

Name:

Five Minute Exercise
Changes in Proven Reserves

Given:

Half of a particular region has been explored for an exhaustible resource.
The table below gives information about what has been found so far.
The price of the resource is currently \$55 per ton.

Deposit Grade	A	B	C	D	E
MEC	20	40	60	80	100
Tons Found	5	5	10	15	15

Determine:

The *change* in proven reserves if the price rises to \$65 *and* the remaining land is explored and turns out to be similar.

Answer: