



**Advanced Explorations Inc.  
Summary of Operations  
2009**

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## **EXECUTIVE SUMMARY**

### **SUMMARY OF OPERATIONS - 2009**

Advanced Explorations Inc.'s Summary of Operations outlines activities undertaken at the Roche Bay project during the latest calendar year. Due to financial constraints, the camp was not operational in 2009, and was maintained on a care-and-maintenance basis.

The main exploration camp remained at a capacity of approximately 60 people. All shelters were secured for the winter months when camp was closed in September 2008. In April 2009, the Company arranged for twice-per-week trips to the camp from Hall Beach for the rest of the winter, and helicopter fly-bys during the summer field season, to maintain security of the camp as much as possible. It is the Company's plan to start the progressive, partial re-location of this camp to Crown lands at the Roche Bay Peninsula during 2010, contingent on financing; the appropriate water and land use licence have been applied for from the Nunavut Water Board and INAC respectively.

The Company mobilized crews in mid-April and August 2009 to secure material at the beach as well as camp itself to the extent possible. There were also three (3) site visits and inspections conducted during 2009 by various Inspectors, and any matters identified by inspectors were addressed at or immediately following the time of the inspections.

The Company and its contractors employed as many people as possible from Hall Beach during 2009 to assist in camp monitoring, and the re-establishment of fuel caches and associated berms. The Company and its contractors also employed 41 people from Hall Beach, Igloolik and Repulse Bay and paid out approximately \$489,913 in wages and benefits in 2008. Goods and services purchased from local and Nunavut businesses including food, travel, housing in Hall Beach, local consultants, and airline services, totalled an additional \$667,999. Overall, approximately \$1,157,912 in wages, goods and services were added to the local economy during the 2008 field season.

### **2010 PROJECT PLANS**

The Company will be conducting exploration programs on Crown Leases 2952, 2953, and 2954. These leases cover the A/B, C, and D ore bodies. We intend to drill up to 20 holes to an average depth of 250 to 300 meters, and collect core and chip samples for geological modeling and resource definition primarily relating to the A/B and C ore bodies.

The camp would re-open in mid-April, and drilling would begin in mid May, 2010. We do not anticipate the need to fly additional fuel to the camp for this season.

## **2009 PROJECT SUMMARY**

### **Introduction**

The following report gives a summary of the activities that occurred at the Roche Bay camp and beach staging area during 2009. The work was conducted under previous QIA land use Licence #Q08L3C03 (subsequently under a permit extension, valid to March 31, 2010) and INAC Land Use Permit #N2007C0033. There is also a water use Licence for the camp issued by the Nunavut Water Board (#2BE-RBP0811) but no water was used during 2009 as camp was not opened, and no drilling took place on the project.

### **Exploration Camp**

The main exploration camp remained at a capacity of approximately 60 people. In April 2009, the Company arranged for twice per week trips to the camp from Hall Beach during the rest of the winter, with helicopter fly-bys during the summer field season, to ensure security of the camp as much as possible. Camp was used during the summer, and a number of tents were found to be opened during the season by passers-by; however, minimal damage was found to exist to the camp. This damage was repaired by Matrix Aviation Solutions Inc. during their trip to camp in September 2009, and which was designed to secure the camp for future use. All shelters were secured as much as possible for the winter months.

Camp remained on care-and-maintenance during 2009, with camp facilities currently including the following:

- 1 kitchen facility (2 tents)
- 2 dry facilities
- Recreation room
- Office
- 1 shower facility (2 tents)
- 2 core logging tents
- Sample prep and core splitting facility
- Medical tent
- 16 sleep tents
- 2 generator rooms
- 3 store rooms
- Workshop
- Two helicopter pads

Boart Longyear, the drill contractor, also maintains a supply building and staging area adjacent to the exploration camp.

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It is the Company's plan to start the progressive partial re-location of the main exploration camp to Crown lands at the Roche Bay Peninsula during 2010, contingent on financing; the appropriate water and land use Licence and Permits have been applied for from the Nunavut Water Board and INAC respectively. This will minimize potential impacts to QIA lands related to the camp facility, and allow progressive rehabilitation of the camp to start. It is the Company's intent to complete the partial camp move from QIA lands as soon as is practical.

### **Camp Fuel**

Fuel trays remain located under drums used for heating tents, with absorbent material wrapped around connection points. An INAC aerial inspection of the camp in July 2009 identified potential issues with the berm and cover of fuel at the helicopter pad. Upon later ground inspection, it was determined that the problems identified were minimal, and the berm and cover were adjusted as required to maintain security of the fuel.

### **Water Use**

No water was used in 2009, either by camp or drilling operations, as the project and camp were on care and maintenance for the entire year.

### **Wastes**

No wastes were generated, nor waste manifest required, in 2009, either by camp or drilling operations, as the project and camp were on care and maintenance for the entire year.

### **Environmental Studies**

No additional environmental studies were conducted in 2009. Selected sites from previous surveys were resampled once during the year, with all sites on Crown land. Environmental baseline reports will have to be updated with the 2008 and limited 2009 data upon additional financing of the project.

### **Camp Grey Water**

No grey water was produced in 2009 as the camp facility was not in operation. In addition, no water was used for drilling, as no drilling program was conducted in 2009.

### **Beach Staging Area**

The Company mobilized a crew to site in mid-April 2009 for approximately two weeks in order to investigate reports of unauthorized entry to camp and use of camp supplies. The Company

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and local personnel secured material in the area to the extent possible, as well as securing the main exploration camp. The Company also hired two assistants from Hall Beach to inspect the beach area and main camp approximately twice a week from late April to mid-June to monitor security and use of the facilities. No fuel spills, unauthorized discharges or significant damage to project facilities were noted during 2009.

An INAC site inspection in July identified some issues of concern that were dealt with during the August inspection. Photos of cleanup activities conducted prior to Company staff leaving the area in late August were forwarded to INAC, and improvements were noted. Reports from these inspections are available upon request.

### **Inspections**

There were three (3) site visits and inspections conducted by regulators during 2009, as follows:

- July 19, 2009 (Kevin Robertson and Andrew Keim – INAC; fly over only; beach and camp areas)
- August 27, 2009 (Kevin Robertson – INAC; beach and camp areas)
- September 24, 2009 (Matthew Akavak – QIA; camp area)

Issues identified during the inspections were attended to by the Company immediately. With the camp not in operation, any issues of note revolved around care-and-maintenance issues of berms, fuel stockpiles, etc. These are documented below:

- Snowmelt that accumulated in berms was pumped into empty drums for future treatment or disposal, according to regulations;
- Drums and wood material close to the ocean at the beach lay-down and staging area were moved to locations greater than 30m from the high tide mark;
- berms rebuilt as required;
- drums of gasoline were placed inside a perimeter of sea containers for security, with some gasoline left out for emergency use by hunters over the winter;
- Lined trench established downslope of beach fuel drum storage area to contain any potential leaks;
- bermed fuel at camp helipads was re-covered;
- Drill sites were left with drill casings still sticking out of the ground as surveying of the site locations has not been completed; drill cuttings were bermed on the ground, or discharged into depressions with some left to revegetate naturally (control sites) and some where revegetation was aided by the addition of peat moss. Results will be monitored during the next field season on-site, and adjustments to reclamation procedures made as required.

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The Company continues to remain in compliance with all authorizations and regulations, as per these inspections.

### **Equipment Available**

Below is a list of the equipment on site during the season. The equipment is safely stored on site for use in the next program.

- 5 Longyear drills
- 2 Polaris Ranger utility vehicles
- 5 Honda ATVs; 3 Argos; 8 Snowmobiles
- 2 Industrial Diesel Generators, 16kW and 10kW
- 2 Piston Water Pumps
- 240E Timberjack Skidder
- BR-180 Snow CAT
- Bomag vibrator / compactor; Champion 16H grader (airport)
- Komatsu bulldozer
- General workshop equipment
- Incinerator
- 2 x Internet satellite dishes
- Medical supplies and equipment

### **Local Employment and Services**

Local employment opportunities were minimal in 2009 due to the lack of a summer field season. However, the Company took every effort to provide employment during the site visits to deal with beach and camp clean-up and security, and while addressing issues raised during site inspections. Approximate employment is itemized below:

- April 2009 – approx 60 days of employment at beach staging area and camp
- April to June 2009 – approx 20 days of employment to monitor beach and camp
- September 2009 – approx 10 days of employment securing camp and beach for upcoming winter season

In addition, the Company bought supplies in Hall Beach, and used local suppliers of transportation and goods and services to the extent possible during their site visits through the year.

### **Progressive Rehabilitation**

In general, rehabilitation is undertaken as per the Company Abandonment and Rehabilitation Plan. In addition, it is the Company's intent to start the progressive partial re-location of the

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main exploration camp to Crown lands during 2010, contingent on financing, which will allow progressive rehabilitation of the camp to start. Final rehabilitation of drill sites is required once surveying of the drill collars and site locations has been completed. To date, drill cuttings remain bermed on the ground, or stored in natural depressions with some left to revegetate naturally (control sites) and some where revegetation was aided by the addition of peat moss. Results will be monitored during upcoming field seasons, with adjustments to reclamation procedures made as required.

### **2010 Program Plans**

The Company has applied for a Licence from the QIA for land use licence similar to the previous land use licence (being Q08L3C03) to allow for additional drilling, general camp maintenance operations, environmental baseline data collection and geological modeling.

The Company intends to use results from its infill drilling to refine its resource definition in support of the Company's future plans to complete its definitive feasibility study. The 2010 program will focus on a shortened field season which will include an environmental program and geologic mapping program. Selected drilling on Zones A/B and C will provide further in-fill data for ongoing mine and engineering studies.

During the course of the 2010 field season, the Company intends to re-locate part of its current camp to a proposed new camp at the Roche Bay Peninsula.

The camp would re-open mid-April 2010 and drilling activities would begin in mid-to-late May 2010. Drilling and camp activities would continue until shutdown in mid-October 2010 depending on the weather.

Inuit workers and firms that will be employed as part of the exploration program will obviously be contingent on the level of activity (i.e. financing) that is possible. Employment and the level of purchases of supplies and services for 2008 are appended to this document, as an indication of the potential economic benefit to the area.



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Signed “John Gingerich”

March 2010

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**John Gingerich  
Chief Executive Officer  
Advanced Explorations Inc.**

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**Date**

Signed “Lou Nagy”

March 2010

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**Lou Nagy  
Chief Financial Officer  
Advanced Explorations Inc.**

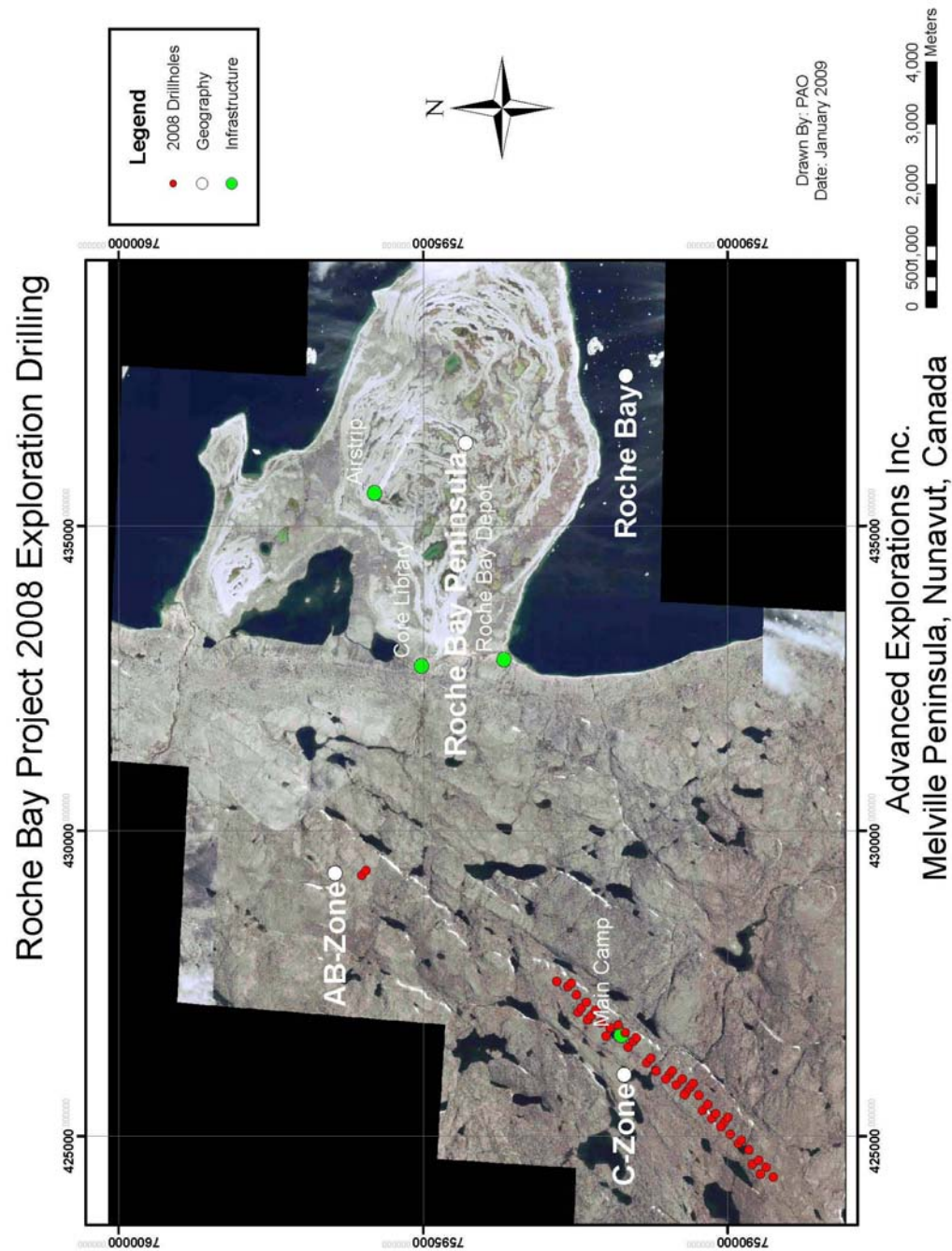
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**Date**

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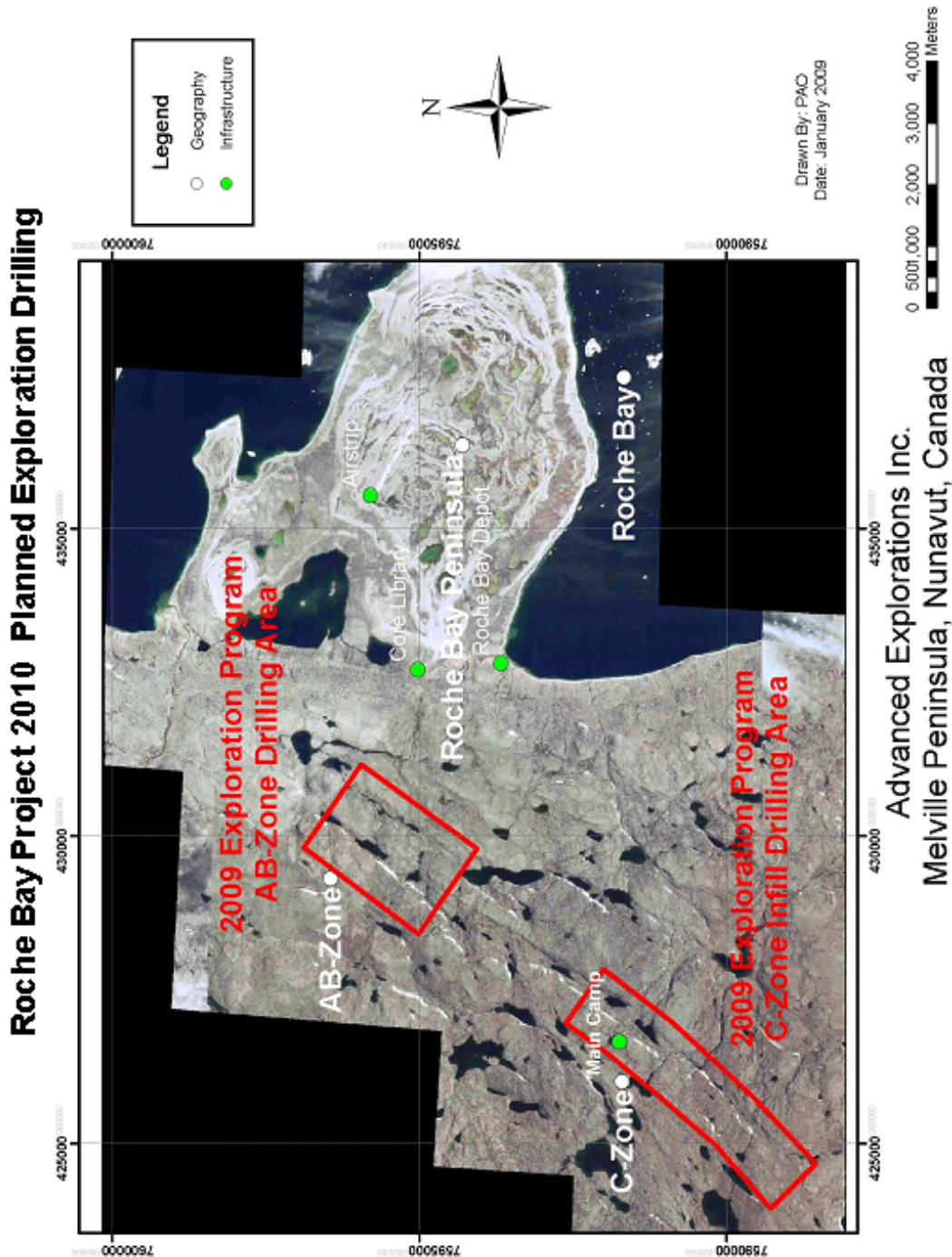
Appendix:  
Roche Bay Drilling - 2008



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Map 2010 Roche Bay Drilling Planning



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## **Employment Statistics – 2008 Field Season**

### **Home Communities:**

- Hall Beach
  - 27 staff employed in 2008; 5 with multiple seasons of service with AEI
  - \$299,587.25 paid in wages in 2008
- Igloolik
  - 9 staff employed in 2008; 3 with multiple years of service with AEI
  - \$91,670 paid in wages in 2008
- Repulse Bay
  - 5 staff employed in 2008; 3 with multiple years of service with AEI
  - \$78,160 paid in wages in 2008

### **Positions:**

- Core technicians (camp)
- Laboratory technicians (Hall Beach sample prep lab – SGS Labs)
- Core cutters
- Kitchen support staff
- Camp support staff; carpentry, electrical, plumbing, etc.
- Assistant cook
- Drilling assistant
- Drill site reclamation staff
- Bear monitor
- Beach logistics supervisor
- Ground support for helicopter
- Camp administrative assistant
- Community representative

### **On-site Training / Employment Upgrades:**

- Training to assist geologists in core measurements, etc.
- Experienced personnel assist in training new core technicians
- Training for assistant camp supervisor position
- Training as ground support staff for helicopter
- Training of 8 to 10 people in 2007 as drill helpers

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**Local Economic Impact – 2008 Field Season**

Item	Expenditure	Comments
Food	\$378,781.80	
Travel (charters etc.)	\$146,901.53	
Hall Beach housing/supply costs	\$45,268.08	
Fuel (Hall Beach)	\$34,873.18	\$223,942 spent in 2007
Local Consultants, Associations, Donations	\$59,776.36	
Permits/Leases/Licenses/Taxes	\$2,398.36	
Wages to local employees/Employee Benefits	\$489,913.27	\$290,615 spent in 2007
<b>TOTAL</b>	<b>\$1,157,912.85</b>	