

BULLETIN

News from SubTerra, Inc.®

Economic Assessment of Proposed Sandstone Quarry Wilkeson, Washington

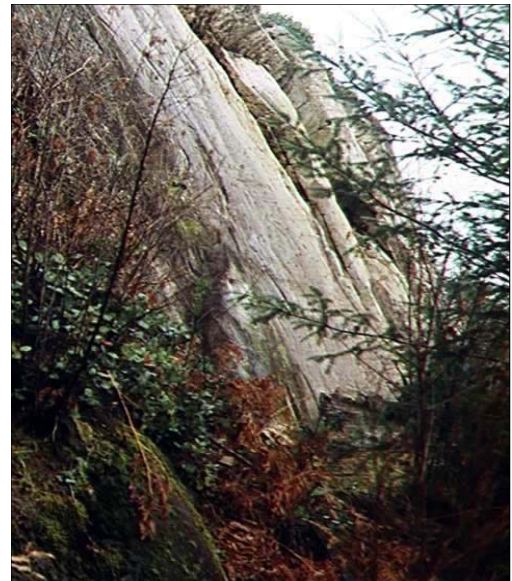
Plumb Creek Timber Company identified a potential quarry resource on a parcel of their land near Wilkeson, Washington. This potential resource is in the form of a 160-ft. tall sandstone ridge, occupying approximately 20 acres of land. SubTerra was asked to conduct an economic assessment of the ridge for potential quarrying operations.

SubTerra, Inc. performed a study of the proposed quarry site with the goal of determining the fair market value of the rock. This information was needed to arrive at an equitable sale or lease price for the site.

The initial work involved a geologic reconnaissance of the area, including field observations for rock quality, followed by laboratory tests (Washington Degradation Factor Test, L.A. Wear Test, Sodium Sulfate Sound-ness Test, and Specific Gravity Test).

Potential quarry reserves were estimated based on the geologic recon-naissance, existing topographic data, and 3-D software.

Research of quarry operations in the local region, and discussions with local rock contractors allowed a market value of the rock to be established.



Finally, the cost feasibility of permitting and operating the site as a sandstone quarry was estimated from a review of the study data. The economic analysis included:

1. Pre-operational costs associated with required permitting;
2. Pre-operational costs related to construction;
3. Operational costs;
4. Final closure & reclamation costs.