From: David Abernethy [mailto:David.Abernethy@inac-ainc.gc.ca]

Sent: Monday, December 14, 2009 6:49 PM

To: Steve Ash

Cc: Ian Rumbolt; Spencer Dewar; David Hohnstein

Subject: Re: FW: Restoration and Abandonment Bissett Lake Camp

Hi Steve,

Carrying out these reclamation activities during the upcoming field season sound like a reasonable course of action. Aurora- Resources must demonstrate to both the Board and the Water Resources Officer that they have met all of their License terms and conditions. It is recommended that a final reclamation report be submitted to the Board along with a 2010 Annual Report submission. It is also noted that the Part D, Item #3 of Water License #2BE-KAZ0609 includes provisions for the incineration of waste although it does not specifically address the managed open burning of non-treated wood (i.e. incineration is typically performed in an incinerator). The NWB may be able to provide direction on incineration versus open-burning. I believe that both the Government of Nunavut and Environment Canada have provided draft strategies on this topic. In any event, if non-treated wood were to be burned on site it must be carried out in a controlled manner and any non-combustible residue must be taken away for burial at an approved site. Also, this activity should be approved by the land owner.

I look forward to seeing your proposal.

I will be going for holidays tomorrow and will not be back until Jan. 5th. All the best and have a Merry Christmas.

Take care,
David
Water Resources Regional Coordinator
Operations Directorate
Indian and Northern Affairs Canada
Nunavut Regional Office, Iqaluit
T: 867 975-4555
F: 867 975-4585

>>> Steve Ash <SAsh@aurora-energy.ca> 11/12/2009 1:36 pm >>>

I was wondering if either of you have had time to review my email from November 26 below?

Please note that I did hear back from Mr. Dewar.

Thanks Steve

John Stephen Ash

From: Steve Ash

Sent: Thursday, November 26, 2009 12:47 PM

To: David Abernethy; David Hohnstein; Spencer Dewar Subject: Restoration and Abandonment Bissett Lake Camp

Importance: High

Hello

As you know from earlier correspondence, Aurora Energy Resources Inc. (Aurora) will not be exploring for minerals on the Baker Lake Property. An agreement was not reached with Pacific Ridge Exploration Ltd. (Pacific).

On October 2nd, 2009 I informed the Nunavut Water Board in an email that Aurora will contact Pacific on transferring the Camp at Bissett Lake back to their name. We finally got a negative answer from them last Friday (November 20th, 2009). There was a chance that another company would be interested in purchasing it but that fell through also.

Aurora can now focus on the abandonment and restoration of the camp. However, the company has a concern that the current weather conditions would hamper a proper environmental cleanup of the site. We would like to propose that the cleanup be conducted in the summer of 2010 under the INAC Land Use permit # N2006J0017 which expires August 17, 2010 since water use is no longer required.

Please note that all of the exploration equipment was demobilized from camp and drill sites on July 21st, 2009. I will submit an annual report which details this demobilization. We anticipate conducting the summer cleanup in early June 2010. The Bissett Lake Camp (see pdf attached) has three drums of fuel (diesel) and several wooden structures (3 shacks, 4 tent floors, 1 Outhouse). Fuel will be flown back to Baker Lake and the wood will be burnt. Drill Core will be moved to Pacific's Core Storage area as shown in the pdf attached.

It is our opinion that conditions of the Land Use Permit, the Abandonment and Restoration Plan and Clause 46 of the Nunavut Waters & Nunavut Surface Rights Tribunal Act obligates Aurora to restore any impact that its exploration activities may have caused to the environment. Also note that Aurora's strives to be an outstanding environmental steward by incorporating policy and practices to minimize the negative impacts of our exploration activities. Caring for the environment by minimizing any adverse effects of our activities is the backbone of our approach to exploration.

Please rest assured that Aurora is committed to the reclamation of the camp. I will send a formal request for the clean up proposal after you have responded to this email.

Thanks for you consideration Steve

John Stephen Ash Lands Manager tel 709.726.2356 | fax 709.726.0138 | mobile 709.746.4860 Suite 600, 140 Water Street, TD Place St. John's NL Canada AlC 6H6

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