



April 23, 2001

TO WHOM IT MAY CONCERN

Letter of Reference re :

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Falconbridge Limited is a major mining company producing nickel, copper, and some precious metals from deposits around the world. Falconbridge has a number of operating mines in the Sudbury mining camp, approx. 400km north of Toronto, Ontario, Canada.

Since 1996, Falconbridge exploration in the Sudbury camp has featured increasing use of AMT and MT. A successful test survey in 1996 resulted in a joint publication at the 1998 SEG Meeting in New Orleans, as well as relatively large reconnaissance AMT surveys in 1997, 1998, 1999, and 2000.

Phoenix carried out the first 3D AMT surveys with Falconbridge in 1998. These AMT and MT surveys were carried out in both winter and summer conditions. To date, nearly two thousand sites have been measured.

AMT and MT surveys were carried out with V5-16 equipment, and MT surveys with System 2000 equipment.

The active mining operations in the Sudbury region and the very resistive host rocks create high levels of electromagnetic noise for the AMT and MT techniques; therefore, equipment, field procedures, data processing and interpretation have to overcome this problem.

Phoenix and Falconbridge are joint industry sponsors (since 1999) of the Research Project into 3D MT interpretation being carried out at the University of Montreal, Ecole Polytechnique, under the direction of Professor Michel Chouteau.

Phoenix personnel have carried out their contract work in a professional and timely manner. Data turn around and interpretations have been done to industry acceptable levels. We look forward to additional services provided by this company.

Yours sincerely

Kevin Stevens, Sr. Geophysicist

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