



JOB SAFETY PLAN

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Tuktu Project Area
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EXECUTIVE SUMMARY

Advanced Explorations Inc.'s Job Safety Plan has been designed for the diamond drilling and associated programs currently being planned or undertaken in Nunavut. The plan details as much as possible the steps involved in the various aspects of the operation along with the associated hazards and barriers. The purpose of the Plan is to ensure that the safety related needs and expectations of all stakeholders in this project are addressed early, resulting in a thorough and coordinated approach towards the overriding concern for safety on the job.

It is the intent that all people in camp will utilize the information contained in the Plan, while allowing operations personnel the freedom to develop safety control methods specific to individual work groups and tasks. The standards for safety must be established in the planning stage so that all workers clearly understand what is expected of them; thus the Plan will be distributed to all employees and personnel directly involved in the project. In order for the Plan to be successful, all employees and contractors are expected to participate in the program, offer feedback and suggestions, and abide by the guidelines.

The Job Safety Plan as presented in this document deals with the topics of Planning, Safety Responsibilities, Personal Protective Equipment, Emergency Plans, General Hazards and Environmental Policy, and is reviewed on an annual basis by corporate management.

ADVANCED EXPLORATIONS INCORPORATED
ROCHE BAY MAGNETITE PROJECT



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Appendix A: Forms

Job Safety Analysis (JSA)
Modified Work Form
First Report of Injury
Accident Investigation
Hazard Report Form
Weekly Safety Meeting
Daily Safety PM Production Reports U/G – S/F (5-point safety system)
Employers’ Report of Accident

Appendix B: Site Orientation

Appendix C: Site Emergency

1 Introduction

This Safety Plan has been designed for the specific purposes of the diamond drilling and associated programs being undertaken or planned in Nunavut. It will address the planning, information and training requirements of the undertaking. The plan details as much as possible the steps involved in the various aspects of the operation along with the associated hazards and barriers.

Through the production of this plan, the safety related needs and expectations of all stakeholders in this project are addressed early, resulting in a thorough and coordinated approach towards the overriding concern for safety on the job.

It is the intent that all people in camp will utilize the information contained in this Safety Plan to produce a more detailed, job specific “Job Safety Analysis” prior to the commencement of each work activity. This affords the operations personnel the freedom to develop safety control methods specific to the individual work groups.

This Plan will be distributed to all employees and personnel directly involved in the project, and hard copies will be kept on site.

Additional copies and updates of this Plan may be obtained via e-mail at nadine@advanced-exploration.com.

2 Planning

2.1 General

The organization must be well defined prior to the commencement of work and the specific responsibilities of all individuals with respect to the safety program must be clear to all.

The specific job activities must be pre-planned by the responsible individuals to ensure all major obstacles are addressed in advance. The standards for safety must also be established in the planning stage so that all workers clearly understand what is expected of them.

Consideration must be given to each facet of the work such that adequate personnel, equipment and resources are available to safely handle the planned activities.

2.2 Safety Supervisor

The Safety Supervisor assigned to the project to coordinate safety systems is the AEI Official on site who at that time is designated as the Responsible Person. The Safety Supervisor will also periodically conduct safety audits to ensure compliance to the Job Safety Plan, implement safety systems and facilitate the process of learning.

2.3 Training

The following training is to be provided to the appropriate personnel, if qualifications do not already exist:

2.3.1 Generic

- St. John Ambulance First Aid course and CPR
- Workplace Hazardous Materials Information System course

2.3.2 New Employees

- The Responsible Person is required to orientate new and transferred employees to their work place. This task can be delegated to any suitable official on site and is specifically aimed at ensuring that any new employee on site is made aware of dangerous equipment and tasks, and further to make the new employee familiar with certain areas and / or tasks that they are not permitted to interact with until specific training has been provided and documented.

2.4 Information Requirements

The Safety Supervisor will ensure the following information is available:

- Oil and Hazardous Materials Spill Contingency Plan
- Job Safety Plan
- Standard Job Procedures and Hazard Alerts
- Nunavut Mine Health and Safety Act and Regulations
- Material Safety Data Sheet (MSDS) Inventory
- Training Records

2.5 Safety Meetings

Weekly safety meetings will be held to review general safety related issues and Site Managers will retain a record of the meeting for audit purposes. In addition, daily pre-shift contacts will include a review of specific hazards and barriers related to employee activities.

2.6 Occupational Health and Safety Committee

An Occupational Health and Safety Committee will be established as required by the Nunavut Mine and Safety Regulations.

The committee shall consist of at least:

- a) Four members, where the number of employees at the mine is 15 or greater but less than 100;
- (b) Eight members, where the number of employees at the mine is 100 or greater but less than 250; and
- (c) 12 members, where the number of employees at the mine is 250 or more.

The committee shall be made up of:

- (a) Two occupational health and safety representatives;
- (b) One management representative; and
- (c) One worker representative chosen from the employees at the mine.

The committee shall meet at least once a month after the establishment of the committee.

The names of the persons forming the committee shall be forwarded to the Operations Manager and made available in the camp.

The co-chairpersons of the committee shall make sure that minutes of each meeting are kept and sent to the Operations Manager. The minutes will also be kept and made available for viewing in camp.

Every month the committee shall inspect as many of the worksites as is considered appropriate. At least one worker committee member and one management committee member must be involved in the inspections. A written report of the inspection and any recommendations shall be prepared and a copy sent to the co-chairs of the committee and the Operations Manager.

2.7 Orientations

All personnel involved in this project will be provided with a specific orientation session when they first arrive on site.

This specific orientation for field employees will be arranged by the Site Manager.

The Responsible Person shall ensure that:

- The company's orientation for "new and transferred" employees is conducted;
- The Job Safety Plan and the Job Safety Analysis is reviewed;
- Hazard Alerts, Safety Standards and Safe Work Practices specific to the project are reviewed.

A copy of the company's orientation checklist will be retained by the Responsible Person on site for audit purposes.

2.8 Safety Audits and Inspections

As part of the safety program, audits will be conducted periodically by the Safety Personnel or Operations Personnel to ensure that the requirements of the Job Safety Plan are being followed. The Responsible Person will retain a copy of all inspections for auditing purposes.

During safety audits and inspections, employees and supervisors will be contacted to address any safety, health, and environmental concerns.

2.9 Reportable Incidents and Dangerous Occurrences

Where a reportable incident occurs the manager shall, without delay, notify an inspector, the Committee co-chairpersons and the Operations Manager.

Within 24 hours after a dangerous occurrence, the manager shall give an oral report to an inspector and to the Committee co-chairpersons.

Within 72 hours after a dangerous occurrence or a reportable incident, the manager shall send a written report to the chief inspector and to the Committee co-chairpersons.

A standard form found in the Appendix A will be used for workplace accidents.

Accidents resulting in death or serious injury, as defined in this policy, require a thorough investigation by supervisors, management, Occupational Health and Safety Committee representatives, safety personnel and appropriate government inspectors. No person shall, except for the purpose of preventing injury or relieving suffering, move or otherwise interfere with any wreckage or equipment at the scene of or connected with a reportable incident until an inspector has conducted an investigation of the incident and has given permission to do so. Designated senior supervisors will deal with any press or public announcements.

Active and prompt management involvement will ensure that the effects of accidents are controlled, that investigations are promptly undertaken and that secondary losses are minimized.

2.9.1 Procedure

- All accidents, property damage, or incidents with high loss potential must be reported to the supervisor immediately.
- The Responsible Person is to arrange for the transportation or evacuation of the injured party to receive medical attention.
- The Responsible Person must then retain all parties involved for the investigation of the accident.
- The Responsible Person is to complete the “First Report of Injury” form and forward it to the Workers’ Compensation Board within 24 hours. (See Appendix A)
- The Responsible Person is to complete an “Accident Investigation Report” and forward it to the Workers’ Compensation Board. (See Appendix A)
- The Responsible Person is to follow-up with a telephone call to the Workers’ Compensation Board. The Responsible Person should have the name and number of the attending physician prior to the telephone call.

2.9.2 Procedures - Serious Accidents

- Accidents resulting in death or serious injury are to be reported to management immediately following the assurance of prompt medical aid.
- The Responsible Person is to arrange for the transportation or evacuation of the injured party to receive medical attention.
- Serious accidents as outlined in this policy warrant a thorough investigation with management, supervisor, employee representative, Occupational Health and Safety Committee members, and appropriate governmental representative or policing agency. The Responsible Person is to ensure that the accident scene is secured and not altered or disturbed unless instructed by an inspector to prevent further injury. Designated senior managers will deal with any press or public announcements.
- The Responsible Person must then retain all parties involved in the accident for the investigation of the accident.
- The Responsible Person is to complete an “Accident Investigations Report” in duplicate, complete with photographs and measurements.
- All reports, photographs, etc, should be forwarded to the Workers’ Compensation Board.

- The Responsible Person is to follow-up all evacuation routes, or new developments by notifying management immediately.

2.9.3 Definition – Dangerous Occurrence

For purposes of this policy, “dangerous occurrence” means:

- (a) An incident involving the hoist, sheaves, hoisting rope, conveyance or shaft timbering or structure,
- (b) An inrush of water,
- (c) A cracking, seeping or failure of a dam or bulkhead,
- (d) An outbreak of fire,
- (e) A premature or unexpected explosion or ignition,
- (f) The occurrence of flammable, noxious or toxic gas in mine workings or at an exploration site,
- (g) Unexpected and non-controlled extensive subsidence or caving of mine workings,
- (h) An explosion or outbreak of fire in any way related to the operation of an air compressor, air receiver, compressed air line or steam boiler,
- (i) A breakdown in the main ventilation system,
- (j) Loss of control or major damage to any mobile equipment,
- (k) An uncontrolled fall of ground causing physical damage or the displacement of more than 50 t of material, and
- (l) Any unusual occurrence not listed in paragraphs (a) to (k).

2.9.4 Definition – Serious Injury

For purposes of this policy, “serious injury” includes:

- (a) A fracture of the skull, spine, pelvis, femur, humerus, fibula, tibia, radius or ulna,
- (b) An amputation of a major part of a hand or foot,
- (c) The permanent loss of the sight of an eye,
- (d) Any serious internal haemorrhage,
- (e) Any burn that is caused by electricity and requires medical attention,
- (f) Any third degree burn,
- (g) Any injury caused directly or indirectly by explosives,
- (h) Any asphyxiation or poisoning that causes a partial or total loss of physical control, and
- (i) Any other injury likely to endanger life or cause permanent impairment.

2.9.5 Emergency Transportation

The Responsible Person is responsible for ensuring that employees requiring transportation to a medical facility or home in the event of an injury, illness or other event which would render the employee unsuitable to perform assigned work activities, are provided a suitable means of transportation and are driven by another competent person.

In the event of any form of emergency, the Responsible Person is authorized and expected to utilize whatever method of transportation is necessary to ensure the employee receives proper attention and transportation. This may include the summoning of an air or ground ambulance or other form of transportation. **No preauthorization is necessary for the supervisor or person in charge to make these decisions!**

If an employee refuses transportation, the matter must be communicated to the Responsible Person immediately. In the event that an employee insists on transporting themselves, but in the mind of the supervisor or Responsible Person to do so would pose a threat to their safety or the safety of others, the supervisor or Responsible Person is required to immediately report the event to local security or law enforcement authorities.

2.10 Medical Surveillance

A medical surveillance program, including medical examinations and clinical tests, will be provided to detect health effects from exposure to hazardous materials, physical agents or designated substances (as per Federal, Territorial or Provincial Health and Safety Regulations) known to be present in the workplace (ex: Uranium).

2.11 Drug and Alcohol Testing

The use of any drugs or alcohol is strictly prohibited at the site. In the event that any person suspects the use of drugs and/or alcohol on the part of any employee, the employee shall submit to a test for drugs or alcohol, and if found positive, the employee may be dismissed with immediate effect. The Responsible Person on site is responsible for arranging these measures.

The use of drugs or alcohol endangers not only the life of the user, but also the lives of co-workers through the possibility of accidents caused by an impaired person, therefore immediate dismissal is imposed.

Blood sampling will be performed by the Medical Clinic in the Hall Beach Community, the samples dispatched to *CanAm Drug and Alcohol Testing for the Workplace*, and results will be viewed as final.

2.12 Work Refusal

An employee may refuse to carry out any work or operate any equipment, tool or appliance if he or she has reasonable cause to believe that to do so would endanger the health or safety of any person. A shift boss or supervisor shall not knowingly perform or permit a worker to perform work which could endanger the health or safety of any employee.

An employee who refuses to carry out work or to operate any equipment, tool, or appliance in compliance with these provisions shall immediately report the circumstances to his or her shift boss or supervisor.

The shift boss or supervisor receiving a report of refusal of work shall immediately investigate the matter and ensure that any dangerous condition is remedied without delay, or if, in his or her opinion, the work refusal is not valid, the shift boss or supervisor shall so inform the employee who made the report.

2.13 Discipline

Unsatisfactory work performance and the failure to respect applicable rules must be dealt with by managers and supervisors promptly and fairly, in accordance with set guidelines and procedures.

2.13.1 Step One

Verbal Warning - The supervisor must document the discussion and retain a copy in a working file.

2.13.2 Step Two

First Written Warning - The supervisor issues a warning slip to the employee.

2.13.3 Step Three

Second Written Warning - The employee is issued a copy of the suspension or warning slip in triplicate.

2.13.4 Step Four

Discharge notice to employee in triplicate - Note: Serious infractions may be dealt with more severity at anytime, up to and including discharge; however, Senior Supervision must be consulted. Disciplinary slips will remain on file for a period of two calendar years from the date of issue.

2.14 Qualified Personnel

Careful consideration will be given to the screening and selection of competent, skilled and accredited workers for the project. An employee's technical knowledge, training needs and attitude towards the overriding concern for safety will be reviewed continuously by the Responsible Person, Operations Supervisor and Safety Representative.

2.15 Hazard Assessments

Hazard assessment is the process of determining possible adverse consequences in advance of their occurrence. Effective hazard assessment helps prevent emergencies by creating an awareness of what to plan for and the impact a hazard is likely to pose if it occurs. The assessment of hazards typically includes:

- Recognition, evaluation and prioritization of the probable hazards and identification of which hazards pose the greatest risk; and
- Implementing controls and/or procedures to prevent the hazards identified.

2.15.1 Procedure

- Identify and list all the tasks or main activities involved with each occupation or job where hazards exist.
- Identify health hazards and/or safety hazards for the tasks or main activities.
- Rate the hazards for loss potential using the "Risk Rating Matrix."
- Develop and implement controls to prevent health hazards and/or safety hazards identified.
- Develop a step-by-step description of each task rated as a major loss potential using the "Job Safety Analysis" form. (See Appendix A)
- Develop safe operating procedures for each task.
- Inform and instruct all workers performing the tasks of the safe operating procedures.

2.16 Hazard Reporting

Definition of Hazard;

- The absence of or defect in any equipment or protective device which may endanger a worker; or
- Any contravention of the Nunavut Mine Health and Safety Act and Regulations, or of Health and Safety policies and procedures; or
- Any condition or act that may endanger a worker.

2.16.1 Procedures:

If an employee encounters a hazard in the workplace, he/she is expected to correct the hazard if it is safe to do so.

An employee may refuse to carry out any work or operate any equipment, tool or appliance if he or she has reasonable cause to believe that to do so would endanger the health or safety of any person. A shift boss or supervisor shall not knowingly perform or permit a worker to perform work which could endanger the health or safety of any employee.

An employee who refuses to carry out work or to operate any equipment, tool, or appliance in compliance with these provisions shall immediately report the circumstances to his or her shift boss or supervisor.

The shift boss or supervisor receiving a report of refusal of work shall immediately investigate the matter and ensure that any dangerous condition is remedied without delay, or if, in his or her opinion, the work refusal is not valid, the shift boss or supervisor shall so inform the employee who made the report.

2.17 Hazard Recognition Program

A Hazard Recognition Program will be established to educate employees on how to proactively identify, assess, and control hazardous conditions or practices. The Neil George 5 Point Safety System will be implemented to assist employees in breaking things down into smaller pieces and to identify hazards and controls in their area of responsibility. (See Appendix A)

The program will be implemented by the Safety Supervisor and coordinated by the Joint Health and Safety Committee and the Responsible Person.

2.18 Crew Rotating – Local Personnel

Standard rotation – as per set schedule.

2.19 Modified Work

The company is committed to the welfare of each employee and, whenever possible, will assist in the rehabilitation of employees who are injured on the job. Suitable and meaningful work will be provided at the project or company offices for employees who cannot perform their regular job immediately following an injury. However, the following criteria must be met:

- The treating physician agrees that the injured employee is physically able to perform modified work;
- The employee is willing to participate in the modified work program;
- The work provided does not aggravate the employee's disability; and
- The worker's disability does not constitute an additional hazard to the employee or others in the performance of the duties assigned.

Where possible, a company representative shall accompany the injured employee to the treating physician or nurse and report back on the injured employee's restrictions and ability to participate in modified work.

3 Safety and Responsibilities

Because of the scope of the work involved in this project, there will inevitably be occasions where activities of one work group will intersect with another work group. It will be the responsibility of the Site Manager and the Responsible Person to ensure that safety related issues are coordinated between them.

When it is necessary to coordinate with AEI staff on safety related issues, this will be done through the AEI Supervisor.

In addition to the above, it should be noted that under the Nunavut Mine Health and Safety Act and Regulations, there are certain duties assigned to the employers, contractors, supervisors and workers. To ensure that all participants in the project are familiar with these, they are listed below:

3.1 Employer's Responsibilities

The Operations Manager or his delegate has the responsibility to conduct Pre-Contract overviews with the Site Manager to discuss:

- Drilling program;
- Conditions of employment;
- Job Safety Plan; and

He must also ensure that:

- Regular review of conformance to requirements and achievement of objectives at AEI level;
- Co-operate with all health and safety agencies;
- Conformity to all relevant legislation, thus ensuring that our operations are in compliance;
- A safety culture by focusing on how employees behave in the workplace;
- The measures and procedures in the Act are complied with;
- The health and safety of the workers at the facility are protected; and
- Competent supervisors are appointed.

3.2 Responsible Person's Responsibilities

The Responsible Person has a responsibility to:

- Understand contract terms;
- Understand compliance with contractor, company, and government safety rules;
- Ensure that contractors comply with the Act and regulations;
- Ensure that a worker complies with the Act and regulations;
- Ensure the safe and orderly conduct of the contractor's and the company's crew to the company's satisfaction;
- Ensure that any equipment, protective devices or clothing required by the employer is used or worn by a worker;
- Advise a worker of any potential or actual health and safety dangers known to the Responsible Person;
- Take every reasonable precaution to ensure the protection of a worker;
- Ensure that new employee orientations are conducted;
- Review Job Safety System and ensure active use of the system;
- Complete and forward and/or retain the following reports:
 - Accident/Incident Investigation Reports
 - Safety Inspections
 - Minutes of Safety Meetings

3.3 Worker's Responsibilities

The worker has the responsibility to:

- Work in compliance with the Act and regulations;

- Use or wear any equipment, protective devices or clothing required by the employer;
- Report to the employer or supervisor any known missing or defective equipment or protective devices that may be dangerous;
- Report to the employer or supervisor any known violation of the Act or regulations;
- Not remove or make ineffective any protective device required by the employer or regulations;
- Not use or operate any equipment or work in a way that may endanger any worker;
- Not engage in any prank, contest, feat of strength, unnecessary running or rough and boisterous conduct;
- Report any and all hazards, accidents or incidents;
- Follow Standard Job Procedures in daily work routine;
- Be conscientious to specific safety concerns;
- Operate vehicles and equipment safely;
- Respect AEI's attitudes and values; and
- Complete Five Point Safety System Cards when and where applicable.

3.4 Health and Safety Representative and Committee Responsibilities

- Attend meetings;
- Contribute ideas and experiences to discussions;
- Obtain information if assigned to do so;
- Listen to concerns and suggestions made by all employees and ensure they are referred to the appropriate supervisor or committee;
- Learn about Health and Safety in the workplace and share this knowledge with all employees when appropriate; and
- Carry out workplace inspections at least once monthly, during which employees and supervisors will be contacted to address any safety, health, and environmental concerns; as per MHSR sec. 3.21, within 48 hours after the work site inspection a meeting to review the inspection must be held and a copy of the minutes of that meeting sent to the chief inspector.

4 Personal Protective Equipment

To minimize the risks to personnel, the following rules will apply:

4.1 Field

- a) Hard hats will be worn at all times where required;
- b) Safety boots with the CSA approval (toe, metatarsal and sole protection) are to be worn at all times where required;

- c) Hearing protection will be worn as required;
- d) Eye protection will be worn at all times where required;
- e) Hand protection will be worn at all times where required;
- f) Breathing protection will be worn as required; and
- g) Protective clothing will be worn as required.

* Requirements for (c), (f) and (g) above will be identified through the Job Safety Analysis Form. (See Appendix A)

5 Emergency Plan

An emergency plan for this project will be identified and reviewed by the property owner when the workers first arrive on site.

5.1 Accidents

Serious accidents, as outlined in Section 2.9 warrant a thorough investigation in the presence of, or in correspondence with, higher supervisors, an Occupational Health and Safety Committee representative, client's safety personnel and appropriate government agencies (refer to Appendix A). In the event of a serious injury, the field supervisor must immediately contact the appropriate senior supervisor as well as the chief inspector as listed below:

Senior Supervision

John Gingerich
Chief Executive Officer
Advanced Explorations Inc
Phone: 416-203-0057
John@advanced-exploration.com

Inspectors (during regular business hours)

Martin van Rooy (867) 979-8527 or
Peter Bengts (867) 669-4412

All accidents must be reported to a member of AEI's Safety Representative, as well as the Operations Manager. They should also be reported to the 24 hour emergency line at
1-800-661-0792.

5.2 Evacuations

In medical emergencies requiring evacuation, it is the Responsible Person's responsibility to ensure that the injured person receives prompt medical attention.

Timely and well-executed responses depend on careful advance planning.

It is the responsibility of the Responsible Person to identify Medical Emergency Contacts in the area.

Each project shall have a directory of names, addresses and phone/telex/fax numbers. This directory must be available in the site office at all times.

Since the first step in obtaining approval for a medical evacuation or the repatriation of a body is to contact the evacuation/assistance company, a complete list of the companies serving personnel on the project shall also be compiled and posted with the Medical Emergency Contacts.

6 General Hazards

6.1 Hazard

- a) Lack of awareness of general and specific hazards;
- b) Untidy work sites;
- c) Moving materials and/or lifting heavy objects can result in back injuries;
- d) Lack of emergency preparedness;
- e) Untrained personnel; and
- f) Workers not equipped with complete information.

6.1.1 Controls

- i. Regular safety meetings;
- ii. Five Point Safety System;
- iii. Daily pre-shift contacts;
- iv. Pre-contract orientation with Management;
- v. Housekeeping requirements or corporate safety rules and O.H.S.A.;
- vi. Site Manager shall ensure that employees who are required to perform lifting operations are trained in the proper manual lifting method;
- vii. Emergency plan to be available and known to all crew members;
- viii. Phone communication and fire extinguishers available at each drill site and workplace;
- ix. Ensure non-trade related training as outlined in item 2.2;

- x. Ensure personnel are trained and qualified in the use of equipment;
- xi. Ensure all workers are provided with complete job instructions;
- xii. Managers to review Job Safety Plan with each new worker;
- xiii. Monitor excessive noise levels near machinery;
- xiv. On a daily basis, a pre-shift contact will be held detailing specific safety concerns/reviewing problems for the past days;
- xv. Assess noise levels and take measurements as necessary; and
- xvi. Determine extent of hearing protection needed.

7 Environmental Policy

AEI recognizes that its activities could have an impact on the environment.

AEI will conduct its operations responsibly and with due regard to the impact upon the environment.

It is AEI's policy to strive to eliminate any adverse environmental effects of all its activities, and to take an active role in raising the environmental awareness and responsibility of employees, suppliers, contractors and customers.

For the policy to be implemented AEI shall:

- Comply with all relevant legislation and regulations and any other requirements to which AEI subscribes;
- Ensure that all its establishments have appropriate procedures and facilities to ensure that such standards can be met;
- Implement effective environmental management and reporting systems;
- Apply the principles of continuous improvement to environmental performance and prevention of pollution in line with the Company's environmental objectives and targets.

All employees of AEI and all employees of any contractors to AEI are expected to abide by this Environmental Policy and to actively participate in its implementation.

7.1 Environmental Management System Overview

7.1.1 Introduction

Environmental considerations are integral to our business and must be woven into the daily life of every AEI employee and Contractor. We recognize our responsibility to protect the communities in which we operate, to conserve natural resources and to

comply with applicable laws and regulations so that people today and generations to come will have a sustainable future. AEI is committed to upholding these principles.

AEI employees and contractors at all levels must work to ensure that we comply with applicable environmental laws, regulations and internal policies and procedures to continuously improve our environmental performance wherever we do business.

7.1.2 Roles and Responsibilities

7.1.2.1 Management

It is recognized that management's top priorities are to supply the materials, provide the opportunities, and promote a favorable environment for business. Promoting quality and minimizing loss are key concerns that enhance the profitability of any business.

Management is accountable for the overall Environmental Program.

7.1.2.2 Division Management

All Managers and Supervisors are responsible for the implementation of AEI's Environmental Program and how it relates to their respective areas.

To accomplish this, they will:

- Familiarize themselves with the Environmental Management System (EMS), offer positive feedback regarding the EMS and ensure its effective implementation as applicable within each respective division;
- Ensure that employees are properly trained in their job assignments, and maintain records to substantiate all training;
- Review all environmental incident reports personally to satisfy themselves that incident causes are being investigated and proper corrective action is being taken to prevent recurrence of incidents; and
- Require that all employees meet established federal, provincial, departmental and local licensing and training requirements.

7.1.2.3 Employee Responsibilities

AEI expects the individual employee to cooperate in every respect with AEI's Environmental Program. This will ensure that operations are carried on in such a manner as to ensure the protection of the environment.

Employees must:

- Comply with instructions of supervisors;
- Report all incidents immediately;
- Submit recommendations for environmental improvements;
- Request job instruction on any task they are requested to do but for which they do not fully understand all the environmental concerns; and
- Adhere to all procedures and requirements as outlined in the Environmental Program and Policy.

7.1.3 *Environmental Impacts*

AEI recognizes that the following aspects of our operations can impact the environment.

Noise – All employees must wear proper hearing protection as required. Show concern for surrounding environment. Use noise dampening materials or techniques to reduce the impact on the environment when needed.

Waste – Minimize the generation of waste. When generating wastes, ensure proper handling and disposal, or recycling. All garbage must be contained and disposed of in an approved waste disposal site. All chemical and hydrocarbon waste must be disposed of according to regulation.

Recyclable materials – Where practical, recycling programs shall be implemented to reduce the amount of waste (i.e. paper, cardboard, metals).

Emission – Ensure that all vehicles, equipment, or machines are operating efficiently. Proper maintenance is imperative for ensuring low emission levels.

Spills or leaks – All employees must pay close attention to the proper storage, transfer, and handling of any product that may contaminate the environment. Use drip pans when required. Have spill kits available.

Land disturbance – Use existing roads and trails. Avoid erosion by controlling run-off and using control structures. Minimize vegetation removal. When abandoning a site, leave it the way you found it, or better.

Energy consumption – Conserve electricity when it is not required. When practical, shut off engines to reduce fuel consumption. Proper maintenance will further improve efficient energy consumption.

All employees and contractors are expected to participate in the Environmental Program to minimize the impact on the environment.

7.1.4 *Continuous Improvement*

As part of the AEI effort to apply the principles of continuous improvement to environmental performance and prevention of pollution, AEI will identify environmental objectives that must be achieved. Specific targets will be established for achieving our objectives. All AEI employees and contractors must participate in the realization of these targets.

7.1.5 *Compliance Requirements*

All countries, states, provinces, departments, and local governments have specific regulations and guidelines for environmental compliance. AEI and its employees and contractors are expected to know and adhere to these regulations and guidelines. Also, AEI's environmental management system has policies and procedures that must be adhered to. Any employee or contractor refusing to comply with these regulations, guidelines, policies and procedures, will be subject to disciplinary action.

7.1.6 *Emergency Preparedness and Response*

The best emergency preparedness possible is to avoid the incident before it happens through preventative measures. However, no matter how successful AEI employees and contractors become at reducing or eliminating incidents, we always need to be prepared for incidents.

All AEI operations are required to have an emergency plan. This plan must outline the necessary actions to be taken to mitigate the effects of any environmental incident such as fire, spill etc. Emergency contact numbers must be included in the plan, and posted. All employees must be trained in emergency preparedness and response. The required tools must be available in the case of an environmental emergency. Such tools may be fire extinguishers, axes, shovels, spill kits, first aid kits, etc.

**ADVANCED EXPLORATIONS INCORPORATED
ROCHE BAY MAGNETITE PROJECT**



8 Conclusion

In order for the AEI environmental program to be successful, all employees and contractors must participate in the program, offer feedback and suggestions, and abide by the guidelines.

Departure from these guidelines can not only have an effect on the reputation of the company and good standing with our clients, but worse could pose a negative impact on the environment.

If you have any questions, concerns or you wish to report an incident, please contact your supervisor or local manager.

Signed "John Gingerich"

Feb 19, 2010

**John Gingerich
Chief Executive Officer
Advanced Explorations Incorporated**

Date

Signed "Lou Nagy"

Feb 19, 2010

**Lou Nagy
Chief Financial Officer
Advanced Explorations Incorporated**

Date