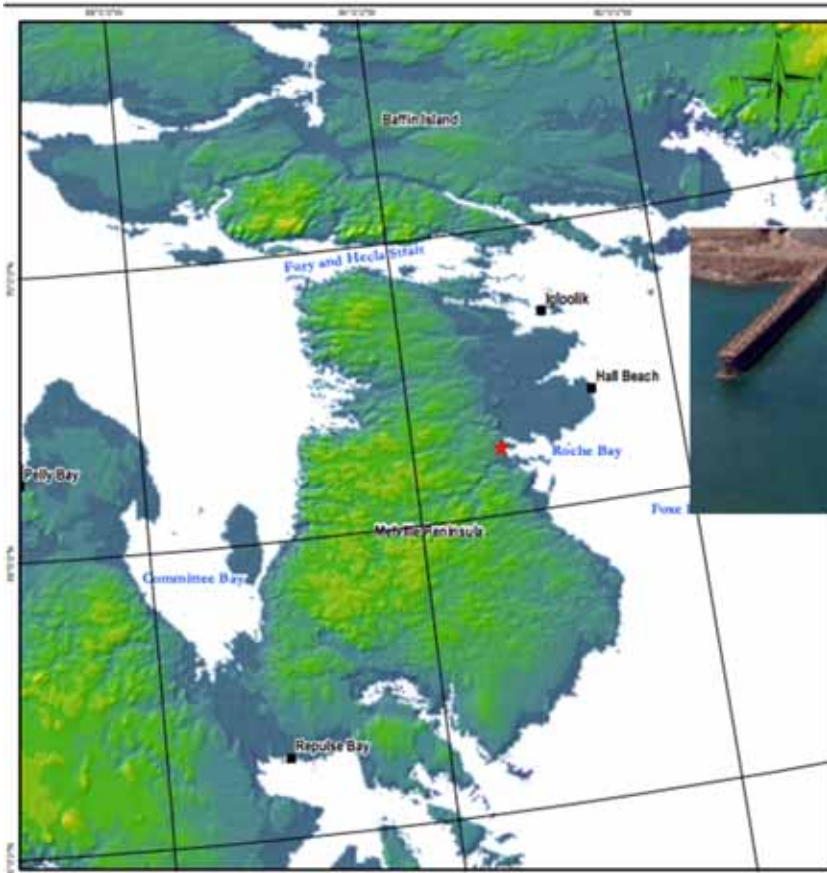


ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE





ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE

Global Perspective (2011)

- Through early 2011, investors saw billions in Mergers and Acquisitions in various mineral projects

“Commodity prices are strong and mining companies are feeling good about the fundamentals for the long term,” says Rick McCreary, head of global mining at CIBC World Markets”

– Financial Post (Jan. 26, 2011)



ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE

Global Perspective (2011)

Commodity Consumption

- China
- India
- US / Global Economic Recovery?
- Japan Reconstruction (\$400 Billion)

Likely sustained demand (short to mid term)



ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE

Global Perspective (2011)

Implications - Canada

- Increasing International Presence
 - Vale
 - Xstrata
 - BHP
 - Arcelor Mittal
 - China (Yukon Zinc)
- China : Strategy to secure long term supply at reasonable costs
- Similar to Japanese philosophy over last 40 yrs (vertical integration)



ROCHE BAY LOCAL FOCUS / GLOBAL PERSPECTIVE

Local Perspective (2011)

Implications – Nunavut

- Relatively unexplored, tremendous resource potential
- Increasing International presence
- Increase in JV, M&As
- Significant potential for development, resources, infrastructure
- Need for Responsible Development, capacity building, partnerships
- Direct benefits to local communities, Nunavut



ROCHE BAY LOCAL FOCUS / GLOBAL PERSPECTIVE

ROCHE BAY PROJECT

- Advanced Explorations Inc. (AEI) and XingXin Pipes (XXP) entered discussions 2010
- Signed Framework Agreement – Sept. 26, 2010
- Sets out framework for Joint Venture and material off – take (Iron Ore materials)
- XXP to provide funding for : Feasibility Study (FS) /up to \$1 B USD project capital
- Fulun Steel – signed agreement for additional interest in material off-take
- Future exploration potential for other significant JV opportunities

ROCHE BAY IRON ORE PROJECT ADVANTAGES



Beneficial Location:

- Close to natural deep water harbour.
- Logistic advantages through modular construction (off-site construction, on-site assembly).
- SIMPLE logistics to port facilities
- Operational: Scalable (can easily upscale for other ore bodies)
- Long term operations (+30yrs)



ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE

ROCHE BAY PROJECT

- High value ore body next to natural deep water harbour (rare)
- Technically straightforward, low risk operations (proven, benchmarks in Canada)
- Significant upside in mineral exploration – 30,50 + yrs?
- Low environmental footprint – integration into design
- Significant direct benefits to local communities (Hall Beach, Igloolik)



ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE

Roche Bay Project Net Benefits - Canadian Perspective

- Capital spent in Canada
- Increased skills development in the North (Technical / Trades, ETC.)
- Direct benefits to Northern Communities (capacity increase, IIBAs)
- High value asset with long term potential and revenue stream
- Additional contributions to Northern Sovereignty
- Growth in expertise for responsible Northern Development



ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE

ROCHE BAY PROJECT

Highly seasoned management team (AEI) experienced in Northern projects:

- EKATI
- IOC (LABRADOR)
- RAGLAN
- INTERNATIONAL

Direct Experience in: Northern operations, construction, project management

Direct experience in:

- Impact and benefits agreements
- Working with 1st Nations
- Environmental practices and design



ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE

CHALLENGES (JV with Off Shore Investors)

- Cultural Differences
- Approach to Project Management / Project Development
- Decision Making Structure, Approvals Process
- Team integration and structure – Technical / Management
- Managing Expectations – Schedules, Development, CAPEX
- Communications, Communications, Communications



ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE

OPPORTUNITIES – Global Investor

- Opportunities to secure long term resource supply
- Development of successful models for investment in Canada
- Development long term relationships with Canadian Mining Expertise
- Facilitate future project development
- Security in Capital / Asset Management (vs. unstable political regions)



ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE

Challenges: Local Perspective

- Clarity and transparency in communications
- Mutual understanding with stakeholders (Communities, Investors, Regulators)
- Continuing to build on local capacity (A Major Priority)
- Establishing win-wins, Benefits distribution, local stakeholders / Nunavut
- Timelines to get a mine into production, investment protection
- Support for Junior Mining and exploration

ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE

Opportunities – Local Perspective:

- Joint investment in infrastructure development
 - Port, Power, Others?
- Development of Joint Venture Relationships (Canadian Expertise + Off- Shore Capital)
- Capacity Building within Communities
- Enabling of Northern Communities to Participate in Development
- Not just jobs - but long term, valuable skill set acquisition
- Indirect value creation – business, contracting, other





ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE

FINAL WORDS

- **THE WORLD IS SHRINKING** - PARTNERSHIPS ON A GLOBAL SCALE, ARE EVOLVING

- **SUCCESSFUL PARTNERSHIPS**
 - MUTUAL UNDERSTANDING - CULTURAL, PROCESS
 - EFFECTIVE COMMUNICATIONS
 - MANAGING EXPECTATIONS

- **LOCAL PARTNERSHIPS ARE ESSENTIAL**
 - BENEFITS TO LOCAL STAKEHOLDERS (EMPLOYMENT, CAPACITY BUILDING)
 - IIBAs THAT ARE BASED ON MUTUAL SUCCESS
 - EARLY, AND EXTENSIVE CONSULTATION
 - INVOLVEMENT IN DECISION MAKING PROCESSES
 - TRANSPARENCY / MUTUAL RESPECT

ROCHE BAY : LOCAL FOCUS / GLOBAL PERSPECTIVE

