

Robin Ikkutisluk < robin.ikkutisluk@nwb-oen.ca>

[Licensing] QA/QC- 2BM-ULU0914 - Water License Renewal Application

Karyn Lewis klewis@elginmining.com

Thu, Jul 31, 2014 at 4:59 PM

To: "phyllis.beaulieu@nwb-oen.ca" <phyllis.beaulieu@nwb-oen.ca>, "tarko@nirb.ca" <tarko@nirb.ca> Cc: Murray Ball <Murray.Ball@aandc-aadnc.gc.ca>, Christopher Tickner <ctickner@nunavut.ca>, Eva Paul <Eva.Paul@aandc-aadnc.gc.ca>, George Friesen <gfriesen@elginmining.com>, "david.hohnstein@nwb-oen.ca" <david.hohnstein@nwb-oen.ca>, Baba Pedersen <Baba.Pedersen@aandc-aadnc.gc.ca>

Dear Ms Beaulieu,

Please find attached the QA/QC Management Plan for the Ulu Project. Translations of the Executive Summary will be forwarded as soon as we receive them.

Regards,

Karyn

Karyn Lewis

Executive Assistant

Elgin Mining Inc.

Tel: 604-682-3366

From: Karyn Lewis

Sent: June-25-14 4:35 PM

To: 'phyllis.beaulieu@nwb-oen.ca'; 'tarko@nirb.ca'

Cc: 'Murray Ball'; 'Christopher Tickner'; 'Eva Paul'; George Friesen; 'david.hohnstein@nwb-oen.ca'; 'Baba

Pedersen'

Subject: Updated - Part 1 of 2 - 2BM-ULU0914 - Water License Renewal Application

Dear Ms Beaulieu,

Bonito Capital Corporation (BCC) is providing the following documents as noted in the application package:

- Ulu Project Water Licence 2BM-ULU0914 Compliance Assessment;
- Update to the Care and Maintenance Plan;
- Executive Summary translations for the application in Inuktitut and Inuinnaqtan; and
- Executive Summary translations, in English, Inuktitut and Inuinnaqtan, for the Ulu Management Plans.

During the preparation of the above documents, it was apparent that there is a need to provide clarification on the monitoring program outlined in Part J of the Licence. While these clarifications are administrative in nature, BCC believes that they will help ensure all parties understand how the site is operated and monitored.

The following table identifies the clarifications required to the monitoring program under Part J of the licence when the site is operational:

Station Number	Description	Sample Frequency	Analysis Requirements	BCC Comment/Clarification
ULU-1	Water Intake at West Lake.	Daily Volume; Water quality parameters twice during open water period when water has been sourced from West Lake.	Volume (m3) Total Arsenic Total Copper Total Nickel Total Mercury Total Cadmium Total Lead Total Zinc Total Suspended Solids pH	Clarification added to frequency that volume is recorded daily when water is withdrawn, however sampling for the water quality parameters listed should only be required twice per year if West Lake is used for source water.
ULU-2	Sewage Effluent Discharge Point at East Lake or to land with indirect flow to East Lake.	Monthly the consoler inhove mag = 14	Volume (m3) Fecal Coliforms Total Suspended Solids BOD5 pH Total Phosphorous Total Dissolved Phosphorus Total Nitrogen	Clarification added to the description that treated effluent from the RBC may be also be discharged to the land with indirect flow to East Lake, which as a contingency has the benefit of an added level of protection for water quality.

ULU-3	Sludge removed from Sewage Treatment Facility.	Monthly	Nitrate Nitrite Total Kjedahl Nitrogen Volume (m3) Chemical characterization required to determine suitable disposal	Clarification required that characterization of sludge only be required if incineration is contemplated.
ULU-4	Minewater pumped from Portal area and underground Mine Sump.	Monthly	method for Sludge. Volume (m3)	Station description has been clarified to note that it refers to water collected in vicinity of the portal and decline, and to distinguish from the Surface Retention Pond (ULU-4b new).
ULU-4b	Surface Retention Pond.	Prior to discharge	Volume (m3) Total Arsenic Total Copper Total Nickel Total Mercury Total Cadmium Total Lead Total Zinc Total Suspended Solids pH Conductivity Chloride* Sodium Calcium	This is a new station added to clarify the difference between the Mine Sump and Surface Retention Pond.
ULU-5 (currently inactive, pond	Settling/ Neutralization Pond 1.	Monthly during open water season. Prior to discharge and	Volume (m3) Total Arsenic	No clarification required.

not constructed)		weekly during discharge.	Total Copper	
			Total Nickel	
			Total Mercury	
			Total Cadmium	
			Total Lead	
			Total Zinc	
			Total Suspended Solids	
			рН	
			Conductivity	
			Chloride	
			Sodium	
			Calcium	
ULU-6	Settling/	Monthly during	Volume (m3)	No clarification required.
(currently	Neutralization Pond 2.	open water season. Prior to discharge and weekly during discharge.	Total Arsenic	·
not	inactive, pond not		Total Copper	
constructed)			Total Nickel	
			Total Mercury	
			Total Cadmium	
			Total Lead	
			Total Zinc	
			Total Suspended Solids	
			рН	
			Conductivity	
			Chloride	
			Sodium	
			Calcium	
ULU-7	Runoff from the waste rock storage area.	Monthly during periods of flow.	Volume (m3)	No clarification required.
			Total Arsenic	Tis cisimoducii loquilou.
			Total Copper	
1			1 2 35 G G P P S.	

		. 0.	Total Nickel	
			Total Mercury	
			Total Cadmium	
			Total Lead	
			Total Zinc	
			Total Suspended Solids	
			рН	
			Conductivity	
			Chloride	
			Sodium	
			Calcium	
ULU-8	Runoff from the ore	Monthly during	Volume (m3)	Clarification to remove
	storage area.	periods of flow.	Total Arsenic	fecal coliforms as it is not applicable to the ore
			Total Copper	storage area.
			Total Nickel	
			Total Mercury	
			Total Cadmium	
			Total Lead	
			Total Zinc	
			Total Suspended Solids	
			рН	
ULU-9	Outflow East Lake.	Monthly during open water	Total Arsenic	No clarification required.
		season. Weekly	Total Copper	
		during open water season, if	Total Nickel	
		receiving discharge from	Total Mercury	
		ore runoff collection	Total Cadmium	
		ponds.	Total Lead	
			Total Zinc	

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			Total Suspended Solids	
			рН	
			Fecal Coliforms	
ULU-10	Inflow Ulu Lake from East Lake.	Monthly during open water season, if flow present.	Fecal Coliforms	No clarification required.
			Total Suspended Solids	
			BOD5	
			pН	
			Total Phosphorus	
			Total Dissolved Phosphorus	
			Total Nitrogen	
			Nitrate	
			Nitrite	
			Total Kjedahl Nitrogen	
ULU-11	Outflow Ulu Lake.	Monthly during open water season. Weekly during open water season, if receiving discharge from ore runoff collection ponds.	Total Arsenic	No clarification required.
			Total Copper	
			Total Nickel	
			Total Mercury	
			Total Cadmium	
			Total Lead	
			Total Zinc	
			Total Suspended Solids	
			рН	
			Fecal Coliforms	

BCC notes that where the water licence requires sample analysis of Chlorine, the intended parameter to be tested for should be Chloride in reference to drilling salts used in exploration. This has been clarified in the above table.

In addition to the monitoring during periods of Project operation, BCC has addressed appropriately scaled monitoring requirements that are carried out by BCC during period of inactivity at the site, as noted in the July 5, 2014 Inspector's report. BCC has included this information in the updated Care and Maintenance Plan (May

2014).

Should you have any questions please contact our office.

Karyn Lewis

Executive Assistant

Elgin Mining Inc.

PLEASE NOTE NEW ADDRESS

#1204 - 700 West Pender Street

Vancouver, BC V6C 1G8

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From: Karyn Lewis

Sent: May-30-14 4:30 PM

To: 'phyllis.beaulieu@nwb-oen.ca'; 'tarko@nirb.ca'

Cc: 'Murray Ball'; 'Christopher Tickner'; 'Eva Paul'; George Friesen; 'david.hohnstein@nwb-oen.ca'; 'Baba

Pedersen'

Subject: Part 1 of 2 - 2BM-ULU0914 - Water License Renewal Application

Pls note this is part 1 of 2 emails.

May 30, 2014

Ms. Phyllis Beaulieu Tara Arko

Manager of Licensing Technical Advisor

Nunawıt Water Board Nunawıt Impact Review Board

P.O. Box 119

Gjoa Haven, NU Cambridge Bay, NU

X0B 1J0 X0B 0C0

Via Email: phyllis.beaulieu@nwb-oen.ca; tarko@nirb.ca;

Re: Application to Renew Bonito Capital Corporation's Type 'B' Water Licence 2BM-ULU0914, ULU Gold Project

Bonito Capital Corporation (BCC) is pleased to submit the enclosed water licence renewal application package (Application) to the Nunavut Impact Review Board (NIRB) for a determination regarding whether development impact screening is required, and to the Nunavut Water Board (NWB) for processing in accordance with Articles 12 and 13 of the Nunavut Land Claims Agreement (NLCA). The Application requests renewal of BCC's type 'B' Water Licence 2BM-ULU0914 for the Ulu Gold Project (Licence) which is due to expire on August 31, 2014.

As you are aware, the Ulu Gold Project has remained in care and maintenance since 2006. The Project will continue to remain in care and maintenance while BCC's parent company, Elgin Mining Inc., determines the economic feasibility of the property. It is BCC's understanding that the existing infrastructure and current activities at the Ulu site were previously screened by NIRB under file No. 99WR055.

The application package includes the following attachments:

- 1. Completed and signed Renewal Application Form;
- Figures to address <u>Block 5</u> of the Application Form;
 - a. Figure 1 Ulu Project Location Map
 - b. Figure 2 Main Areas Ulu Site
 - c. Figure 3 Ulu Mine Site Plan
- 3. Email correspondence from NPC regarding land use planning requirements under Article 11 of the NLCA to address **Block 7** of the Application Form;
- 4. Original NIRB Screening Determination dated November 19, 2008 to address **Block 8** of the Application Form;
- 5. Irrevocable Standby Letter of Credit to address **Block 21** of the Application Form;
- 6. Copy of BCC's Certificate of Incorporation to address **Block 22** of the Application Form;
- 7. Updated Compliance Assessment to address **Block 23** of the Application Form;
- 8. Executive Summary in English to address **Block 27** of the Application Form;
- 9. Executive Summary in Inuktitut to address **Block 27** of the Application Form (is in process and will be forwarded as soon as completed);
- 10. Executive Summary in Inuinnaqtun to address **Block 27** of the Application Form (is in process and will be forwarded as soon as completed);

- 11. Application fee of \$30 to address **Block 27** of the Application Form (to be mailed to NWB);
- 12. Water use fee deposit of \$30 to address **Block 27** of the Application Form (to be mailed to NWB);

In this Application, BCC is requesting renewal of the Ulu Gold Project's water licence for a 10 year term, commencing in 2014, on effectively the same terms upon which it was issued without any change to the scope of the project activities.

BCC looks forward to proceeding with the renewal of the type B water licence and participating fully in the NWB process.

C.c. David Hohnstein, Director Technical Services, NWB

Murray Ball, Manager of Water Resources, Aboriginal Affairs Northern Development Canada (AANDC)

Eva Paul, Water Resources Officer, AANDC

Baba Pedersen, Resource Management Officer, Kitikmeot Region, AANDC

Christopher Tickner, Senior Planner, Nunavut Planning Commission

Karyn Lewis

Executive Assistant

Elgin Mining Inc.

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