7.1 TOPOGRAPHY, ELEVATION AND VEGETATION

This property is situated at approximately Latitude (North) 37-22-52 and Longitude (West) 83-01-16, in Knott County, Kentucky. The elevations within the property area range from approximately 700 ft to 1600 ft. above sea level.

There are four main soil components within the project area: Dekalb, Shelocta, Kimper, and Grigsby. Characteristics of the soil composition in the general area of the target property are as follows:

- Soil Surface Texture – silt loam.
- Hydrologic Group – class B, moderate infiltration rates, deep and moderately deep, moderately well and well drained soils with moderately coarse textures; class C, low infiltration rates, soils with layers impeding downward movement of water, or soils with moderately fine or fine textures.
- Soil Drainage Class – Well drained.
- Hydric Status – soil does not meet the requirements for a hydric soil, except for Grigsby which has is partially hydric.
- Corrosion Potential – Uncoated Steel: low.
- Depth to Bedrock -- > 0 inches, except for Grigsby which is > 145 inches.

7.2 ACCESSIBILITY AND AVAILABLE INFRASTRUCTURE

The subject property is located immediately northeast of State Hwy 80's intersection with Route 160. Primary access will likely be from Route 80 thru Sylvester Branch road, although other access routes are being considered. It is a sparsely inhabited area.

Initially sold coal will likely be transported by tractor trailer to river markets (Cattlesburg KY is about 100 miles away) or to rail tipples controlled by others. The CSX rail line Sigmon loadout lies to the northwest of the project area. The CSX Elkatawa loadout also lies to the northwest of the project area, near the town of Jackson. Details of the infrastructure in the nearby area are included in Figure 2. The CSX rail line route is shown in Figure 3 (CSX map section F-12).

The total population (as of July 1, 2009) of Knott County, Kentucky was about 17,100, with a growth rate since April 1, 2000 of -3.0%. The population is 100% rural.

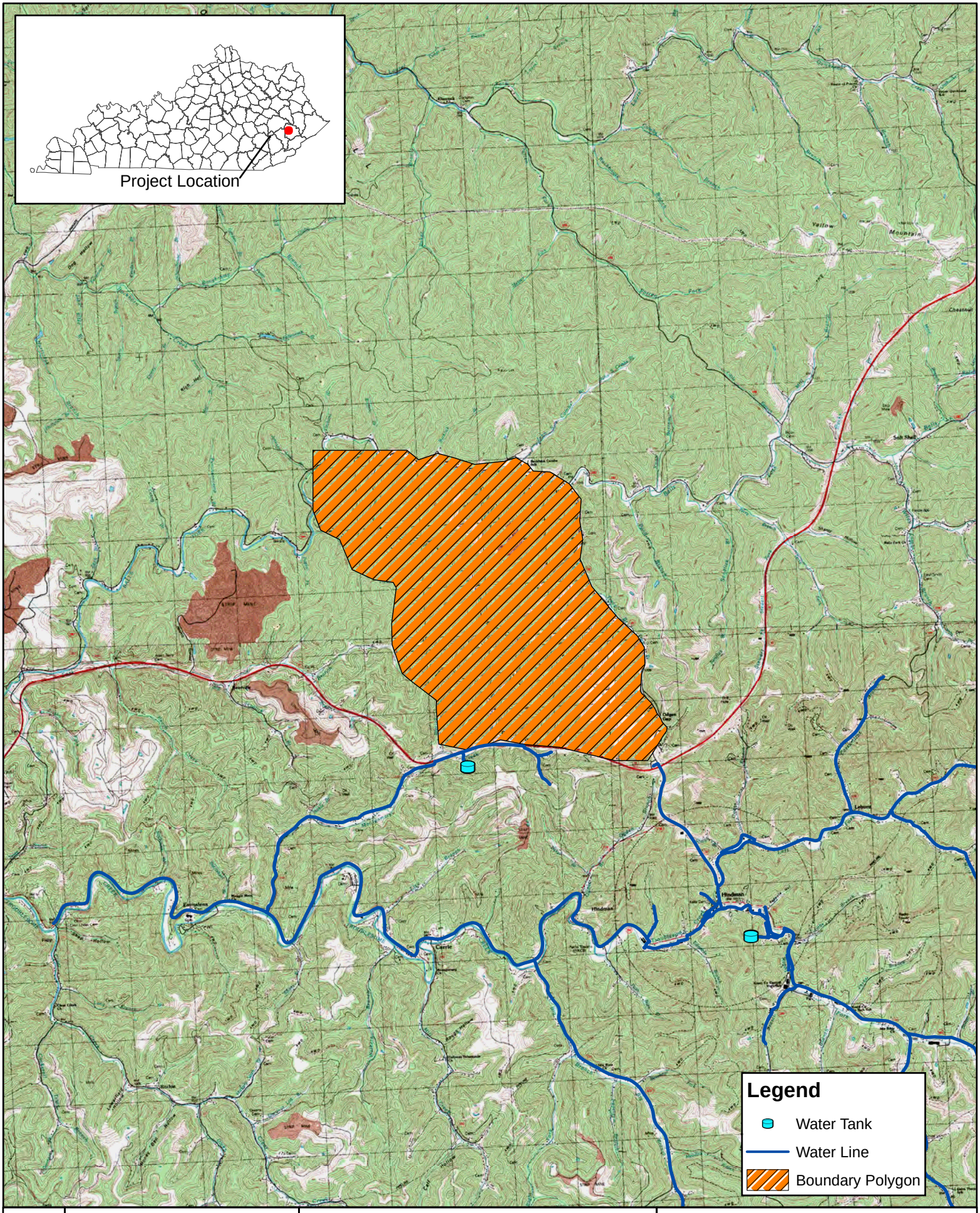

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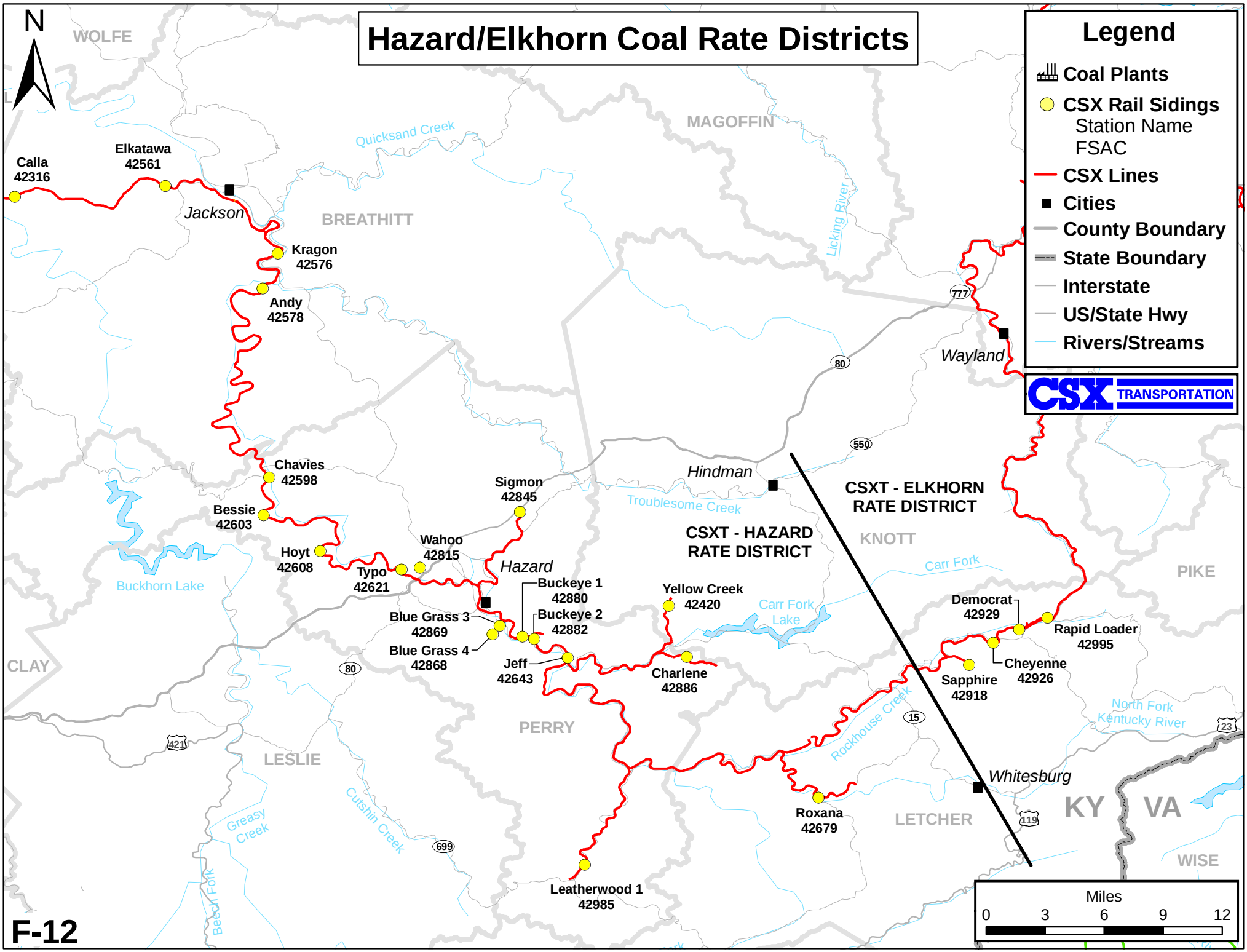
FIGURE 2
LAUREL FORK
INFRASTRUCTURE IN THE AREA


Hazard/Elkhorn Coal Rate Districts
N
Legend
Coal Plants
CSX Rail Sidings
Station Name
FSAC
CSX Lines
Cities
County Boundary
State Boundary
Interstate
US/State Hwy
Rivers/Streams
CSX TRANSPORTATION
WOLFE
MAGOFFIN
BREATHITT
KNOTT
PIKE
CLAY
PERRY
LESLIE
LETCHER
WISE
KY
VA
Calla
42316
Elkatawa
42561
Jackson
Kragon
42576
Andy
42578
Chavies
42598
Bessie
42603
Hoyt
42608
Typo
42621
Wahoo
42815
Sigmon
42845
Hazard
Buckeye 1
42880
Buckeye 2
42882
Blue Grass 3
42869
Blue Grass 4
42868
Jeff
42643
Yellow Creek
42420
Charlene
42886
Hindman
Wayland
Democrat
42929
Rapid Loader
42995
Cheyenne
42926
Sapphire
42918
Roxana
42679
Whitesburg
Leatherwood 1
42985
CSXT - ELKHORN
RATE DISTRICT
CSXT - HAZARD
RATE DISTRICT
Quicksand Creek
Licking River
Troublesome Creek
Carr Fork
Carr Fork
Lake
Buckhorn Lake
Rockhouse Creek
North Fork
Kentucky River
Greasy
Creek
Cutshin Creek
Beech Fork
80
777
550
421
699
15
23
119
Miles
0
3
6
9
12
F-12

7.3 CLIMATE AND OPERATING SEASON

The regional climate is characterized by well-defined seasons with hot summers and cool winters. Kentucky's weather patterns are influenced by the Gulf of Mexico, especially during summer. The highest temperature recorded in Kentucky is 114 degrees, Fahrenheit. This record high was recorded on July 28, 1930 at Greensburg. The lowest temperature in Kentucky, -37 degrees, was recorded on January 19, 1994 at Shelbyville.

Much of Kentucky's average 46 inches of precipitation a year falls in spring, the rainiest season. Kentucky is located in a path several storm systems follow. Storms happen year-round; however most storms occur between March and September.

Mining operations in the region continue throughout the year and climate conditions are not a major hindrance to operations.

8 HISTORY

8.1 PRIOR OWNERSHIP

Part of the subject property was being mined by Consol of Kentucky, Inc. Coal was mined in the Elkhorn #3 seam during part of 2009, according to Mine Safety and Health Administration (MSHA) records, under Permit No. 867-5167, MSHA I.D. #15-18589. According to Mine Safety and Health Administration (MSHA) records, Consol began operating this deep mine on November 21, 2002. According to MSHA records the mine was idle as of the fourth quarter 2010.

Lexington Coal Company, LLC permit 860-0415, MSHA I.D. #15-17838, controls a surface mining permit on the western portion of the Laurel Fork property. Lexington Coal Company acquired the permit on July 31, 2007. The permit was operated by Leslie Resources Inc. from September 1, 1996 until March 19, 2001 when Leslie Resources, LLC took over operations. Production ceased on this permit in 2004, though the Kentucky Surface Mining Information System (SMIS) still lists this permit with an active A1 status.

Hannco permit 860-0350, MSHA I.D. #15-17635, operated a small surface mine in the northeastern portion of the Laurel Fork reserve area. Hannco began operating this surface mine on January 1, 1995, and it was abandoned as of April 9, 1999.

Nearby large-scale permits are controlled by ICG (permit 860-0462, MSHA I.D. #15-03328) and by Miller Bros (permit 860-0435, MSHA I.D. #15-16606).

8.2 DETAILS OF PREVIOUS EXPLORATION

The Federal Mine Safety and Health Administration (MSHA) records typically include quarterly production reports. The Consol mine that was operating in the Elkhorn #3 seam, according to these reports, produced about 9.2 million tons since 2002. The mine is currently idle.

Lexington Coal Company's active surface mining permit produced approximately 2.3 million tons from 1996 to 2003. The abandoned Hannco surface mine produced approximately 823,000 tons during four years of operation.

The Miller Bros. permit, now in reclamation, lies just north of the project area and produced approximately 9.6 million tons from 1995 to 2007. This permit was for the Skyline, Hazard 9, Hazard 8 and Francis coal seams.

The ICG permit, now abandoned, lies west of the project area. Operated by Falcon Coal company until 1987, and then by Cumberland River Coal Company, this surface mine produced 1.4 million tons in 1995 and 1996 in the Hazard 8, 9 and 10 seams.

8.3 PRIOR RESOURCE AND RESERVE ESTIMATES

The historical estimates, provided by RMI and Doss Engineering as described below, are not in accordance with the categories set out in sections 1.2 and 1.3 of the NI 43-101 instrument. The estimates were of projected total in-place coal within the property, and were not further classified.

Sufficient work was not completed for the RMI and Doss Engineering reports to classify these historical estimates as current mineral resources or mineral reserves. The issuer is not treating the historical climate as current mineral resources or mineral reserves as defined in sections 1.2 and 1.3 of the Instrument, and the historical estimate was not be relied upon, but was used as reference data. A compliant estimate has been calculated and provided in section 19 of this report.

Summit Engineering is aware of two previous reserve estimates for the subject property. In 2006, a preliminary reserve study of Daniel Gayheart's mineral property was conducted by Resource Management, Inc (RMI). In May of 2008 Doss Engineering prepared a preliminary reserve evaluation of the Laurel Fork property area. The results are summarized in Table 3.

Table 3: Reserve Estimation Comparison

Doss Report

	Tons In-Place			
Coal Seam	Gayheart Fee	Gayheart Surface	Adverse	Total
Skyline	18,227	2,353	16,629	37,209
Hazard 9 and 9R	186,435	229,043	320,240	735,718
Hazard 8	465,064	749,351	1,750,980	2,965,395
Hazard 7	270,085	95,756	730,135	1,095,976
Hazard 5	0	0	0	0
Hazard 4	1,990,607	1,956,557	6,073,151	10,020,315
Total:	2,930,418	3,033,060	8,891,135	**14,854,613**
RMI Total:	4,800,000	7,300,000	N/A	

8.4 HISTORICAL PRODUCTION

As of June 30, 2009, the Kentucky Office of Mine Safety and Licensing listed 40 licensed mining operations in Knott County, Kentucky. The counties surrounding and adjacent to the property in Knott County include Perry, Letcher, Magoffin, Breathitt, Floyd and Pike Counties. Another 250 mines are licensed in these counties making a total of over 300 mines licensed in the area. There has been no historical production on the leased properties acquired by CDR. However, on adjoining property, up to 50,000 tons per month had been produced by various operators including ICG, Leslie Resources and others (see below). These properties are currently in reclamation.

The most recent production records from the state of Kentucky are through the end of 2007. Production for the year 2007 from Knott County was about 9 million tons, from Perry County about 15 million tons, from Letcher County about 8 million tons, from Magoffin County about 1 million tons, from Breathitt County about 2 million tons, from Floyd County about 7 million tons, and from Pike County about 22.5 million tons. Thus a total of over 63 million tons of coal was produced from the seven county region near and adjacent to the CDR property.

A deep mine in the Elkhorn #3 seam is controlled by Consol of Kentucky, Inc., under DNR Permit No. 867-5167, MSHA I.D. #15-18589. Only a portion of this deep mine is located within the property area. According to MSHA records, Consol began operations on November 21, 2002 and has produced about 9.2 million tons to date. According to MSHA records the mine was idle as of the third quarter 2009.

Hannco permit 860-0350, MSHA I.D. #15-17635, operated a small surface mine in the northeastern portion of the reserve area. Hannco began operating this surface mine on January 1, 1995, and it was abandoned as of April 9, 1999. The abandoned Hannco surface mine produced approximately 823,000 tons during four years of operation.

Lexington Coal Company controls a surface mining permit (860-0415, MSHA I.D. #15-17838). A portion of that permit extends into the western area of the property. This permit produced approximately 2.3 million tons from 1996 to 2003.

9 GEOLOGICAL SETTING

9.1 REGIONAL GEOLOGY

The project area is located within the Eastern Kentucky Coal Field physiographic province. The Eastern Kentucky Coal Field includes all or parts of 37 counties. For convenience, the coalfield is divided into the Big Sandy, Hazard, Licking River, Princess, Southwestern, and Upper Cumberland districts. The field is geologically similar to and, in part, stratigraphically similar to the adjacent coalfields in Ohio, West Virginia, and Tennessee.

The topography in this region of Kentucky is largely made up of second growth forested hills dissected by V-shaped valleys eroded through thick, flat-lying sequences of Pennsylvanian age coal-bearing rocks. The mountain ridges are generally as narrow and sinuous as the valley bottoms, with the terrain consisting of steep slopes generally in the range of 30 to 45 percent. Cliffs of resistant sandstone cap many ridges, while less resistant strata such as shale and coal seams form natural benches or small terraces that are discernable on topographic maps.

Originally, the eastern field contained an estimated coal resource of 64.1 billion tons. Approximately 12.0 billion tons of coal have been mined or lost because of mining practices; hence the remaining resource as of Jan. 1, 2009 is estimated at 52.1 billion tons.

More than 70 percent of Kentucky's annual coal production is from the Eastern Kentucky Coal Field. All of the mined coal in Eastern Kentucky is high grade bituminous. Although generally lower in sulfur content and ash yield than coal from Western Kentucky, coal from the Eastern Kentucky Coal Field can be variable in thickness and quality. Many Eastern Kentucky coals contain partings of shale or bone coal that are laterally continuous and require processing of the coal to remove the impurities.

The eastern coal field has been one of the nation’s leading coal producing regions. Coal is produced underground from drift, and rarely, slope and shaft mines. Surface production comes from contour, area, mountaintop removal, and auger mines.

9.2 LOCAL AND PROPERTY GEOLOGY

The Hazard District, which covers approximately 1886 square miles in the central part of the eastern Kentucky field, contains the second largest quantity of coal resources of the six districts in the coal field. It includes Breathitt, Knott, Leslie, and Perry Counties, and the parts of Letcher and Harlan counties north of the Pine Mountain Fault. Estimated original coal resources for this district were 19.4 billion tons, and the remaining resources, as of January 1, 2009 were 15.2 billion tons.

The geology of the project area consists of strata within the Breathitt Formation of Lower to Middle Pennsylvanian age. The regional structural features of the Breathitt Formation are the Pine Mountain thrust fault and the associated Eastern Kentucky Syncline.

A syncline can best be described as a valley shaped structural feature, with the centerline of the valley being termed the "synclinal axis" and the strata on either side of the axis being termed the "limbs". The Pine Mountain thrust fault is located southwest of the project area. It is the Pine Mountain thrust fault that gently deformed the strata of the Eastern Kentucky Coal Field and produced the predominant regional structural feature known as the Eastern Kentucky Syncline.

The geological structure of the Breathitt Formation can be described as a series of gently folded and deformed strata that resulted from the Pine Mountain overthrust faulting event. The regional strike of the strata is approximately North 45 degrees East, with a regional dip of approximately 1 degree to the North West. This is based upon the general trends of the coal seams and the Magoffin Member structure contours as depicted on the Hindman and Handshoe U.S.G.S. geologic quadrangles maps.

These values of structural inclination are typical of those found throughout Eastern Kentucky and do not impact the mining of the coal reserves in the area. They do impact the direction of groundwater flow however and underground mining plans need to mine "up dip" whenever possible to prevent water problems.

10 DEPOSIT TYPES

10.1 MINERAL DEPOSIT TYPE

The primary coal seams that have been historically mined in close proximity to the project area are, in a stratigraphic ascending order, the Fireclay (Hazard No. 4), the the Hazard 5A, the Hazard No. 7, the Hazard No. 8, the Hindman (Hazard No. 9), and the Skyline coal seams.

It should be noted that all of these seams may vary in elevation and thickness within the project area. The depositional environment of coal seams can produce inconsistent characteristics with regard to coal quality, thickness and coal partings. Some seams, such as the Fireclay and Hindman seams, tend to be more consistent in both character and elevation than others, such as the Hazard 5A and Hazard 8.

10.2 GEOLOGICAL MODELING AND EXPLORATION PROGRAM

The site specific geology of the project area has been characterized by the drilling of 18 known coreholes within the project area. Five of these coreholes LRR-02-08, LRR-03-08, LRR-04-08, LRR-05-08, and LRR-06-08 were by CDR and the coal seams encountered were sampled and sent to Mineral Labs for quality analysis. There are no plans to drill any additional holes on the property at this time. The locations of these coreholes are shown on the seam maps included in item 26 of this report.

The elevations listed for the coal seams are an average taken from the drilling logs described above, which may or may not have been surveyed precisely. The exact elevation of each coal seam from this corehole data depends on the accuracy of the drill collar location, whether it was surveyed or spotted on a topographic map.

All corehole data was supplied to Summit Engineering by CDR.

11 MINERALIZATION

11.1 DESCRIPTION OF SURROUNDING ROCK TYPES

The Pennsylvanian strata present beneath the Eastern Kentucky Coal Field were deposited within a major sedimentary basin named the Appalachian basin. The Pennsylvanian Period began about 323 million years ago and lasted about 33 million years. Pennsylvanian-aged rocks in the Eastern Kentucky Coal Field predominantly consist of sandstone, siltstone and shale. These deposits indicate that in Pennsylvanian time Kentucky was near sea level, alternately covered by lakes, extensive swamps, shallow bays, and estuaries. Most of the major coal beds, which number approximately 45 to 50 in Eastern Kentucky, were formed as widespread peat swamps or mires during the Pennsylvanian Period.

The target coal seams are discrete coal seams bounded above and below by clastic sedimentary rocks. Within the coal seams, however, there may be present a number of intra-seam clastic partings consisting predominantly of mudstones and minor siltstones. Table 4 depicts the major coal seams arithmetic average thickness, seam parting (if any) and the description of the underlying and overlying rock deposits.

Table 4A: Surrounding Rock Types

Coal Seam	Parting	Overlying Rock	Underlying Rock
Fireclay – 24”	Shale – 22”	Grey Shale	Sandy Shale
Hazard 5A – 16”	N/A	Shale, Sandy Shale	Shale, Sandy Shale
Hazard 7 – 27”	N/A	Sandstone	Shale, Sandy Shale
Hazard 8 – 7” top, 10” mid, 11” bot	Shale – 20”	Sandstone, Shale	Shale, Sandy Shale
Hazard 9 – 30”	N/A	Sandstone, Shale	Shale, Sandy Shale
Skyline – 21”	N/A	Sandstone, Shale	Shale, Sandy Shale

The most consistent parting within any of the seams within the project area is the flint clay parting of the Fireclay coal seam. This parting is characterized by a hard, dark brownish gray flint clay parting that is consistently present wherever the coal seam is found. It typically ranges in thickness from one to three feet and has the characteristics of flint.

11.2 MINERAL ZONES

The primary coal seams that have been historically mined in close proximity to the project area are, in a stratigraphic ascending order, the Fireclay (Hazard No. 4), the the Hazard 5A, the Hazard No. 7, the Hazard No. 8, the Hindman (Hazard No. 9), and the Skyline coal seams.

The coal seams will be described in stratigraphically ascending order, beginning with the Fireclay coal seam. Not all coreholes encountered every coal seam in the project interval. Core loss, depth of drilling and the elevation of the corehole collar were the controlling factors as to if each coal seam is represented in a corehole.

The Fireclay (Hazard No. 4) coal seam is the lowest coal seam to be considered within the project area, located at an elevation of approximately 1025 ft. As shown by the seam map included in this report, the Fireclay coal seam averages 2.0 feet in thickness, contains the largest area of any of the seams in this report. The Fireclay tends to be one of the more consistent coals seams in the region in terms of thickness, quality and elevation. The location of the seam is shown by the Hazard 4 seam map included in this report.

The Hazard No. 5A coal seam is the next significant coal seam above the Fireclay seam, at an elevation of approximately 1315 ft. The seam averages 1.21 feet in thickness, with no parting mentioned. As shown by the seam map included in this report, the Hazard No. 5A coal seam does not contains a significant amount of reserves within the project area. The location of the seam is shown by the Hazard 5A seam map included in this report.

The Hazard No. 7 coal seam is the next significant coal seam above the Hazard No. 5A seam, at an elevation of approximately 1390 ft. The seam is 2.26 feet thick, however, the seam splits with partings within the project area. The location of the seam is shown by the Hazard 7 seam map included in this report.

The Hazard No. 8 coal seam is the next significant coal seam above the Hazard No. 7 seam, at an elevation of approximately 1415 ft. The seam has three distinct splits. The average thickness for the top split was approximately 0.58 feet thick, the middle split was about 0.88 feet thick, and the bottom split averaged about 0.90 feet thick. The location of the seam is shown by the Hazard 8 and above seam map included in this report.

The Hazard No. 9 coal seam is the next significant coal seam above the Hazard No. 8 seam, at an elevation of approximately 1520 ft. The seam averages 2.48 feet in thickness, with no parting mentioned. The location of the seam is shown by the Hazard 8 and above seam map included in this report.

The Skyline coal seam is the uppermost coal seam to be evaluated in the project area. It is at an average elevation of approximately 1600 feet. The seam is averages 1.76 feet thick with no parting being recorded. The location of the seam is shown by the Hazard 8 and above seam map included in this report.

11.3 COAL QUALITIES

Coal quality information has been obtained where available from coreholes drilled on the property. Table 4 in section 18.3 summarizes the arithmetic average quality data for each seam found within the 5 recently drilled holes provided. Quality information for existing drill holes and previous lab analyses were also reviewed and utilized in the averages. A description of the coal qualities and methods to obtain them are discussed in more detail in a later section of this report.

In general, coal quality data on the property indicate that likely the majority of coal removed by contour, area, and point removal methods of mining will not require washing. Coal removed by auger or highwall methods, however, will require washing.

12 EXPLORATION

12.1 DETAILS OF SURVEYS AND INVESTIGATIONS

In December of 2008, Phil Lucas of Summit Engineering conducted a site visit to the property. There, they reviewed the previous mining which had been conducted on the western portion of the property, the proposed mine plan and the proposed backfill plan. A follow up visit was conducted by Lucas on January 12, 2010. No mining activity has taken place since that time, so no follow-up visits have been conducted for this property since that date.

Existing Highwall, 8 seam and above: LCC permit.

Existing mined area, 8 seam and above: LCC permit.

Existing mined area, 8 seam and above: LCC permit.

Unmined area: East of Laurel Fork.

12.2 INTERPRETATION OF EXPLORATION DATA

Most of the reserve left in this area lies in the Hazard 7 seam and below. However, a couple of small areas have been left which may contain the Hazard 8 and above seams. Also, the existing mountaintop removal area located on this permit could enhance the overall mine plan by providing excess spoil storage.

Other conclusions and interpretations are filed under the appropriate sections in this report.

13 DRILLING

13.1 TYPE OF DRILLING

13.1.1 DRILLING PROCEDURES

Typically drill holes are produced in the region by rotary drilling. Standard NX core drilling procedures are followed whereby all core recovered is laid out on the ground and/or in core trays in a set interval or on a run-by-run basis. In either case, both lithological and geotechnical logging are easily facilitated. All coal seams, and strata up to 10 feet above and 10 feet below the coal seams, are packed into lockable core boxes for transport to a designated secure core shed.

13.1.2 DRILLING LENGTH

Drilling length is typically a factor of both the surface (collar) elevation where the drilling is to commence, and the bottom-most elevation of the coal seam to be analyzed where drilling will cease. As stated in other sections of this report, surface elevations can vary along the property from approximately 600’ to 1700’ above sea level, while coal seams vary in elevation from 700’ to 1600’. So, the maximum and minimum expected depth of drilling within the project area should be approximately 100’ to 1000’.

13.1.3 ORIENTATION OF MINERAL

The regional strike of the strata is approximately North 45 degrees East, with a regional dip of approximately 1 degree to the North West. This is based upon the general trends of the coal seams and the Magoffin Member structure contours as depicted on the Hindman and Handshoe U.S.G.S. geologic quadrangles maps.

As such, the coal seams are relatively flat-lying and thus orientation of the drilled core is not a factor which would change typical drilling procedures. However, mine planning and operations will need to consider the small strike and dip associated with the coal seams in this area, because this will affect drainage flow conditions.

13.2 EXTENT OF DRILLING

The extent of drilling within the project area has been characterized by the drilling of 18 known coreholes within the project area. Five of these coreholes LRR-02-08, LRR-03-08, LRR-04-08, LRR-05-08, and LRR-06-08 were drilled by CDR and the coal seams encountered were sampled and sent to Mineral Labs, Inc. for quality analysis. The locations of these coreholes can be found on the seam maps in item 26 of this report.

A summary of existing drill hole intersections with the applicable seams in this project is provided in table 4B below. Note the elevations of the intersections reported below represent the bottom elevation of the coal seam. In such cases where more than one "split" of the coal occurs, the bottom-most split elevation is recorded.

Table 4B: Summary of Drill Hole Intersections

	Coal Seam					
Drill Hole	Fireclay	Hazard 5A	Hazard 7	Hazard 8	Hazard 9	Skyline
DG-01-05	N/A	N/A	N/A	N/A	1522.50	N/A
DG-02-05	N/A	N/A	1362.60	1479.52	N/A	N/A
DG-03-05	N/A	N/A	N/A	1488.40	1594.82	N/A
DG-04-05	N/A	N/A	N/A	1407.69	1519.26	N/A
DG-05-05	1218.90	1276.00	1373.27	1402.85	N/A	N/A
DG-06-05	1220.30	1273.70	1349.30	1407.27	N/A	N/A
DG-07-05	1222.78	1286.23	1328.93	1384.52	1480.00	N/A
DG-08-05	N/A	N/A	N/A	N/A	1490.60	1587.50
LF1	1249.63	1304.81	1414.98	1430.70	1542.93	N/A
LF2	N/A	N/A	1390.29	1413.54	1517.84	1605.84
LF3	N/A	1283.13	1338.83	1383.85	1488.83	1588.83
MBC1	N/A	N/A	1361.40	1430.10	1537.10	1631.40
MBC2	N/A	N/A	N/A	1462.30	1559.00	N/A
LRR-02-08	N/A	1355.30	1422.10	1524.80	1631.30	1736.00
LRR-03-08	N/A	N/A	N/A	1434.00	1546.20	1704.10
LRR-05-08	N/A	N/A	N/A	1365.10	1465.80	1550.70
LRR-06-08	1270.80	1326.60	1433.70	1450.30	1560.00	N/A

No additional corehole drilling is planned at this time. However, additional coreholes will allow for more distinct classification of the reserve and for expanding the reserve base in the future.

14 SAMPLING METHOD AND APPROACH

14.1 QUALITY CONTROL MEASURES

The objective of sampling is to collect a portion of material small enough in volume to be transported conveniently and yet large enough for analytical purposes while still accurately representing the material being sampled. This objective implies that the relative proportions or concentrations of all pertinent components will be the same in the samples as in the material being sampled, and that the sample will be handled in such a way that no significant changes in composition occur before the tests are made.

The core samples collected and submitted for analysis were handled using methods that are standard for the coal industry. The standard method of coal core handling is for the drillers, once the cores are retrieved to the surface, to place the cores in core boxes designed to accept core of the diameter being drilled. Samples are then trucked from the field to independent laboratories for sample testing. On this property CDR has arranged for a lab, or a third party, to pick up and deliver sample data to Mineral Labs, Inc.

The ability to trace possession and handling of the sample from the time of collection through analysis and final disposition is referred to as "chain-of-custody" and is required to demonstrate sample control when the data are to be used for regulation or litigation. Where litigation is not involved, chain-of-custody procedures are useful for routine control of samples.

The sample data received by Summit from CDR originated from Mineral Labs, Inc. (2008 coredata) and Acculab. Certain data verification procedures (see Item 14.2) are typically employed in order to derive a level of confidence with respect to the sample integrity.

14.2 DATA VERIFICATION PROCEDURES

The following procedures summarize the major aspects of chain of custody.

- Sample Labels – include the following information: a unique sample number, sample type, name of collector, date and time of collection, place of collection, and sample preservative.
- Sample Seals – to detect unauthorized tampering with samples up to the time of analysis.
- Field Log Book – to record all information pertinent to a field survey.
- Chain of Custody Record – including the sample number, signature of collector, date and time of collection, signatures of persons involved in the chain of possession, and inclusive dates and times of possession.
- Sample analysis request sheet – including pertinent information from field log book, and information completed by laboratory personnel regarding sample number, date of receipt and condition of sample.
- Delivery to the laboratory – as soon as practicable after collection, typically within two days.
- Receipt and logging of sample.
- Assignment of sample for analysis.
- Disposal, after the data has been reviewed and accepted, in accordance with local, state and U.S. EPA approved standards.

15 SAMPLE PREPARATION, ANALYSES AND SECURITY

15.1 SAMPLE PREPARATION METHODS

Application tests are laboratory procedures that measure some characteristic of coal that has been empirically related to some application or handling or processing step. Typically, these procedures attempt to duplicate some aspect of the commercial application at laboratory scale and may produce information in the form of an index. Application procedures do not measure a single component of the coal but infer the combined effect of multiple components.

The American Society for Testing and Materials (ASTM) publishes the most inclusive reference to analytical procedures. This publication, which is revised annually, provides extensive information concerning generally accepted methods of laboratory analysis. ASTM also provides standards for sampling and some information concerning sample handling.

Ultimate analysis is a process typically used which gives the composition of coal in terms of carbon, hydrogen, nitrogen, oxygen, ash, and sulfur without regard to origin. The ash determination can be found is ASTM D-3174. Sulfur is determined either by wet chemistry methods (ASTM D-3177) or by measuring the sulfur content of the gas released through high temperature combustion of the coal sample (ASTM D-4239). Carbon and hydrogen are also determined through a combustion process (ASTM D-3178) and nitrogen by a wet chemistry method (D-3179). Oxygen is not determined directly. The sum of the carbon, hydrogen, nitrogen, sulfur, and ash are subtracted from 100 to calculate oxygen (ASTM D-3176).

Heating value or calorific value is a measure of the heat produced from a unit weight of coal. In the United States, it is commonly expressed in British thermal units per pound (BTU/lb). Other units are calories per gram (cal/g) and joules per gram (J/g). Heating value is generally determined by burning a weighed coal sample, in oxygen, in a calorimeter (ASTM D-2015 and D-3286).

The ASTM method Mineral Labs, Inc., used to determine calorific value (in BTU/lb), was D-5865-04. This lab determined sulfur content with ASTM method D-4239-05, method C. Ash content was calculated from ASTM method D-3174-04.

15.2 INTEGRITY OF SAMPLING PROCESS

On-the-job monitoring and training of staff ensures that correct procedures and best practice methods are being continually employed. All laboratory equipment and instrumentation is routinely checked and calibrated. Further, Mineral Labs, Inc. (whose office is located in Salyersville, Kentucky) is a privately owned company that is paid a fee for analytical work performed. To Summit's knowledge, Mineral Labs holds no equity or material interest in any of its clients operations or businesses. The Quality Associates International, LLC, certificate of compliance is included on the following page.

15.3 SECURITY METHODS

In coal work it is unusual to employ security methods (other than those described in the chain-of-custody procedures) for the shipping and storage of samples, because coal is a low value bulk commodity. As far as Summit knows CDR's procedures for handling and shipping coal samples and for sample security was essentially the same as that of other operators in the region. Further, the lab data verification procedures and sample preparation methods (as described above) meet typical industry standards.

It is the author's opinion that the sample preparation, security measures and analytical procedures, as reported to Summit Engineering by Mineral Labs, Inc. for this property, are adequate.

CERTIFICATE OF COMPLIANCE™
No. 12 - 8734 - 001 - 01

MINERAL LABS, INC.

SALYERSVILLE, KY

COMPLIES WITH THE REQUIREMENTS
OF
QUALITY ASSOCIATES INTERNATIONAL®, LLC'S
COAL QUALITY CONFORMANCE PROGRAM™

FOR CONFORMANCE OR EQUIVALENCY TO THE ASTM STANDARDS LISTED ON THE SCOPE OF ACCREDITATION IN THE FIELDS OF:

COLLECTION AND PREPARATION OF COAL AND COKE SAMPLES FOR ANALYSIS

COAL AND COKE TESTING

QUALITY ASSURANCE

The test methods included in the scope of the Certificate of Compliance™ pertain only to those materials included in the scope of the individually referenced ASTM standards. Alternative materials, such as synfuels derived from coal or coal products and blended with other non-coal materials, are not listed in the scope of any test method under the jurisdiction of ASTM Committee D-05 on Coal and Coke. Therefore, the efficacies of those ASTM standards on materials not covered in the standards' scopes have not been determined and are therefore not covered under the scope of accreditation.

PRESENTED THIS 30TH DAY OF APRIL, 2009
VALID TO APRIL 14, 2011

James H. Addington

JAMES H. ADDINGTON, MANAGING MEMBER
FOR
QUALITY ASSOCIATES INTERNATIONAL®, LLC

QUALITY ASSURANCE IS THE BEST INSURANCE

THE QUALITY ASSOCIATES INTERNATIONAL® COAL QUALITY CONFORMANCE PROGRAM™ APPLIES ASTM D 4182 FOR LABORATORY EVALUATION CONSISTENT WITH THE REQUIREMENTS OF ISO/IEC GUIDE 17025.

ACCULAB

Coal, Water and Soil Testing Laboratory
P.O. Box 532
Hazard, Kentucky 41702
(606) 436-5476

June 23, 2009

CDR Minerals (USA) Inc.
P.O. Box 1056
Hazard, Ky 41702

Mr. Alfred Collins:

Acculab has been in business since 1989. The principal employees have been in the analysis field since 1975. We are #24 on the state approved electronic DMR analysis program. We have run coal and water samples for the state since the 70's, and list them among our clients. We look forward to serving you as well.

Respectfully,

Gregory H. Minard
Owner/manager

16 DATA VERIFICATION

16.1 GEOLOGY

The project area is characterized by geology that is complex, both with respect to stratigraphy and structure. This complexity is not an impediment to mining; it is the cause for the seams to be surface mineable in this location. Folding, faulting hard topographic relief has brought the seams to the surface or to shallow depth permitting the drilling of relatively shallow holes to test the coal. Seam exploration data as found in the 18 coreholes did not appear to conflict with the regional geologic characteristics as defined in other items of this report.

16.2 HISTORIC EXPLORATION DATA

Where possible, Summit independently checked the exploration data available from historic records. The most important activity of this type was a verification of the corehole depth and seam thickness data. This check was made by reviewing and correlating the depth and thickness of seams recorded on the data supplied from CDR. The results were then compared with the previous report records. The results, with minor insignificant variations for corehole LRR-04-08, were the same. Because corehole LRR-04-08 did not correlate with the adjacent core data, this corehole was discounted in our calculations. Summit concluded that the historic geological records with respect to seam thickness and depth as drilled are approximately accurate.

17 ADJACENT PROPERTIES

17.1 ADJACENT PROPERTIES

17.1.1 ADJACENT INDUSTRIAL PROPERTIES

From the EDR report as defined in section 6.2.4 above, the adjacent industrial properties near the project area include the following:

- Knott County Solid Waste
- Napiers Ashland Station
- Bulan Service Station
- Sawyers Convenience Mart
- Hindman 66
- Halcombs Grocery
- W.M. Thacker Grocery
- Rogers Auto Mart
- DS Stop and Shop
- Holiday Grocery
- Hazard Transfer Station
- Knott County Solid Waste Transfer Station
- Knott County Solid Waste Department
- KY Mountain Power Ash Disposal Facility
- Don's Excavating
- Trumbo Petroleum, LLC
- Ashland Petroleum Co. #296-000
- Buckhorn Processing Company
- Campbell's BP Station

17.1.2 ADJACENT PERMITTED PROPERTIES

As shown on Figure 1 in section 6.2.2 above, the adjacent permitted properties near the project area include the following:

- Big Elk Mining Company, LLC: Permit 860-0424
- Hannco Energy, Inc: Permits 860-0339, 860-0350, 860-0359
- ICG Hazard LLC: Permits 860-0429, 860-0445, 860-0462, 860-0463, 860-7009
- LCC Kentucky LLC: Permits 860-0415, 860-0418
- Lee Paul Coal Company: Permit 460-0015, 860-0128
- Oscar Hatton Coal Co.: Permit 860-0413

If possible, approximate seam thickness and elevation data within these permits should be examined to verify trends in the local geology.

17.1.3 OTHER SIGNIFICANT ADJACENT PROPERTIES

As shown in Figure 2 in section 7.2 above, other significant adjacent properties near the project area include the following:

- Large Water Storage Tank
- Emmalena Elementary School
- Local Community Center
- City of Hindman

Due to the existence of these significant adjacent properties, it is recommended that best mine practices in the mine plan include detailed blasting, sediment control, noise and other pollution plans.

17.2 SOURCES OF INFORMATION

Sources of information for all property data, as well as other referenced material within this report, are shown in section 23.

18 MINERAL PROCESSING AND METALLURGICAL TESTING

18.1 REGIONAL COAL QUALITY

The eastern Kentucky coal field covers 10,500 square miles and contains approximately 52 billion tons of remaining resources. There are more than 80 named coal beds in the eastern Kentucky coal field which covers parts of 37 counties. The project area site lies in the Hazard District of the eastern Kentucky coal field. The Hazard District is one of six districts in eastern Kentucky and includes Knott, Letcher, Perry, Leslie and Breathitt Counties along with a small portion of Harlan County. The Hazard district has estimated reserves of 16 billion tons and includes 23 coal beds of at least 14 inches in thickness. Seven principal coal beds in the district account for about 70 % of the coal reserves. These coal beds are the Elkhorn No. 3, Amburgy, Fire Clay, Fire Clay Rider, Hazard No. 7, and the Francis coal seam.

Mean data for quality parameters of the seven principal coal beds is as follows:

- Sulfur – 0.7 to 5.2 %
- BTU/lb – 10,400 to 15,800
- Ash- 4 to 26 %
- Volatile Matter – 25.3 to 42.0 %
- Moisture – 1.2 to 6 %

Eastern Kentucky has abundant coal reserves remaining. It is estimated that about 5% of the reserves are greater than 56 inches, 12% range from 42 to 56 inches, 31% range from 28 to 42 inches and 52 % of the reserves range from 14 to 28 inches in thickness. Eastern Kentucky is believed to contain one of the largest resources of low-sulfur, high-BTU coal, although moderate to high sulfur coals are also mined. Ash contents vary, and recent experience suggests that the remaining resource will have higher levels of ash than that previously mined.

*Source of above information: Kentucky Geologic Survey (KGS) and the Keystone Coal Industry Manual.

18.2 DATA RESOURCES AND MODELING METHOD

Coal quality trends have been modeled from the database of the 18 coreholes as listed below:

DESCRIPTION OF COREHOLE DATA

Hole	Drilling Company	Driller	Date Drilled
DG-01-05	Addington Mining Technologies	Mike Gollihue	2005
DG-02-05	Addington Mining Technologies	Mike Gollihue	2005
DG-03-05	Addington Mining Technologies	Mike Gollihue	2005
DG-04-05	Addington Mining Technologies	Mike Gollihue	2005
DG-05-05	Addington Mining Technologies	Mike Gollihue	2005
DG-06-05	Addington Mining Technologies	Mike Gollihue	2005
DG-07-05	Addington Mining Technologies	Mike Gollihue	2005
DG-08-05	Addington Mining Technologies	Mike Gollihue	2005
LF1	LJ Hughes & Sons, Inc.	Rick Dorsey	2001
LF2	LJ Hughes & Sons, Inc.	Rick Dorsey	2001
LF3	LJ Hughes & Sons, Inc.	Rick Dorsey	2001
MBC1	CBC Drilling	James Estepp / Arnton McComas	1991
MBC2	CBC Drilling	James Estepp / Arnton McComas	1991
LRR-02-08	Layne Christensen	Arnton McComas	2008
LRR-03-08	Layne Christensen	Arnton McComas	2008
LRR-04-08	Layne Christensen	Arnton McComas	2008
LRR-05-08	Layne Christensen	Arnton McComas	2008
LRR-06-08	Layne Christensen	Arnton McComas	2008

The method used to estimate in-situ quality of coal by mining block is based on standard industry practice of computer based modeling of applicable quality parameters (Ash, Sulfur, BTU). The model is interpolated, using mostly core data, by the inverse distance squared method. However, when seams have fewer than three core holes, it is necessary to calculate arithmetic averages of the values.

18.3 PROPERTY COAL QUALITY

The following table represents estimates of the coal quality on the seams within the project area. The table illustrates average coal quality based on a total of 47 site specific samples taken from core holes.

Table 5: Average Coal Quality Values

Coal Seam	% Ash	% Sulfur	BTU/lb
Fireclay	5.51	1.66	14,023
Hazard No. 5A	13.62	0.78	12,437
Hazard No. 7	19.12	1.43	11,520
Hazard No. 8	8.12	1.20	13,431
Hazard No. 9	11.20	3.59	12,699
Skyline	7.80	0.81	13,497
AVERAGE	**8.17**	**1.69**	**13,465**

As depicted in Table 5 above these coal seams appear to be a high volatile bituminous coal.

19 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

19.1 RESOURCE AND RESERVE CRITERIA

The reserve classification for the Summit analysis follows the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definition standards for Mineral Resources and Mineral Reserves as prepared by the CIM Standing Committee on Reserve Definitions.

Mineral Resource – The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase „reasonable prospects for economic extraction' implies a judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. A Mineral Resource is an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable. Mineral Resources are sub-divided, in order of decreasing geological confidence, into Measured, Indicated and Inferred categories.

Measured Mineral Resource -- A „Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. As established by the U.S. Geological Survey-U.S. Bureau of Mines in the U.S.G.S. Circular 891, 1983, they may extend as far as a one-quarter mile (1,320 feet) radius from a valid point of measurement.

Indicated Mineral Resource -- An „Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. As established by the U.S. Geological Survey-U.S. Bureau of Mines in the U.S.G.S. Circular 891, 1983, resources in this category are those occurring between one-quarter (1,320 feet) radius and three-quarters mile (3,960 feet) radius from a valid point of measurement.

Inferred Mineral Resource – An „Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. As established by the U.S. Geological Survey-U.S. Bureau of Mines in the U.S.G.S. Circular 891, 1983, these reserves lie more than three-quarters of a mile (3,960 feet) from reliable points of measurements and may be extended as far as three miles (15,840 feet). Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

Mineral Reserve – A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral Reserves are sub-divided in order of decreasing confidence into Proven Mineral Reserves and Probable Mineral Reserves.

Proven Mineral Reserve: A „Proven Mineral Reserve' is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Probable Mineral Reserve: A „Probable Mineral Reserve' is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

19.2 DATA SOURCES AND MODELING METHOD

In calculating the in-place and recoverable tons for potential mine site areas, potential reserve areas were created in SurvCADD. SurvCADD is a computer model distributed by Carlson Software that utilizes three-dimensional analysis to estimate reserve volumes. In-place tons are calculated by computer based modeling of applicable parameters (seam thickness and elevation). The model is interpolated, using mostly core data, by the inverse distance squared method. Coal density was assumed to be 80 lbs per cubic foot and rock density was assumed to be 160 lbs per cubic foot.

19.3 RESOURCE AND RESERVE CALCULATION PARAMETERS

Potential reserves were classified as surface mineable (area, point removal and contour mineable), highwall mineable, or auger mineable reserve. Surface mineable reserves had a maximum cubic yards of overburden to recoverable tons of coal ratio of 20:1. Highwall mineable reserves extend perpendicularly from contour mineable reserves (which have an average bench width of 150') having a maximum depth of 1000'. Auger mineable reserves extend perpendicularly from contour mineable reserves (which have an average bench width of 120') having a maximum depth of 300'. The minimum seam thickness parameter for highwall and auger mineable reserves was 24".

Summit based calculations on coal seam thickness instead of total seam (coal plus rock) thickness. Therefore when estimating the recoverable tons, a mining recovery factor was used, and no plant loss was taken into consideration. The mining recovery factor for area, point removal and contour mineable reserves were calculated as 85% of in-place tons for all seams. Reserves classified as highwall mineable had a mining recovery factor of 45% of in-place tons for all seams, and reserves classified as auger mineable were given a mining recovery factor of 30% of in-place tons for all seams.

Exploration data on property currently under lease allows for all reserves to be classified as either proven or probable reserves. Ongoing lease negotiations may add potential inferred resources to the property. Potential inferred resources are reported as an in-situ (in place) tonnage and not adjusted for mining losses or recovery. Minimum mineable seam thickness and maximum removable parting thickness are considered; coal intervals not meeting these criteria are not included. Resource tons are estimated by the average thickness times area method. The area is calculated from the SurvCADD generated coal seam outcrop and by potential lease lines as described in item 19.4, and the average thickness is assumed to be approximately equal to the average thickness generated for measured and indicated reserves.

19.4 RESULTS OF RESERVE AND RESOURCE ESTIMATION

Table 6 details the results of Summit Engineering's reserve estimation as of the effective date of this report.

Table 6: Estimated Reserves & Resources

	Mineral Resource Tons			Mineral Reserve Tons	
Seam	Measured	Indicated	Inferred	Proven	Probable
10	226,088	0	0	192,175	0
9	1,142,145	155,807	0	970,823	132,436
8	2,366,384	1,246,001	75,419	2,011,426	1,059,101
7	0	0	958,070*	0	0
5A	0	0	0	0	0
4	1,000,710	2,029,180	2,307,251	529,802	1,083,201
Sub Total:	**4,735,326**	**3,430,989**	**3,340,740**	**3,704,226**	**2,274,738**
Totals:		**8,166,315**			**5,978,965**

*Note the Hazard 7 seam tons are classified as Inferred Mineral Resource tons due to marginal mining conditions such as seam splitting and varied seam thickness.

As shown in Item 18 of this report, the coal on the property appears to be high volatile bituminous coal, averages 13,465 BTU/lb, with a sulfur content of 1.69 percent and an ash content of 8.17 percent.

20 OTHER RELEVANT DATA AND INFORMATION

Excluded from the scope of work for this engagement was the independent verification by Summit of leases, deeds, surveys, or other property control instruments. Laurel Fork has represented to Summit that Laurel Fork controls the mining rights to the reserves shown on its property maps, and Summit has accepted these as being true and accurate depiction of the surface and mineral rights controlled by Laurel Fork.

The determination of economic viability is based on a preliminary feasibility study prepared by Summit. The work conducted by Summit included a comprehensive study of mineability and a detailed projection or mining cost on the reserve areas.

Summit has not conducted an independent assessment of the financial condition of Laurel Fork and Summit expresses no opinion as to matters of a financial nature, other than those considered in its assessment of the mineral reserves.

21 INTERPRETATIONS AND CONCLUSIONS

While compiling the information needed for this ITR, Summit has reached the following interpretations and conclusions:

- Summit's reserve evaluation indicates that there is an excess of eight (8) million measured and indicated resource tons on the property. Approximately 1.7 million tons are controlled under lease.

- A portion of the reserves on properties pending lease are classified as inferred (resource) tons. With additional exploration, the reserve base may be expanded.

- As of the date of this report, no permits have been obtained for this property. Both SMCRA and USACE 404 permitting will be required for the operation. The pursuit of the issuance of the SMCRA and USACE 404 permits for this site is extremely important for the long-term project success.

- About 330,000 tons within the leased properties may be mined without the need of a USACE 404 permit. Adjacent tracts contain about 600,000 tons that may be mined without the need of a USACE 404 permit. These areas will still require a SMCRA permit and the permit process should begin as soon as possible in order to have the permit issued timely. Thus, it could be about 2 years before the need for a USACE 404 permit.

- The projected production tonnages are reasonable based on the reserves associated with the property.

- Estimates of required capital, manpower, and equipment for the surface mine operations are realistic.

22 RECOMMENDATIONS

The information as reviewed indicates that there exists a coal resource on this property worthy of additional exploration and further development.

- CDR has allocated approximately $12,000 per month for permitting and other reserve activity, which includes the cost to drill each corehole. These will cost approximately $10,000 each, and additional core drilling should commence as adjacent properties are leased.

- Pursue the estimated use of capital expenditures summarized in Item 25.3 of this report; they appear to be sufficient for the property.

- Ensure that all mine planning and construction is in conformity with current regulations for environmental and reclamation planning.

- Diligently pursue the additional leases and permit, a lease assignment for affected properties within the permit, as well as obtaining a SMCRA permit and USACE 404 permit for the eastern portion of the property reserve.

- Proceed with the orderly extraction of the coal reserve in this area.

23 REFERENCES

Author/Editor	Title	Date	Company
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Doss, R.B.	Preliminary Reserve Evaluation – Laurel Fork Project Area	05/20/08	Doss Engineering, Inc.
Energy Information Administration	Annual Energy Outlook - 2008	Year 2008	N/A
Environmental Data Resources, Inc.	The EDR Radius Map Report with GeoCheck	11/19/08	N/A
Franson, H.	Standard Methods for the Examination of Water and Waste Water, 20th ed. - 2008	Year 2008	N/A
Leonard, Joseph W., III	Coal Preparation, 5th ed.	Year 1991	N/A
Mineral Labs, Inc.	Coal Quality – 2008 data	Year 2008	Mineral Labs, Inc.
Ontario Securities Commission	National Instrument 43-101 Standards of Disclosure for Mineral Projects, Form 43-101F1, Technical Report, and Companion Policy 43-101CP		Ontario Securities Commission
Resource Management , Inc.	Preliminary Reserve Study – Daniel Gayheart's Property	5/31/06	Resource Management, Inc.

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http://www.minepermits.ky.gov/sminformationsystem/
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24 DATE AND SIGNATURE PAGE

Presented here-with is Summit Engineering's Independent Technical Report (ITR) summarizing mineral exploration, development and production activities of CDR project area, located between Ball's Fork and Route 80 of Knott County, Kentucky, USA.

The effective date of this ITR is April 8, 2011.

Should you have any comments do not hesitate to contact me at the following numbers:

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Vice President,
Summit Engineering, Inc.

4/8/2011
Date of Signing

Summit Project Number: 3211.015

25 ADDITIONAL REQUIREMENTS FOR TECHNICAL REPORTS ON DEVELOPMENT PROPERTIES AND PRODUCTION PROPERTIES

25.1 INTRODUCTION

The area covered by this report is bounded to the north by Balls Fork, to the south by State Route 80, to the east by Trace Branch, and to the west by Short Fork and Rock Lick. The project area is located within Knott County, Kentucky, primarily in the Vest and Carrie USGS quadrangle maps. The location of this project can be found on Figure 1 in item 6.2.2 of this report, at approximately latitude 37°22'50", longitude 83°01'11". The total project area covers approximately 2500 acres.

The subject property is located immediately northeast of State Hwy 80's intersection with Route 160. Primary access will likely be from Route 80 thru Sylvester Branch road, although other access routes are being considered. It is a sparsely inhabited area.

Initially sold coal will likely be transported by tractor trailer to river markets (Cattlesburg KY is about 100 miles away) or to rail tipples controlled by others. The CSX rail line Sigmon loadout lies to the northwest of the project area. The CSX Elkatawa loadout also lies to the northwest of the project area, near the town of Jackson.

An estimated financial summary of the Laurel Fork property is provided in the table below:

Table 7: Estimated Financial Summary

	2011	2012	2013	2014
Production (000's tons)	0	0	180	580
Realized price per ton	$ -	$ -	$ 97.50	$ 97.50
Cash Cost per ton[1]	$ -	$ -	$ 65.60	$ 53.61

1. Includes direct cash mining costs and operating lease payments.

25.2 MINING PLAN

Lexington Coal Company, LLC permit 860-0415, controls a surface mining permit on the western portion of the property. The permit was operated by Leslie Resources Inc. from September 1, 1996 until March 19, 2001 when Leslie Resources, LLC took over operations. Production ceased on this permit in 2004, though SMIS still lists this permit with an active A1 status. However Increments 2, 4, 5, 11, 12 and 13, covering a total of 242.34 acres have a Phase 1 bond release.

Most of the reserve left in this area lies in the Hazard 7 seam and below. However, a couple of small areas have been left which may contain the Hazard 8 and above seams. Also, the existing mountaintop removal area located on the leased properties could enhance the overall mine plan by providing excess spoil storage.

Negotiations for the mining rights necessary to conduct surface and underground mining operations within the Daniel Gayheart property have been obtained. Other leases that have been obtained are provided in Table 1 in section 6.2.3 of this report. Negotiation is on-going for other properties that also lie within the Laurel Fork property area.

Based on the proforma production tonnage, it could be approximately 2 years after mining commences until the need for a USACE 404 permit exists. The current LCC permit area could be re-permitted by CDR in the future. This area should have about 330,000 recoverable tons available for mining without the need for a USACE 404 permit. Also, parts of lease areas 10, 12B and 13 may be mined without the need for a USACE 404 permit. Excess spoil from these areas may be placed on previously mined areas adjacent to this area. Both surface and mineral leases for these areas must be secured and a SMCRA permit will need to be issued for the work to be done. These areas could yield another 600,000 tons of recoverable coal. Thus it is possible to mine close to 1 million tons without the need for a USACE 404 permit. A permit application is currently being prepared for the area of the Daniel Gayheart property.

After a permit is obtained for the properties leased and currently pending lease, the remaining leases for the property area should be obtained and a permit filed for the mineable reserve located to the east of Laurel Fork. The process of obtaining SMCRA and USACE permits could take an estimated 12-18 months for this property.

Once lease negotiations are concluded, and a SMACRA and USACE permit has been obtained, mining within the remainder of the property can commence.

From Item 19.4 above, approximately 4,740,000 Measured Resource tons are within the property, of which nearly 3,700,000 Proven Reserve tons exist. Approximately 3,430,000 Indicated Resource tons are within the property, of which nearly 2,270,000 Probable Reserve tons exist.

The production and timing of the operations within the properties of Laurel Fork is summarized in Table 7 in Item 25.1 above. The total production through 2014 is projected to be 760,000 recovered tons. Thus all production as shown above through 2014 is proven or probable mineral reserve.

25.3 ESTIMATED CAPITAL EXPENDITURES

The estimated capital expenditures schedule for Laurel Fork is presented below:

Table 8: Estimated Capital Expenditure Summary

($000s)

	2011	2012	2013	2014	**Total**
Mineral Purchase	0	1,660	0	0	**1,660**
Bonding	0	0	500	0	**500**
Equipment	0	0	500	0	**500**
Working Capital	0	0	1,200	0	**1,200**
Investing Capital	0	0	250	1,000	**1,250**
Permitting	0	50	45	0	**95**
Reserve Report	0	0	15	0	**15**
Development	0	50	75	0	**125**
Other	0	100	100	0	**200**
Total	0	1,860	2,685	1,000	**5,545**

25.4 ESTIMATED COAL PRODUCTION TAXES AND SALES COSTS

Laurel Fork is responsible for federal black lung excise tax, federal reclamation tax and Kentucky severance tax, a summary of which is provided in the table below:

Table 9: Estimated Production Tax Summary

Federal lung excise tax - per ton sold (underground)	$1.100
Federal reclamation tax - per ton sold (underground)	$0.135
Federal lung excise tax - per ton sold (surface)	$0.550
Federal reclamation tax - per ton sold (surface)	$0.315
Kentucky severance tax - % of revenue	4.50%

Negotiations for the mining rights necessary to conduct surface and underground mining operations within the Daniel Gayheart property have been obtained. Other leases that have been obtained are provided in Table 1 in section 6.2.3 of this report.

25.5 CASH FLOW SUMMARY

Laurel Fork's management's cash flow forecast is presented in the table below and is based on the assumptions provided above. The forecast shows operating cash flow totaling approximately $17.4 million and unlevered free cash flow of nearly $11.9 million from 2011 through to 2014 on cumulative estimated capital expenditures of approximately $5.5 million.

Table 10: Cash Flow Forecast

($000s)

	2011	2012	2013	2014	Total
Sales	-	-	17,550	56,550	74,100
Operating costs	-	-	(11,808)	(31,094)	(42,902)
Gross margin	-	-	5,742	25,456	31,198
Federal lung tax	-	-	(198)	(638)	(836)
Federal reclamation tax	-	-	(24)	(78)	(103)
Royalties	-	-	(459)	(2,036)	(2,496)
Kentucky severance tax	-	-	(258)	(1,146)	(1,404)
Federal income tax	-	-	(1,633)	(7,330)	(8,962)
Operating cash flow	**-**	**-**	**3,169**	**14,228**	**17,397**
CAPEX	-	(1,860)	(2,685)	(1,000)	(5,545)
Unlevered free cash flow	**-**	**(1,860)**	**484**	**13,228**	**11,852**

25.6 DISCOUNTED CASH FLOW SUMMARY AND SENSITIVITY

The project shows positive results for each of the years 2013-2014. The discounted profit or loss generated each year was brought to a net present value (NPV) by assuming an annual discount rate of 15%. The discount rate is applied each year in the future that the profit or loss is generated. The NPV based on free cash flow is approximately $6.5 million dollars based on a forecast prepared by management team of Laurel Fork and CDR in March, 2011. A sensitivity analysis with discount rates ranging from 10% to 20% and price variations from Laurel Fork's expectations are presented in the table below.

Table 11: Discounted Cash Flow Results and Sensitivity

(000s)

Coal Price Deviation from Forecast	Discount Rate 20.0%	17.5%	15.0%	12.5%	10.0%
-15.0%	$ 2,126	$ 2,384	$ 2,675	$ 3,003	$ 3,374
-10.0%	$ 3,206	$ 3,553	$ 3,942	$ 4,378	$ 4,870
-5.0%	$ 4,287	$ 4,722	$ 5,208	$ 5,753	$ 6,366
0.0%	$ 5,368	$ 5,891	$ 6,475	$ 7,129	$ 7,862
5.0%	$ 6,449	$ 7,060	$ 7,742	$ 8,504	$ 9,358
10.0%	$ 7,529	$ 8,229	$ 9,009	$ 9,879	$ 10,854
15.0%	$ 8,610	$ 9,398	$ 10,276	$ 11,255	$ 12,350

25.7 MARKETS AND CONTRACTS

Long term coal production, according to the Energy Information Administration (EIA) is projected to vary based on different assumed policies with regard to greenhouse gas (GHG) emissions. The no GHG concern case illustrates a sizable increase in coal production. In 2030, coal production in the no GHG concern model is 20 percent higher than in other models. The impact on long term coal use would depend on details of policies such as the allocation of emissions allowance and the inclusion of policies to encourage the use of other fuels.

In any case, electric power consumption in the US is forecast to increase by one percent per year through the year 2030. The use of coal fired electricity generation is only projected to decrease moderately from 49% to 47% by 2030.

The projected production tonnages and coal prices included in Item 25.1 are reasonable based on the reserves associated with the property. The NYMEX lists Central Appalachia coal futures at $77.38 per ton as of 4/1/2011.

While Central Appalachia has experienced consistent coal production and growth, some projections show a decline over the next several years as many mines exhaust their better reserves. Coal operators, particularly underground operators will have to deal with the burden and costs of additional compliance due to the poor safety performance of some. Also, surface mine operations will deal with continued pressure from environmental activists and the courts. Higher compliance costs may in fact force some operators to close thus freeing up manpower and equipment for those who remain in business.

25.8 ENVIRONMENTAL CONSIDERATIONS

Recent issues related to the coal industry such as the Sago and Upper Big Branch mine disasters and the controversy surrounding mountain top/surface mining have led to renewed interest by lawmakers and environmental activists.

The subject property is located within the regulatory jurisdictional boundaries of the U.S. Army Corps of Engineers (USACE), Louisville District. While the Louisville District has not faced the myriad of legal challenges from environmental groups regarding surface mining Section 404 permits as has the USACE Huntington District, the Louisville District has been affected by the lawsuits. The Huntington District has been the subject of numerous lawsuits filed by environmental groups regarding issued public permits as well as programmatic procedures such as the issuance of Public Notices of Section 404 Individual Permits.

While the government has routinely lost at the federal District Court level, the decisions have typically been appealed to the U.S. Court of Appeals for the Fourth Circuit (Kentucky is located in the U.S. Court of Appeals for the Sixth Circuit). Typically, the lower court decisions have been overturned. However, due to the time lapse between the lower court decision and the appeals court reversal, USACE has changed its policies and procedures making the process less efficient. The changes to policies and procedures have not been limited to the Huntington District as other districts regulating surface coal mining have typically implemented the changes to some extent.

In December 2007, a lawsuit was filed by environmental groups against USACE regarding an issued Section 404 Individual Permit for ICG's Thunder Ridge surface mine in Leslie County, KY. The lawsuit alleged several illegal actions were made by the USACE in issuance of the Section 404 Individual Permit. Amongst these items was an assertion that the USACE had not adequately addressed cumulative impacts. In response to the lawsuit, USACE suspended ICG's permit pending a review of the cumulative impacts analysis. Following preparation of a significantly greater cumulative impacts analysis, ICG's permit was re-issued in March 2009.

The U.S. Court of Appeals for the Fourth Circuit overturned Judge Chambers' decision from the Southern District of West Virginia in very similar litigation as what was filed against the USACE for the ICG Thunder Ridge permit. However, Kentucky is not in the geographical boundaries of the Courts of Appeals for the Fourth Circuit so this decision does not directly affect litigation in the Commonwealth of Kentucky.

The USACE Louisville District has imposed very restrictive limits on the use of Nationwide Permits 21 (prior to its suspension), 49 and 50 (although there is some flexibility for NWP 49 due to its environmental benefits). For the poorest quality

streams, impacts cannot exceed 2,000 linear feet, and impacts cannot exceed 300-500 linear feet for the highest quality streams. For most surface mining projects, these limits are unattainable, which leaves an Individual Permit as the only alternative for Section 404 authorization.

Nationwide Permit 21 (NWP 21), which was most recently issued by USACE on March 18, 2007 to regulate Surface Coal Mining Activities, was suspended on June 18, 2010 in the Appalachian regions of Kentucky, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia. Therefore, the only permitting avenues for surface mining activities at this time in these areas are Section 404 Individual Permits or Nationwide Permit 49 if the project is re-mining and meets the strict acreage requirements of this permit.

On February 16, 2011, USACE published in the Federal Register its proposal to re-issue NWPs for another 5 year term (Fed. Reg. Vol. 76, No. 32, pp. 9174 – 9207). Although the current version of NWP 21 is suspended, USACE proposed issuance of a restricted version of NWP 21. USACE offered three options for comment as part of the Federal Register notice:

1. Do not reissue NWP 21.
2. The discharge must not cause the loss of greater than ½ acre of non-tidal waters of the United States including the loss of no more than 300 linear feet of stream bed, unless for intermittent and ephemeral stream beds the district engineer waives the 300 linear foot limit. This NWP would not authorize discharges of dredged or fill material into waters of the United States associated with the construction of valley fills.
3. The discharge must not cause the loss of greater than ½ acre of non-tidal waters of the United States, including the loss of no more than 300 linear feet of stream bed, unless for intermittent and ephemeral stream beds the district engineer waives the 300 linear foot limit.

Option 2 is preferred by USACE. This option would not authorize the construction of valley fills in jurisdictional waters but would provide a direct avenue for the construction of ponds, stream or road crossings, etc. The new NWPs should be issued prior to or upon expiration of the current NWPs (March 18, 2012).

In addition to the obstacles facing Section 404 permitting associated with litigation and adverse court decisions in West Virginia, the U.S. Environmental Protection Agency (EPA) has recently taken a greater role in permitting. The agency has routinely commented on proposed projects and threatened the veto of several Section 404 permits. The agency's objections center on stream impairment, proposed mitigation, and water quality, specifically conductivity and total dissolved solids.

EPA has essentially forced coal companies to accept very extensive and expensive water and benthic monitoring programs in exchange for the release of Section 404 permits for surface mining activities. These monitoring plans have typically included a conductivity threshold that increases the monitoring frequency and requires best management practices be implemented if surpassed.

EPA has also begun conducting a review of all Section 404 applications for compliance with the Clean Water Act Section 404(b)(1) Guidelines and avoidance of impacts on downstream water quality. The focus on water quality impacts may lead to extensive operational changes, including but not limited to selective handling of strata, fill compaction, increased water monitoring, and water quality remediation. EPA's involvement in the Section 404 permitting process will lead to a more expensive permitting process with no certainty of permit issuance.

EPA's interest in water quality is not limited to Section 404 permitting. The agency has also been very involved in the permitting of wastewater discharges (Section 402 or NPDES permits). EPA has oversight authority of states with primacy programs to issue NPDES permits, and EPA has routinely commented on or objected to these permits.

In December 2008, the Office of Surface Mining Reclamation and Enforcement (OSM) issued a statement regarding the 100 foot stream buffer zone rule. This rule attempted to clarify that the 100 foot buffer zone did not apply to hollow fills. However, this new rule required a fill minimization plan to document that the stream impacts were minimized. A fill minimization routine has been developed and is in use for Kentucky SMCRA permits.

On December 22, 2008, on behalf of 8 environmental groups, a lawsuit was filed in D.C. District Court challenging approval of the 100 foot stream buffer zone rule. The suit names the United States Department of the Interior (DOI), OSM, and EPA. Two claims are filed against each agency alleging that the rule fails to explain alternatives and that it violates both SMCRA and the Clean Water Act (CWA).

OSM is currently preparing a revised stream buffer zone rule.

On June 11, 2009 the USACE, DOI, and the EPA entered into a Memorandum of Understanding regarding oversight of Appalachian surface coal mining projects. The memorandum required the USACE and EPA to take the following steps by the end of 2009:

- Issue a public notice to preclude use of Nationwide Permit 21 for authorization of discharge of fill material into streams for surface coal mining.

- USACE and EPA, in coordination with United States Fish and Wildlife Services, will develop guidance to strengthen the environmental review of surface coal mining projects under the Clean Water Act Section 404 (h) (1) guidance.

- Work with the states to strengthen oversight and review of Section 401 water quality certification and Section 402 NPDES (National Pollutant Discharge Elimination System) permits.

- Develop guidance regarding evaluation of impacts to streams and evaluation to mitigation projects.

- Clarify applicability of waste treatment exemption.

By the end of 2009, DOI was to have taken the following steps under the memorandum:

- If stream buffer zone rule is vacated, issue guidance clarifying application of the 1983 stream buffer zone provisions.

- The OSM will re-evaluate and determine how to more effectively conduct oversight of the states.

- The OSM will remove impediments to its ability to require correction of state application permit deficits.

Again, the design and permit methodology along with mining practices for large scale surface mines are likely to be impacted by increased timing and costs. Mining professionals to date have been able to find a means of meeting the requirements of both the regulations and the courts in order to continue mining in a reasonable and cost effective way.

25.9 GLOSSARY, ABBREVIATIONS AND UNITS

Glossary:

- Bench – A ledge that, in open-pit mine and quarries, forms a single level of operation above which minerals or waste materials are excavated from a contiguous bank or bench face. The mineral or waste is removed in successive layers, each of which is a bench, several of which may be in operation simultaneously.
- Dip – Inclination of geological features from the horizontal.
- Dyke – A tabular igneous intrusion that cuts across the bedding or foliation of the country rock.
- Fault – Fracture or fracture zone in crustal rocks along which there has been displacement of the two sides relative to one another parallel to the fracture.
- Highwall – Edge of opencast operations in advance of the direction of mining.
- In Situ – Generally used with reference to the reporting of coal resources to indicate a volume or tonnage of coal present undisturbed in the ground.
- Mineral Reserve – The economically mineable material derived from a measured and/or indicated mineral resource.
- Mineral Resource – A concentration of material of economic interest in or on the Earth's crust in such a form, quality, and quantity that there are reasonable and realistic prospects for eventual economic extraction.
- Overburden – Designates material of any nature, consolidated or unconsolidated, that overlies an economic deposit.
- Proforma -- A Latin term meaning "for the sake of form". In the investing world, it describes a method of calculating financial results in order to emphasize either current or projected figures.
- Seam – A provincial term for a coal bearing layer.
- Strike – The course or bearing of the outcrop of an inclined bed, vein, or fault plane on a level surface; the direction of a horizontal line perpendicular to the direction of the dip.

Abbreviations:

AML – Abandon Mine Lands
ASTM – American Society for Testing and Materials
BTU – British Thermal Unit
CDR – CDR Minerals, Inc.
CIM – Canadian Institute of Mining, Metallurgy and Petroleum
CWA – Clean Water Act
DOE – Department of Energy
DOI/OSM – United States Department of Interior / Office of Surface Mining
DNR – Kentucky Department of Natural Resources
EDR – Environmental Data Resources, Inc.
EPA – United States Environmental Protection Agency
GIS – Graphic Information System
ICG – International Coal Group
ITR – Independent Technical Report
KPDES – Kentucky Pollutant Discharge Elimination System
MSHA – Mine Safety and Health Administration
NPDES – National Pollutant Discharge Elimination System
NWP – Nationwide Permit
NX – standard 57.44 mm core hole diameter used in drilling
SCSR – Self Contained Breathing Devices
SMCRA – Surface Mining Control and Reclamation Act
SMIS – Surface Mining Information Systems
USACE – United States Army Corps of Engineers
USGS – United States Geological Survey

Units:

’ = feet
” = inches
% = percentage
Ft = feet
Lb = pound
Min = minute
Mi = mile
MW = megawatt
Ton = 2000 pounds

CERTIFICATE OF QUALIFICATIONS AND CONSENTS

To accompany the report dated April, 2011 and entitled An Independent National Instrument 43-101 Report summarizing mineral exploration, development and production activities of CDR project area, Knott County, Kentucky.

I, Phillip Lucas, *Licensed Professional Engineer and Professional Land Surveyor*, do herby certify that:

1. I, Phillip Lucas, am currently employed as Vice President by: Summit Engineering, Inc., 131 Summit Drive, Pikeville, KY 41501, USA.

2. This certificate applies to the report titled NI 43-101 – Laurel Fork – Technical Report, and dated April 8, 2011.

3. I graduated with a Bachelor of Science degree in Civil Engineering from the University of Kentucky, Lexington, Ky. in 1976. I graduated with a Master of Science degree in Mining Engineering from the University of Kentucky, Lexington, Ky. in 1998. I am a licensed professional engineer in the states of Kentucky, West Virginia, Virginia, and Arkansas. I am a Registered Member of the Society of Mining Engineers (SME). Member No. 1959010RM. I am primarily responsible for coal reserve and mine feasibility studies, as well as the design and design supervision of deep mines, surface mines, refuse impoundments and construction related projects. These projects include reserve studies, property evaluation, mineral taxes, reclamation liability, coal handling facilities, surveying and mapping, cost studies, mine construction, mine ventilation, ground control and refuse impoundments for over 21 separate Coal and Land Companies, and have worked as an engineer and mining professional since 1976.

4. I most recently visited this property on January 12, 2010, for approximately ½ day.

5. I am responsible for all items of this technical report.

6. I am independent of the issuer as described in Section 1.4 of National Instrument 43-101.

7. Summit Engineering has prepared SMCRA permits within the property. I have had no other prior involvement with the property that is the subject of this report.

8. I have read National Instrument 43-101 and form 43-101F1 and the Technical Report has been prepared in compliance with that instrument form.

9. As of the date of the certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

10. I consent to filing of the Technical report with any stock exchange and other regulatory authority and any publication of them, including electronic publication in the public company files on their websites accessible by the public, of the technical report.

11. The following exhibits listed below and attached provide evidence of the relevant experience of the Qualified Person:

* Resume

Dated this April 8, 2011:

Signature of Qualified Person

Phillip Lucas, PE, PLS
Print Name of Qualified Person

PHILLIP LUCAS, P.E., P.L.S.

SUMMIT ENGINEERING, INC.

VICE PRESIDENT

EDUCATION

Pikeville College, B. S.
Mathematics
University of Kentucky, B.S.
Civil Engineering
University of Kentucky, M.S.
Mining Engineering

REGISTRATION

Professional Engineer
Registered in
Kentucky / #16713
Virginia / #23497
West Virginia / #11389
Arkansas / #11167

Land Surveyor
Registered in
Kentucky / #3151
Virginia / #2233
West Virginia / #1391

Certified Foreman of
Underground Coal Mines

Certified Foreman of Surface
Mines

AFFILIATIONS

Kentucky Society of Professional
Engineers
Kentucky Professional Engineers
in Mining (PEM)
Society of Mine Engineers (SME)
Registered Member
#1959010RM
Kentucky Coal Association
West Virginia Coal Association

PROFESSIONAL EXPERIENCE

- Mr. Lucas joined Summit Engineering in 1992 and presently serves as Vice-President and Partner in the firm. Mr. Lucas has oversight responsibility in the Pikeville, Ky., Hazard, Ky., and Lexington, Ky. Offices. He is primarily responsible for coal reserve and mine feasibility studies. He is also responsible for design and design supervision of deep mines, surface mines, refuse impoundments, and construction related projects.

- Mr. Lucas has extensive experience in mine planning and production, including reserve studies, property evaluation, mineral taxes, reclamation liability, coal handling facilities, surveying and mapping, cost studies, mine construction, mine health and safety, mine ventilation, ground control, and refuse impoundments.

PROJECTS

- Pocahontas Land Company- Reclamation Liability Study
- Berwind Land Company - Reserve Evaluation for US 460 Condemnation
- Carmeuse Lime Company- Underground Ventilation Study
- Carolina Power and Light – Environmental, Health and Safety Assessment of Mines and Terminals
- Massey Coal – Kentucky and West Virginia Unmined Coal Tax Filings and Corporate Reserve Calculations
- Mettiki Coal Company – Permitting and Mine Design
- Mid American Mining- Arkansas Deep Mine Project
- Beth Energy Mines- Longwall Dewatering Project
- Pittston Coal- Slurry Impoundment- Construction Management
- CDR Minerals, Inc. National Instrument 43-101 Coal Reserve Report
- Dravo Lime Co.- Underground Limestone Mine Mapping
- TECO Coal Co. - Reserve Evaluation for US 23 Condemnation
- Bull Creek Coal Company- Reserve Evaluation
- Diamond May Coal Co.- Reserve Evaluation and Permitting
- Prospect Energy- Coal Reserve and Feasibility Studies
- Traxys Worldwide – Progress Fuels Property- Due Diligence Report and Reserve Evaluation
- South Mississippi Electric Power Assoc. – Property Management
- Consol of Kentucky – Permitting and Mine Design
- West Virginia DOT- Coal Reserve Evaluations for Condemnation
- Alpha Natural Resources- Permitting and Mine Design
- Central Appalachian Mining –Permitting and Mine Design

PRIOR EXPERIENCE

- Mr. Lucas has over 30 years experience in coal operations and consulting. Prior to joining Summit Mr. Lucas spent 14 years working in the mining industry. He held a variety of production and engineering assignments with Bethlehem Mines Corp., and the Pittston Coal Group. He has also managed production companies as an operator and business partner. Immediately prior to joining Summit he spent 2 years as a partner with Mine Management Consultants in Jenkins, Kentucky

26 ILLUSTRATIONS

Attached are the following maps:

- General location map – including the project area.
- Hazard #4 (Fireclay) seam map – reserve location map for the Hazard #4 seam.
- Hazard #5A seam map – resource location map for the Hazard #5A seam.
- Hazard #7 seam map – reserve location map for the Hazard #7 seam.
- Hazard #8 seam map – reserve location map for the Hazard #8 seam.
- Hazard #9 (Hindman) seam map – reserve location map for the Hazard #9 seam.
- Hazard #10 (Skyline) seam map – reserve location map for the Hazard #10 seam.

N

W E

S

0' 8000' 16000' 24000'

SCALE: 1"=8000'

ELKATAWA LOADOUT

SID MINING RESERVE BOUNDARY

LAT: 37-22-25
LONG: 83-27-12

LAUREL FORK RESERVE AREA

LAT: 37-22-50
LONG: 83-01-11

CANDLE RIDGE MINING RESERVE BOUNDARY

CHEYENNE RESOURCES RESERVE AREA

LAT: 37-17-24
LONG: 83-09-58

PERKINS MADDEN RESERVE AREA

BO-AD RESOURCES RESERVE AREA

BEGLEY PROPERTY RESERVE BOUNDARY

SUMMIT ENGINEERING, INC.

GENERAL LOCATION MAP SHOWING POTENTIAL RESERVE AREAS & AREA'S OF INTEREST FOR FUTURE MINING

- SID MINING RESERVE BOUNDARY
- BEGLEY PROPERTY RESERVE BOUNDARY
- CANDLE RIDGE MINING RESERVE BOUNDARY
- CHEYENNE RESOURCES RESERVE BOUNDARY
- LAUREL FORK RESERVE BOUNDARY
- BO AD RESOURCES RESERVE AREA
- PERKINS MADDEN RESERVE AREA
- ELKATAWA LOADOUT

SCALE: 1"=8000'

MEASURED 1/4 MILE GEO. DATA
INDICATED 3/4 MILE GEO. DATA
#4 COAL SEAM OUTCROP
RESERVE AREA STUDY AREA
GEOLOGIC DATA PT. LOCATION
34 THICKNESS ISO-PACH IN INCHES

120' CONTOUR
150' CONTOUR
150' AUGER
1000' HWM

Note: Summit Engineering, Inc. recommends further exploration or drilling of the southern portion of the reserve area. Coal tons for Southern area need further confirmation.

SUMMIT ENGINEERING, INC.
3090 NORTH KY HWY. 15, HAZARD, KENTUCKY 41702
(606) 439-1497

CDR MINERALS USA, INC.

LAUREL FORK AREA
POTENTIAL #4 COAL SEAM RESERVES

0' 1000' 2000' 3000'

DATE:	FILENAME:
12/31/2008	File Name: Z:\CDR\NI 43-101 Revisions March 2011\Laurel Fork\DWG\4 SEAM.dwg
SCALE:	**DRAWN BY:**
1"=1000'	A.T.H.

Property Control As Reported By CDR
Property Lines

No.	Surface Owner	Mineral Owner
1	John Carter	John Carter
2	Gayheart	KYCOGA
3	Gayheart	Combs
4	Gayheart	Gayheart
5	Gayheart	Gayheart
6	Combs	Combs
7	Litz	Litz
8	Gayheart	Gayheart
9	Gayheart	Rose
10	Gayheart	Charlie Cornett
11	KRCC	KRCC
12A	Unspecified	Unspecified
12B	Unspecified	Unspecified
12C	Unspecified	Unspecified
13	Bill West	Charlie Cornett
14	Hicks	Hicks
15	Creech	C. Cornett / ICG
16	Hicks	Hicks
17	Sheila Slone	Sheila Slone
18	Jack Allen	Sheila Slone
19	Gary Banks	Messer Heirs
20	Woodrow Ousley	Woodrow Ousley
21	Amos Nicklous	Goldie Fugate
22	Lloyd Woods	Goldie Fugate
23	Bailey Woods ET. AL.	Bailey Woods ET. AL.
24	C.C. Craft	C.C. Craft
25	Phillip Sturgill	Craft
26	Bill Brewer	KYCOGA
27	Pat Brady	KYCOGA
28	Unspecified	KYCOGA
29	Lionel Fugate	Lionel Fugate

#5A COAL SEAM OUTCROP
RESERVE AREA STUDY AREA
GEOLOGIC DATA PT. LOCATION
#5A SEAM RESERVES IN PLACE
(NONE PROFITABLE TO MINE DUE TO THIN COAL)

SUMMIT ENGINEERING, INC.
3090 NORTH KY HWY. 15, HAZARD, KENTUCKY 41702
(606) 439-1497

CDR MINERALS USA, INC.

LAUREL FORK AREA
#5A COAL SEAM

0′ 1000′ 2000′ 3000′

DATE:	FILENAME:
12/31/2008	File Name: Z:\CDR\NI 43-101 Revisions March 2011\Laurel Fork\DWG\5A SEAM.dwg
SCALE:	**DRAWN BY:**
1"=1000'	A.T.H.

VST002
ROCK/5TOB: 1344.0 13.2
ROCK/5TOB: 1290.6 640.8
ROCK/5TOB: 1289.8 9.6
ROCK/5TOB: 1251.7 457.0
ROCK/5TOB: 1246.9 57.6
COAL/5T : 1246.7 2.4
ROCK/5BOB: 1238.1 103.2
ROCK/5BOB: 1234.1 48.0
COAL/5B : 1233.6 6.0

DG_06_05
ROCK/5TOB: 1345.0 51.6
ROCK/5TOB: 1339.5 66.0
ROCK/5TOB: 1301.2 459.6
COAL/5TOB: 1301.0 2.4
ROCK/5TOB: 1297.0 48.0
ROCK/5TOB: 1292.0 60.0
ROCK/5TOB: 1288.7 39.6
COAL/5T : 1288.4 3.6
SH/5BOB : 1274.5 166.8
COAL/5B : 1273.7 9.6

DG_05_05
ROCK/5TOB: 1372.1 14.4
ROCK/5TOB: 1367.0 60.8
ROCK/5TOB: 1349.7 207.6
COAL/5TOB: 1349.0 8.4
ROCK/5TOB: 1348.7 3.6
COAL/5TOB: 1348.0 8.4
ROCK/5TOB: 1331.6 196.8
ROCK/5TOB: 1305.5 313.2
ROCK/5TOB: 1305.0 6.0
ROCK/5TOB: 1304.0 12.0
ROCK/5TOB: 1300.0 48.0
ROCK/5TOB: 1292.4 91.2
ROCK/5TOB: 1289.5 34.8
COAL/5T : 1289.2 3.6
ROCK/5BOB: 1276.6 151.2
COAL/5B : 1276.0 7.2

DG_07_05
ROCK/5TOB: 1327.8 13.2
ROCK/5TOB: 1297.8 360.0
COAL/5T : 1297.5 3.6
ROCK/5BOB: 1292.8 56.4
ROCK/5BOB: 1288.7 49.2
ROCK/5BOB: 1286.5 26.4
COAL/5B : 1286.2 3.6

LF3
ROCK/5TOB : 1337.0 21.6
ROCK/5TOB : 1333.0 48.0
ROCK/5TOB : 1326.0 84.0
ROCK/5TOB : 1292.1 406.8
ROCK/5TOB : 1291.5 7.2
COAL/5T : 1291.4 1.2
SHALE W/COAL/5T: 1291.2 3.0
COAL/5T : 1290.8 4.8
ROCK/5BOB : 1283.5 87.6
COAL/5B : 1283.1 4.2

LRR-06-08
ROCK/5TOB: 1398.1 427.2
COAL/5TOB: 1397.8 3.6
ROCK/5TOB: 1397.4 4.8
COAL/5TOB: 1397.0 4.8
ROCK/5TOB: 1346.4 607.2
COAL/5T : 1345.5 10.8
ROCK/5BOB: 1342.4 37.2
COAL/5BOB: 1342.2 2.4
ROCK/5BOB: 1327.9 171.6
COAL/5B : 1326.6 15.6

LF1
ROCK/5TOB: 1399.9 180.6
ROCK/5TOB: 1379.9 240.0
ROCK/5TOB: 1378.4 18.0
COAL/5TOB: 1377.9 6.0
ROCK/5TOB: 1377.7 2.4
COAL/5TOB: 1377.2 6.0
ROCK/5TOB: 1376.7 6.0
ROCK/5TOB: 1364.9 141.6
ROCK/5TOB: 1357.9 84.0
ROCK/5TOB: 1327.9 360.0
ROCK/5TOB: 1326.7 14.4
COAL/5T : 1326.0 8.4
ROCK/5BOB: 1322.8 38.4
COAL/5B : 1322.6 2.4
ROCK/5BOB: 1306.2 196.8
COAL/5B : 1305.1 13.4
ROCK/5B : 1305.0 1.8
COAL/5B : 1304.8 1.8

LRR-02-08
ROCK/5TOB: 1408.5 163.2
COAL/5TOB: 1408.3 2.4
ROCK/5TOB: 1402.6 68.4
COAL/5TOB: 1402.5 1.2
ROCK/5TOB: 1382.3 242.4
COAL/5TOB: 1382.2 1.2
ROCK/5TOB: 1357.2 300.0
COAL/5T : 1356.0 14.4
ROCK/5BOB: 1355.8 2.4
COAL/5B : 1355.3 6.0

Property Control As Reported By CDR
Property Lines

No.	Surface Owner	Mineral Owner
1	John Carter	John Carter
2	Gayheart	KYCOGA
3	Gayheart	Combs
4	Gayheart	Gayheart
5	Gayheart	Gayheart
6	Combs	Combs
7	Litz	Litz
8	Gayheart	Gayheart
9	Gayheart	Rose
10	Gayheart	Charlie Cornett
11	KRCC	KRCC
12A	Unspecified	Unspecified
12B	Unspecified	Unspecified
12C	Unspecified	Unspecified
13	Bill West	Charlie Cornett
14	Hicks	Hicks
15	Creech	C. Cornett / ICG
16	Hicks	Hicks
17	Sheila Slone	Sheila Slone
18	Jack Allen	Sheila Slone
19	Gary Banks	Messer Heirs
20	Woodrow Ousley	Woodrow Ousley
21	Amos Nicklous	Goldie Fugate
22	Lloyd Woods	Goldie Fugate
23	Bailey Woods ET. AL.	Bailey Woods ET. AL.
24	C.C. Craft	C.C. Craft
25	Phillip Sturgill	Craft
26	Bill Brewer	KYCOGA
27	Pat Brady	KYCOGA
28	Unspecified	KYCOGA
29	Lionel Fugate	Lionel Fugate

#7 COAL SEAM OUTCROP
RESERVE AREA STUDY AREA
GEOLOGIC DATA PT. LOCATION
#7 SEAM 150' CONTOUR MINING
34 THICKNESS COMPOSITE ISO-PACH IN INCHES

SUMMIT ENGINEERING, INC.
3090 NORTH KY HWY. 15, HAZARD, KENTUCKY 41702
(606) 439-1497

CDR MINERALS USA, INC.

LAUREL FORK AREA
#7 SEAM COMPOSITE SEAM MAP
TOP, MIDDLE, AND BOTTOM SPLITS

0' 1000' 2000' 3000'

DATE:	FILENAME:
12/31/2008	File Name: Z:\CDR\NI 43-101 Revisions March 2011\Laurel Fork\DWG\7 SEAM-new.dwg
SCALE:	**DRAWN BY:**
1"=1000'	A.T.H.

DG_07_05
ROCK/7TOB: 1384.2 3.8
ROCK/7TOB: 1359.3 298.8
COAL/7T : 1359.1 2.4
ROCK/7MOB: 1358.5 7.8
COAL/7M : 1358.0 5.9
ROCK/7M : 1357.9 0.5
CO/7M : 1357.4 6.1
ROCK/7M : 1356.7 8.5
COAL/7M : 1355.7 11.6
ROCK/7BOB: 1355.0 8.4
ROCK/7BOB: 1351.1 46.8
ROCK/7BOB: 1337.8 159.6
ROCK/7BOB: 1336.9 10.8
COAL/7B : 1336.2 8.4
ROCK/7B : 1330.1 73.2
COAL/7B : 1328.9 14.4

VST002
ROCK/7TOB: 1360.0 16.8
ROCK/7TOB: 1346.0 168.0
ROCK/7TOB: 1345.8 2.4
COAL/7T : 1345.1 8.4

DG_06_05
ROCK/7TOB: 1407.1 1.6
ROCK/7TOB: 1403.0 49.7
ROCK/7TOB: 1397.0 72.0
ROCK/7TOB: 1369.5 330.0
COAL/7T : 1369.4 1.2
ROCK/7MOB: 1368.2 14.4
COAL/7M : 1367.5 8.4
ROCK/7BOB: 1367.3 2.4
ROCK/7BOB: 1358.0 111.6
COAL/7BOB: 1357.8 2.4
ROCK/7BOB: 1357.7 1.2
ROCK/7BOB: 1356.0 20.4
ROCK/7BOB: 1350.0 72.0
COAL/7B : 1349.3 8.4

DG_05_05
ROCK/7TOB : 1391.5 136.2
ROCK/7TOB : 1390.0 18.0
ROCK/7TOB : 1388.0 24.0
ROCK/7TOB : 1384.0 48.0
ROCK/7TOB : 1378.3 68.4
COAL/7T : 1378.1 2.4
ROCK/7MOB : 1376.9 14.4
COAL/7M : 1376.5 5.4
ROCK/7M : 1376.3 1.6
BONEY COAL/7M: 1375.8 5.8
ROCK/7BOB : 1375.5 3.8
ROCK/7BOB : 1374.3 15.0
COAL/7B : 1373.3 12.0

LF3
ROCK/7TOB: 1357.7 313.4
COAL/7TOB: 1357.5 2.4
ROCK/7TOB: 1357.2 3.6
COAL/7T : 1356.2 12.0
ROCK/7MOB: 1355.4 9.6
COAL/7M : 1354.4 12.0
ROCK/7BOB: 1353.6 9.6
ROCK/7BOB: 1353.0 7.2
ROCK/7BOB: 1344.7 99.6
COAL/7B : 1344.0 8.4
ROCK/7B : 1339.4 55.2
COAL/7B : 1338.9 6.0
BONE/7B : 1338.8 1.2

MBC2
ROCK/7TOB: 1457.3 60.0
ROCK/7TOB: 1453.0 51.6
ROCK/7TOB: 1438.0 180.0
ROCK/7TOB: 1429.0 108.0
COAL/7T : 1427.7 15.6

MBC1
ROCK/7MOB: 1420.8 111.6
ROCK/7MOB: 1415.4 64.8
COAL/7MOB: 1415.1 3.6
ROCK/7MOB: 1414.2 10.8
COAL/7MOB: 1413.8 4.8
ROCK/7MOB: 1413.2 7.2
COAL/7MOB: 1412.6 7.2
ROCK/7MOB: 1411.9 8.4
COAL/7MOB: 1411.6 3.6
ROCK/7MOB: 1405.8 69.6
ROCK/7MOB: 1390.8 180.0
ROCK/7MOB: 1375.8 180.0
ROCK/7MOB: 1363.7 145.2
COAL/7M : 1362.5 13.8
ROCK/7BOB: 1362.5 0.0
COAL/7B : 1361.4 13.8

LRR-06-08
ROCK/7TOB: 1435.9 172.8
COAL/7T : 1435.6 3.6
ROCK/7MOB: 1434.7 10.8
COAL/7M : 1433.7 12.0

LF1
ROCK/7MOB: 1429.3 16.4
ROCK/7MOB: 1419.9 112.8
ROCK/7MOB: 1416.2 44.4
COAL/7M : 1415.0 15.0

LF2
ROCK/7TOB : 1407.8 68.4
ROCK/7TOB : 1394.8 156.0
ROCK/7TOB : 1394.0 9.6
COAL/7T : 1393.8 3.0
ROCK/7T : 1393.2 6.6
COAL/7T : 1392.7 6.0
ROCK/7MOB : 1392.6 1.2
COAL/7M : 1391.9 9.0
ROCK/7BOB : 1391.4 6.0
BONEY COAL/7B: 1390.3 13.2

DG_02_05
ROCK/7TOB: 1471.1 101.0
COAL/7TOB: 1471.0 1.2
ROCK/7TOB: 1470.0 12.0
ROCK/7TOB: 1464.0 72.0
ROCK/7TOB: 1463.7 3.6
COAL/7TOB: 1463.5 2.4
ROCK/7TOB: 1456.7 81.6
COAL/7TOB: 1456.2 6.0
ROCK/7TOB: 1455.0 14.4
COAL/7TOB: 1454.7 3.6
ROCK/7TOB: 1452.0 32.4
ROCK/7TOB: 1448.0 48.0
ROCK/7TOB: 1417.3 368.4
COAL/7TOB: 1417.2 1.2
ROCK/7TOB: 1398.6 223.2
ROCK/7TOB: 1391.0 91.2
ROCK/7TOB: 1390.0 12.0
ROCK/7TOB: 1385.6 52.8
ROCK/7TOB: 1384.0 19.2
ROCK/7TOB: 1378.0 72.0
ROCK/7TOB: 1377.9 1.2
COAL/7T : 1377.7 2.4
ROCK/7MOB: 1370.9 81.6
ROCK/7MOB: 1362.8 97.2
COAL/7M : 1362.6 2.4

LRR-02-08
ROCK/7TOB: 1519.2 67.2
COAL/7TOB: 1519.0 2.4
ROCK/7TOB: 1510.4 103.2
COAL/7TOB: 1510.3 1.2
ROCK/7TOB: 1447.0 759.6
COAL/7T : 1445.9 13.2
BONE/7T : 1445.8 1.2
COAL/7T : 1445.5 3.6
ROCK/7MOB: 1438.4 85.2
COAL/7M : 1437.1 15.6
ROCK/7BOB: 1423.2 166.8
COAL/7B : 1423.0 2.4
ROCK/7B : 1422.5 6.0
COAL/7B : 1422.1 4.8

Property Control As Reported By CDR
Property Lines

No.	Surface Owner	Mineral Owner
1	John Carter	John Carter
2	Gayheart	KYCOGA
3	Gayheart	Combs
4	Gayheart	Gayheart
5	Gayheart	Gayheart
6	Combs	Combs
7	Litz	Litz
8	Gayheart	Gayheart
9	Gayheart	Rose
10	Gayheart	Charlie Cornett
11	KRCC	KRCC
12A	Unspecified	Unspecified
12B	Unspecified	Unspecified
12C	Unspecified	Unspecified
13	Bill West	Charlie Cornett
14	Hicks	Hicks
15	Creech	C. Cornett / ICG
16	Hicks	Hicks
17	Sheila Slone	Sheila Slone
18	Jack Allen	Sheila Slone
19	Gary Banks	Messer Heirs
20	Woodrow Ousley	Woodrow Ousley
21	Amos Nicklous	Goldie Fugate
22	Lloyd Woods	Goldie Fugate
23	Bailey Woods ET. AL.	Bailey Woods ET. AL.
24	C.C. Craft	C.C. Craft
25	Phillip Sturgill	Craft
26	Bill Brewer	KYCOGA
27	Pat Brady	KYCOGA
28	Unspecified	KYCOGA
29	Lionel Fugate	Lionel Fugate

MEASURED 1/4 MILE GEO. DATA
INDICATED 3/4 MILE GEO. DATA
#8 COAL SEAM OUTCROP
RESERVE AREA STUDY AREA
GEOLOGIC DATA POINT LOCATION
COMPOSITE THICKNESS ISO-PACH IN INCHES
DEPLETED AREA'S

SUMMIT ENGINEERING, INC.
3090 NORTH KY HWY. 15, HAZARD, KENTUCKY 41702
(606) 439-1497

CDR MINERALS USA, INC.

LAUREL FORK AREA
#8 COAL SEAM RESERVES

0' 1000' 2000' 3000'

DATE:	FILENAME:
12/31/2008	File Name: Z:\CDR\NI 43-101 Revisions March 2011\Laurel Fork\DWG\8 SEAM.dwg
SCALE:	**DRAWN BY:**
1"=1000'	A.T.H.

VST002
COAL W/PYRITE/8T: 1366.1 16.8
COAL W/PYRITE/8M: 1363.7 18.0
COAL W/PYRITE/8B: 1362.5 7.2
ROCK/8B : 1361.6 10.8
COAL/8B : 1361.4 2.4

LF3
COAL/8T: 1387.4 3.6
COAL/8M: 1385.4 17.0
BONE/8M: 1385.1 3.6
COAL/8B: 1383.9 13.0

KNOB 3-CS2
COAL/8T: 1376.3 8.0
COAL/8M: 1374.0 17.5
COAL/8B: 1372.0 13.5

KNOB 3-CS1
COAL/8T: 1377.4 7.0
COAL/8M: 1375.1 20.5
COAL/8B: 1373.3 12.0

KNOB #3

DG_07_05
COAL/8T: 1388.9 4.0
ROCK/8T: 1388.9 0.2
COAL/8T: 1388.6 2.8
COAL/8M: 1386.6 19.0
COAL/8B: 1384.5 11.5

DG_06_05
COAL/8T: 1411.1 3.4
COAL/8M: 1408.9 19.2
COAL/8B: 1407.3 10.8

DG_05_05
COAL W/BONE/8T: 1407.0 3.5
COAL/8M : 1404.8 18.8
COAL/8B : 1402.9 11.0

LRR-06-08
COAL/8T : 1454.7 7.2
COAL/8M : 1452.6 19.2
BONEY COAL/8B: 1451.9 2.4
ROCK/8B : 1451.4 6.0
COAL/8B : 1450.3 13.2

KNOB 2-CS2
COAL/8T: 1379.3 8.0
COAL/8M: 1376.9 19.5
COAL/8B: 1374.5 16.5

KNOB 2-CS1
COAL/8T: 1381.4 7.0
COAL/8M: 1379.0 19.0
COAL/8B: 1376.7 14.5

KNOB #2

KNOB 1-CS3
COAL/8T: 1396.7 4.0
COAL/8M: 1394.5 16.5
COAL/8B: 1392.5 11.5

LF2
COAL/8T: 1417.6 4.0
COAL/8M: 1415.4 18.0
COAL/8B: 1413.5 10.0

LRR-05-08
COAL/8T: 1369.6 6.0
COAL/8M: 1367.2 21.6
COAL/8B: 1365.1 14.4

LF1
COAL/8T: 1435.4 4.8
ROCK/8T: 1435.2 2.4
COAL/8T: 1435.0 3.0
COAL/8M: 1432.8 20.0
COAL/8B: 1430.7 16.0

KNOB 1-CS2
COAL/8T: 1395.4 7.0
COAL/8M: 1393.4 16.5
COAL/8B: 1391.4 10.5

KNOB #1

MBC2
COAL/8T: 1395.2 2.4
COAL/8M: 1393.2 18.0
ROCK/8M: 1392.8 4.8
COAL/8M: 1392.7 1.2
COAL/8B: 1391.3 10.8

KNOB 1-CS1
COAL/8T: 1402.3 8.0
COAL/8M: 1400.2 20.0
COAL/8B: 1398.1 11.0

DG_04_05
COAL/8T: 1412.5 3.4
COAL/8M: 1410.2 19.1
COAL/8B: 1407.7 16.7

LRR-03-08
COAL/8T: 1438.7 3.6
COAL/8M: 1436.3 20.4
COAL/8B: 1434.0 14.4

MBC1
COAL/8T: 1404.2 7.2
COAL/8M: 1401.7 26.4
COAL/8B: 1400.1 13.2

DG_02_05
COAL/8T : 1483.3 4.2
COAL W/PYRITE/8M: 1481.5 17.8
COAL/8B : 1479.5 10.6

DG_03_05
COAL/8T: 1493.0 4.0
COAL/8M: 1491.2 13.7
COAL/8B: 1488.4 12.0

LRR-02-08
COAL/8T : 1531.1 3.6
COAL/8M : 1527.0 20.4
BONEY COAL/8M: 1526.4 7.2
COAL/8B : 1524.8 13.2

Property Control As Reported By CDR
Property Lines

No.	Surface Owner	Mineral Owner
1	John Carter	John Carter
2	Gayheart	KYCOGA
3	Gayheart	Combs
4	Gayheart	Gayheart
5	Gayheart	Gayheart
6	Combs	Combs
7	Fitz	Fitz
8	Gayheart	Gayheart
9	Gayheart	Rose
10	Gayheart	Charlie Cornett
11	KRCC	KRCC
12A	Unspecified	Unspecified
12B	Unspecified	Unspecified
12C	Unspecified	Unspecified
13	Bill West	Charlie Cornett
14	Hicks	Hicks
15	Creech	C. Cornett / ICG
16	Hicks	Hicks
17	Sheila Slone	Sheila Slone
18	Jack Allen	Sheila Slone
19	Gary Banks	Messer Heirs
20	Woodrow Ousley	Woodrow Ousley
21	Amos Nicklous	Goldie Fugate
22	Lloyd Woods	Goldie Fugate
23	Bailey Woods ET. AL.	Bailey Woods ET. AL.
24	C.C. Craft	C.C. Craft
25	Phillip Sturgill	Craft
26	Bill Brewer	KYCOGA
27	Pat Brady	KYCOGA
28	Unspecified	KYCOGA
29	Lionel Fugate	Lionel Fugate

MEASURED 1/4 MILE GEO. DATA
INDICATED 3/4 MILE GEO. DATA
#9 COAL SEAM OUTCROP
RESERVE AREA STUDY AREA
GEOLOGIC DATA POINT LOCATION
34 THICKNESS ISO-PACH IN INCHES
DEPLETED AREA'S

SUMMIT ENGINEERING, INC.
3090 NORTH KY HWY. 15, HAZARD, KENTUCKY 41702
(606) 439-1497

CDR MINERALS USA, INC.

LAUREL FORK AREA
#9 COAL SEAM RESERVES

0' 1000' 2000' 3000'

DATE:	FILENAME:
12/31/2008	File Name: Z:\CDR\NI 43-101 Revisions March 2011\Laurel Fork\DWG\9 SEAM.dwg
SCALE:	**DRAWN BY:**
1"=1000'	A.T.H.

VST002
COAL/9 : 1442.4
34.8
COAL W/PYRITE/9: 1441.9
6.0

LF3
COAL/9: 1489.6
20.4
BONE/9: 1489.5
1.8
COAL/9: 1488.8
7.8

DG_08_05
COAL/9: 1490.6
30.0

DG_07_05
COAL/9: 1481.5
21.6
ROCK/9: 1481.4
1.2
COAL/9: 1480.0
16.8

DG_06_05

DG_05_05

LF2
COAL/9: 1517.8
30.0

LRR-05-08
COAL/9: 1465.8
38.4

LAT:37°25'00"
LON:83°01'11"

LRR-06-08
COAL/9: 1560.0
32.4

LF1
COAL/9 : 1543.3
25.2
PYRITE/9: 1543.2
1.2
COAL/9 : 1542.9
3.6

MBC2
COAL/9: 1559.0
27.6

MBC1
COAL/9: 1537.1
34.8

DG_04_05
COAL W/PYRITE/9: 1519.5
24.1
PYRITE/9 : 1519.4
0.8
COAL W/PYRITE/9: 1519.3
1.9

LRR-03-08
COAL/9: 1546.3
0.0

DG_02_05

DG_01_05
COAL W/PYRITE/9: 1523.2
26.8
COAL W/PYRITE/9: 1522.8
4.0
COAL W/PYRITE/9: 1522.5
4.1

LRR-02-08
COAL/9: 1631.3
36.0

DG_03_05
COAL/9 : 1595.2
27.4
COAL/9 : 1595.0
2.4
COAL W/PYRITE/9: 1594.8
2.4

Property Control As Reported By CDR
Property Lines

No.	Surface Owner	Mineral Owner
1	John Carter	John Carter
2	Gayheart	KYCOGA
3	Gayheart	Combs
4	Gayheart	Gayheart
5	Gayheart	Gayheart
6	Combs	Combs
7	Litz	Litz
8	Gayheart	Gayheart
9	Gayheart	Rose
10	Gayheart	Charlie Cornett
11	KRCC	KRCC
12A	Unspecified	Unspecified
12B	Unspecified	Unspecified
12C	Unspecified	Unspecified
13	Bill West	Charlie Cornett
14	Hicks	Hicks
15	Creech	C. Cornett / ICG
16	Hicks	Hicks
17	Sheila Slone	Sheila Slone
18	Jack Allen	Sheila Slone
19	Gary Banks	Messer Heirs
20	Woodrow Ousley	Woodrow Ousley
21	Amos Nicklous	Goldie Fugate
22	Lloyd Woods	Goldie Fugate
23	Bailey Woods ET. AL.	Bailey Woods ET. AL.
24	C.C. Craft	C.C. Craft
25	Phillip Sturgill	Craft
26	Bill Brewer	KYCOGA
27	Pat Brady	KYCOGA
28	Unspecified	KYCOGA
29	Lionel Fugate	Lionel Fugate

MEASURED 1/4 MILE GEO. DATA
INDICATED 3/4 MILE GEO. DATA
#10(SKYLINE) COAL SEAM OUTCROP
RESERVE AREA STUDY AREA
GEOLOGIC DATA POINT LOCATION
34 THICKNESS ISO-PACH IN INCHES
DEPLETED AREA'S

SUMMIT ENGINEERING, INC.
3090 NORTH KY HWY. 15, HAZARD, KENTUCKY 41702
(606) 439-1497

CDR MINERALS USA, INC.

LAUREL FORK AREA
#10(SKYLINE) COAL SEAM RESERVES

0' 1000' 2000' 3000'

DATE: 12/31/2008	**FILENAME:** File Name: Z:\CDR\NI 43-101 Revisions March 2011\Laurel Fork\DWG\10 SEAM.dwg
SCALE: 1"=1000'	**DRAWN BY:** A.T.H.

LF3
COAL/SK: 1588.4
19.8
DG_08_05
COAL/SK: 1587.5
25.2
DG_07_05
DG_06_05
DG_05_05
LRR-06-08
LF1
LF2
COAL/SK: 1607.7
14.0
ROCK/SK: 1606.3
16.0
COAL/SK: 1605.8
6.0
LRR-05-08
COAL/SK: 1552.8
26.4
ROCK/SK: 1551.4
3.8
COAL/SK: 1550.7
8.4
MBC2
MBC1
COAL/SK: 1631.4
4.8
DG_04_05
LRR-03-08
COAL/SK: 1708.2
4.8
ROCK/SK: 1707.7
6.0
COAL/SK: 1705.7
24.0
ROCK/SK: 1705.4
3.6
COAL/SK: 1704.1
15.6
DG_01_05
DG_02_05
DG_03_05
LRR-02-08
COAL/SK: 1740.1
18.0
ROCK/SK: 1736.5
43.2
COAL/SK: 1736.0
6.0
VST002

Property Control As Reported By CDR
Property Lines

No.	Surface Owner	Mineral Owner
1	John Carter	John Carter
2	Gayheart	KYCOGA
3	Gayheart	Combs
4	Gayheart	Gayheart
5	Gayheart	Gayheart
6	Combs	Combs
7	Litz	Litz
8	Gayheart	Gayheart
9	Gayheart	Rose
10	Gayheart	Charlie Cornett
11	KRCC	KRCC
12A	Unspecified	Unspecified
12B	Unspecified	Unspecified
12C	Unspecified	Unspecified
13	Bill West	Charlie Cornett
14	Hicks	Hicks
15	Creech	C. Cornett / ICG
16	Hicks	Hicks
17	Sheila Slone	Sheila Slone
18	Jack Allen	Sheila Slone
19	Gary Banks	Messer Heirs
20	Woodrow Ousley	Woodrow Ousley
21	Amos Nicklous	Goldie Fugate
22	Lloyd Woods	Goldie Fugate
23	Bailey Woods ET. AL.	Bailey Woods ET. AL.
24	C.C. Craft	C.C. Craft
25	Phillip Sturgill	Craft
26	Bill Brewer	KYCOGA
27	Pat Brady	KYCOGA
28	Unspecified	KYCOGA
29	Lionel Fugate	Lionel Fugate