



**Advanced Explorations Inc.
2012 Project Summary
2013 Project Plans
Anik Nickel-Copper Project**

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AANDC Permit: N2011C0020 (New application pending)
QIA License: Q11L3C006 (New application pending)
NWB License: 2BE-WPP1116

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ANIK PROJECT

EXECUTIVE SUMMARY

Advanced Explorations Inc.'s ("AEI" or the "Company") Project Summary outlines activities undertaken at the Anik Project, approximately 160 km south-west of Hall Beach, Nunavut 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.

The project consists of 119 mineral claims (98,075.53 ha) and two Prospecting Permits (53,872.47 ha) for a total land package of 151,947.00 ha. All dispositions are totally owned by Advanced Explorations Inc.

Primary access to Hall Beach is typically by scheduled flights from Iqaluit, and charter flights from 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 is limited to the minimum required, and is only considered on durable land and tundra when necessary travel has to be undertaken and the weather does not permit helicopter flights. In the winter, snowmobiles and skidded equipment are only used on ground with adequate snow cover.

No exploration has been conducted by AEI on the properties to date. The program schedule and timelines will be contingent on the level of financing that can be achieved; lack of financing will result in no program being undertaken in 2013.

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

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1.0 2012 PROJECT SUMMARY

The following report gives a summary of the activities that occurred at the project area during 2012. The project area is on Crown lands, permitted under an AANDC Land Use Permit, and on Inuit owned lands, permitted under a QIA Land Use License. There is also a NWB Water Use License. All permits/licenses are documented on the cover page of this report. Project maps are provided in Appendix A, including an updated land disposition map showing both the existing and new mineral claims making up the current project lands.

1.1 Camp Facilities

The 2012 program was run out of the hamlet of Hall Beach during the preliminary 2012 activities, moving to the Tuktu camp north-west of Hall Lake in August. Although AEI holds the proper permits to establish a camp within the Anik project claims, no camp has been erected.

The Job Safety Plan was used for prevention and mitigation of all safety issues at the project. Helicopter safety orientation was conducted by the pilots prior to new workers boarding the helicopter. Weekly safety meetings were held in Tuktu camp to review safety protocols, discuss safety concerns as well as wildlife sightings, hunting/fishing, archaeological site identification and avoidance, helicopter safety, as well as miscellaneous training as required.

All appropriate permits/licenses were maintained for the project.

1.2 Drilling

No drilling took place in 2012 on the Anik property.

1.3 Equipment

Personnel, supplies and equipment were flown into site via helicopter.

1.4 Water Use

No water was used for drilling purposes or camp use.

1.5 Waste

No grey water was produced.

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Any waste generated during field activities was minimal, and consisted mostly of remains of packed lunches. All waste brought into the field by workers was returned to Hall Beach or Tuktu for proper disposal.

Empty barrels/fuel drums generated from fuel caches were removed, and reused where possible. The remainder have been secured on-site at the Roche Bay beach area and will be reused during another season or removed from site and sent to an approved disposal facility

The Company is registered with the Government of Nunavut, Department of Environment. Waste manifests will accompany all shipments as required.

No waste deposition locations were recorded as no drilling or camp operations took place on the project area during the year.

1.6 Fuel Storage

All fuel used for the project was flown into cache locations whose locations were reported within the required ten days after their establishment. A list of existing fuel caches can be seen in Appendix B.

Visual inspections of all fuel drums were conducted whenever the fuel was being used.

All fuel containers were marked with “AEI”. Fuel storage areas were a minimum of 31 metres from all waterbodies.

Spill kits were on-site and accessible at all times.

1.7 Wildlife/Fisheries

Operational activities were managed to avoid impacts on wildlife.

Flights were maintained at a minimum altitude of 610 metres above ground level, unless there was a specific requirement for low-level flying, which does not disturb wildlife and migratory birds. No colonies of migratory birds were observed in the project area.

All wildlife sightings/encounters were brought to the attention of the local Bear Monitor and the Environmental Specialist on-site.

No hunting was permitted on-site as per the regulations. Fishing was permitted after work hours only if proper authorizations were obtained.

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All wildlife sightings were documented including locations, time of sightings, species, number of animals, animal activity, and gender and age (if possible). These are summarized in Appendix C.

1.8 Ground Disturbance

No overland vehicles were used during the 2012 field season. None of the work which occurred risked causing ground disturbance.

1.9 Archaeological Sites

All archaeological/paleontological/burial sites were avoided by a minimum of 50 metres (a minimum of 30 metres is required in the permits/licenses terms and conditions). All observations were properly recorded and notification procedures implemented. No archaeology sites were observed during the 2012 season in the Anik project area.

1.10 Discharges/Spills

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

1.11 Inspections/Site Visits

Inspections were unnecessary as activities on the Anik property has consisted of prospecting and staking operations run out of Hall Beach or the Tuktu camp. No facilities have been erected. All fuel caches are temporary in existence and monitored during activities.

1.12 Flights

Flight altitudes as presented in the permits/licenses terms and conditions were abided by to avoid disturbing wildlife. The number of flight take-offs and landings were estimated for the season based on the helicopter flight tickets submitted. The dates, locations and reasons for flights were also recorded. No airborne gravity flights were conducted this season. These records are summarized in Appendix D.

1.13 Environmental Baseline Studies

Due to financial constraints, formal Environmental Baseline Studies have yet to begin. All workers active on the Anik property were required to record all wildlife sightings as part of our preliminary wildlife reconnaissance. An Environmental Specialist accompanied a number of

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flights onto the Anik project area this season, to conduct informal wildlife reconnaissance. Minimal wildlife activity was observed; these observations are recorded in Appendix C.

1.14 Reclamation

Reclamation was unnecessary as no facilities have been erected and no drilling has taken place. All reclamation work at the camp and drill sites in the future will be completed according to the seasonal reclamation plans outlined in the Abandonment & Restoration Plan.

1.15 Community Consultations and Local Employment

Open dialogue is ongoing between AEI and the communities of Hall Beach and Igloolik, with the Hamlet Councils, the Hunters & Trappers Associations, local QIA representative, CLARC, the Mayors, the public, the schools and other community members.

During the field season, the Project Manager was living on-site at the Tuktu camp and the Site Supervisor was living in the Company house in Hall Beach. Both of them were always available to receive and address any concerns.

Local employment opportunities were limited to the Roche Bay field work and Tuktu camp operations during this season. This included such positions as those listed below. As the Anik project expands, more employment opportunities will be created for local communities.

- Core Cutters
- Camp Support Staff
- Bear Monitors
- Kitchen Support Staff
- Ground Support for the Helicopters
- Laboratory Technicians
- Labourers

Local economic benefits are summarized in Appendix F.

1.16 Conclusion

Future plans for the project are underway and we hope to continue to work effectively and amicably with the communities in the region, eager to see the communities benefit further from AEI's activities there.

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2.0 2013 PROJECT PLANS

The Company continues to hold its land and water permits/licenses from the previous season to allow for drilling, camp operations, environmental baseline studies and geological modeling. The Company intends to use results from its previous season of prospecting to refine its resource definition. An environmental program and geological mapping program will also be included. Inuit workers will be employed and supplies and services purchases locally as part of the program. All activities for the season will be contingent on the level of financing acquired for the project.

John Gingerich
Chief Executive Officer
Advanced Explorations Inc.

Date

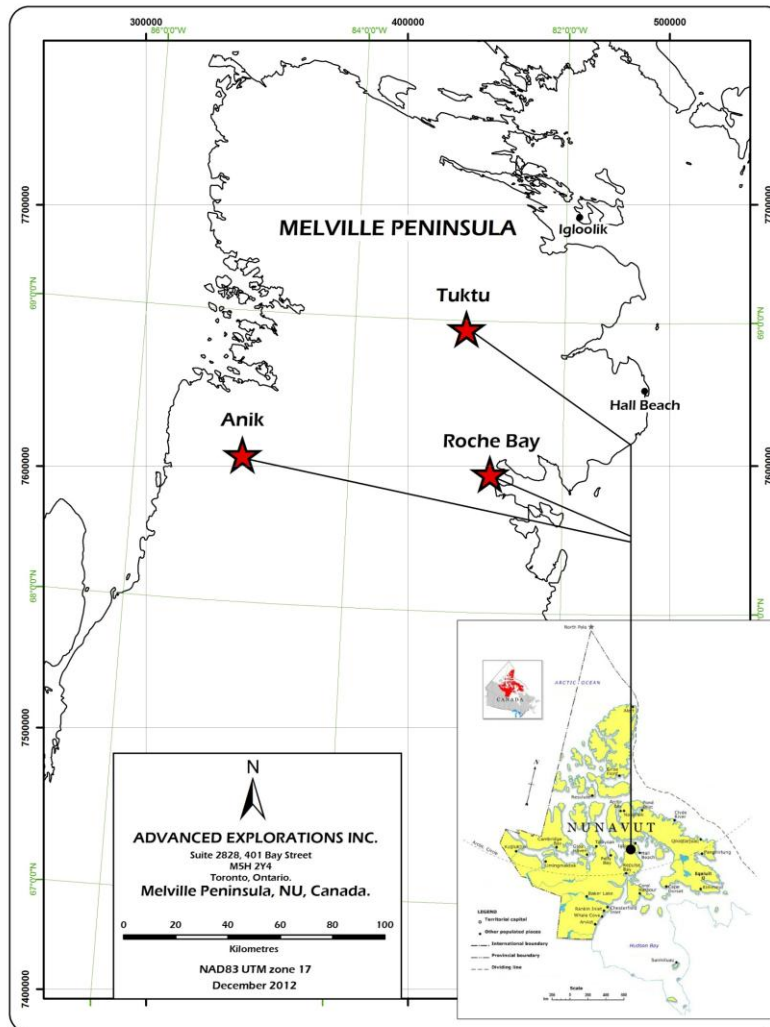
Bernie Swarbrick
VP Capital Projects and Studies
Advanced Explorations Incorporated

Date

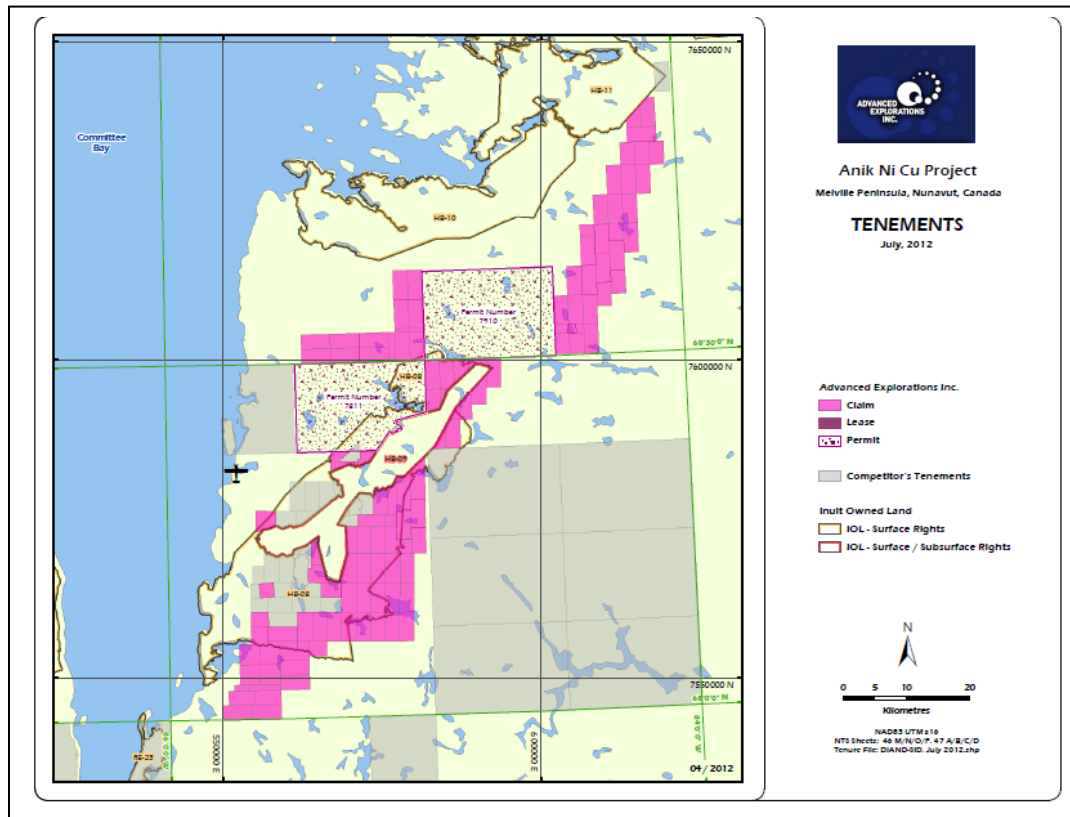
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3.0 Appendix A: Maps

3.1 Location & Tenure Maps



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4.0 Appendix B: Inventories

4.1 Equipment Inventory List (as of October, 2012)

Roche Bay Beach Area

- 12 Seacans:
 - Salt (CaCl), chiller, 12' boat, motors
 - Berms
 - Ranger, gasoline, cattle troughs
 - Kubota & cab
 - Skidoo and parts
 - Spare pump engines
 - Hose line, peat moss
 - Core boxes, rods, tubes
 - Drill equipment
- 3 berms containing:
 - 10 drums of Jet B
 - 170 drums of Diesel
 - 100 bags of Salt (CaCl) (1 ton bags)
 - 60 drums of gasoline
- 6 empty fuel tanks (50,000 L)
- Kumatsu

4.2 Fuel Caches

(as of: October 17, 2012)

	LAT	LONG	Number of barrels
1	68°31'6.90"N	85°15'0.87"W	0
2	68°16'17.57"N	85° 2'57.89"W	2 Full
3	68° 4'15.22"N	85°41'14.78"W	1 Full

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5.0 Appendix C: Wildlife

5.1 Wildlife Table

APPENDIX C: BIRDS AND MAMMALS OBSERVED AT ANIK, 2012			
Location: North-west Corner (68°53'11.73"N, 85°57'43.25"W), North-east Corner (68°51'54.73"N, 84° 6'28.85"W), South-west Corner (68° 2'14.20"N, 86° 0'0.90"W), South-east Corner (68° 1'0.41"N, 84°12'51.84"W)			
Common Name	Latin Name	Number of Observations ¹	Number of Individuals
<i>Mammals</i>			
Arctic Hare	<i>Lepus arcticus</i>	1	1
Arctic Fox	<i>Alopex lagopus</i>	1	0
Polar Bear	<i>Ursus maritimus</i>	3	0
Barren-ground Caribou	<i>Rangifer tarandus</i>	4	10
Totals		9	11

¹ The number of observations is the total number of times an animal sign (track, scat) or an animal or animal group was spotted. An individual sighting is the total number of individual animals seen (including within a group). These numbers do not account for possible recounts of individual animals.

5.2 Wildlife Summary

To date, no wildlife surveys have taken place at this project site. However wildlife sightings have been recorded during normal project activities as part of regular wildlife reconnaissance. These sightings have been recorded as 'incidental' sightings, and include a small number of terrestrial mammals. These incidental sightings included Barren-ground Caribou, Polar Bears, Arctic Fox, and Arctic Hare.

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6.0 Appendix D: Flights¹

Date (Month)	Locations	Total Hours	Estimated Take-offs & Landings ²	Reasons
April	Hall Beach, West Melville,	30.6	24	Staking, refueling, cache establishment, passenger transport
May	Hall Beach, Tuktu Camp, Roche Bay Camp, Roche Bay Airstrip	3.6	5	Passenger transport, Equipment transport
June	Hall Beach, West Melville, Tuktu, Roche Bay, Roche Bay Camp, Roche Bay Cache	87	56	Staking, moving equipment and passengers, field crew support, wildlife reconnaissance & other baseline data collection
August	Hall Beach, Tuktu, Roche Bay, Roche Bay Cache, Roche Bay Camp	108	58	Move passengers, sling equipment, drill moves, sling fuel, medevac, camp support, drill support, groceries, crew changes, field crew support, wildlife reconnaissance & other baseline data collection
September	Hall Beach, Tuktu, Roche Bay, Roche Bay Cache, Roche Bay Camp, Mackar Inlet, West Melville	280	274	Move passengers, sling equipment, drill moves, sling fuel, medevac, camp support, drill support, groceries, crew changes, field crew support, wildlife reconnaissance, water quality & other baseline data collection
October	Hall Beach, Tuktu, Roche Bay, Roche Bay Cache, Roche Bay Camp,	132	182	Move passengers, sling equipment, drill moves, sling fuel, camp support, drill support, groceries, crew changes, field crew support, wildlife reconnaissance & other baseline data collection

¹Chart includes records of flight activity from all three projects (Roche Bay, Tuktu and Anik) during the 2012 season

² All numbers of take-offs and landings are estimates only based on the helicopter flight tickets. Two helicopters were in operation from August until mid-October. In all other instances, only one helicopter was used.

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7.0 Appendix E: Water Quality Summary

No baseline water quality program took place in the 2012 season

8.0 Appendix F: Estimated Local Economic Benefits

Item	Estimated local impact for all Melville Peninsula projects	Comments
Food	\$72,470.25	<i>Travel expenses include all travel for the season, regardless of the community.</i>
Travel and Accommodation (local suppliers)	\$385,868.06	
Hall Beach Housing, Communications & Utilities	\$62,164.76	
Fuel	\$250,171.29	
Local Consultants, Associations, Community Meetings & Donations	\$26,461.71	
Nunavut Permitting & Payments (including QIA)	\$97,546.97	
Wages to Local Employees	\$99,979.07	
Camp Supplies & Freight	\$129,382.48	
Total	\$1,124,044.59	