2014

CAPITALIZATION RATE STUDY FOR CENTRALLY ASSESSED PROPERTIES

FOR: JANUARY 1, 2014

UTAH STATE TAX COMMISSION

PROPERTY TAX DIVISION
NATURAL RESOURCES SECTION
210 NORTH 1950 WEST, THIRD FLOOR
SALT LAKE CITY, UTAH 84134

(801) 297-3600

www.propertytax.utah.gov

REV. 3/13/2014

Industry	Page	Debt Rate	Debt/Equity	Equity Yield Rate	WACC
COAL MINING	3	8.39%	45% / 55%	14.51%	11.76%
PRECIOUS METALS	6	8.20%	15% / 85%	10.75%	10.37%
NON-PRECIOUS METALS	9	5.38%	15% / 85%	13.88%	12.61%
NON-METALS	12	7.85%	15% / 85%	12.45%	11.76%
OIL & GAS	15	7.85%	30% / 70%	13.25%	11.64%
OIL & GAS GATHERING/WD	18	5.38%	35% / 65%	12.08%	9.73%
SAND AND GRAVEL	21	7.85%	20% / 80%	11.58%	10.83%
URANIUM MINING	24	8.39%	5% / 95%	14.93%	14.60%

CORPORATE BONDS

Aaa	4.62%
Aa	4.68%
A	4.85%
Baa	5.38%
Ba1	6.89%
Ba2	7.85%
Ba3	8.20%
B1	8.20%
B2	8.39%
B3	9.88%
Caa1	11.25%
Caa2	11.25%
Caa3	13.24%
Ca	15.08%
C	18.83%

PUBLIC UTILITY BONDS

Aaa	N/A
Aa	4.59%
A	4.81%
Baa	5.25%

PREFERRED STOCKS

Aaa	4.62%
Aa	4.68%
A	4.85%
Baa	5.38%

MISCELLANEOUS RATES

Risk-Free Rate	3.72%
Market Risk Premium	6.96%
Default Income Tax Rate	38.50%
ValueLine GDP Price Deflator Forecast	1.80%

INFLATION FACTORS

Year	4th Quarter GDP Implicit Price Deflator	Annual Percent Change	Conversion Factor
2003	87.378	N/A	**1.226**
2004	90.078	3.09%	**1.189**
2005	93.121	3.38%	**1.150**
2006	95.583	2.64%	**1.121**
2007	97.959	2.49%	**1.094**
2008	99.808	1.89%	**1.073**
2009	100.164	0.36%	**1.069**
2010	101.936	1.77%	**1.051**
2011	103.783	1.81%	**1.032**
2012	105.667	1.82%	**1.014**
2013	107.121	1.38%	**1.000**

2014 - 2004 Average Change: 2.06%

Source:

U.S. Department of Commerce: Bureau of Economic Analysis
Gross Domestic Product: Implicit Price Deflator

Website:

http://alfred.stlouisfed.org/series?seid=GDPDEF

MISCELLANEOUS INFORMATION

NOMINAL RATE (NR) = Includes both the real rate and the impact of inflation (IR).

REAL RATE = [(1+NR)/(1+IR)] -1

Coal Example = [(1+0.1176)/(1+0.0206)]-1 = 0.0950

INDUSTRY	NOMINAL	REAL
Coal	11.76%	9.50%
Precious Metals	10.37%	8.14%
Non-Precious Metals	12.61%	10.33%
Non-Metals	11.76%	9.50%
Oil & Gas	11.64%	9.38%
Oil & Gas Gathering/WD	9.73%	7.51%
Sand & Gravel	10.83%	8.59%
Uranium	14.60%	12.28%

(tax-adjusted)	NOMINAL	REAL
Coal	16.71%	14.35%
Precious Metals	16.03%	13.68%
Non-Precious Metals	19.92%	17.50%
Non-Metals	18.32%	15.93%
Oil & Gas	17.38%	15.01%
Oil & Gas Gathering/WD	14.59%	12.27%
Sand & Gravel	16.57%	14.21%
Uranium	23.39%	20.90%

RECONCILIATION

Equity Models	Equity Rate
CAPM: Rule 62 Compliant	15.00%
CAPM: Total NYSE	N/A
CAPM: Supply Side	13.63%
CAPM: Deciles 1 & 2	N/A
Division's Risk Premium	11.24%
DGM: Earnings & Dividend	10.08%
DGM: Plowback Ratio	7.06%

Reconciled Equity Rate			**14.51%**
Reconciled Equity Rate	14.51%	55.00%	7.98%
Debt Rate (Corporate B2)	8.39%	45.00%	3.78%
Weighted Average Cost of Capital			**11.76%**
Reconciled Equity Rate	14.51%		
Tax-Adjusted (38.25%)	23.50%	55.00%	12.92%
Industry Debt Rate	8.39%	45.00%	3.78%
Tax-Adjusted Weighted Average Cost of Capital			**16.71%**

GUIDELINE COMPANY INFORMATION SUMMARY

Company Name	Tax Rate	Relative Financial Strength	Beta
Alliance Resource	NMF	0.89 (B++)	1.05
Alpha Natural Res.	NMF	1.22 (C++)	2.05
Arch Coal	NMF	1.33 (C+)	1.80
CONSOL Energy	NMF	0.89 (B++)	1.60
Peabody Energy	NMF	1.00 (B+)	1.70
Rhino Resource Partners LP	NMF	1.11 (B)	1.15
Walter Energy	NMF	1.11 (B)	2.00
Selected	**38.25%**	**1.08**	**1.62**

CAPM: RULE 62 COMPLIANT

Item	Rate
Market Risk Premium	6.96%
x Industry Beta	1.62
Industry Risk Premium	11.28%
Add: Risk-Free Rate	3.72%
Indicated Rate	**15.00%**

CAPM: FULL NYSE

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.62
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

CAPM: SUPPLY SIDE

Item	Rate
Market Risk Premium	6.12%
x Industry Beta	1.62
Industry Risk Premium	9.91%
Add: Risk-Free Rate	3.72%
Indicated Rate	**13.63%**

CAPM: DECILES 1 & 2

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.62
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

DIVISION'S RISK PREMIUM

Item	Rate
Market Risk Premium	6.96%
x Industry Financial Strength	1.08
Industry Risk Premium	7.52%
Add: Risk-Free Rate	3.72%
Indicated Rate	**11.24%**

DIVIDEND GROWTH MODEL: EARNINGS AND DIVIDEND GROWTH

Company Name	Recent Stock Price	Next Year's Dividend	Projected Earnings Growth	Projected Dividend Growth	Market Growth Rate	D.G.M. Rate
Alliance Resource	$76.30	$4.84	2.50%	6.50%	4.50%	10.84%
Alpha Natural Res.	$7.04	-	-	-	-	-
Arch Coal	$4.41	$0.12	-	-12.00%	-12.00%	-
CONSOL Energy	$37.81	$0.50	9.00%	12.00%	10.50%	11.82%
Peabody Energy	$18.78	$0.34	9.00%	2.50%	5.75%	7.56%
Rhino Resource Partners LP	$11.96	$1.78	-	-	-	-
Walter Energy	$15.98	$0.04	-19.00%	-14.00%	-16.50%	-

Indicated Rate **10.08%**

DIVIDEND GROWTH MODEL: PLOWBACK RATIO

Company Name	Recent Stock Price	Next Year's Dividend	Return on Equity	Retention Rate	Market Growth Rate	D.G.M. Rate
Alliance Resource	$76.30	$4.84	-	-	-	-
Alpha Natural Res.	$7.04	-	3.00%	1.00%	0.03%	-
Arch Coal	$4.41	$0.12	1.50%	73.30%	1.10%	3.82%
CONSOL Energy	$37.81	$0.50	9.40%	70.90%	6.66%	7.99%
Peabody Energy	$18.78	$0.34	7.50%	85.90%	6.44%	8.25%
Rhino Resource Partners LP	$11.96	$1.78	-	-	-	-
Walter Energy	$15.98	$0.04	9.00%	88.00%	7.92%	8.17%

Indicated Rate **7.06%**

COMMENTS ABOUT THE COAL MINING INDUSTRY

America West Resources was removed because there equity reporting was no longer represenative to the industry.

CALCULATION OF CAPITAL STRUCTURE

Company Name	Total Debt	Long-Term Interest	Implied Coupon Rate*	Market Value of Debt**	Fair Value of Debt***	Pref'd Divs	MV of Pref Eqty+	Recent Stock Price	Shares Outstd	Market Value of Equity
Alliance Resource	868.0	25.0	1.44%	408.1	-	-	-	76.30	36.9	2,815.5
Alpha Natural Res.	3,373.8	230.0	3.41%	2,863.6	-	-	-	7.04	220.6	1,553.0
Arch Coal	5,097.4	350.0	3.43%	4,350.5	-	-	-	4.41	213.8	942.9
CONSOL Energy	3,276.5	216.0	3.30%	2,710.2	-	-	-	37.81	228.1	8,624.5
Peabody Energy	6,007.5	395.0	3.29%	4,959.1	-	-	-	18.78	268.6	5,044.3
Rhino Resource Partners LP	154.0	8.0	2.60%	106.7	-	-	-	11.96	26.1	312.2
Walter Energy	2,782.6	74.0	1.33%	1,249.3	-	-	-	15.98	62.5	998.8
Total				**16,647.5**		**-**				**20,291.2**

CAPITAL STRUCTURE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
Alliance Resource	12.66%	87.34%
Alpha Natural Res.	64.84%	35.16%
Arch Coal	82.19%	17.81%
CONSOL Energy	23.91%	76.09%
Peabody Energy	49.57%	50.43%
Rhino Resource Partners LP	25.47%	74.53%
Walter Energy	55.57%	44.43%
Mean	**44.89%**	**55.11%**
Weighted Mean	**45.07%**	**54.93%**

REMARKS

* Implied Coupon Rate is a semi-annual rate.

** Market Value of Debt: 8.39% (Corporate B2)

*** Fair Value of Debt overrides the Market Value of Debt in calculation of Capital Structure.

+ Market Value of Pref. Equity: 5.38% (Baa)

RECONCILIATION

Equity Models	Equity Rate
CAPM: Rule 62 Compliant	10.75%
CAPM: Total NYSE	N/A
CAPM: Supply Side	9.90%
CAPM: Deciles 1 & 2	N/A
Division's Risk Premium	10.68%
DGM: Earnings & Dividend	11.69%
DGM: Plowback Ratio	0.00%

Reconciled Equity Rate			**10.75%**
Reconciled Equity Rate	10.75%	85.00%	9.14%
Debt Rate (Corporate Ba3)	8.20%	15.00%	1.23%
Weighted Average Cost of Capital			**10.37%**
Reconciled Equity Rate	10.75%		
Tax-Adjusted (38.25%)	17.41%	85.00%	14.80%
Industry Debt Rate	8.20%	15.00%	1.23%
Tax-Adjusted Weighted Average Cost of Capital			**16.03%**

GUIDELINE COMPANY INFORMATION SUMMARY

Company Name	Tax Rate	Relative Financial Strength	Beta
Agnico Eagle Mines	27.08%	1.00 (B+)	0.85
Allied Nevada Gold Corp	25.60%	1.11 (B)	0.90
AuRico Gold Inc	NMF		1.00
Barrick Gold	32.93%	0.89 (B++)	0.80
Brigus Gold Corp	NMF		1.30
Coeur Mining Inc.	58.63%	1.11 (B)	1.45
Goldcorp Inc.	23.44%	0.89 (B++)	0.85
Hecla Mining	37.26%	1.11 (B)	1.40
Kinross Gold	23.92%	1.00 (B+)	0.95
Kirkland Lake Gold Inc	NMF		1.00
Newmont Mining	27.91%	0.89 (B++)	0.75
Richmont Mines	23.81%		0.85
Selected	**38.25%**	**1.00**	**1.01**

CAPM: RULE 62 COMPLIANT

Item	Rate
Market Risk Premium	6.96%
x Industry Beta	1.01
Industry Risk Premium	7.03%
Add: Risk-Free Rate	3.72%
Indicated Rate	**10.75%**

CAPM: FULL NYSE

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.01
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

CAPM: SUPPLY SIDE

Item	Rate
Market Risk Premium	6.12%
x Industry Beta	1.01
Industry Risk Premium	6.18%
Add: Risk-Free Rate	3.72%
Indicated Rate	**9.90%**

CAPM: DECILES 1 & 2

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.01
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

DIVISION'S RISK PREMIUM

Item	Rate
Market Risk Premium	6.96%
x Industry Financial Strength	1.00
Industry Risk Premium	6.96%
Add: Risk-Free Rate	3.72%
Indicated Rate	**10.68%**

DIVIDEND GROWTH MODEL: EARNINGS AND DIVIDEND GROWTH

Company Name	Recent Stock Price	Next Year's Dividend	Projected Earnings Growth	Projected Dividend Growth	Market Growth Rate	D.G.M. Rate
Agnico Eagle Mines	$27.11	$0.88	-7.00%	4.00%	-1.50%	-
Allied Nevada Gold Corp	$3.93	-	-	-	-	-
AuRico Gold Inc	$3.77	-	-	-	-	-
Barrick Gold	$18.15	$0.20	-10.00%	-16.00%	-13.00%	-
Brigus Gold Corp	$0.83	-	-	-	-	-
Coeur Mining Inc.	$11.26	-	-	-	-	-
Goldcorp Inc.	$22.29	$0.60	5.50%	12.50%	9.00%	11.69%
Hecla Mining	$3.15	-	1.00%	-	1.00%	-
Kinross Gold	$4.51	-	-	4.50%	4.50%	-
Kirkland Lake Gold Inc	$2.79	-	-	-	-	-
Newmont Mining	$23.92	$0.80	-11.00%	-7.50%	-9.25%	-
Richmont Mines	$1.26	-	-	-	-	-
Indicated Rate						**11.69%**

DIVIDEND GROWTH MODEL: PLOWBACK RATIO

Company Name	Recent Stock Price	Next Year's Dividend	Return on Equity	Retention Rate	Market Growth Rate	D.G.M. Rate
Agnico Eagle Mines	$27.11	$0.88	-	-	-	-
Allied Nevada Gold Corp	$3.93	-	-	-	-	-
AuRico Gold Inc	$3.77	-	-	-	-	-
Barrick Gold	$18.15	$0.20	-	-	-	-
Brigus Gold Corp	$0.83	-	-	-	-	-
Coeur Mining Inc.	$11.26	-	-	-	-	-
Goldcorp Inc.	$22.29	$0.60	-	-	-	-
Hecla Mining	$3.15	-	-	-	-	-
Kinross Gold	$4.51	-	-	-	-	-
Kirkland Lake Gold Inc	$2.79	-	-	-	-	-
Newmont Mining	$23.92	$0.80	-	-	-	-
Richmont Mines	$1.26	-	-	-	-	-
Indicated Rate						**0.00%**

COMMENTS ABOUT THE PRECIOUS METALS INDUSTRY

CALCULATION OF CAPITAL STRUCTURE

Company Name	Total Debt	Long-Term Interest	Implied Coupon Rate*	Market Value of Debt**	Fair Value of Debt***	Pref'd Divs	MV of Pref Eqty+	Recent Stock Price	Shares Outstd	Market Value of Equity
Agnico Eagle Mines	812.2	52.7	3.24%	676.7	-	-	-	27.11	172.3	4,671.1
Allied Nevada Gold Corp	505.7	-	-	505.7	-	-	-	3.93	89.7	352.5
AuRico Gold Inc	222.3	-	-	222.3	-	-	-	3.77	282.3	1,064.3
Barrick Gold	13,941.0	600.0	2.15%	8,644.7	-	-	-	18.15	1,001.1	18,170.0
Brigus Gold Corp	-	0.0	-	-	-	-	-	0.83	231.4	192.1
Coeur Mining Inc.	61.4	-	-	61.4	-	-	-	11.26	90.3	1,016.8
Goldcorp Inc.	771.0	33.0	2.14%	476.3	-	-	-	22.29	811.5	18,088.3
Hecla Mining	14.8	-	-	14.8	-	0.6	11.2	3.15	285.2	898.4
Kinross Gold	2,629.5	29.0	0.55%	809.8	-	-	-	4.51	1,140.1	5,141.9
Kirkland Lake Gold Inc	-	0.0	-	-	-	-	-	2.79	70.2	195.9
Newmont Mining	6,124.0	270.0	2.20%	3,860.2	-	-	-	23.92	496.7	11,881.1
Richmont Mines	-	0.0	-	-	-	-	-	1.26	33.1	41.7
Total				**15,271.9**		**11.2**				**61,714.1**

CAPITAL STRUCTURE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
Agnico Eagle Mines	12.65%	87.35%
Allied Nevada Gold Corp	58.93%	41.07%
AuRico Gold Inc	17.28%	82.72%
Barrick Gold	32.24%	67.76%
Brigus Gold Corp	-	100.00%
Coeur Mining Inc.	5.69%	94.31%
Goldcorp Inc.	2.57%	97.43%
Hecla Mining	2.81%	97.19%
Kinross Gold	13.61%	86.39%
Kirkland Lake Gold Inc	-	100.00%
Newmont Mining	24.52%	75.48%
Richmont Mines	-	100.00%
Mean	**14.19%**	**85.81%**
Weighted Mean	**19.85%**	**80.15%**

REMARKS

* Implied Coupon Rate is a semi-annual rate.

** Market Value of Debt: 8.20% (Corporate Ba3)

*** Fair Value of Debt overrides the Market Value of Debt in calculation of Capital Structure.

+ Market Value of Pref. Equity: 5.38% (Baa)

RECONCILIATION

Equity Models	Equity Rate
CAPM: Rule 62 Compliant	14.37%
CAPM: Total NYSE	N/A
CAPM: Supply Side	13.08%
CAPM: Deciles 1 & 2	N/A
Division's Risk Premium	10.26%
DGM: Earnings & Dividend	11.16%
DGM: Plowback Ratio	0.00%
Reconciled Equity Rate	**13.88%**

Reconciled Equity Rate	13.88%	85.00%	11.80%
Debt Rate (Corporate Baa)	5.38%	15.00%	0.81%
Weighted Average Cost of Capital			**12.61%**
Reconciled Equity Rate	13.88%		
Tax-Adjusted (38.25%)	22.48%	85.00%	19.11%
Industry Debt Rate	5.38%	15.00%	0.81%
Tax-Adjusted Weighted Average Cost of Capital			**19.92%**

GUIDELINE COMPANY INFORMATION SUMMARY

Company Name	Tax Rate	Relative Financial Strength	Beta
BHP Billiton Ltd. ADR	38.03%	0.78 (A)	1.40
Freep't-McMoRan C&G	27.52%	0.78 (A)	1.50
Inmet Mining Corp.	28.46%		1.50
Lundin Mining Corp	NMF		1.90
Revett Minerals Inc	30.57%	1.22 (C++)	1.25
Rio Tinto plc	25.00%	0.78 (A)	1.65
Southern Copper	32.86%	0.78 (A)	1.40
Teck Resources Ltd. 'B'	41.41%	0.89 (B++)	1.75
Thompson Creek Metals Company	NMF	1.33 (C+)	1.45
Selected	**38.25%**	**0.94**	**1.53**

CAPM: RULE 62 COMPLIANT

Item	Rate
Market Risk Premium	6.96%
x Industry Beta	1.53
Industry Risk Premium	10.65%
Add: Risk-Free Rate	3.72%
Indicated Rate	**14.37%**

CAPM: FULL NYSE

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.53
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

CAPM: SUPPLY SIDE

Item	Rate
Market Risk Premium	6.12%
x Industry Beta	1.53
Industry Risk Premium	9.36%
Add: Risk-Free Rate	3.72%
Indicated Rate	**13.08%**

CAPM: DECILES 1 & 2

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.53
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

DIVISION'S RISK PREMIUM

Item	Rate
Market Risk Premium	6.96%
x Industry Financial Strength	0.94
Industry Risk Premium	6.54%
Add: Risk-Free Rate	3.72%
Indicated Rate	**10.26%**

DIVIDEND GROWTH MODEL: EARNINGS AND DIVIDEND GROWTH

Company Name	Recent Stock Price	Next Year's Dividend	Projected Earnings Growth	Projected Dividend Growth	Market Growth Rate	D.G.M. Rate
BHP Billiton Ltd. ADR	$67.52	$2.40	2.50%	10.00%	6.25%	9.80%
Freep't-McMoRan C&G	$37.32	$1.36	7.50%	11.00%	9.25%	12.89%
Inmet Mining Corp.	$67.59	-	-	-	-	-
Lundin Mining Corp	$4.37	-	-	-	-	-
Revett Minerals Inc	$0.71	-	-	-	-	-
Rio Tinto plc	$55.11	$1.86	4.00%	14.00%	9.00%	12.38%
Southern Copper	$28.56	$0.75	10.00%	-4.50%	2.75%	5.38%
Teck Resources Ltd. 'B'	$26.89	$0.90	8.00%	16.00%	12.00%	15.35%
Thompson Creek Metals Company	$2.36	-	-	-	-	-

Indicated Rate **11.16%**

DIVIDEND GROWTH MODEL: PLOWBACK RATIO

Company Name	Recent Stock Price	Next Year's Dividend	Return on Equity	Retention Rate	Market Growth Rate	D.G.M. Rate
BHP Billiton Ltd. ADR	$67.52	$2.40	-	-	-	-
Freep't-McMoRan C&G	$37.32	$1.36	-	-	-	-
Inmet Mining Corp.	$67.59	-	-	-	-	-
Lundin Mining Corp	$4.37	-	-	-	-	-
Revett Minerals Inc	$0.71	-	-	-	-	-
Rio Tinto plc	$55.11	$1.86	-	-	-	-
Southern Copper	$28.56	$0.75	-	-	-	-
Teck Resources Ltd. 'B'	$26.89	$0.90	-	-	-	-
Thompson Creek Metals Company	$2.36	-	-	-	-	-

Indicated Rate **0.00%**

COMMENTS ABOUT THE NON-PRECIOUS METALS INDUSTRY

CALCULATION OF CAPITAL STRUCTURE

Company Name	Total Debt	Long-Term Interest	Implied Coupon Rate*	Market Value of Debt**	Fair Value of Debt***	Pref'd Divs	MV of Pref Eqty+	Recent Stock Price	Shares Outstd	Market Value of Equity
BHP Billiton Ltd. ADR	35,165.0	1,500.0	2.13%	30,400.1	-	-	-	67.52	2,661.3	179,691.0
Freep't-McMoRan C&G	21,123.0	1,250.0	2.96%	22,504.1	-	-	-	37.32	949.0	35,416.7
Inmet Mining Corp.	0.0	-	-	0.0	-	-	-	67.59	69.4	4,690.7
Lundin Mining Corp	0.0	-	-	0.0	-	-	-	4.37	584.0	2,552.1
Revett Minerals Inc	1.5	-	-	1.5	-	-	-	0.71	34.5	24.5
Rio Tinto plc	29,924.0	1,400.0	2.34%	27,371.7	-	-	-	55.11	1,847.0	101,788.2
Southern Copper	4,209.6	265.0	3.15%	4,678.0	-	-	-	28.56	845.6	24,150.3
Teck Resources Ltd. 'B'	7,469.0	450.0	3.01%	8,054.7	-	-	-	26.89	582.3	15,658.0
Thompson Creek Metals Company	0.0	-	-	0.0	-	-	-	2.36	168.7	398.1
Total				**93,010.1**		**-**				**364,369.6**

CAPITAL STRUCTURE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
BHP Billiton Ltd. ADR	14.47%	85.53%
Freep't-McMoRan C&G	38.85%	61.15%
Inmet Mining Corp.	0.00%	100.00%
Lundin Mining Corp	0.00%	100.00%
Revett Minerals Inc	5.77%	94.23%
Rio Tinto plc	21.19%	78.81%
Southern Copper	16.23%	83.77%
Teck Resources Ltd. 'B'	33.97%	66.03%
Thompson Creek Metals Company	0.00%	100.00%
Mean	**14.50%**	**85.50%**
Weighted Mean	**20.34%**	**79.66%**

REMARKS

* Implied Coupon Rate is a semi-annual rate.

** Market Value of Debt: 5.38% (Corporate Baa)

*** Fair Value of Debt overrides the Market Value of Debt in calculation of Capital Structure.

+ Market Value of Pref. Equity: 5.38% (Baa)

RECONCILIATION

Equity Models	Equity Rate
CAPM: Rule 62 Compliant	12.14%
CAPM: Total NYSE	N/A
CAPM: Supply Side	11.13%
CAPM: Deciles 1 & 2	N/A
Division's Risk Premium	10.75%
DGM: Earnings & Dividend	15.16%
DGM: Plowback Ratio	0.00%

Reconciled Equity Rate			**12.45%**
Reconciled Equity Rate	12.45%	85.00%	10.58%
Debt Rate (Corporate Ba2)	7.85%	15.00%	1.18%
Weighted Average Cost of Capital			**11.76%**
Reconciled Equity Rate	12.45%		
Tax-Adjusted (38.25%)	20.16%	85.00%	17.14%
Industry Debt Rate	7.85%	15.00%	1.18%
Tax-Adjusted Weighted Average Cost of Capital			**18.32%**

GUIDELINE COMPANY INFORMATION SUMMARY

Company Name	Tax Rate	Relative Financial Strength	Beta
AMCOL Int'l	27.54%	1.00 (B+)	1.30
Compass Minerals Int'l	NMF	1.00 (B+)	0.85
Eagle Materials	31.34%	1.00 (B+)	1.15
Intrepid Potash Inc	36.14%	1.00 (B+)	1.30
Martin Marietta	NMF	0.89 (B++)	1.00
Potash Corp.	28.01%	0.67 (A+)	1.20
Texas Inds.	NMF	1.11 (B)	1.40
U S Lime & Minerals	25.69%	1.00 (B+)	0.90
USG Corp.	NMF	1.33 (C+)	1.90
Vulcan Materials	NMF	1.11 (B)	1.05
Selected	**38.25%**	**1.01**	**1.21**

CAPM: RULE 62 COMPLIANT

Item	Rate
Market Risk Premium	6.96%
x Industry Beta	1.21
Industry Risk Premium	8.42%
Add: Risk-Free Rate	3.72%
Indicated Rate	**12.14%**

CAPM: FULL NYSE

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.21
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

CAPM: SUPPLY SIDE

Item	Rate
Market Risk Premium	6.12%
x Industry Beta	1.21
Industry Risk Premium	7.41%
Add: Risk-Free Rate	3.72%
Indicated Rate	**11.13%**

CAPM: DECILES 1 & 2

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.21
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

DIVISION'S RISK PREMIUM

Item	Rate
Market Risk Premium	6.96%
x Industry Financial Strength	1.01
Industry Risk Premium	7.03%
Add: Risk-Free Rate	3.72%
Indicated Rate	**10.75%**

DIVIDEND GROWTH MODEL: EARNINGS AND DIVIDEND GROWTH

Company Name	Recent Stock Price	Next Year's Dividend	Projected Earnings Growth	Projected Dividend Growth	Market Growth Rate	D.G.M. Rate
AMCOL Int'l	$34.09	$0.80	8.00%	3.50%	5.75%	8.10%
Compass Minerals Int'l	$79.28	$2.40	10.00%	9.00%	9.50%	12.53%
Eagle Materials	$76.67	$0.40	42.00%	7.00%	24.50%	25.02%
Intrepid Potash Inc	$15.46	-	-10.55%	-	-10.55%	-
Martin Marietta	$99.38	$1.60	18.50%	2.00%	10.25%	11.86%
Potash Corp.	$32.67	$1.40	-1.00%	29.00%	14.00%	18.29%
Texas Inds.	$66.95	-	-	-	-	-
U S Lime & Minerals	$60.61	-	-	-	-	-
USG Corp.	$29.10	-	-	-	-	-
Vulcan Materials	$58.59	$0.04	-	-16.50%	-16.50%	-
Indicated Rate						**15.16%**

DIVIDEND GROWTH MODEL: PLOWBACK RATIO

Company Name	Recent Stock Price	Next Year's Dividend	Return on Equity	Retention Rate	Market Growth Rate	D.G.M. Rate
AMCOL Int'l	$34.09	$0.80	-	-	-	-
Compass Minerals Int'l	$79.28	$2.40	-	-	-	-
Eagle Materials	$76.67	$0.40	-	-	-	-
Intrepid Potash Inc	$15.46	-	-	-	-	-
Martin Marietta	$99.38	$1.60	-	-	-	-
Potash Corp.	$32.67	$1.40	-	-	-	-
Texas Inds.	$66.95	-	-	-	-	-
U S Lime & Minerals	$60.61	-	-	-	-	-
USG Corp.	$29.10	-	-	-	-	-
Vulcan Materials	$58.59	$0.04	-	-	-	-
Indicated Rate						**0.00%**

COMMENTS ABOUT THE NON-METALS INDUSTRY

CALCULATION OF CAPITAL STRUCTURE

Company Name	Total Debt	Long-Term Interest	Implied Coupon Rate*	Market Value of Debt**	Fair Value of Debt***	Pref'd Divs	MV of Pref Eqty+	Recent Stock Price	Shares Outstd	Market Value of Equity
AMCOL Int'l	270.9	10.4	1.92%	162.2	-	-	-	34.09	32.2	1,097.7
Compass Minerals Int'l	479.5	18.0	1.88%	282.9	-	-	-	79.28	33.3	2,640.0
Eagle Materials	455.3	35.6	3.91%	453.9	-	-	-	76.67	49.5	3,795.2
Intrepid Potash Inc	150.0	-	-	150.0	-	-	-	15.46	75.3	1,164.1
Martin Marietta	1,113.4	53.3	2.39%	772.1	-	-	-	99.38	46.0	4,571.5
Potash Corp.	3,578.0	120.0	1.68%	1,968.0	-	-	-	32.67	864.9	28,256.3
Texas Inds.	659.3	60.7	4.60%	748.8	-	-	-	66.95	28.6	1,914.8
U S Lime & Minerals	22.9	-	-	22.9	-	-	-	60.61	5.6	339.4
USG Corp.	2,025.0	204.0	5.04%	2,475.7	-	-	-	29.10	107.9	3,139.9
Vulcan Materials	2,523.6	147.0	2.91%	2,012.2	-	-	-	58.59	129.9	7,610.8
Total				**9,048.7**		**-**				**54,529.7**

CAPITAL STRUCTURE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
AMCOL Int'l	12.87%	87.13%
Compass Minerals Int'l	9.68%	90.32%
Eagle Materials	10.68%	89.32%
Intrepid Potash Inc	11.41%	88.59%
Martin Marietta	14.45%	85.55%
Potash Corp.	6.51%	93.49%
Texas Inds.	28.11%	71.89%
U S Lime & Minerals	6.32%	93.68%
USG Corp.	44.09%	55.91%
Vulcan Materials	20.91%	79.09%
Mean	**16.50%**	**83.50%**
Weighted Mean	**14.23%**	**85.77%**

REMARKS

* Implied Coupon Rate is a semi-annual rate.

** Market Value of Debt: 7.85% (Corporate Ba2)

*** Fair Value of Debt overrides the Market Value of Debt in calculation of Capital Structure.

+ Market Value of Pref. Equity: 5.38% (Baa)

RECONCILIATION

Equity Models	Equity Rate
CAPM: Rule 62 Compliant	13.05%
CAPM: Total NYSE	N/A
CAPM: Supply Side	11.92%
CAPM: Deciles 1 & 2	N/A
Division's Risk Premium	11.24%
DGM: Earnings & Dividend	15.03%
DGM: Plowback Ratio	0.00%
Reconciled Equity Rate	**13.25%**

Reconciled Equity Rate	13.25%	70.00%	9.28%
Debt Rate (Corporate Ba2)	7.85%	30.00%	2.36%
Weighted Average Cost of Capital			**11.64%**
Reconciled Equity Rate	13.25%		
Tax-Adjusted (38.25%)	21.46%	70.00%	15.02%
Industry Debt Rate	7.85%	30.00%	2.36%
Tax-Adjusted Weighted Average Cost of Capital			**17.38%**

GUIDELINE COMPANY INFORMATION SUMMARY

Company Name	Tax Rate	Relative Financial Strength	Beta
Abraxas Petrol	NMF	1.22 (C++)	1.75
Bill Barrett Corp	73.76%	1.22 (C++)	1.35
Continental Resources	36.00%	1.00 (B+)	1.65
Double Eagle Petroleum Co.	NMF	1.33 (C+)	1.45
Encana Corp.	NMF	1.00 (B+)	1.15
Isramco Inc.	30.92%	1.22 (C++)	0.85
Kodiak Oil & Gas Corp	NMF	1.11 (B)	1.60
Legacy Reserves	NMF	1.11 (B)	1.05
Linn Energy LLC	NMF	1.00 (B+)	0.85
Pioneer Natural Res.	33.00%	0.78 (A)	1.50
QEP Resources	33.50%	0.89 (B++)	1.30
Resolute Energy Corp	39.79%	1.11 (B)	0.80
Ultra Petroleum	NMF	1.11 (B)	1.10
Warren Resources Inc	NMF	1.22 (C++)	2.15
Whiting Petroleum Corp	37.45%	1.00 (B+)	1.60
WPX Energy	NMF	1.00 (B+)	1.30
Selected	**38.25%**	**1.08**	**1.34**

CAPM: RULE 62 COMPLIANT

Item	Rate
Market Risk Premium	6.96%
x Industry Beta	1.34
Industry Risk Premium	9.33%
Add: Risk-Free Rate	3.72%
Indicated Rate	**13.05%**

CAPM: FULL NYSE

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.34
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

CAPM: SUPPLY SIDE

Item	Rate
Market Risk Premium	6.12%
x Industry Beta	1.34
Industry Risk Premium	8.20%
Add: Risk-Free Rate	3.72%
Indicated Rate	**11.92%**

CAPM: DECILES 1 & 2

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.34
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

DIVISION'S RISK PREMIUM

Item	Rate
Market Risk Premium	6.96%
x Industry Financial Strength	1.08
Industry Risk Premium	7.52%
Add: Risk-Free Rate	3.72%
Indicated Rate	**11.24%**

DIVIDEND GROWTH MODEL: EARNINGS AND DIVIDEND GROWTH

Company Name	Recent Stock Price	Next Year's Dividend	Projected Earnings Growth	Projected Dividend Growth	Market Growth Rate	D.G.M. Rate
Abraxas Petrol	$3.11	-	0.00%	-	-	-
Bill Barrett Corp	$25.46	-	15.00%	-	15.00%	-
Continental Resources	$106.77	-	21.00%	-	21.00%	-
Double Eagle Petroleum Co.	$2.32	-	0.00%	-	-	-
Encana Corp.	$17.56	$0.28	19.00%	-12.50%	3.25%	4.84%
Isramco Inc.	$128.00	-	0.00%	-	-	-
Kodiak Oil & Gas Corp	$10.73	-	50.00%	-	50.00%	-
Legacy Reserves	$28.12	-	-4.75%	-	-4.75%	-
Linn Energy LLC	$31.03	$3.05	8.00%	6.00%	7.00%	16.83%
Pioneer Natural Res.	$176.05	$0.08	23.00%	21.00%	22.00%	22.05%
QEP Resources	$30.24	$0.12	12.00%	20.00%	16.00%	16.40%
Resolute Energy Corp	$8.59	-	15.00%	-	15.00%	-
Ultra Petroleum	$21.34	-	2.50%	-	2.50%	-
Warren Resources Inc	$3.12	-	0.00%	-	-	-
Whiting Petroleum Corp	$59.05	-	12.50%	-	12.50%	-
WPX Energy	$19.57	-	0.00%	-	-	-
Indicated Rate						**15.03%**

DIVIDEND GROWTH MODEL: PLOWBACK RATIO

Company Name	Recent Stock Price	Next Year's Dividend	Return on Equity	Retention Rate	Market Growth Rate	D.G.M. Rate
Abraxas Petrol	$3.11	-	-	-	-	-
Bill Barrett Corp	$25.46	-	-	-	-	-
Continental Resources	$106.77	-	-	-	-	-
Double Eagle Petroleum Co.	$2.32	-	-	-	-	-
Encana Corp.	$17.56	$0.28	-	-	-	-
Isramco Inc.	$128.00	-	-	-	-	-
Kodiak Oil & Gas Corp	$10.73	-	-	-	-	-
Legacy Reserves	$28.12	-	-	-	-	-
Linn Energy LLC	$31.03	$3.05	-	-	-	-
Pioneer Natural Res.	$176.05	$0.08	-	-	-	-
QEP Resources	$30.24	$0.12	-	-	-	-
Resolute Energy Corp	$8.59	-	-	-	-	-
Ultra Petroleum	$21.34	-	-	-	-	-
Warren Resources Inc	$3.12	-	-	-	-	-
Whiting Petroleum Corp	$59.05	-	-	-	-	-
WPX Energy	$19.57	-	-	-	-	-
Indicated Rate						**0.00%**

COMMENTS ABOUT THE OIL & GAS INDUSTRY

CALCULATION OF CAPITAL STRUCTURE

Company Name	Total Debt	Long-Term Interest	Implied Coupon Rate*	Market Value of Debt**	Fair Value of Debt***	Pref'd Divs	MV of Pref Eqty+	Recent Stock Price	Shares Outstd	Market Value of Equity
Abraxas Petrol	110.6	-	-	110.6	-	-	-	3.11	92.5	287.6
Bill Barrett Corp	1,259.8	100.0	3.97%	1,270.9	-	-	-	25.46	47.3	1,204.3
Continental Resources	4,442.8	289.7	3.26%	3,851.7	-	-	-	106.77	184.0	19,645.7
Double Eagle Petroleum Co.	47.8	-	-	47.8	-	3.7	68.8	2.32	11.3	26.2
Encana Corp.	7,649.0	390.0	2.55%	5,542.9	-	-	-	17.56	736.3	12,929.4
Isramco Inc.	106.0	-	-	106.0	-	-	-	128.00	2.7	345.6
Kodiak Oil & Gas Corp	2,193.1	-	-	2,193.1	-	-	-	10.73	265.3	2,846.7
Legacy Reserves	844.3	-	-	844.3	-	-	-	28.12	57.0	1,602.8
Linn Energy LLC	6,512.9	400.0	3.07%	5,399.4	-	-	-	31.03	234.5	7,276.5
Pioneer Natural Res.	2,823.4	165.0	2.92%	2,256.6	-	-	-	176.05	123.4	21,724.6
QEP Resources	2,882.3	160.0	2.78%	2,219.2	-	-	-	30.24	178.5	5,397.8
Resolute Energy Corp	686.7	-	-	686.7	-	-	-	8.59	59.8	513.7
Ultra Petroleum	1,880.0	90.0	2.39%	1,303.8	-	-	-	21.34	152.9	3,262.9
Warren Resources Inc	96.1	-	-	96.1	-	-	-	3.12	71.8	224.0
Whiting Petroleum Corp	2,904.0	-	-	2,904.0	-	-	-	59.05	117.6	6,944.3
WPX Energy	1,776.0	102.0	2.87%	1,401.5	-	-	-	19.57	199.3	3,900.3
Total				**30,234.6**			**68.8**			**88,132.4**

CAPITAL STRUCTURE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
Abraxas Petrol	27.77%	72.23%
Bill Barrett Corp	51.35%	48.65%
Continental Resources	16.39%	83.61%
Double Eagle Petroleum Co.	81.65%	18.35%
Encana Corp.	30.01%	69.99%
Isramco Inc.	23.47%	76.53%
Kodiak Oil & Gas Corp	43.52%	56.48%
Legacy Reserves	34.50%	65.50%
Linn Energy LLC	42.60%	57.40%
Pioneer Natural Res.	9.41%	90.59%
QEP Resources	29.13%	70.87%
Resolute Energy Corp	57.21%	42.79%
Ultra Petroleum	28.55%	71.45%
Warren Resources Inc	30.02%	69.98%
Whiting Petroleum Corp	29.49%	70.51%
WPX Energy	26.43%	73.57%
Mean	**35.09%**	**64.91%**
Weighted Mean	**25.59%**	**74.41%**

REMARKS

* Implied Coupon Rate is a semi-annual rate.

** Market Value of Debt: 7.85% (Corporate Ba2)

*** Fair Value of Debt overrides the Market Value of Debt in calculation of Capital Structure.

+ Market Value of Pref. Equity: 5.38% (Baa)

RECONCILIATION

Equity Models	Equity Rate
CAPM: Rule 62 Compliant	10.68%
CAPM: Total NYSE	N/A
CAPM: Supply Side	9.84%
CAPM: Deciles 1 & 2	N/A
Division's Risk Premium	10.68%
DGM: Earnings & Dividend	13.48%
DGM: Plowback Ratio	0.00%

Reconciled Equity Rate			**12.08%**
Reconciled Equity Rate	12.08%	65.00%	7.85%
Debt Rate (Corporate Baa)	5.38%	35.00%	1.88%
Weighted Average Cost of Capital			**9.73%**
Reconciled Equity Rate	12.08%		
Tax-Adjusted (38.25%)	19.56%	65.00%	12.72%
Industry Debt Rate	5.38%	35.00%	1.88%
Tax-Adjusted Weighted Average Cost of Capital			**14.59%**

GUIDELINE COMPANY INFORMATION SUMMARY

Company Name	Tax Rate	Relative Financial Strength	Beta
El Paso Pipeline	NMF	1.11 (B)	0.65
Energy Transfer	NMF	0.89 (B++)	0.75
Kinder Morgan Energy	NMF	1.00 (B+)	0.75
ONEOK Inc.	38.32%	1.00 (B+)	1.05
Plains All Amer. Pipe.	NMF	1.00 (B+)	0.75
Spectra Energy	26.15%	1.11 (B)	1.00
Williams Partners L.P.	NMF	1.00 (B+)	1.05
Selected	**38.25%**	**1.00**	**1.00**

CAPM: RULE 62 COMPLIANT

Item	Rate
Market Risk Premium	6.96%
x Industry Beta	1.00
Industry Risk Premium	6.96%
Add: Risk-Free Rate	3.72%
Indicated Rate	**10.68%**

CAPM: FULL NYSE

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.00
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

CAPM: SUPPLY SIDE

Item	Rate
Market Risk Premium	6.12%
x Industry Beta	1.00
Industry Risk Premium	6.12%
Add: Risk-Free Rate	3.72%
Indicated Rate	**9.84%**

CAPM: DECILES 1 & 2

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.00
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

DIVISION'S RISK PREMIUM

Item	Rate
Market Risk Premium	6.96%
x Industry Financial Strength	1.00
Industry Risk Premium	6.96%
Add: Risk-Free Rate	3.72%
Indicated Rate	**10.68%**

DIVIDEND GROWTH MODEL: EARNINGS AND DIVIDEND GROWTH

Company Name	Recent Stock Price	Next Year's Dividend	Projected Earnings Growth	Projected Dividend Growth	Market Growth Rate	D.G.M. Rate
El Paso Pipeline	$35.49	$2.60	6.00%	11.00%	8.50%	15.83%
Energy Transfer	$55.43	$3.66	6.50%	2.00%	4.25%	10.85%
Kinder Morgan Energy	$80.29	$5.60	11.00%	7.00%	9.00%	15.97%
ONEOK Inc.	$61.32	$1.70	12.00%	12.50%	12.25%	15.02%
Plains All Amer. Pipe.	$51.21	$2.50	10.50%	9.00%	9.75%	14.63%
Spectra Energy	$35.18	$1.36	4.50%	8.00%	6.25%	10.12%
Williams Partners L.P.	$50.34	$3.62	2.00%	7.50%	4.75%	11.94%

Indicated Rate **13.48%**

DIVIDEND GROWTH MODEL: PLOWBACK RATIO

Company Name	Recent Stock Price	Next Year's Dividend	Return on Equity	Retention Rate	Market Growth Rate	D.G.M. Rate
El Paso Pipeline	$35.49	$2.60	-	-	-	-
Energy Transfer	$55.43	$3.66	-	-	-	-
Kinder Morgan Energy	$80.29	$5.60	-	-	-	-
ONEOK Inc.	$61.32	$1.70	-	-	-	-
Plains All Amer. Pipe.	$51.21	$2.50	-	-	-	-
Spectra Energy	$35.18	$1.36	-	-	-	-
Williams Partners L.P.	$50.34	$3.62	-	-	-	-

Indicated Rate **0.00%**

COMMENTS ABOUT THE OIL & GAS GATHERING/WD INDUSTRY

CALCULATION OF CAPITAL STRUCTURE

Company Name	Total Debt	Long-Term Interest	Implied Coupon Rate*	Market Value of Debt**	Fair Value of Debt***	Pref'd Divs	MV of Pref Eqty+	Recent Stock Price	Shares Outstd	Market Value of Equity
El Paso Pipeline	4,248.0	236.7	2.79%	4,347.2	-	-	-	35.49	209.0	7,417.4
Energy Transfer	16,646.0	835.0	2.51%	15,909.7	-	-	-	55.43	301.5	16,712.1
Kinder Morgan Energy	19,612.0	775.0	1.98%	16,205.9	-	-	-	80.29	373.2	29,964.2
ONEOK Inc.	8,330.1	300.0	1.80%	6,528.6	-	-	-	61.32	204.9	12,564.5
Plains All Amer. Pipe.	7,637.0	296.0	1.94%	6,240.3	-	-	-	51.21	335.3	17,170.7
Spectra Energy	16,821.0	650.0	1.93%	13,720.8	-	-	-	35.18	668.0	23,500.2
Williams Partners L.P.	8,434.0	440.0	2.61%	8,266.8	-	-	-	50.34	398.0	20,035.3
Total				**71,219.3**		**-**				**127,364.4**

CAPITAL STRUCTURE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
El Paso Pipeline	36.95%	63.05%
Energy Transfer	48.77%	51.23%
Kinder Morgan Energy	35.10%	64.90%
ONEOK Inc.	34.19%	65.81%
Plains All Amer. Pipe.	26.66%	73.34%
Spectra Energy	36.86%	63.14%
Williams Partners L.P.	29.21%	70.79%
Mean	**35.39%**	**64.61%**
Weighted Mean	**35.86%**	**64.14%**

REMARKS

* Implied Coupon Rate is a semi-annual rate.

** Market Value of Debt: 5.38% (Corporate Baa)

*** Fair Value of Debt overrides the Market Value of Debt in calculation of Capital Structure.

+ Market Value of Pref. Equity: 5.38% (Baa)

RECONCILIATION

Equity Models	Equity Rate
CAPM: Rule 62 Compliant	11.58%
CAPM: Total NYSE	N/A
CAPM: Supply Side	10.64%
CAPM: Deciles 1 & 2	N/A
Division's Risk Premium	10.82%
DGM: Earnings & Dividend	22.55%
DGM: Plowback Ratio	0.00%

Reconciled Equity Rate			**11.58%**
Reconciled Equity Rate	11.58%	80.00%	9.26%
Debt Rate (Corporate Ba2)	7.85%	20.00%	1.57%
Weighted Average Cost of Capital			**10.83%**
Reconciled Equity Rate	11.58%		
Tax-Adjusted (38.25%)	18.75%	80.00%	15.00%
Industry Debt Rate	7.85%	20.00%	1.57%
Tax-Adjusted Weighted Average Cost of Capital			**16.57%**

GUIDELINE COMPANY INFORMATION SUMMARY

Company Name	Tax Rate	Relative Financial Strength	Beta
Eagle Materials	31.34%	1.00 (B+)	1.15
Granite Construction	26.05%	1.00 (B+)	1.05
Martin Marietta	NMF	0.89 (B++)	1.00
Texas Inds.	NMF	1.11 (B)	1.40
Vulcan Materials	NMF	1.11 (B)	1.05
Selected	**38.25%**	**1.02**	**1.13**

CAPM: RULE 62 COMPLIANT

Item	Rate
Market Risk Premium	6.96%
x Industry Beta	1.13
Industry Risk Premium	7.86%
Add: Risk-Free Rate	3.72%
Indicated Rate	**11.58%**

CAPM: FULL NYSE

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.13
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

CAPM: SUPPLY SIDE

Item	Rate
Market Risk Premium	6.12%
x Industry Beta	1.13
Industry Risk Premium	6.92%
Add: Risk-Free Rate	3.72%
Indicated Rate	**10.64%**

CAPM: DECILES 1 & 2

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.13
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

DIVISION'S RISK PREMIUM

Item	Rate
Market Risk Premium	6.96%
x Industry Financial Strength	1.02
Industry Risk Premium	7.10%
Add: Risk-Free Rate	3.72%
Indicated Rate	**10.82%**

DIVIDEND GROWTH MODEL: EARNINGS AND DIVIDEND GROWTH

Company Name	Recent Stock Price	Next Year's Dividend	Projected Earnings Growth	Projected Dividend Growth	Market Growth Rate	D.G.M. Rate
Eagle Materials	$76.67	$0.40	42.00%	7.00%	24.50%	25.02%
Granite Construction	$34.33	$0.52	51.00%	7.50%	29.25%	30.76%
Martin Marietta	$99.38	$1.60	18.50%	2.00%	10.25%	11.86%
Texas Inds.	$66.95	-	-	-	-	-
Vulcan Materials	$58.59	$0.04	-	-16.50%	-16.50%	-

Indicated Rate **22.55%**

DIVIDEND GROWTH MODEL: PLOWBACK RATIO

Company Name	Recent Stock Price	Next Year's Dividend	Return on Equity	Retention Rate	Market Growth Rate	D.G.M. Rate
Eagle Materials	$76.67	$0.40	-	-	-	-
Granite Construction	$34.33	$0.52	-	-	-	-
Martin Marietta	$99.38	$1.60	-	-	-	-
Texas Inds.	$66.95	-	-	-	-	-
Vulcan Materials	$58.59	$0.04	-	-	-	-

Indicated Rate **0.00%**

COMMENTS ABOUT THE SAND AND GRAVEL INDUSTRY

CALCULATION OF CAPITAL STRUCTURE

Company Name	Total Debt	Long-Term Interest	Implied Coupon Rate*	Market Value of Debt**	Fair Value of Debt***	Pref'd Divs	MV of Pref Eqty+	Recent Stock Price	Shares Outstd	Market Value of Equity
Eagle Materials	455.3	35.6	3.91%	453.9	-	-	-	76.67	49.5	3,795.2
Granite Construction	272.2	25.0	4.59%	308.6	-	-	-	34.33	38.7	1,328.6
Martin Marietta	1,113.4	53.3	2.39%	772.1	-	-	-	99.38	46.0	4,571.5
Texas Inds.	659.3	60.7	4.60%	748.8	-	-	-	66.95	28.6	1,914.8
Vulcan Materials	2,523.6	147.0	2.91%	2,012.2	-	-	-	58.59	129.9	7,610.8
Total				**4,295.6**		**-**				**19,220.9**

CAPITAL STRUCTURE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
Eagle Materials	10.68%	89.32%
Granite Construction	18.85%	81.15%
Martin Marietta	14.45%	85.55%
Texas Inds.	28.11%	71.89%
Vulcan Materials	20.91%	79.09%
Mean	**18.60%**	**81.40%**
Weighted Mean	**18.27%**	**81.73%**

REMARKS

* Implied Coupon Rate is a semi-annual rate.

** Market Value of Debt: 7.85% (Corporate Ba2)

*** Fair Value of Debt overrides the Market Value of Debt in calculation of Capital Structure.

+ Market Value of Pref. Equity: 5.38% (Baa)

RECONCILIATION

Equity Models	Equity Rate
CAPM: Rule 62 Compliant	14.93%
CAPM: Total NYSE	N/A
CAPM: Supply Side	13.57%
CAPM: Deciles 1 & 2	N/A
Division's Risk Premium	11.72%
DGM: Earnings & Dividend	8.62%
DGM: Plowback Ratio	9.09%

Reconciled Equity Rate			**14.93%**
Reconciled Equity Rate	14.93%	95.00%	14.18%
Debt Rate (Corporate B2)	8.39%	5.00%	0.42%
Weighted Average Cost of Capital			**14.60%**
Reconciled Equity Rate	14.93%		
Tax-Adjusted (38.25%)	24.18%	95.00%	22.97%
Industry Debt Rate	8.39%	5.00%	0.42%
Tax-Adjusted Weighted Average Cost of Capital			**23.39%**

GUIDELINE COMPANY INFORMATION SUMMARY

Company Name	Tax Rate	Relative Financial Strength	Beta
Cameco Corp.	NMF	1.00 (B+)	1.10
Cyclone Uranium Corp	NMF		1.10
Denison Mines Corp	NMF		1.55
Jet Metal Corporation	NMF		1.90
Quaterra Resources Inc	NMF		1.55
Uranerz Energy Corp	NMF	1.22 (C++)	1.90
Uranium Energy Corp	NMF		1.65
Uranium Resources Inc	NMF	1.22 (C++)	2.15
Ur-Energy Inc	NMF		1.55
Selected	**38.25%**	**1.15**	**1.61**

CAPM: RULE 62 COMPLIANT

Item	Rate
Market Risk Premium	6.96%
x Industry Beta	1.61
Industry Risk Premium	11.21%
Add: Risk-Free Rate	3.72%
Indicated Rate	**14.93%**

CAPM: FULL NYSE

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.61
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

CAPM: SUPPLY SIDE

Item	Rate
Market Risk Premium	6.12%
x Industry Beta	1.61
Industry Risk Premium	9.85%
Add: Risk-Free Rate	3.72%
Indicated Rate	**13.57%**

CAPM: DECILES 1 & 2

Item	Rate
Market Risk Premium	0.00%
x Industry Beta	1.61
Industry Risk Premium	0.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**N/A**

DIVISION'S RISK PREMIUM

Item	Rate
Market Risk Premium	6.96%
x Industry Financial Strength	1.15
Industry Risk Premium	8.00%
Add: Risk-Free Rate	3.72%
Indicated Rate	**11.72%**

DIVIDEND GROWTH MODEL: EARNINGS AND DIVIDEND GROWTH

Company Name	Recent Stock Price	Next Year's Dividend	Projected Earnings Growth	Projected Dividend Growth	Market Growth Rate	D.G.M. Rate
Cameco Corp.	$21.39	$0.40	8.50%	5.00%	6.75%	8.62%
Cyclone Uranium Corp	$0.02	-	0.00%	0.00%	-	-
Denison Mines Corp	$1.25	-	0.00%	0.00%	-	-
Jet Metal Corporation	$0.18	-	0.00%	0.00%	-	-
Quaterra Resources Inc	$0.10	-	0.00%	0.00%	-	-
Uranerz Energy Corp	$1.30	-	0.00%	0.00%	-	-
Uranium Energy Corp	$1.92	-	0.00%	0.00%	-	-
Uranium Resources Inc	$3.06	-	0.00%	0.00%	-	-
Ur-Energy Inc	$1.41	-	0.00%	0.00%	-	-
Indicated Rate						**8.62%**

DIVIDEND GROWTH MODEL: PLOWBACK RATIO

Company Name	Recent Stock Price	Next Year's Dividend	Return on Equity	Retention Rate	Market Growth Rate	D.G.M. Rate
Cameco Corp.	$21.39	$0.40	9.50%	76.00%	7.22%	9.09%
Cyclone Uranium Corp	$0.02	-	-	-	-	-
Denison Mines Corp	$1.25	-	-	-	-	-
Jet Metal Corporation	$0.18	-	-	-	-	-
Quaterra Resources Inc	$0.10	-	-	-	-	-
Uranerz Energy Corp	$1.30	-	-	-	-	-
Uranium Energy Corp	$1.92	-	-	-	-	-
Uranium Resources Inc	$3.06	-	-	-	-	-
Ur-Energy Inc	$1.41	-	-	-	-	-
Indicated Rate						**9.09%**

COMMENTS ABOUT THE URANIUM MINING INDUSTRY

CALCULATION OF CAPITAL STRUCTURE

Company Name	Total Debt	Long-Term Interest	Implied Coupon Rate*	Market Value of Debt**	Fair Value of Debt***	Pref'd Divs	MV of Pref Eqty+	Recent Stock Price	Shares Outstd	Market Value of Equity
Cameco Corp.	1,311.2	65.0	2.48%	878.4	-	-	-	21.39	395.4	8,457.6
Cyclone Uranium Corp	0.5	-	-	0.5	-	-	-	0.02	141.1	2.8
Denison Mines Corp	0.2	-	-	0.2	-	-	-	1.25	384.7	480.9
Jet Metal Corporation	-	-	-	-	-	-	-	0.18	6.6	1.2
Quaterra Resources Inc	-	-	-	-	-	-	-	0.10	163.0	16.3
Uranerz Energy Corp	-	-	-	-	-	-	-	1.30	77.2	100.4
Uranium Energy Corp	6.9	-	-	6.9	-	-	-	1.92	86.0	165.1
Uranium Resources Inc	5.6	-	-	5.6	-	-	-	3.06	16.1	49.3
Ur-Energy Inc	0.3	-	-	0.3	-	-	-	1.41	121.1	170.8
Total				**891.9**		**-**				**9,444.4**

CAPITAL STRUCTURE

Company Name	Percent Debt & Preferred Equity	Percent Common Equity
Cameco Corp.	9.41%	90.59%
Cyclone Uranium Corp	15.15%	84.85%
Denison Mines Corp	0.04%	99.96%
Jet Metal Corporation	-	100.00%
Quaterra Resources Inc	-	100.00%
Uranerz Energy Corp	-	100.00%
Uranium Energy Corp	4.01%	95.99%
Uranium Resources Inc	10.20%	89.80%
Ur-Energy Inc	0.18%	99.82%
Mean	**4.33%**	**95.67%**
Weighted Mean	**8.63%**	**91.37%**

REMARKS

* Implied Coupon Rate is a semi-annual rate.

** Market Value of Debt: 8.39% (Corporate B2)

*** Fair Value of Debt overrides the Market Value of Debt in calculation of Capital Structure.

+ Market Value of Pref. Equity: 5.38% (Baa)