



Advanced Explorations Inc.
Summary of Operations
April 2007 – November 2007

Introduction

The following report gives a summary of the activities that occurred at the Roche Bay camp and surrounding area during the season from April 25, 2007 – November 14, 2007. The activities of the project are located in Roche Bay, Nunavut at 68°15' – 68°30' and 82°00' – 84°00'. The project has five permits issued, a water use permit from the Nunavut Water Board, two land use permits from Inuit and Northern Affairs Canada and two land and water use permits from the Qikiqtani Inuit Association. This report is being issued to all three governing bodies as well as the Hall Beach Hunters and Trappers Association.

Activities

The season began with the mobilization and construction of a 40 person Weatherhaven camp in May. Equipment, drills and materials for the initial setup were flown in by Convair cargo plane from Churchill and Yellowknife. Martin Van Rooy of the WCB made a site visit on June 22nd in order to provide supervisor certification for some of the drill contractor's team. Operations approval, drilling and drill training for 11 local people began on June 26th. Environmental surveys conducted by EBA Consulting began in late June.



Camp clean up and winterization took place in early November and the camp officially closed on November 14, 2007.

Clean up

There were three sites that needed to be cleaned up from previous Borealis activities. There is a site on top of one of the ore bodies where there were abandoned core racks, empty barrels and other miscellaneous pieces of metal scrap. At the airstrip, there were empty barrels, scrap metal and right near the current camp site there were empty barrels, miscellaneous heavy equipment and scrap metal.

All three of these sites have been now been fully restored. New waste has been generated as a result of current activities; most of this was removed from the site in September on the return voyage of an NTCL barge from Churchill. There now remains some waste which is primarily ash from the incinerator which is stored in barrels near the beach and will be removed from site when the 2008 sealift comes in. There are also 400 empty barrels that remain at the fuel storage site and at the airstrip which will be reused during the 2008 season.

Inspections

There were three site visits and inspections done by the WCB and INAC. The QIA was unable to do their inspections due to scheduling and weather constraints. The inspections are as follows:

- WCB: Martin Van Rooy, June 22, 2007. Approval to begin operations granted on April 25, 2007.
- INAC: Andrew Keim, July 15, 2007.
- INAC: Kevin Robertson, July 27, 2007.

Reports from these inspections are available upon request.

Environmental Baseline Studies

EBA Engineering and Consultants Ltd. conducted several studies as part of their baseline evaluation throughout the season. They include:

- fisheries
- hydrology
- water quality
- land mammals
- marine mammals
- raptors
- breeding birds

Three reports entitled: “Environmental Baseline Studies 2006 Marine and Aquatic Resources”, “2006 & 2007 Water Quality and 2007 Preliminary Hydrology Programs Roche Bay, Nunavut” and “Environmental Baseline Studies 2006 Vegetation Resources” were completed and will be distributed in February 2008.

Camp description

The camp was constructed by Matrix Aviation in May 2007 which consisted of Weatherhaven tent modules powered by generators. The structures included:

- Kitchen
- 2 x dry room
- Recreation room
- Office
- Core logging tent
- Sample preparation tent
- Medical tent
- 12 x sleeper tents
- 2 x generator rooms
- 3 x store room
- Workshop



At the old camp location site on Crown Land, 2 wooden tent structures remain and are being used for storage as well as a sheet metal silo that is being used for sample storage.

These shelters have been emptied of valuables and screwed shut for the winter months.

On Site Communications

The communications devices that were available on site are as follows:

- 2 satellite phones 8 x two-way radios
- 1 x C-band internet and phone system
- 2 x Hse satellite internet system



Local Employment

Throughout the season Advanced Explorations and its sub-contractors employed and trained 36 people from Hall Beach, Igloolik and Repulse Bay and paid out approximately \$405,000 in wages.

Accident Report (all filed with the WCB)

Unfortunately, this season did see two time-lost injuries which were sustained by Boart Longyear (drill contractor) employees. Full reports have been filed with the Workers Compensation Board.

Equipment on Site

Below is a list of the equipment that was on site during the season. In certain cases the equipment has been relocated for the winter and is indicated in parentheses

- 2 x Boart Longyear LF38 drills and associated equipment
- 4 x All Terrain Vehicles
- 4 x Snowmobiles
- 3 x Argos
- 2 x Polaris Rangers
- Cessna 180 (currently stored in Hall Beach)
- De Havilland Beaver (currently stored in Hall Beach)
- Eurocopter A-Star 350 B2 helicopter (chartered from Northern Air Support)
- Boat 24 ft x 9ft
- 1 x 15KW generator
- 1 x 26KW generator
- General workshop equipment
- Incinerator
- Kitchen equipment
- 2 x Internet satellite dishes

- Medical supplies and equipment

Spills

During a drill relocation with the helicopter a fuel drum that was a third to a half way full fell from a height of 6-8 feet onto snow around 6-8 inches deep on top of a frozen lake. The spill was reported to the hotline and procedures outlined in the Oil and Hazardous Materials Spill Plan followed. The snow was shovelled into bags which were placed in a bin to settle immediately after the spill. The site was inspected after clean up and no trace of the spill remained.



Water Use

Water was used for camp activities and for drilling. The total water for camp use for the season is approximately 715 cubic meters and for drilling 20,200 cubic meters.

Community Involvement

Open dialogue has been established between Advanced Explorations Inc. and the community of Hall Beach and Igloolik, both with the Hamlet as well as with the HTOs. During the operating season the Chief Operating Officer was living in the company houses in Hall Beach and has always been available to receive and address any concerns brought to our attention.

In August 2007, we held our fourth town meeting in Hall Beach and our first meeting in Igloolik, where project details were discussed and concerns are acknowledged. For the most part, any concerns that have been brought to our attention have been along the lines of the financial stability of the company and what the future plans of development are. Requests from Igloolik have been to include more technical and environmental detail and these will be provided at future meetings.

Advanced Explorations Inc. worked with the Hall Beach Hunters and Trappers Association to overcome concerns about past messes that were left by a predecessor company, both at Roche Bay and at another location near Naguak Lake. The second location has been cleaned up and the sites at Roche Bay have been cleaned to a level that is now satisfactory to the HTA.

The camp at Roche Bay has always kept its doors open to the community and was able to accommodate hunters and other members of the community as they passed through the area.

Progress Off-Site

In early June 2007, Advanced Explorations Inc. closed an \$11 million financing round. In July 2007, we moved into our new office location at 50 Richmond Street East in downtown Toronto. In mid-October AEI raised another \$5 million and \$10 million at the end of the November.

There have also been some changes to the Advanced Explorations team. We have added Lou Nagy as Chief Financial Officer, Florin Gheorghiu as VP Engineering and Technology, Joseph Chiumminto as Corporate Secretary and David Young as Project Manager. We will be adding a new Chief Geologist shortly as well.

Upcoming Season

Planning for the 2008 season is already underway and AEI is expanding the operations at Roche Bay. We will be increasing the drill program to 5 drills and the camp to 60 people. Bathymetry, geotechnical and environmental surveys will continue, the sample preparation facility will be moved from the site to Hall Beach and a further round of drill training with Boart Longyear will be offered during the season.

Conclusion

This season was a successful one in all respects. AEI had accomplished what it set out to do and the relationship with the local communities was strengthened. Plans for next season are underway and we hope to continue to work effectively and amicably with the town of Hall Beach, eager to see the communities benefit further from our activities there.



