



AANDC, Nunavut District Office
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January 7, 2013

Mr. Michael England
CEO and President
Alix Resources Corp.
Suite 1220, 789 West Pender St.
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Email: mike@engcom.ca

Re: Response to December 17th e-mail from Mr. England (2BE-ARC0813)

Mr. England,

On December 10th, 2012 I submitted to you a letter, by which you were to provide a complete list of coordinates from the drill program by December 15, 2012.

December 17th, 2012, you responded to my letter, however, did not submit the requested information.

You mention in your e-mail that you were not aware of the condition of the project when you acquired the project from Full Metal Minerals. You have, however, taken responsibility for the project in acquiring the Licence, and as such you are responsible for fulfilling the conditions of the Licence.

“Cleanup did commence and was to be completed this summer but perhaps got postponed upon receipt of your letter claiming more cleanup necessary than first told about.”

At the very least, your contractor should have attended site this fall in order review the conditions and to prepare a plan to address the work to be done. Failure to do so means that a complete assessment cannot be done until the site is snow-free in 2013. The water licence expires April 30, 2013, however, the cleanup work required by the licence will not be complete. You are now required to renew the water licence.

“Was this noticed in prior years to us getting involved?”

I will assume by this question that you are referring to the messes that were noted in the 2012 inspection. I have no record of past inspections for this file, and as such, there is no further documentation available from AANDC.

“Any suggestions you may have would be fantastic as we are concerned about the mess and even more concerned that we are required to clean up a mess that was in existence prior to us getting involved on the property.”



Unfortunately, I cannot give more specific suggestions. I have outlined the items of non-compliance and the steps that you are expected to take (renew the licence, submit a plan, perform the clean-up, etc.) but I cannot tell you *how* to conduct this work. I would recommend that you review all of the correspondence I have sent you. I have asked for detailed plans to address these issues, and I expect to review these plans prior to implementation. While it may seem unfair to you that you are responsible for a mess left by prior users of the site, as I stated above, you accepted that responsibility when you accepted the Water Licence. If you feel you were misled by a prior user about the condition of the property, I would recommend that you discuss that with them.

“My understanding is that there is a bond (approximately \$50,000) in place – can this be applied to clean this up?”

As this project is situated on Inuit Owned Lands, this ‘bond’ is not held with AANDC. You will have to make that request to the KitIA.

The complete list of coordinates from the drill program is to be submitted by January 31st, 2013, or else a written explanation of your inability to provide the requested information at this time, and an anticipated date that the information can be provided.

All other requirements of the December 10th communication are to be submitted by the date specified. If you have questions regarding these requirements, please call. Further delays without written explanation are not advised.

Failure to provide the requirements outlined in the December 10th correspondence by January 31st, 2013 **WILL RESULT** in the issuance of a direction under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (s. 87).

Sincerely,

Eva Paul

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CC: Phyllis Beaulieu, Manager of Licensing – Nunavut Water Board
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