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Advanced Explorations Inc.
2010 Project Summary
2011 Project Plans

Advanced Explorations Inc.
50 Richmond Street East, Suite 300
Toronto, ON M5C 1N7
Phone: 416-203-0057
Fax: 416-860-9900
info@advanced-exploration.com

Roche Bay Project Area
INAC Permit: N2007C0033
QIA Licence: Q10L3C009
NWB Licence: 2BE-RBP0811

Revised February, 2011

EXECUTIVE SUMMARY

Advanced Explorations Inc.'s ("AEI" or the "Company") Project Summary outlines activities undertaken at Roche Bay, Nunavut, 60 km south of Hall Beach during the latest calendar year. The Company has received the appropriate permits/licenses for the area, as detailed on the cover page of this report.

Roche Bay plc is currently the owner of the Crown mineral leases under exploration, with AEI earning an interest in the leases, and being operator of the joint venture with Roche Bay. AEI staked mineral claims covering the Peninsula project area in late 2007, claims around the mineral leases in late 2008, and additional claims along the strike of the iron formation in 2010. All claims are part of the joint venture with Roche Bay plc.

Primary access to Hall Beach is typically by charter flights from Iqaluit, Yellowknife, and various other cities in southern Canada, with helicopter or fixed wing aircraft transport to the site. Ground transportation in the spring, summer and fall will be limited to the minimum required, and will only be considered on durable land, and on tundra only when necessary travel has to be undertaken and the weather does not permit helicopter flights. In the winter, snowmobiles and skidded equipment will only be used on ground with adequate snow cover.

Due to financial constraints, the camp was not operational in 2010, and was maintained on a care-and-maintenance basis. However, the camp is scheduled to re-open in mid-April with drilling to begin in mid-May, 2011.

The Company may start the progressive, partial re-location of this camp to Crown lands at the Roche Bay Peninsula during 2011, as the appropriate water and land use licenses have been granted from the NWB and INAC respectively.

The Company will be conducting its main exploration program on Crown Lease 2953 covering the C Zone ore body. The exploration program will consist of an environmental program and geological mapping program with up to 20,000 metres of drilling planned.

This project summary and projected work plan is submitted as part of AEI's required annual reporting.

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2010 PROJECT SUMMARY

Introduction

The following report gives a summary of the activities that occurred at the Roche Bay camp and beach staging area during 2010. The work was conducted under the INAC Land Use Permit N2007C0033, currently pending addition of the peninsula camp and extension, and the QIA Land Use Licence Q10L3C009, currently under application/amendment. There is also a NWB Water Use Licence 2BE-RBP0811 but no water was used during 2010 as camp was not opened, and no drilling took place on the project.

Camp Facilities

The camp facilities were not in operation in 2010, as the project was on care and maintenance for the entire year. All camp facilities were secured for the winter months, prior to the end of the previous season, and remained closed throughout the entire year in 2010. No land use operation was conducted on any lands not designated in the current permits/licences. The camp facilities currently include 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
- 2 helicopter pads
- Boart Longyear, the drill contractor, also maintains a supply building and staging area adjacent to the exploration camp

All appropriate permits/licences and terms and conditions remain displayed in the campsites.

Drilling

No drilling occurred in 2010, as the project was on care and maintenance for the entire year. No drill fluids were produced and there was no need for the construction or use of a sump.

However, AEI is prepared for seasonal and final restoration of the sumps and revegetation of the ground surrounding the sumps upon project completion which is outlined in the *Abandonment and Restoration Plan*.

Equipment

No equipment was used in 2010, as the project was on care and maintenance for the entire year.

Water Use

There was no water used in 2010, either by camp or drilling operations, as the project and camp were on care and maintenance for the entire year.

Wastes

There were no wastes generated or waste manifest required in 2010, either by camp or drilling operations, as the project and camp were on care and maintenance for the entire year. There was no waste generated in 2010, including no combustible garbage or debris or incineration, no sewage or sumps and no grey water produced. There was no non-combustible garbage or debris to be backhauled with the use of a waste manifest. No metal wastes were buried. When the campsite was secured for the winter months, it was left in a clean state with no garbage or debris on site.

Fuel Storage

AEI submitted a *Fuel Storage and Management Plan* to QIA on August 9, 2010. The purpose of the plan was to document storage locations and conditions, types and quantities of fuels, and the methods of storage of fuels on QIA lands as well as the operational and maintenance procedures for fuel use and storage. The plan mentions the requirement that fuel will be stored at sufficient distances from the normal high water mark of any water body and that all petroleum containers will be marked with AEI's name. The plan also addresses fuel storage methods as they relate to requirements presented in Environment Canada's Fuel Storage Regulations.

Wildlife/Fisheries

No wildlife, including bears, was encountered on site in 2010, as the project was on care and maintenance for the entire year. The camp was also secured for the winter months prior to the end of the previous season and no food waste or products were left out to avoid attracting bears.

No fish or fish habitats were impacted since no deleterious substances were deposited into any water bodies, no streams were obstructed, nor winter stream crossings being used, as the project was on care and maintenance for the entire year in 2010.

Ground Disturbance

No surface vehicles were used to move drill rigs or other equipment or supplies, resulting in no surface disturbance in 2010, as the project was on care and maintenance for the entire year.

Archaeological Sites

All archaeological sites and burial grounds were avoided in 2010, as the project and camp were on care and maintenance for the entire year.

Discharges/Spills

No spill incidents occurred during the 2010 season, but AEI is prepared to respond to any spill should it occur as outlined in the *Oil and Hazardous Material Spill Contingency Plan*.

Inspections

In 2010, AEI arranged for monthly site visits during the summer months for monitoring, security and maintenance. Agencies were informed at least 48 hours prior to each site visit, as required. Two Hall Beach residents, both Inuit, went to the Roche Bay area to inspect the camp on May 29, 2010 and June 13, 2010. No AEI employees accompanied them. The names of the Hall Beach men were Sandy Kanuk and Simon Curley. They reported that the camp was secured and all related supplies (including fuel) were properly contained. The visits took place by snowmobile.

AEI employees also visited the site during the period from August 7 to 13, 2010. During that time they conducted only daily site inspections for maintenance, checking of status of fuel berms and re-covering fuel caches at the camp.

An environmental fly-by inspection was conducted on July 15, 2010 by Kevin Robertson, INAC. It was noted that the camp was shut down and no major activities were taking place on the peninsula.

There were no overnight stays, water use or waste generation during any of the site visits and inspections. No fuel spills, unauthorized discharges or significant damage to project facilities were noted during 2010. AEI continues to remain in compliance with all authorizations and regulations, as per these inspections.

Flights

There were no regular flights to and from the site in 2010. AEI employees flew from Hall Beach to the site airstrip or beach laydown area for day trips only between August 7 and 13, 2010.

Environmental Studies

AEI retained EBA Engineering Consultants Ltd. (EBA) to conduct Phase I and II Environmental Site Assessments (ESA) at the Roche Bay Magnetite Project site, as per the terms and conditions of AEI's Land Use License Q10L3C009 issued by QIA. The ESA was in accordance with Canadian Standards Association Z768 and Z769 and prior to conducting the ESA, the scope of the assessment was presented, including ESA standards, to QIA for approval on July 27, 2010. The final version of the Phase I and II ESA plan, including analytical test results and the comments in the letter sent to AEI from QIA on August 3, 2010, was submitted to QIA in August 2010. There were no overnight stays, water use or waste produced during the Phase I and II ESA.

Reclamation

Seasonal and final plans for removal of all equipment and materials from the site and restoration of any disturbed lands are described in the *Abandonment and Restoration Plan*.

Community Consultations and Local Employment

A meeting was held in the Hall Beach municipal office on August 6, 2010 with attendees from AEI, QIA, Hall Beach council, Hunters and Trappers Association (HTA), China XinXing Pipes Group (Chinese investors) and Translators. The meeting was held to discuss project activities and looking forward to socio-economic opportunities for the community of Hall Beach. The meeting minutes are included in the Appendix D.

Local employment opportunities were minimal in 2010 due to the lack of a summer field season. However, AEI took every effort to provide employment during the site visits and inspections. In addition, AEI bought supplies in Hall Beach and used local suppliers of transportation and goods and services to the extent possible during their site visits throughout the year.

2011 PROJECT PLANS

Introduction

AEI's Project Plans outlines the activities planned for the Roche Bay camp during the 2011 season. The activities of the project will be located in Roche Bay, Nunavut centred at approximately 68°15' – 68°30' North and 82°50' – 82°30' West.

The season will begin with the re-opening of the exploration camp in mid-April, with additional drill equipment mobilized to site. Drilling will commence in mid-May with three (3) to five (5) drills operational during the summer program. Drilling and camp activities will continue until shutdown in mid-October 2011 depending on the weather. NOTE: Please re-confirm these dates and the overall general plan with Steve prior to finalizing the report

The exploration program will consist of an environmental program and geological mapping program with up to 20,000 metres of drilling centred on the C Zone. At each drill site, the water return will be filtered through a baffle system, or allowed to settle behind constructed berms to remove cuttings. Cuttings will then be placed back into any washout areas around their source drill-holes. Calcium chloride will be the only drill additive used during the program. Total water use for camp and drilling activities is estimated to be a maximum of 280 cubic metres per day, which will be taken from local large lakes and streams. Pictures of drill sites will be taken before, during and after drilling, to document the drilling operations. Calcium chloride will be kept on tarps, fuel on drip pads and waste (scrap metal and burnable waste) separated and kept in empty barrels. Drill site remediation will begin immediately, with all activities completed as soon as practical after drilling.

The main exploration camp constructed in 2007 was expanded due to the larger drilling program, and now has the capacity for approximately 60 people. An average estimated maximum of 7.5 cubic metres per day of water will be taken from a lake adjacent to camp for general camp use. At the 2006 camp location at the Peninsula, two wooden tent structures remain and a metal silo was built, with all being used for storage or emergency shelters. In addition, the Peninsula camp location is used as the main core storage area for the exploration program. All shelters at the new and old camps will be emptied of valuables and secured for the winter months. Throughout the season, the use of overland vehicles will be closely monitored to minimize surface rutting. Site managers will halt the use of overland vehicles when the snow cover no longer allows effective travel without surface impact.

Fuel cache areas will be re-established after the winter and the berms (for fuel and calcium chloride) upgraded. Visual inspections of all fuel caches will be conducted whenever people will be getting fuel. A more formal inspection will be done by one of the site managers on a weekly basis.

In addition to the drilling program, environmental baseline studies will be conducted throughout the season, as had been done in previous years.

The Company and its contractors plan to employ an estimated range from 1,400 to 2,400 person days of local labour over the course of the 2011 field program.

Camp Facilities

The exploration camp was originally constructed by Matrix Aviation in May 2007, and consists of Weatherhaven tent modules powered by generators. The camp will consist of the same facilities as mentioned in the 2010 summary above with some upgrading of the waste management system and kitchen facilities.

The main exploration camp will have the capacity for approximately 60 people. All shelters will be emptied of valuables and secured for the winter months.

The *Job Safety Plan* will be used for prevention and mitigation of all safety issues at camp for the duration of the project. Site orientation for new people coming into camp will be given promptly upon arrival. Safety points will be addressed as well as general procedures in camp. A copy of the orientation sheet along with a map of the camp will be posted. Helicopter safety orientation will also be done by the pilots prior to new people getting onto the helicopter, with reminders given to the pilots to ensure this is completed on a consistent basis. Wildlife sighting issues, hunting/fishing, archaeological site avoidance and identification, helicopter safety issues, as well as any fuel spill training will also be brought up at the weekly safety meetings as required. Daily on-site reports will be written by the site supervisor, which would include archaeology site identification, wildlife spotting, and sightings/interactions with other hunters/visitors in the area as appropriate.

It is the Company's plan to start the progressive re-location of the main exploration camp to Crown lands at the Roche Bay Peninsula during 2011. The appropriate water and land use permits/licenses have been issued from the NWB 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.

Drilling

The drill contractor will be the same as in 2008, Boart Longyear Canada, based out of Haileybury, Ontario. Boart will be providing up to five (5) drills for the program, three (3) LY 38's and two (2) LM 55's.

A common problem encountered when drilling in the Arctic is the drill rods freezing into the ground due to presence of permafrost. The common approach used to overcome this problem is to use heated drill water for the first 200 metres of drilling and then begin to add calcium

chloride and create a brine solution that suppresses the freezing point of water to well below zero.

The drill return will be filtered through a baffle system where possible, or allowed to settle behind constructed berms to remove cuttings. Cuttings from the baffle system will then be placed back into any washout areas around their source drill-holes. Cuttings that settle out behind the berm will be left in-place and allowed to dewater naturally. Overflows from baffles and berms will be captured using sand bags and left in place to filter over a number of days. Calcium chloride will be the only drill additive used during the program.

Pictures of drill sites will be taken before and after drilling, to document the effects of the drilling operations. As part of the drilling operations, calcium chloride will be kept on tarps, fuel on drip pads and waste separated (scrap metal and burnable waste) and kept in empty barrels. Drill cuttings will also be dealt with in a variety of ways, depending on the nature of the drill site. The cuttings will also be used to rehabilitate the sites once drilling is complete. Site manager inspections will be conducted at the drill sites on a regular basis and documented, and issues addressed immediately with the drill contractor.

As part of the reclamation of drill sites after a hole is finished, peat moss will be scattered around to promote the natural revegetation of the site.

Remediation for drill sites will begin immediately, with all cleaning activities fully completed as soon as practical after drilling. Drill cuttings will be contained in bags or behind berms and used to return the site to its natural contour (if required), as well as for other restoration work that may be needed. These restored areas (including the cuttings behind berms) will then be covered with peat moss to help with natural re-vegetation of the site. Note that a control group of holes, representing 10% of those drilled, will not be so remediated in order to get a better idea of the effect peat moss has in contributing to soil restoration. All holes will be inspected for evaluation when the camp re-opens next year.

Equipment on Site

Below is a list of the equipment that will be on site during the 2011 season. Most of the equipment is safely stored on site for use in the next program.

- 1 Eurocopter A-star 350B2 helicopter
- 1 fixed wing aircraft (on Crown lands)
- 3 Longyear 38 model drills; 2 Longyear 55 model 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) (on Crown lands)
- Komatsu bulldozer
- 60-person Weatherhaven camp
- General workshop equipment
- Incinerator
- Kitchen equipment
- 2 x Internet satellite dishes
- Medical supplies and equipment

The communications devices that will be available on site are similar to previous years and upgraded. The devices include the following:

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

Water Use

The current exploration camp is located adjacent to a small lake and stream. During freezing conditions, the lake will be used for all camp water needs. However, following spring runoff, if this source proves to be inadequate for all needs, and thus used only as a source of non-potable water, drinking water will be flown into camp in the form of commercial bottled water, or from a nearby large river source. In camp, an estimated maximum of 7.5 cubic metres of water will be used on average per day from the lake.

Total water usage for the camp and drilling activities is estimated to be a maximum of 280 cubic metres per day. This will represent the maximum water demand on any given day on average. Water for drilling will be taken from nearby lakes, with efforts made to re-use water including installing a poly drill system to re-circulate water at the drills. Lake water levels will be monitored to make sure no significant impact on water levels occurs due to the drilling operations.

Wastes

The grey water system will flow through a grease trap, with disposal into a sump with water flow directed away from surface water bodies, as was established at the Roche Bay camp since 2007.

All combustible waste and sewage will be incinerated in a dual chambered, forced-air incinerator, with the ashes stored in drums, put on the sealift and sent to an appropriate disposal facility.

All non-combustible waste will be sent to an appropriate disposal facility.

Empty barrels/fuel drums will be reused or taken offsite for proper disposal.

Fuel Storage

Fuel trays will be placed under drums used for heating tents, and absorbent material wrapped around connection points. Sturdy containment trays will also be built for the fuel drums.

The beach area has been cleaned up and is in good condition. Some community members were involved in the clean up.

Visual inspections of all fuel caches will be conducted whenever people are getting fuel. A more formal inspection will be done by one of the site managers on a weekly basis.

Wildlife/Fisheries

All wildlife sighting/encounters will be brought to the attention of the local Wildlife Monitor on site and the Site Supervisor. No hunting and/or fishing will be allowed for non-Inuit staff at the camp.

Ground Disturbance

The use of overland vehicles (Bombardier Sno-Cat, Skidder, Argo and snow mobiles) will be closely monitored to minimize surface rutting. People will be advised to stay on the snow and avoid any vegetation patches sticking out. Site managers will halt the use of overland vehicles when the snow cover will not allow effective travel without surface rutting.

Archaeological Sites

All archaeological/paleontological/burial sites will be avoided and proper recording and notification procedures will be implemented.

Discharges/Spills

The *Oil and Hazardous Material Spill Contingency Plan* will be followed throughout the project in response to a discharge or spill incident.

Inspections

The Company will conduct inspections as necessary to ensure compliance with all of the permits and licenses terms and conditions for the duration of the project.

Flights

The flights planned for 2011 are contingent based on the size of the program and estimated at the following:

- Airstrip landings at the Roche Bay project area are planned from April to October, 2011 as an estimated average of 1 per day.
- Helicopter touch-downs at the Roche Bay project area are planned from April to October, 2011 as an estimated multiple touch-downs per day.
- No airborne gravity flights.

Environmental Studies

EBA Engineering Consultants Ltd. will continue to conduct environmental baseline studies throughout the season in 2011. These will include studies related to:

- Fisheries
- Hydrology
- Water quality
- Land mammals
- Marine mammals
- Raptors
- Breeding birds
- Shorebirds
- Sea birds/Waterfowl
- Climate
- Socio-economic and Traditional Knowledge studies initiated
- Archaeological study update

These baseline studies will be the continuation of similar studies conducted in 2006, 2007 and 2008. Previous work has been summarized in 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"*, which were distributed in February 2008. These reports will be updated with the 2008 field data during 2011.

Reclamation

All seasonal and final reclamation plans are outlined in the *Abandonment and Restoration Plan.*

Community Consultations and Local Employment

Open dialogue has been established between AEI and the communities of Hall Beach and Igloolik, both with the Hamlets as well as with the HTOs. During the 2011 season, the Project Manager will either be living in the company houses in Hall Beach or on site at the camp and will always be available to receive and address any concerns.

Local employment planned for the 2011 season is outlined in Table 1.

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.

On several occasions AEI was asked to assist with the rescue of stranded local hunters and other non-company exploration personnel. AEI will continue to assist with local emergencies as needed during the 2011 season.

Conclusion

Plans for next season are underway and we hope to continue to work effectively and amicably with the hamlets of Hall Beach and Igloolik, eager to see the communities benefit further from AEI's activities there.

Signed "John Gingerich" March 2011

John Gingerich
Chief Executive Officer
Advanced Explorations Inc.

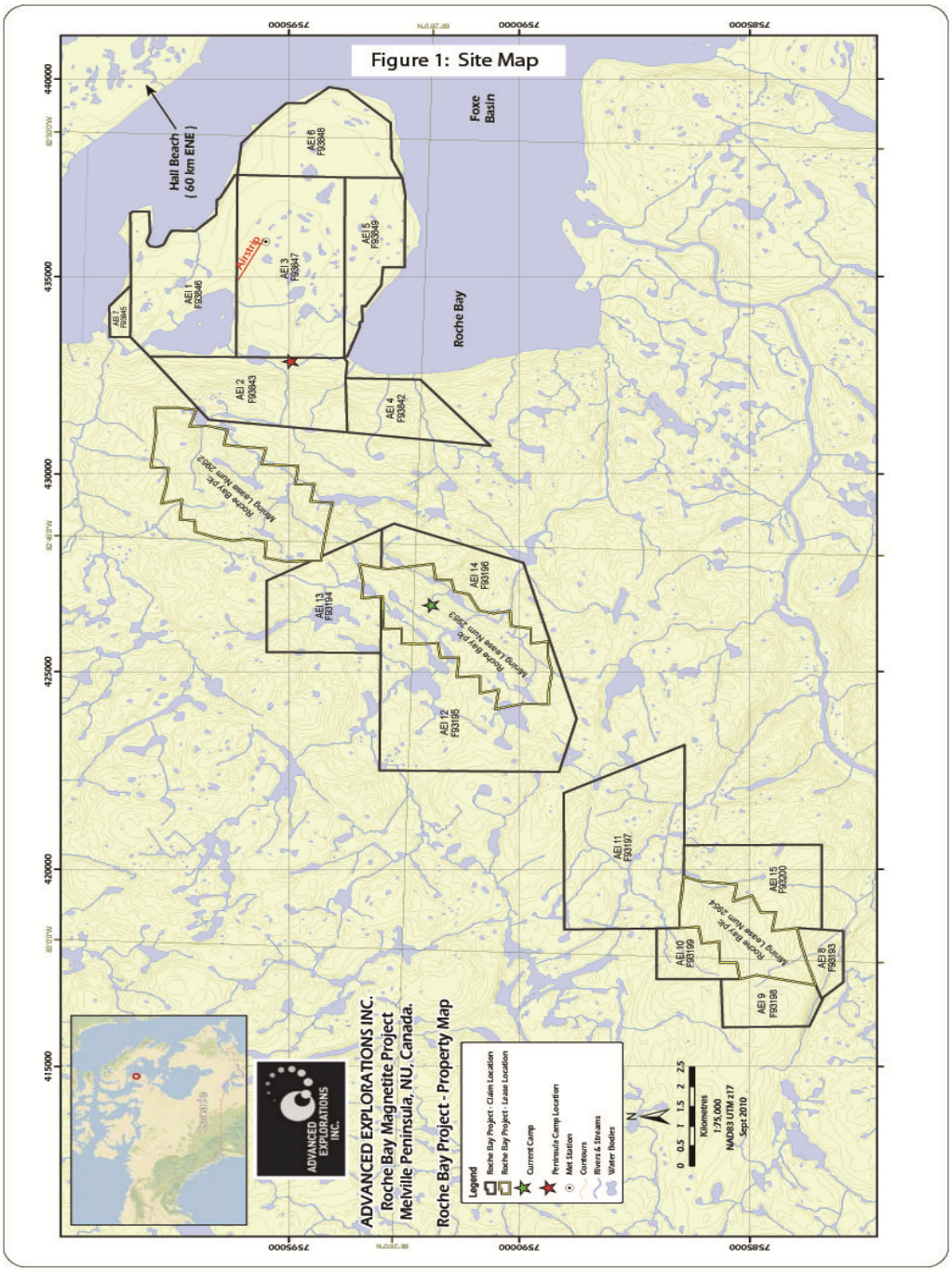
Date

Signed "Lou Nagy" March 2011

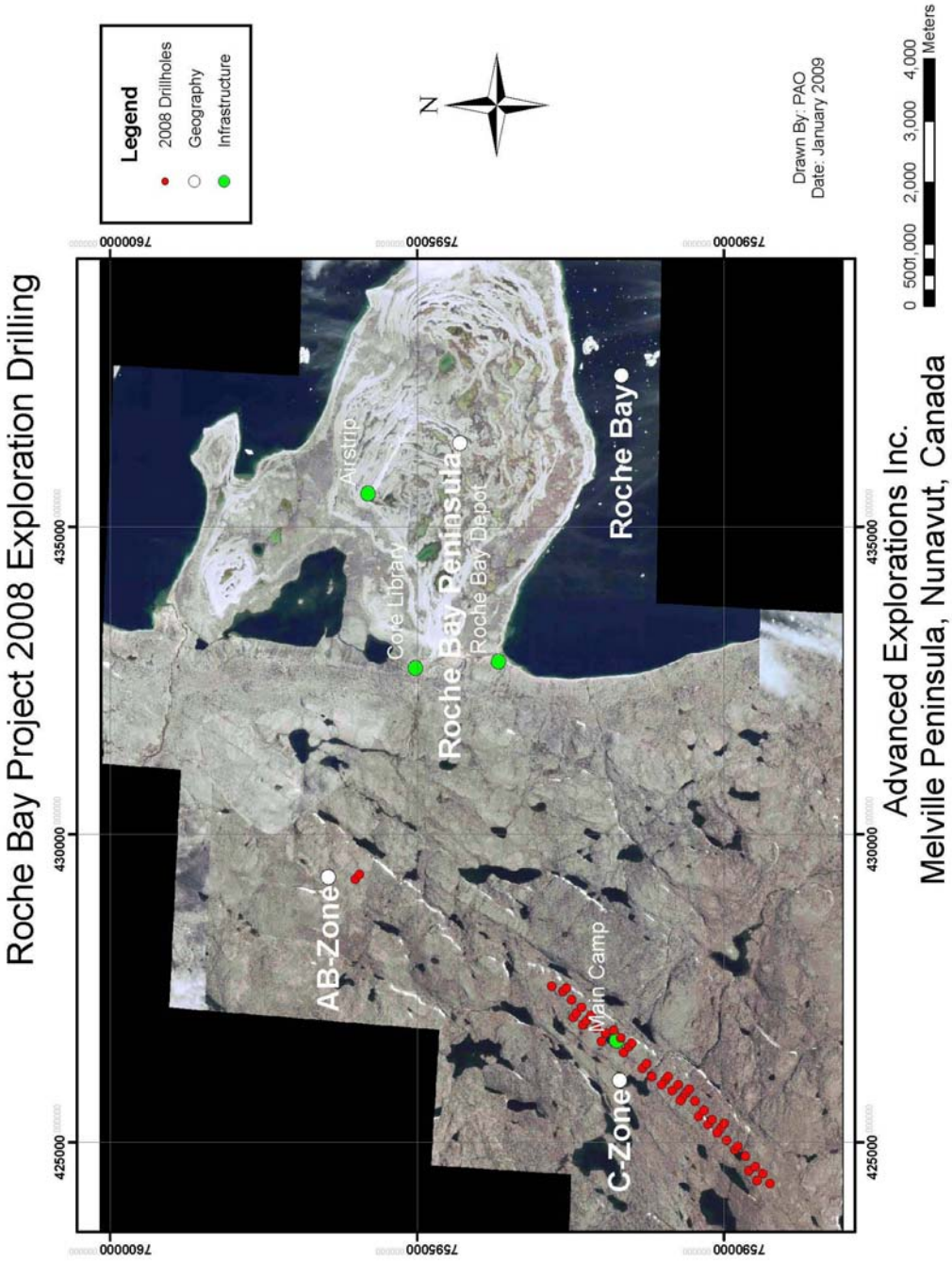
Lou Nagy
Chief Financial Officer
Advanced Explorations Inc.

Date

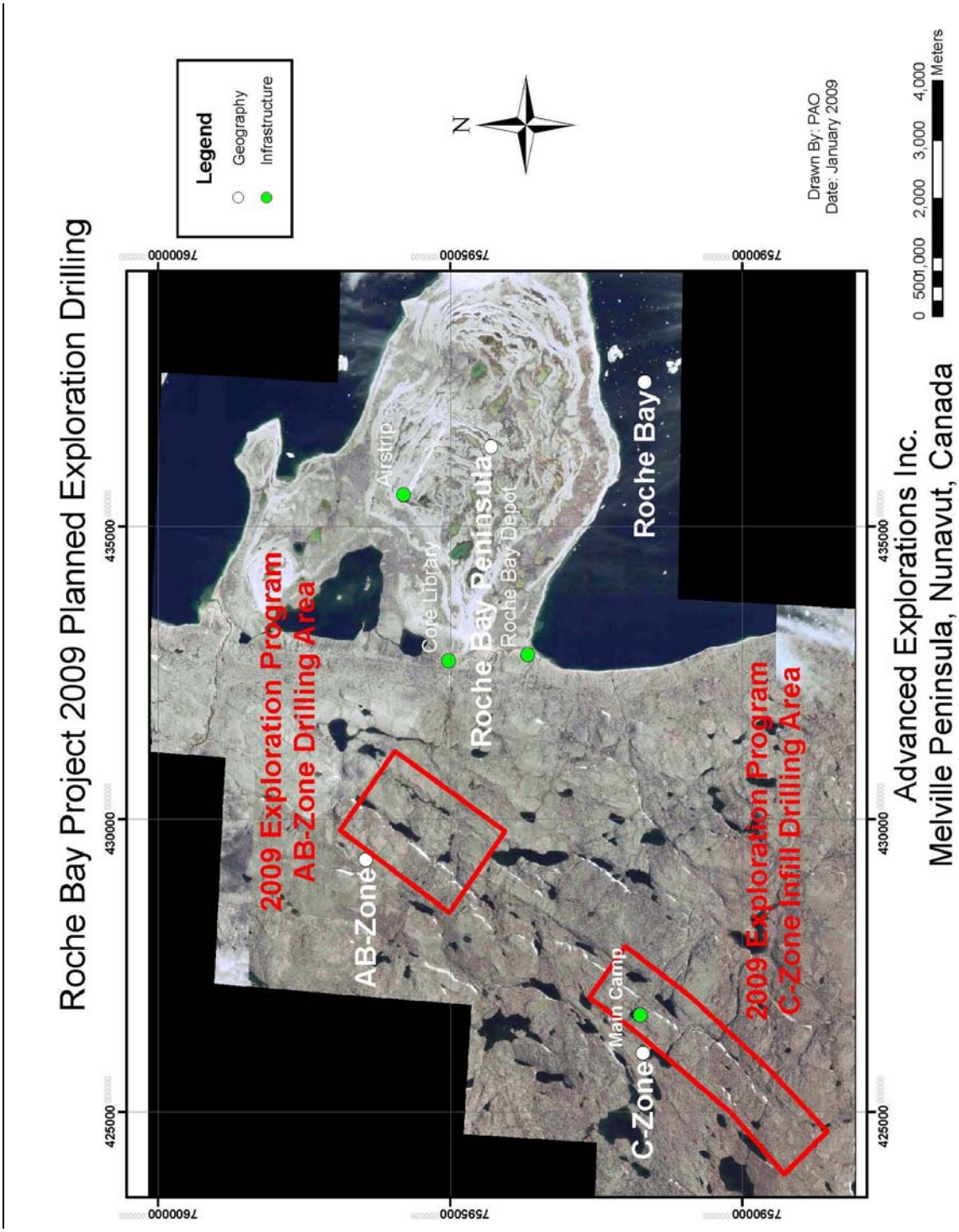
Appendix A: Site Map



Appendix B: Map of Roche Bay Drilling – 2007 and 2008



Appendix C: Map of Planned Roche Bay Drilling - 2011



Appendix D: Meeting Minutes for Roche Bay Meeting

Date: August 6, 2010

Location: Hall Beach municipal office

Attendees:

- Advanced Explorations (AEI, or the Company)
  - John Gingerich, CEO
  - Steve Roebuck, VP Exploration
- QIA Representatives
  - Jaypeetee Audlakiak, Local Director of the QIA
  - Lizzie Phillip-Qanatsiaq, Local Liaison Officer of the QIA
- Hall Beach Council
  - Ammie Kipsigak, Mayor
  - David Kanatsiak, Hamlet Councilor
  - Peter Kadlutsiak, Hamlet Councilor
- HTA
  - Enoki Irqittaq, President of the Hall Beach Hunters' and Trappers' Association
- China XinXing Pipes Group (Chinese investors)
  - Guo Shijin, Director of Investment Committee, Pedagog Senior Engineer
  - Xu Lanjun, Deputy GM of Strategic Investment Dept.
  - Zhang Hongbin, Vice President
  - Shixue Zhao, Deputy GM
- Translators
  - Abraham Qammaniq
  - Song Yanqi, XXP, Deputy GM, Purchasing Center

On August 6, 2010 a meeting was held between representatives of Advanced Explorations Inc ("AEI" or "the Company"), the Hall Beach Mayor, Councilors, and Representatives of the QIA, HTA and of China XinXing Pipes Group (XXP). The meeting was held at the Hall Beach municipal office, with the purpose of updating local and government representatives on the Roche Bay iron ore project as well as introducing AEI's potential strategic investors from China XinXing Pipes Group. This meeting provided an opportunity for all parties to meet, present and receive

updates on the project, as well as the opportunity for open dialogue regarding expectations of the direction and schedule of the project. In fact, it was very likely the first meeting in the history of the hamlet where the three languages of Inuktitut, Chinese and English were all spoken.

The meeting was held in the Hamlet office on August 6, 2010 from 10:00 to 11:00 am. The Hamlet was represented by the Mayor (Ammie Kipsigak) and two councilors (David Kanatsiak and Peter Kadlutsiak), two local members of the QIA (Lizzie Philip-Qanatsiaq and Jaypatee Audlakiak) and the sitting President of the Hall Beach Hunters Trappers Association (HTA) (Enoki Irqittaq). Translation from Inuktitut to English was handled by Abraham Qammaniq and from Chinese to English by Mr. Yanqi of XXP.

The meeting commenced with a round of introductions of everyone seated in the council chambers. John Gingerich, Company CEO, opened the meeting by thanking the local council and the Hall Beach leadership present for taking the time to meet with AEI and the five representatives of XXP. He stated that the purpose of the trip was to put a face to the names and gauge local support from the Hall Beach leadership for AEI's Roche Bay project. Mayor Kipsigak then thanked John Gingerich and the delegates from XXP for coming to Hall Beach.

Local leadership then spoke about the community and the need for employment for the young of Hall Beach. After listening to the Project update and future plans they expressed a desire to see the project move forward in a responsible manner and thought that jobs could come in many forms, from direct jobs at the mine to support jobs in the community and in particular from people supplying traditional foods such as caribou and fish for mine workers. No other specific concerns were expressed by the local leadership related to the project.

The leader of the XXP group, Mr. Shijin, was very pleased with the support shown by the Hall Beach leadership and commented that project development would be done in a responsible manner while respecting the environment and local traditions.

Everyone's voices and concerns were heard around the room and all agreed to support the project. As the meeting concluded there were big smiles, handshakes and photos taken.

Table 1: Local Employment Potential Planned for 2011

Home Communities:

- Hall Beach
- Igloolik
- Repulse Bay

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 for drill helpers