



PuzzleBear Nickel Project – November 2004

A fixed loop TEM survey of loop size 600x800metres centered on the gossan outcrop at the PuzzleBear project was completed.

The EM survey was carried out by Outer Rim Exploration Services Pty Ltd.

The results of the report are

- No strong and confined bedrock conductors were identified within the limited survey area.
- A weak, possible bedrock conductor was delineated at depth in the centre of the survey area. This anomaly is not consistent with the presence of massive sulphides and may be associated with current channeling along the interpreted thrust fault. Follow up moving loop TEM is recommended over this anomaly to determine if it is a legitimate bedrock conductor or related to current channeling.
- Several partly defined anomalies were noted at the margins of the limited area surveyed. In particular there was an indication of a possible conductor outside of the survey area to the South West of the gossan occurrence.

Conclusions

The possibility of the presence of a conductor outside of the survey area to the South West of the recorded gossan is considered significant. This location is down dip from outcrop of the North West-South East striking, shallow dipping high magnesium oxide olivine ortho-mesocumalite unit within which the gossan occurs.

Further Work

A program will be undertaken immediately consisting of

- A follow up moving loop TEM survey to better define the identified weak conductor in the centre of the surveyed area
- The moving loop TEM survey area will be extended to the South West to assess the partly defined anomaly disclosed in the initial survey area
- Following completion of this EM work a drilling program will be under taken to test any additional anomalies and to assess for the potential for disseminated sulphides in the area of the of the weak possible bedrock anomaly defined in the initial EM survey

Yours Faithfully

Murray Hodges
Director