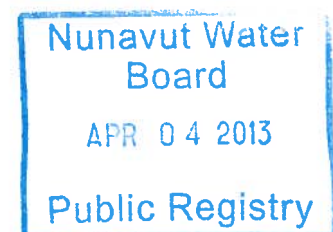


Maze Lake Joint Venture
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2012 Annual Report
for
Maze Lake Project Water Use and Waste Disposal
License # 2BE-MZE0712

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Maze Lake Project



Water License 2012 Annual Report Maze Lake Joint Venture

1. Introduction

On April 27, 2007 Terrane Metals submitted an application to the Nunavut Water Board (NWB) for a water use and waste disposal license regarding the Maze Lake project in the Kivalliq District of Nunavut. The application was accepted and the license 2BE-MZE0712 was issued on July 12, 2007 by NWB with a five year term, expiring on November 30, 2012. This report states the amount of water used, disposal activities that have been carried and reclamation work undertaken in 2012.

2. Camp information and schedule

The Maze Lake camp was established in 2007, and was de-mobilized at the end of the 2008 field season, with all waste material backhauled to Whale Cove by helicopter. At present, the camp consists only of plywood tent floors and a storage silo. A limited exploration program was conducted in 2012. This program consisted primarily of camp de-mobilization; including fuel containment, remediation and reclamation. Final camp restoration should take five days to complete and will take place after the winter thaw. It is anticipated that this will occur between the 15th and 30th of July, after the caribou migration and no later than the 15th of August, 2013.

3. Water use and waste disposal activities

3.1 Camp and drill operations water use

There was no camp or water use in 2012 on the property.

3.2 Camp and drill operations waste disposal activities

No camp or drill operations occurred in 2012, and there was no waste disposal.

4. Unauthorized discharge and follow-up actions

On the 10th of July, a Water License Inspection noted that fuel leakage was occurring from the bungs of five drums stored in a fuel cache proximal to the 2007 camp. On notification, the Maze Lake operator initiated immediate remedial and mitigation actions to address the issue. These actions included:

- Purchase and mobilization of new fuel containment berms

- Placement of fuel into containment facilities
- Removal of contaminated soil



Figure 1: Drum showing identified spill



Figure 2: Removal of affected soil



Figure 3: Removal of affected soil



Figure 4: Secondary Containment



Figure 5: Secondary Containment

5. The Spill Contingency Plan and Abandonment and Restoration Plan

Spill contingency plans were not updated during the 2012 period.

6. Reclamation work undertaken

Reclamation included actions taken under the remediation of leakage identified from five drums. In addition, planning activities for final remediation and reclamation in 2013 was initiated.