



WATER LICENCE INSPECTION FORM

☒ Original

☐ Follow-Up Report

Licensee		Licensee Representative	
Benjamin Cox, Managing Director and CEO Roche Bay PLC Suite 3G, Eurolife Building 1 Corral Road Gibraltar info@rochebay.com		None.	
and,			
John Gingerich President and CEO Advanced Explorations Inc. 50 Richmond Street East, Suite 300 Toronto ON M5C 1N7 Canada E-mail: john@advanced-exploration.com			
Licence No. / Expiry		Representative's Title	
2BE-RBP1116 – EXPIRED		None	
Land / Other Authorizations		Land / Other Authorizations	
N2012C0013		Nil	
Date of Inspection		Inspector	
July 30, 2016		A.Keim	
Activities Inspected			
<div><input checked="" type="checkbox"/> Camp</div> <div><input checked="" type="checkbox"/> Drilling</div> <div><input type="checkbox"/> Mining</div> <div><input type="checkbox"/> Construction</div> <div><input type="checkbox"/> Reclamation</div> <div><input type="checkbox"/> Fuel Storage</div> <div><input type="checkbox"/> Roads/Hauling</div> <div><input type="checkbox"/> Other: Water Discharge</div> <div><input type="checkbox"/> Other: Municipal</div>			

Conditions:

A - Acceptable

C - Concern

U - Unacceptable

NA – Not Applicable

NI – Not Inspected

Water Use		Site Conditions		Haz/Mat Management	
	Condition	Comment		Condition	Comment
Intake/Screen	NA		Water Management Structures	NA	
Flow Measure. Device	NA		Culverts / Bridges	NA	
Source: Station Creek	NA		Drainage	NA	
Water Use:	NA		Erosion / Sediment	NA	
Recirculation (y /n)	NA		Mitigation Measures	U	
			Reclamation Activities	U	
			Materials Storage	U	
Waste Disposal			Signage	NA	
Waste Water	NA				
Solid Waste	U		Monitoring		
Hazardous Waste	U		Sample Collection / Analysis	U	
*The number in the comments field will correspond with specific comments provided below.					
Samples taken by Inspector:		Location(s): None were collected during the period of Inspection			
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					

SECTION 1	<input checked="" type="checkbox"/> Comments (s.__)	<input type="checkbox"/> Non-Compliance with Act or Licence (s.__)	<input type="checkbox"/> Action Required (s.__)
Administration			
<p>The Roche Bay project has been active for many years. Initially staked by Borealis Exploration Ltd in the sixties and seventies the project has evolved over the years. The project was dormant for many years however has always held by Borealis Exploration or it's subsidiary Roche Bay PLC. On May 23rd, 2006 Roche Bay PLC obtained a water license for the Roche Bay project that was renewed in 2008 and again on March 28, 2011. During the most recent renewal process, Roche Bay PLC and Advanced Exploration Inc entered into a Joint Venture agreement dated January 29, 2007 and amended February 5, 2007 to undertake the required work to complete feasibility studies and jointly operate and explore the Roche By property. These document were filed with the Ontario Security and Exchange commission and are viable on SEDAR (www.sedar.com)</p> <p>The Roche Bay Project is located approximately 60 km south of Hall Beach at approximately 68°26' north latitude and 82° 46' west longitude. The site lies on both Crown lands and IOL lands and as such Land Use permits in addition to the Water License were required to access to the site. The Land Use permits expired in 2015 and the Water License expired in March of 2016.</p>			



To date a review of correspondence sent to the company and an Inspection report filed with the Nunavut Water Board in 2014 by an INC Inspector indicate that Advanced Exploration and Roche Bay PLC have not filed annual reports or conducted any maintenance or other work done on site since 2013.

On September 23rd, 2014 Inspector SHOULDICE was in contact with Mr. John GINGERICH (CIDM #854121) with respect to the submission of Compliance Plans as required following the July 15th, 2014 Water License Inspection. That plan was to include attendance at the site prior to December 31st, 2014 to address fuel spills, repair and maintain secondary containment, and to address other issues identified during that inspection. The required Compliance Plan does not appear to have been filed by the Licensee as required by the Inspector.

Further, as identified on www.SEDAR.com , Advanced Exploration Inc. did on July 10, 2015 file Notice of Intention to Make a Proposal (“Notice of Intention”) under the provisions of Part III of the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”). Since that time there have been no communications or announcements from the company and attempts to contact their offices have gone unanswered.

In reviewing the last documents filed with INAC and the NWB by Advanced Exploration Inc in 2013 indicate that the company had plans to move the camp and facilities to Crown lands (2013 Project summary & 2014 Project Plans documents) , however this work did not happen.

Waste materials including barrels, pallets, fuel drums, sea-cans and drilling supplies however were all marshaled to the beach head and are now within 100 meters of the high tide mark on Crown land on the beach laydown.

The site can be broken down as follows; Airstrip, Beach laydown, Camp and drillers area. The Airstrip and Beach laydown all fall on crown lands while the Camp and drillers are on IOL. All areas are covered under the now expired Water License.

SECTION 2	<input type="checkbox"/> Comments (s. __)	<input type="checkbox"/> Non-Compliance with Act or License (s. __)	<input type="checkbox"/> Action Required (s. __)
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Inspection Findings:

Beach lay down

- Secondary containment (4) has been blown/ knocked down in a number of places. (Unserviceable)
- Five snow machines, 1 side-by-side and a number of four wheelers were all found on site have been stripped for parts.
- Wind blown garbage is scattered across the tundra and down to the shore from the Laydown
- Six 50,000 L fuel storage tank remain on the beach
- 20 plus barrels of heating oil
- 1000 plus used drums have been piled on the beach within 100 meters of the high tide mark
- Piles of waste materials including liner, pallets, bags of garbage, insulation nd othr debris are scattered around the site.
- 40 drums of unknown contents are piled up within a debris pile
- 1 small dozer (Komatsu 37PX) remains on site
- 1 small Kabota loader (R420S) (inside a sea-can) remains on site
- 7 seas-cons containing equipment and surplus materials have all been pried open and looted.
- 5 additional sea-cans of drilling equipment including a head motor, drilling rod, casing , lubricants and bits were all found looted and scattered throughout the site.

The Beach site has a number of hazardous materials including fuel, batteries and lubricant oils unsecured and scattered throughout the site. The site has been looted by unknown persons who have stripped machine parts and taken fuel and other materials from the site. The site poses a threat to the environment due to the lack of containment and on-going monitoring by the licensee.

Airstrip

- 17 barrels of unknown contents are in secondary containment
- 500 used barrels are piled on the side of the airstrip.
- A Grader with the engine removed is on site. Evidence of gear oil and other oil leaks is present under the unit
- A BOMAG Roller is on site. Tarps and liner were placed under the unit but have been weathered and moved. Evidence of leaking oil is found under the unit.
- A small shack/building is on site and contains waste materials and garbage.
- Barrels of unknown content are stored beside and behind the building
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The Airstrip site has a number of hazardous materials including fuel and lubricant oils unsecured and leaking from equipment into the environment at the site. The site poses a threat to the environment due to the lack of containment and



on-going monitoring by the licensee.

Main Camp

- It was noted that a number of drilling shacks are still out in place on the property. These shacks were not inspected during this inspection however a fly over and GPS locations were recorded.
- 25 Weather haven units (2 large kitchen and dry units) were recorded at the camp site. Most units were in need of substantial repair from rips and wind damage. Doors were mostly blown in / broken and unsecured.
- Heaters remained in all units
- Barrels of heating fuel were found on stdns. Five barrels had been knocked over and were found empty. Staining by these empty barrels indicate spills of unknown quantities of heating oil throughout the camp.
- 1 Bombardier Challenger unit was found on site. Condition unknown but it appeared to be undamaged.
- 2 metal silo storage units were found on site. Investigation of their contents identified food stuff and rotting cloth and garbage.
- The incinerator area was found to contain two large boxes of garbage and other wastes. Two smart ash incinerators were found boxed at the site.
- The Generator shack gave off the smell of fuel and staining around the shack was identified during the inspection. The generator remains in place in the shack.
- During the inspection it was noted that all of the hoses that connect the fuel drums o the heater and other equipment are cracked and weathered and in serious need of replacement to avoid a large number of spills.

Drillers Area

- This area is atop an outcrop approximately 150 meters from the camp.
- There are two rows of empty/ used barrels used to form a laydown for drilling supplies including hoses, pipe, casing, fuel tanks and other equipment
- The ground shows evidence of a number of hydrocarbon spills throughout the site.
- Two maintenance shacks full of parts and equipment are on site.
- Inside the shacks were over fifty buckets of oil and various lube oils for use on the drills
- Open buckets of waste oil were found in the shacks as well.
- Outside and around the shacks there was a very strong smell of hydrocarbon and staining running down from the shack into the overburden and rocks behind the shack.
- Two stripped snow machines were also found in the shacks. Obvious looting has taken place with empty cases/boxes for power and other hand tools found scattered inside and outside the buildings.
- Two other pieces of heavy equipment were noted on site. Both were found to be leaking oils and other fluids and in a state of disrepair.

The Camp and drillers area have a number of hazardous materials including fuel and lubricant oils unsecured and leaking from equipment and barrels into the environment at the site. There is evidence of past Hydrocarbon contamination throughout the site and no evidence of any effort to remediate these spills. The site poses a threat to the environment due to the lack of containment and on-going monitoring by the licensee.

SECTION 3	<input type="checkbox"/> Comments (s. __)	<input checked="" type="checkbox"/> Non-Compliance with Act or License (s. __)	<input type="checkbox"/> Action Required (s. __)
<p>Non-compliance The Nunavut Waters and Nunavut Surface Rights Tribunal Act;</p> <p>12. (1) Subject to subsection (2) and except in accordance with the conditions of a license, no person shall deposit or permit the deposit of waste</p> <p> (a) in waters in Nunavut; or</p> <p> (b) in any other place in Nunavut under conditions in which the waste, or any other waste that results from the deposit of that waste, may enter waters in Nunavut.</p> <p>(2) Subsection (1) does not apply in respect of</p> <p> (a) any unlicensed deposit of waste that is authorized by the regulations; or</p> <p> (b) the deposit of waste in a national park.</p> <p>Additionally,</p> <p>46. The expiry or cancellation of a licence does not relieve the holder from any obligations imposed by the licence.</p> <p>Based on observations and photos collected during the period of the Inspection, the Inspector believes that the Licensee has</p>			



failed to adhere to section 12 as above and is in contravention of the Act.

Further, Subject to Section 42 of the Act the Nunavut Water Board may, subject to this Act and Regulations, upon application issue the appropriate License.

In this case a Class B License for mining and Milling (Exploration Activities and the associated Camp Activities at the Roche Bay Project, Nunavut. Subject to the conditions placed within that license the Inspector finds the following sections that are not in compliance;

Part B: General Conditions

- Part B (2) The Licensee has failed to file the required annual reports (2014, 2015)
- Part B (3) The Licensee has failed to inform the NWB of any changes in operating Plans or conditions associated with the project at least (30) Thirty days prior to any such change.
- Part B (8) The Licensee has failed to carry out fully all submitted plans in compliance with the terms and conditions of the issued license.

Part D: Conditions applying to Waste Disposal

- Part D (6) The Licensee has failed to backhaul and dispose of all hazardous wastes, waste oil and non-combustible waste generated through the course of the operation at a licensed waste disposal site
- Part D (7) The Licensee has failed to maintain records of all waste backhauled and records of confirmation of proper disposal of backhauled waste. These records shall be made available to an Inspector upon request.

Part H: Conditions Applying to Spill Contingency Planning

- Part H (3) Licensee has failed to take such actions as are required to prevent any chemicals, petroleum products or wastes associated with the project from entering water.
- Part H (5) The Licensee has failed to employ the terms of the approved spill plan when an unauthorized discharge of waste (Hydrocarbon) has occurred. This also constitutes an offence under the *Spill Contingency Regulations* of the *Environmental Protection Act* .

Part I: Conditions Applying to Abandonment and Restoration or Temporary Closing

- Part I (3) The Licensee has failed to complete all restoration work prior to the expiry of the License.
- Part I (4) The licensee has failed to carry out the required progressive reclamation work required when any of the component of the project are no longer required for the licensee's operations.
- Part I (6) The Licensee has failed to remove from the site, all infrastructure and site materials, including all fuel caches, drums, barrels, buildings and contents, docks, water pumps and lines, material and equipment prior to the expiry of this License
- Part I (10) The Licensee has failed to have areas that have been contaminated by hydrocarbons from normal fuel transfer procedures reclaimed to meet objectives as outlined in the Government of Nunavut's Environmental Guideline for Site Remediation, 2010.

Part J: Conditions Apply to the Monitoring Program

- The Licensee has failed adhere to any of the terms and conditions contained and required under the authority of this license since 2013.

Photo Log

Date	Authorization	Camera	Inspector
July 29- 30, 2016	2BR-RBP1015	Sony Cyber shot	A. Keim



Figure 1- Roche Bay airstrip



Figure 2 Roller on airstrip - note oil leaking from under carriage



Figure 3 Roche Bay airstrip- barrel of unknown contents in secondary containment



Figure 4 Roche Bay airstrip - used barrel stacked beside air strip



Figure 5 Stacked barrels 2



Figure 6 Roche Bay beach Laydown - Used barrels, pallets and debris all stacked on shoreline



Figure 7 Roche Bay beach - Barrels and propane cylinders on shoreline



Figure 8 Roche bay Beach laydown - 5 50,000 liter tanks



Figure 9 Up hill from shoreline, barrels and debris stacked on sand



Figure 10 Barrels of fuel oil- heating



Figure 11 Barrels of unknown origin or contents stacked in debris pile on beach



Figure 12 stripped side by side



Figure 13 Komatsu dozer on beach



Figure 14 One stripped snow machine



Figure 15 one stripped four wheeler



Figure 16 inside one of seven sea cans - Spare parts



Figure 17 Inside another sea-can - note cases of 2 stroke oil at the back



Figure 18 fifty cases of 2 stroke oil.



Figure 19 Liner, 24 pallets of bag of drilling salt.



Figure 20 Sea can with wood and peat moss



Figure 21 Engine from drill and spare parts & peat moss bags !



Figure 22 casing... Lots of casing



Figure 23 Drill Bits



Figure 24 Hydraulic pump



Figure 25 Stoves/ Heaters for water used in drilling



Figure 26 Bags of peat moss



Figure 27 Kaboda loader in sea-can



Figure 28 Roche Bay main camp



Figure 29 Roche Bay driller lay down beside camp



Figure 30 Drillers area



Figure 31 Drillers area - in front of workshops



Figure 32 Drillers area workshops and parts storage



Figure 33 drum of waste oil outside drillers area storage shed/ workshop



Figure 34 hydrocarbon spills



Figure 35 Storage shed/ workshop - note stripped snow machine



Figure 36 50 5 Gallon pail of drill lube, oil and other



Figure 37 open drum of oil and unknown contents



Figure 38 driller workshop



Figure 39 driller workshop



Figure 40 Behind the driller shop - note leaking barrels



Figure 41 Behind drillers workshop - note absorbent boom.



Figure 42 Hydrocarbon contaminated soils behind workshop



Figure 43 Hydrocarbon contaminated oils 10 M from the Buildings



Figure 44 Full propane cylinders at camp



Figure 45 Expired Jet A and Heating fuel at camp



Figure 46 Challenger and fuel barrels (full) at camp



Figure 47 Challenger and barrels at camp (2) – No secondary containment



Figure 48 Challenger and barrels at camp (3) – No secondary containment



Figure 49 Core shack - ripped walls and frame is broken in places



Figure 50 Camp - Water pump left outside



Figure 51 supplies left in maintenance building in camp



Figure 52 maintenance building at camp



Figure 53 barrels of heating fuel on stands behind tents - hoses are all weathered and cracking



Figure 54 weather haven with wind / structural damage



Figure 55 Damaged weather haven



Figure 56 damaged weather haven(s)



Figure 57 Office tent



Figure 58 Roche bay camp



Figure 59 Roche bay camp - cook tent



Figure 60 Roche bay camp - garbage in box outside cook tent



Figure 61 Roche bay camp- gen shack with gen set



Figure 62 Roche bay camp - supplies found in shack



Figure 63 Roche bay camp - waste management area - incinerator site -smart ash



Figure 64 Roche bay camp with an old Burnadette style incinerator



Figure 65 Roche Bay camp - damaged weather havens



Figure 66 Damaged weather havens



Figure 67 weather haven with end blown off

Licensee or Representative	Inspector's Name
	A. Keim
Signature	Signature
Date	Date
	31/10/2016

Office Use Only:	Follow-up report to be issued by Inspector	<input type="checkbox"/> Yes <input type="checkbox"/> No
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