



Field Operations Division  
Nunavut Regional Office  
PO Box 2200  
Iqaluit, NU X0A 0H0

January 30, 2015

Michael England  
Alix Resources Corp.  
Suite 1220-789 West Pender St.  
Vancouver, BC V6C 1H2  
[mike@engcom.ca](mailto:mike@engcom.ca)

RE: Reclamation of 2BE-ARC0813 (expired) – Letter of Non-Compliance

Mr. England,

I am writing regarding Alix Resources Corporation's (Alix) project at Arcadia Bay, licensed as 2BE-ARC0813 (expired). In our last correspondence, you indicated intent to continue the cleanup of this project in 2013, but I have received no reports confirming this work.

I was also in correspondence with Mr. John Masters, who requested information regarding Alix's responsibility for work conducted under the previous licensee of this project, Full Metal Minerals (FMM). As per a recently delivered legal opinion, and in concurrence with my correspondence of February 17, 2013, "Alix assumed and undertook to perform the obligations under the 2005 licence when it was assigned and renewed... Those responsibilities included the abandonment and restoration obligations of FMM." All materials brought, all camps, staging areas, storage areas, and drill sites of either FMM or Alix, are now the assigned responsibility of Alix Resources Corp. under this licence. I have attached our previous correspondence and a copy of the licence assignment document.

If Alix feels the abandonment and restoration issue is properly a FMM issue, Alix can take whatever action it wants against FMM, however, this has nothing to do with AANDC's enforcement actions under this water licence. Alix is required to proceed immediately in 2015 to reclamation of the Arcadia Bay project.

The following is required of Alix Resources Corp:

1. That Alix submit to me a detailed report (with photos if possible) for the initial work undertaken by Kikiak Contracting Ltd. for this project, which I believe was undertaken in 2012, and any work that has since been undertaken. This should be submitted to me **by February 28, 2015**.
2. That Annual Reports be submitted to the Nunavut Water Board for 2009-2013, showing the reclamation work that was done. These are to be submitted by **March 31, 2015**.
3. That Alix undertake to perform the obligations of abandonment and restoration under the water licence. **This work is to be carried out in 2015.**

Failure to carry out your obligations in this respect will result in enforcement actions under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. Please be in touch with me as soon as possible



regarding the outstanding compliance requirements from 2012 and 2013, and the 2015 reclamation of this project.

That said, I will be traveling extensively for the next several weeks. Please use e-mail or contact me by cell phone at 867-222-6490.

Sincerely,

Eva Paul

Water Resources Officer | Agent des ressources en eau

Aboriginal Affairs and Northern Development Canada | Affaires autochtones et Développement du Nord Canada

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CC: Phyllis Beaulieu, Manager of Licensing, NWB  
Erik Allain, Manager of Field Operations, AANDC  
Wynter Kuliktana, Kitikmeot Inuit Association  
John Masters, Alix Resources Corp.

Att: IQALUIT-#554842-v1-2BE-ARC0813\_INSPECTION\_REPORT\_JULY\_15\_2012  
IQALUIT-#614039-v1-IQALUIT-#614022-V1-2BE-ARC0813\_OVERDUE\_REQUIREMENT\_TO\_SUBMIT  
IQALUIT-#619634-v1-IQALUIT-#619628-V1-2BE-ARC0813\_RESPONSE\_TO\_DECEMBER\_17\_2012\_EMAIL  
IQALUIT-#619635-v1-RE\_\_ACADIA\_PROJECT\_OUTSTANDING\_INFORMATION  
IQALUIT-#619694-v1-RE\_\_ACADIA\_PROJECT\_OUTSTANDING\_INFORMATION  
IQALUIT-#630441-v1-ALIX\_TO\_EVA\_PAUL\_RE\_ARCADIA\_BAY\_JAN\_29-13\_PDF  
IQALUIT-#638788-v1-RE\_\_ARCADIA\_BAY  
IQALUIT-#695674-v1-080310\_2BE-ARC0507\_ASSIGNMENT\_OF\_LICENCE-ILAE\_PDF