Application for Water Licence Amendment

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Month/Day/Year

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DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)	Updated for public distribution as separate document from NWB Guide 7	June 2010
(2)	Updated NWB logos and reformatted table to allow rows to break across page	May 2011
(3)	New NWB logo; request for background information; and change to Block 24	April 2013
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

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APPLICATION FOR WATER LICENCE AMENDMENT

The applicant is referred to the NWB's Guide 7: *Licensee Requirements Following the Issuance of a Water Licence* for more information about this application form.

Where possible, provide background information regarding the original licence application or attach previously submitted information.

EXISTING LICENCE NO: 2BM-ULU1520

1. LICENSEE CONTACT INFORMATION

Is the licensee the same as that referred to on the existing licence?

X Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB. **An amendment will only be issued in the name of the current licensee in the absence of assignment of the licence.**

If the licensee is the same, but the name of the licensee has changed, attach a certificate of name change.

Name: Bonito Capital Corp.

Address: 76 Richmond Street East, Suite 330, Toronto, Ontario M5C 1P1

Phone: 604-671-0313
Fax: _____
e-mail: klewis@elginmining.com

2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.

Name: Same as Block 1

Address:

Phone: _____
Fax: _____
e-mail: _____

(Attach authorization letter.)

3. NAME OF PROJECT

Has the name of the project changed?

☐ Yes X No

If Yes, indicate the name of the project including the name of the location: _____

4. LOCATION OF UNDERTAKING

Does the proposed amendment change the location of the amended undertaking?

☐ Yes X No

Provide the project extents and camp locations. Identify proposed changes.

Project Extents no change

NW:	Latitude: (° ' " N)	Longitude: (° ' " W)
NE:	Latitude: (° ' " N)	Longitude: (° ' " W)
SE:	Latitude: (° ' " N)	Longitude: (° ' " W)
SW:	Latitude: (° ' " N)	Longitude: (° ' " W)

Camp Location(s) no change

Latitude: (° ' " N) Longitude: (° ' " W)

5. MAP

Does the proposed amendment change the locations of any of the main components of the undertaking?

☐ Yes X No

Attach a topographical map, indicating the main components of the undertaking. Identify proposed changes.

NTS Map Sheet No.: 76L 14/15 Map Name: See below Map Scale: See maps

See Figures provided as **Attachment #1**.

a. Figure 1 – Ulu Project General Location Map

b. Figure 2 – Ulu Project Site

c. Figure 3 – Ulu Existing Exploration Site Facilities

6. NATURE OF INTEREST IN THE LAND

Does the proposed amendment change the nature of the interest in the land?

☐ Yes X No

If Yes, indicate changes. _____

Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

Sub-surface

☐ Mineral Lease from Nunavut Tunngavik Incorporated (NTI)
Date (expected date) of issuance: _____ Date of expiry: _____

☒ Mineral Lease from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: _____ Date of expiry: November 18, 2038

Name	Type	Description	Expiry
3563	Mining Lease	Lot 1000, Quad 76-L-14	November 18, 2038

Surface

☐ Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: _____ Date of expiry: _____

☒ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA) – KTL311C013
Date (expected date) of issuance: renewal in progress Date of expiry: _____

☐ IOL Authorization from Kivalliq Inuit Association (KivIA)
Date (expected date) of issuance: _____ Date of expiry: _____

☐ IOL Authorization from Qikiqtani Inuit Association (QIA)
Date (expected date) of issuance: _____ Date of expiry: _____

☐ Commissioner's Land Use Authorization
Date (expected date) of issuance: _____ Date of expiry: _____

☐ Other _____

Date (expected date) of issuance: _____ Date of expiry: _____

Is the name of the entity(s) holding authorizations the same as that considered in the existing water licence?

X Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations: Bonito Capital Corp.

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Indicate the land use planning area in which the existing project is located.

- ☐ North Baffin
- ☐ South Baffin
- ☐ Akunniq
- ☐ Keewatin
- ☐ Sanikiluaq
- ☒ West Kitikmeot

Does the proposed amendment change the land use planning area?

☐ Yes X No

If yes, indicate the land use planning area in which the amended undertaking is located.

- ☐ North Baffin
- ☐ South Baffin
- ☐ Akunniq
- ☐ Keewatin
- ☐ Sanikiluaq
- ☐ West Kitikmeot

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water licence?

☐ Yes X No

If Yes, indicate date issued and attach copy. _____

Does the proposed amendment change the original NPC conformity determination or the need to obtain one?

☐ Yes X No

If Yes, indicate date issued (or expected) and attach a copy. _____
If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

N/A – Outside of NPC planning region – see **Attachment #2**: Email from NPC dated Oct 28, 2008.

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

X Yes ☐ No

If Yes, indicate date issued and attach copy. _____November 19, 2008___NIRB File 99WR055____

A copy of the NIRB Screening Decision dated November 19, 2008 is included in the application package as **Attachment #3**: NIRB Exemption from screening as the project was screened previously

Does the proposed amendment change the original NIRB screening determination or the need to obtain one?

☐ Yes X No

If Yes, indicate date issued (or expected) and attach a copy. _____
If No, provide written confirmation from NIRB confirming that a screening determination is not required.

Bonito Capital has copied this amendment Application to the NIRB, and included NIRB's previous screening exemption for the renewal in **Attachment #3.**

9. DESCRIPTION OF UNDERTAKING

Does the proposed amendment change the description of the undertaking?

X Yes ☐ No

List and attach plans and drawings or project proposal. Identify proposed changes.

BCC is planning on right-sizing the Ulu project through the implementation of a Progressive Reclamation Workplan. Execution of the workplan will include overall progressive reclamation work, removal of the tank farms and disposal of hydrocarbon contaminated soils underground, disposal of waste ore underground, disposal of suitable demolition waste underground, and the creation of one or two small landfills; if required once the underground workings are re-sealed.

Attachment #4 includes the Progressive Reclamation Workplan, a new Solid and Hazardous Waste Management Plan and a new Landfill Operation and Maintenance Plan.

The remainder of the project plans are current and are located at:
ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BM%20-%20Mining/2BM-ULU1520%20Bonito/3%20TECH/1%20GENERAL%20(B)/2%20ANNUAL%20RPT/2015/

These include:

- Spill Contingency Plan
- Sewage Treatment Plant Operation and Maintenance Plan
- Care and Maintenance Plan
- Interim Closure and Reclamation Plan

10. OPTIONS

Does the proposed amendment change any of the alternative methods and locations that were considered to carry out the project?

☐ Yes X No

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project. Identify proposed changes.

The Project is located based on the location of the ore body.

11. CLASSIFICATION OF PRIMARY UNDERTAKING

Indicate the primary classification of undertaking for the existing licence by checking one of the following boxes:

☐ Industrial
☐ Agricultural
X Mining and Milling (includes exploration/drilling/exploration camps)
☐ Conservation
☐ Municipal (includes camps/lodges)
☐ Recreational
☐ Power
☐ Miscellaneous (describe below):

_____

Does the proposed amendment change the classification of primary undertaking?

☐ Yes X No

If Yes, indicate the primary undertaking of the amendment:_____

Information in accordance with applicable Supplemental Information Guidelines (SIG) must be updated and submitted with an Application for Amendment. Indicate which SIG(s) are applicable to your application.

- ☐ Hydrostatic Testing
- ☐ Tannery
- ☐ Tourist / Remote Camp
- ☐ Landfarm & On-Site Storage of Hydrocarbon Contaminated Soil
- ☐ Onshore Oil and Gas Exploration Drilling
- ☐ Mineral Exploration / Remote Camp
- ☐ Advanced Exploration
- ☐ Mine Development
- ☐ Municipal
- ☐ General Water Works
- ☐ Power

12. WATER USE

Indicate, using the boxes below, the types of water use(s) approved in the existing licence.

- X To obtain water for camp/ municipal purposes
- X To obtain water for industrial purposes
- ☐ To cross a watercourse
- ☐ To alter the flow of, or store water
- ☐ Other: _____
- ☐ To divert a watercourse
- ☐ To modify the bed or bank of a watercourse
- ☐ Flood control

Does the proposed amendment change the type(s) of water use(s)?

☐ Yes X No

If Yes, indicate using the boxes below, the proposed change(s) to the type(s) of water use(s) noting any water use(s) that are to be added, continued, or removed.

- ☐ To obtain water for camp/ municipal purposes
- ☐ To obtain water for industrial purposes
- ☐ To cross a watercourse
- ☐ To alter the flow of, or store water
- ☐ Other: _____
- ☐ To divert a watercourse
- ☐ To modify the bed or bank of a watercourse
- ☐ Flood control

13. QUANTITY OF WATER INVOLVED

Does the proposed amendment change the source of water? ☐ Yes X No

Indicate the water source(s). Identify proposed changes.:

____West Lake, whose location is shown in **Attachment #1** Figure 2_____
(show location(s) on map)

Does the proposed amendment change the quality of the water source and/or its available capacity?

☐ Yes X No

Describe the quality of the water source(s) and the available capacity(s). Identify any changes: No changes are proposed. A hydrological assessment of West Lake is available on the NWB ftp site at: ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2B/2BM%20-%20Mining/2BM-ULU0914%20Bonito/3%20TECH/3%20WATER%20USE%20(C)/2006

Does the proposed amendment change the overall quantity of water to be used?

☐ Yes X No

Provide the overall estimated quantity to be used. Identify proposed changes: No changes; 100 m3/day

Does the proposed amendment change the quantity of water to be used from each source?

☐ Yes X No

Provide the estimated quantity(s) of water to be used from each source. Identify proposed changes. :

No changes; all water comes from West Lake

Does the proposed amendment change the quantity of water to be used for each purpose?

☐ Yes X No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc.). Identify proposed changes.:

No changes; all water will be used for camp operation and Progressive Reclamation Workplan implementation, and will vary daily based on site activities, to a maximum of 100 m3/day.

Does the proposed amendment change the method(s) of extraction? ☐ Yes X No

Describe the method(s) of extraction. Identify proposed changes: No changes; pumping from West Lake

Does the proposed amendment change the quantity(s) of water returned to source(s)?

☐ Yes X No

Estimated quantity(s) of water returned to source(s). Identify proposed changes: No changes; sewage treatment plant water returned to East Lake. Quantities will vary daily based on site activities, to a maximum of 100 m3/day

Does the proposed amendment change the quality(s) of water returned to source(s)?

☐ Yes X No

Describe the quality(s) of water(s) returned to source(s). Identify any changes: No changes; the water licence Part D details the quality of water returned to waterbodies.

14. WASTE

Check the appropriate box(s) to indicate the types of waste(s) approved in the existing licence.

X Sewage
X Solid Waste
X Waste oil
X Greywater

X Hazardous
X Sludges
X Bulky Items/Scrap Metal
X Contaminated soil and/or water
☐ Animal Waste
X Other (describe): Portal water and minewater from underground

Does the proposed amendment change the type(s) of waste(s) to be generated or deposited?

☐ Yes X No

If Yes, indicate using the boxes below, the proposed change(s) to the type(s) of waste(s) to be generated and/or deposited noting the addition, removal or continued generation and/or disposal of waste(s).

☐ Sewage
☐ Solid Waste
☐ Hazardous
☐ Bulky Items/Scrap Metal
☐ Animal Waste
☐ Other (describe):_____
☐ Waste oil
☐ Greywater
☐ Sludges
☐ Contaminated soil and/or water

15. QUANTITY AND QUALITY OF WASTE INVOLVED

Does the proposed amendment change the quantity(s) of the types of wastes involved?

☐ Yes X No

Does the proposed amendment change the composition(s) of the types of wastes involved?

☐ Yes X No

Does the proposed amendment change the method(s) of treatment for the types of waste involved?

☐ Yes X No

Does the proposed amendment change the method(s) of disposal for the types of waste involved?

X Yes ☐ No

If Yes to any of the above, describe the proposed changes: Proposed changes include the disposal of suitable waste underground, in one to two small landfills or by incineration in a burn pit. Details on the disposal methods are included in the **Attachment #4** Progressive Reclamation Workplan, a new Solid and Hazardous Waste Management Plan and a new Landfill Operation and Maintenance Plan. **Attachment #5** provides an English language summary of the changes as they related to this Amendment Application.

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal.

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Solid Waste	Non-combustible, non-hazardous building demolition waste.	2364	Remove controlled/hazardous materials as per Solid & Hazardous Waste Management Plan. Cut into manageable pieces and haul to mine portal.	Disposal underground through mine portal as per Solid & Hazardous Waste Management Plan
Solid Waste	Paper, paperboard packing, untreated wood waste and natural fiber textiles.	472	Burned in a controlled manner in a permitted burn pit	Disposal underground through mine portal as per Solid & Hazardous Waste Management Plan
Hazardous	Batteries, light bulbs,	1	Prepare for shipment offsite, as detailed in Solid & Hazardous Waste Management Plan.	Haul off-site and dispose in approved location as per as per Solid & Hazardous Waste Management Plan
Bulky Items/Scrap Metal	Salvageable and non-salvageable non-hazardous equipment and tanks. Building support steel.	2897	Option for salvage or recycling if feasible. If not, cut into manageable pieces and haul to mine portal or landfill.	Disposal underground through mine portal or disposal in landfill(s) as per as per Solid & Hazardous Waste Management Plan
Waste Oil	Waste oil from Project and drained from equipment	558	Prepare for shipment offsite, as detailed in Solid & Hazardous Waste Management Plan.	Haul off-site and dispose in approved location as per as per Solid & Hazardous Waste Management Plan
Waste Ore	Ore remaining on Ore Pad	1200	Transport to mine portal	Disposal underground through mine portal as per Solid & Hazardous Waste Management Plan
Hydrocarbon Contaminated Soil	Hydrocarbon Contaminated Soil	2000	Excavate and haul to mine portal	Disposal underground through mine portal as per Solid & Hazardous Waste Management Plan
Sewage Waste	Remaining solids after sewage treatment. Sewage produced once sewage treatment unit dismantled.	124	Rotating biological contractor sewage treatment unit	Diposal to above ground depression away from waterbodies

16. OTHER AUTHORIZATIONS

Does the proposed amendment change the need for other authorizations in addition to the sub-surface and surface land use authorizations provided in Block 6?

☐ Yes X No

If Yes, indicate any additional authorizations required, which authorizations are no longer required, and which authorizations continue to be required.

For each provide the following:

Authorization: _____

Administering Agency: _____

Project Activity: _____

Date (expected date) of issuance: _____ Date of expiry: _____

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Does the proposed amendment change the predicted environmental impacts of the undertaking or the mitigation measures?

☐ Yes X No

Describe direct, indirect, and cumulative impacts related to water and waste. Identify any changes.

No changes, see the the NIRB screening application available on the NIRB ftp site file # 99WR055.

18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS

Was compensation paid and/or an agreement(s) for compensation been entered into with any existing or other users of water during consideration of the existing licence?

☐ Yes X No

If Yes, provide the names, addresses and the nature of water use by those persons or properties.

Does the proposed amendment adversely affect any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature?

☐ Yes X No

If Yes, provide the names, addresses and the nature of water use of those persons or properties.

Advise the Board if compensation has been paid and/or an agreement(s) for compensation has been reached with any existing or other water users with respect to the proposed amendment.

19. INUIT WATER RIGHTS

Was compensation paid/ or an agreement(s) for compensation been entered into with any Designated Inuit Organization (DIO) during consideration of the existing licence?

☐ Yes X No

If Yes, which DIO(s) _____

Does the proposed amendment substantially affect the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL)?

☐ Yes X No

If Yes, advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more DIO(s) with respect to the proposed amendment.

20. CONSULTATION - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

Since Elgin Mining Inc. acquired Bonito Capital Corp, which holds the Ulu Project, in July, 2011, the following consultations have been undertaken:

- August 09, 2011: Meeting with KIA in Kugluktuk to introduce Elgin Mining Inc and provide an update on planned activities at Ulu Project.
- November 16, 2011: Meeting with KIA in Yellowknife to provide project update and discuss employment and training contact information.
- January 16, 2012: Meeting with the KIA Board in Cambridge Bay to provide update on planned activities.
- January 23, 2012: Meeting with KIA (Charlie Avalik) at the Mineral Exploration Roundup in Vancouver, BC
  to provide an update on planned activities.
- March 06, 2012: Meeting with KIA (Stanley Anablak and Geoffrey Clark) at Prospectors and Developers Association of Canada convention in Toronto, ON to provide an update on planned activities.
- April 15-20, 2012: Made a presentation at the Nunavut Mining Symposium in Iqaluit.
- May 29-31, 2012: Meeting with the KIA and community Elders at Kugluktuk and provided an update on planned activities. No major concerns were expressed. General inquiries pertaining to employment opportunities.
- July 2018 – Meeting with the KIA in Kugluktuk to discuss progressive reclamation program to return Ulu to an exploration stage site.
- August – January 2018 – Various calls/emails with the KIA in regards to the progressive reclamation plans prior to submitting this NWB amendment application.
- January 22, 2018 – meeting with the KIA in Vancouver during Roundup 2018 to discuss the progressive reclamation plan and land use licence.

21. SECURITY INFORMATION

Does the proposed amendment change the financial security assessment?

☐ Yes X No

Does the proposed amendment change the estimate of the total financial security for final reclamation?

☐ Yes X No

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken. Identify any changes in the financial security assessment resulting from the proposed amendment.

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut,* Indian and Northern Affairs Canada, 2002.

A restoration liability estimate was submitted on February 22, 2017. There were no changes to the estimate due to care and maintenance status. However, an update will be completed after the Progressive Reclamation Workplan scope is completed in 2019.

22. FINANCIAL INFORMATION

Is the statement of financial security the same as that considered in the existing water licence?

X Yes ☐ No

Provide an updated statement of financial security. Same as filed February 22, 2017. Please see **Attachment #6** Letter of Credit.

If the applicant is a business entity please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

X Yes ☐ No

Provide a list of the officers of the company. Please see:

Is the Certificate of Incorporation or evidence of registration of the company name the same?

X Yes ☐ No

Attach a copy of the Certificate of Incorporation or evidence of registration of the company name.
Please see **Attachment #7** Certificate of Incorporation

23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

All information, plans and studies are available on the NWB ftp site.

Operational Plans are located at:
ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BM%20-%20Mining/2BM-ULU1520%20Bonito/3%20TECH/1%20GENERAL%20(B)/2%20ANNUAL%20RPT/2015/

Annual Reports for 2010-2016 are located at:
ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BM%20-%20Mining/2BM-ULU1520%20Bonito/3%20TECH/1%20GENERAL%20(B)/2%20ANNUAL%20RPT/

Geotechnical Inspection Reports for 2009-2017 at:
ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BM%20-%20Mining/2BM-ULU1520%20Bonito/3%20TECH/4%20WASTE%20DISP%20(D)/D9%20and%20D10%20Geotechnical/

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

Please see 2017 compliance review and compliance summary reports at: ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BM%20-%20Mining/2BM-ULU1520%20Bonito/3%20TECH/0%20SCOPE%20ENFORCE%20(A)/2%20COMPLIANCE/

2017 Inspection reports and responses are located at: ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BM%20-%20Mining/2BM-ULU1520%20Bonito/3%20TECH/0%20SCOPE%20ENFORCE%20(A)/1%20INSPECTION/2017/

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

24. PROPOSED TIME SCHEDULE

When are proposed amendments scheduled to be undertaken: 04/2018 to 03/2019

Does the proposed amendment change the time schedule considered in the existing licence for any phase of development?

☐ Yes X No

Indicate the start and completion dates for each applicable phase of development (construction, operation, closure, and post closure). Identify proposed changes.

Construction
Proposed Start Date:_____ (month/year) Proposed Completion Date:_____ (month/year)

Operation – **Care and Maintenance Progressive Reclamation Activities**
Proposed Start Date: 04/2018 (month/year) Proposed Completion Date: 03/2019 (month/year)

Closure
Proposed Start Date:_____ (month/year) Proposed Completion Date:_____ (month/year)

Post - Closure
Proposed Start Date:_____ (month/year) Proposed Completion Date:_____ (month/year)

For each applicable phase of development indicate which season(s) activities occur.

Construction
☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Operation - **Care and Maintenance Progressive Reclamation Activities**
☐ Winter ☐ Spring ☐ Summer ☐ Fall X All season

Closure
☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Post - Closure
☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

25. PROPOSED TERM OF LICENCE

On what date does the existing licence expire? May 20, 2020

Is the Licensee applying for a combined renewal and amendment of the existing licence?

☐ Yes X No

If Yes, indicate the proposed term of the renewal (maximum of 25 years): _____

Requested date of renewal issuance: _____ (month/year) Requested Expiry Date: _____ (month/year)

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

26. ANNUAL REPORTING

Will the proposed amendment change the content of annual reports or the annual report template?

☐ Yes X No

If Yes, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

27. CHECKLIST

The following must be included with the application for Amendment for the water licensing process to begin.

Completed Application for Water Licence Amendment form.

X Yes ☐ No If no, date expected _____

Information addressing Supplement Information Guideline (SIG), where applicable (see Block 11)

☐ Yes ☐ No If no, date expected N/A

Compliance Assessment / Status Report (see Block 23).

X Yes ☐ No If no, date expected _____

Indication of Renewal Requirement (see Block 26)

☐ Yes ☐ No If no, date expected _____N/A_____

English Summary of Amendment Application.

X Yes ☐ No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of Amendment Application.

☐ Yes X No If no, date expected _____Summer 2018_____

Application fee of $30.00 CDN (Payee Receiver General for Canada).

X Yes ☐ No If no, date expected _____

Water Use Fee Deposit of $30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

X Yes ☐ No If no, date expected _____

28. SIGNATURE

Karyn Lewis	General Administration	"Karyn Lewis"	March 6, 2018
Name (Print)	**Title (Print)**	**Signature**	**Date**

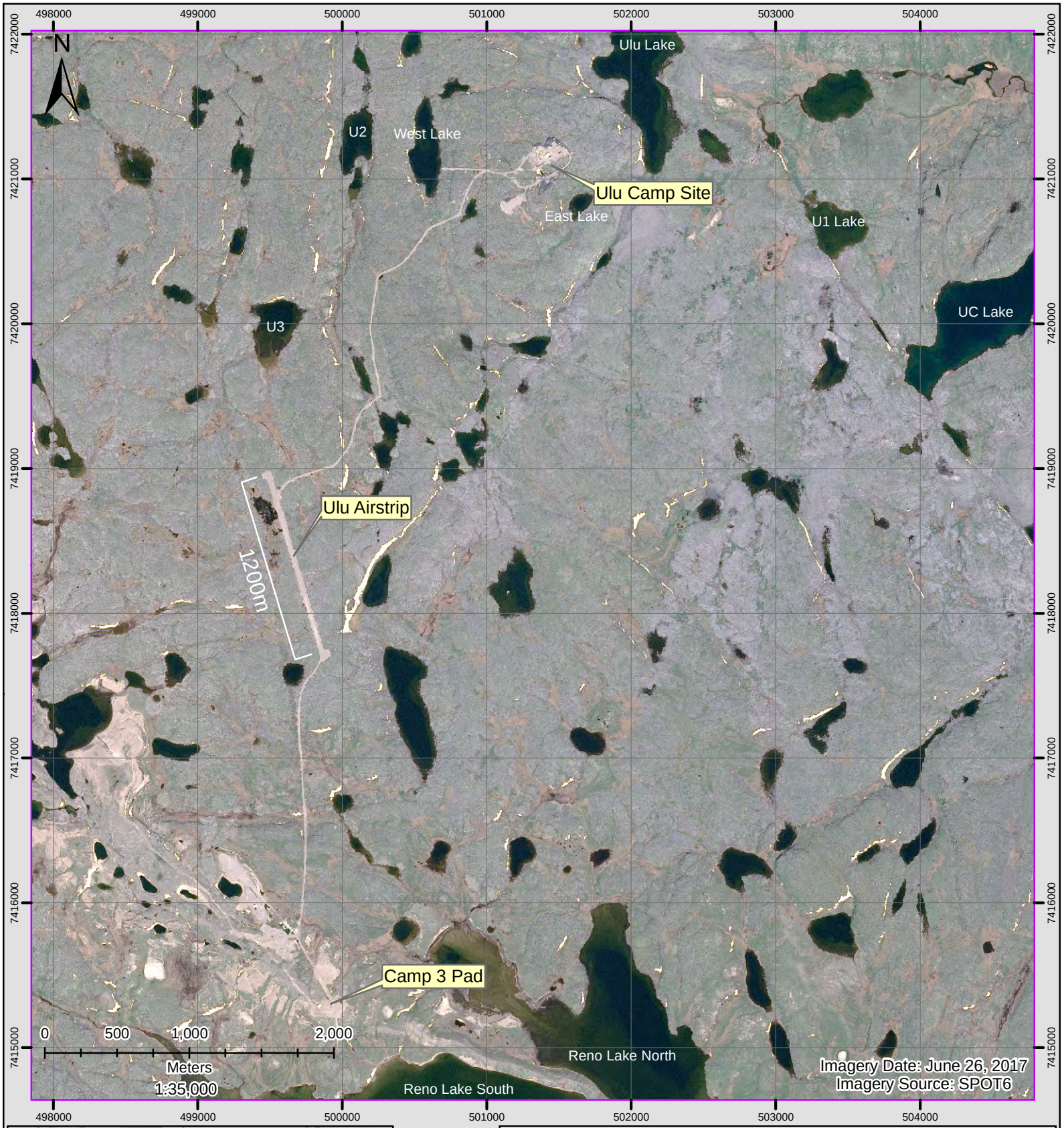
ATTACHMENT 1

Ulu Project

General Location Map

Figure 1

Date: Mar 05, 2018	Coordinate System: NAD 1983 UTM Zone 12N	Project # 948-1	Revision A
Drawn By: DM / Chkd By: SW			
Bonito Capital Corporation	Document Path: I:\PROJECTDATA\Bonito_948\948-3_Ulu ClosurePlan\Disc\GIS\(1) Map Documents\Figure 1 Regional Location.mxd		



Post Progressive Reclamation

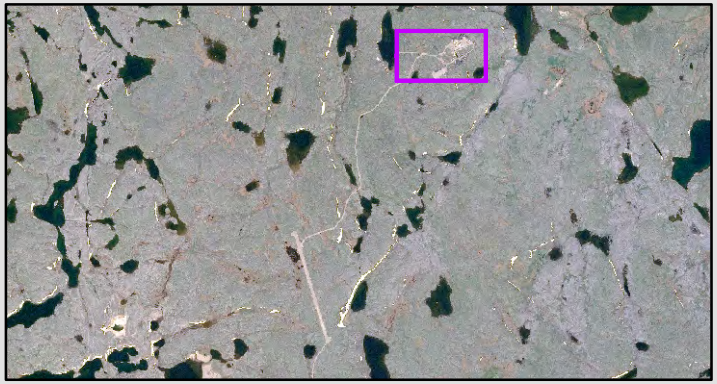
Ulu Project Site

Figure 2

Date: Mar 05, 2018		Coordinate System: NAD 1983 UTM Zone 12N	Project #	Revision
Drawn By: DM	Chkd By: SW		948-3	A

Bonito Capital Corporation

Document Path: I:\PROJECTDATA\Bonito_948\948-3_Ulu ClosurePlan\Disc\GIS\(1) Map Documents\Figure 2 Post Progressive Reclamation Ulu Project Site 170926.mxd



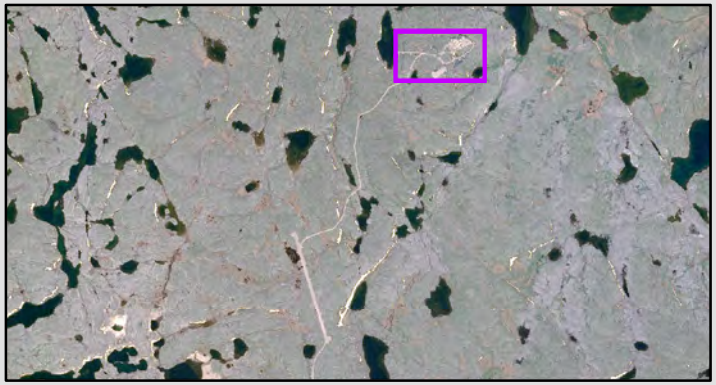
BONITO CAPITAL CORP.

Ulu Project

Existing Exploration Site Facilities

Figure 3

Date: Mar 05, 2018	Coordinate System: NAD 1983 UTM Zone 12N	Project #	Revision
Drawn By: DM / Chkd By: SW		948-3	A
Bonito Capital Corporation	Document Path: I:\PROJECTDATA\Bonito_948\948-3_Ulu ClosurePlan\Disc\GIS\(1) Map Documents\Figure 3 Existing Ulu Site Facilities 170914.mxd		



BONITO CAPITAL CORP.

Post Progressive Reclamation

Ulu Site Facilities

Figure 4

Date: Mar 05, 2018	Coordinate System: NAD 1983 UTM Zone 12N	Project # 948-3	Revision A
Drawn By: DM / Chkd By: SW			
Bonito Capital Corporation	Document Path: I:\PROJECTDATA\Bonito_948\948-3_Ulu ClosurePlan\Disc\GIS\(1) Map Documents\Figure 4 Post Closure Ulu Site Facilities 170919.mxd		

ATTACHMENT 2

From: Bobby Suluk
To: Brian Aglukark
Cc: "Tommy Owlijoot"; "Phyllis Beaulieu"
Subject: FW: Outstanding NPC Conformity Reviews
Date: Tuesday, October 28, 2008 12:32:42 PM
Attachments: 081027 2BE-ULU0008 NPC Conformity Requirement-OMLE.pdf

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Hi Brian,

I have checked all of our files and came up with the updates for these files, as per NWB request for updates.

1. 1BR CUL0008	This will be reviewed this week.
2. 2BE KIG0812	Email info was written to proponent; will review application
3. 2BM ULU0008	Outside of NPC planning region
4. 3BC AFP	Outside of NPC planning region
5. 3BC AHI	already reviewed under NRI 020384N-A (June 18/08)
6. 3BC COA	outstanding questionnaire; not received reply yet
7. 8BW CLY	review completed Oct 28/08

Bobby Suluk
Co-ordinator, Regional Planning
Nunavut Planning Commission
P.O. Box 419
Arviat, Nunavut
(867) 857-2242
bsuluk@npc.nunavut.ca

From: Phyllis Beaulieu [mailto:licensing@nunavutwaterboard.org]
Sent: Monday, October 27, 2008 3:12 PM
To: Annie Ollie; Bobby Suluk ; Brian Aglukark; Tommy Owlijoot
Cc: 'Dionne Filiatreault'; Sharon Ehaloak
Subject: Outstanding NPC Conformity Reviews

Please see attached letter pertaining to outstanding conformities required by the NWB. This letter refers to various current open files.
Regards,

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Phone: (867) 360-6338, Ext. 26
Fax: (867) 360-6369
Email: licensing@nunavutwaterboard.org

ATTACHMENT 3

NIRB File No.: 99WR055
NWB File No.: 2BM-ULU0008
(Previous NWB File No.: NWB1ULU0008)

November 19, 2008

Honourable Chuck Strahl
Minister of Indian and Northern Affairs Canada
c/o Spencer Dewar
Manager, Land Administration
Iqaluit, NU

Via email: dewars@inac-ainc.gc.ca

Re: Application Exempt from Screening under Section 12.4.3: Zinifex Canada Inc's Ulu Exploration (Renewal Type B Water Licence) project

Dear Spencer Dewar:

On November 12, 2008 the Nunavut Impact Review Board (NIRB) received a renewal application from the Nunavut Water Board (NWB) for Zinifex Canada Inc's "Ulu Exploration" project proposal. Be advised that this project proposal was previously screened (NIRB File No.: 99WR055) and the NIRB screening decision was to allow the project proposal to proceed subject to specific terms and conditions.

Please note that Section 12.4.3 of the Nunavut Land Claims Agreement (NLCA) states that:

> "Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:
>
> (a) such component or activity was not part of the original project proposal; or
>
> (b) its inclusion would significantly modify the project."

The original water licence (#NWB1ULU0008) for this project proposal was issued for the purposes of authorizing the use of water and disposal of wastes into water in conjunction with exploration activities at the Ulu site. The project is currently at care and maintenance, and Zinifex Canada Inc. would like to maintain the class B licence until the decision is made in regards to the future of the project property. The NIRB is of the understanding that based on the NWB renewal application received on November 12, 2008, the project components have not changed and that the exceptions in 12.4.3(a) and (b) do not apply. Therefore, this application is exempted from screening, since the activities therein are subject to the terms and conditions recommended in the December 8, 1999 Screening Decision Report (attached). The NIRB requests that once Zinifex Canada Inc. determines it would be feasible to continue with the exploration activities at the site that all applications for exploration activities be forwarded to the NIRB for potential screening under Part 4 of the NLCA.

If you have any questions or concerns, feel free to contact NIRB's Technical Advisor Sophia Granchinho at sgranchinho@nirb.ca or 867-983-4607.

Best regards,

Jeff Rusk for:

Stephanie Autut, Executive Director

cc: David Stevenson, Zinifex Canada Inc.
Andrew Mitchell, Zinifex Canada Inc.
Aaron MacDonell, Zinifex Canada Inc.
Thomas Kabloona, Nunavut Water Board
Phyllis Beaulieu, Nunavut Water Board

Attachment: NIRB Screening Report Decision, File No.: 99WR055 (December 8, 1999)

ATTACHMENT 4

March 2018

Ulu Project – Progressive Reclamation Workplan

Bonito Capital Corporation

Document Control

Revision No	Date	Details
1.0	September 2017	Draft Workplan for review by the Kitikmeot Inuit Association
2.0	March 2018	Final Workplan updated based on feedback from the Kitikmeot Inuit Association and submitted to the NWB in support of a water licence amendment application.

Executive Summary English

This Progressive Reclamation Workplan (the Workpan) has been prepared by Bonito Capital Corporation (BCC), a wholly owned subsidiary of Mandalay Resources Corporation (Mandalay) for the Ulu Exploration Project (the Project) in accordance with water licence 2BM-ULU1520 (Licence). The Project site is located on Inuit Owned Lands in the Kitikmeot region of Nunavut approximately 12 km north of Hood River and 150 km north of the Lupin mine. The site has been in a state of care and maintenance since 2006 and BCC has made the decision to complete certain reclamation activities in the summer of 2018. Facilities including site roads, pads, airstrip, and necessary accommodations will remain in place for future use. Other existing facilities at site will be progressively reclaimed as outlined in this plan and supporting technical appendices.

The objectives of the Workplan are as follows:

- 'Right-size' the Project by reclaiming facilities that are not required to support exploration level activities;
- Ensure that there is no danger to the health or safety of people and wildlife;
- Minimize the requirement for long term maintenance and monitoring of the Project site; and
- Return affected areas to a condition that is compatible with the surrounding area and future exploration use.

Progressive reclamation has occurred wherever feasible since Mandalay acquired the Project. To complete the Workplan scope, the following key activities will be carried out:

- Re-open the underground exploration portal and ramp for ultimate disposal of surface materials;
- Potential development of two landfills at surface for permanent storage of non-hazardous and inert materials;
- Excavation of hydrocarbon impacted soils and disposal underground;
- Removal of all buildings and equipment and disposal underground or in the proposed landfills, with the exception of the facilities identified for use;
- Transport hazardous waste off-site; and
- Development of an overland trail between the Project and the Lupin mine in the winter of 2019 to transport final materials and usable equipment.

Future monitoring of the Ulu site will take place in accordance with the water licence and will confirm the physical stability of the landfills, portal (if accessible) and vent raise.

Executive Summary Inuktitut

TO BE PROVIDED

Executive Summary Inuinnaqtun

TO BE PROVIDED

Table of Contents

List of Tables

1. Introduction

Bonito Capital Corporation (BCC) has prepared this Progressive Reclamation Workplan (the Workplan) to carry out certain reclamation activities for the Ulu Exploration Project (Ulu or the Project) in the summer of 2018. This Workplan builds on the *Interim Abandonment and Restoration Plan* (IARP) *for the Ulu Exploration Project* (March 2016) and aims to address key comments on the Project and IARP from Indigenous and Northern Affairs Canada (INAC) and the Kitikmeot Inuit Association (KIA). The Workplan has been developed to 'right-size' the Project for future use. The Workplan also addresses comments received on the previous IARP, recent INAC inspection comments, and recent discussions with KIA.

1.1. Background

The Project has been explored since its discovery in 1989. The Ulu site lease was purchased by Echo Bay Mines Ltd., from BHP, in 1995 with the intent to develop the property into a satellite mine to provide additional feed to the Lupin mill. While mining has never taken place at Ulu, an underground ramp was constructed, and a diamond drilling and bulk sample program was conducted in 1996 and 1997 to provide infill geological information. Exploration ceased in 1997 prior to the Project providing mill feed to the Lupin mine.

In 2002 Kinross Gold Corporation acquired the Project. Wolfden Resources Corporation (Wolfden) purchased the Project from Kinross Gold Corporation in 2004 and commenced surface exploration and environmental studies, widened the airstrip, and opened access to the underground ramp. Since 2006 the Project has generally been in care and maintenance, with a small drill program occurring in the summer of 2012. In 2007, Zinifex purchased Wolfden and became MMG Resources Inc. through a series of mergers and acquisitions, which included BCC. Elgin Mining acquired BCC, and the Project, from MMG in 2011 and ownership was transferred to Mandalay in 2014.

Since 2014, care and maintenance work and progressive reclamation at the Project has been completed where feasible. The current Type B water licence issued by the Nunavut Water Board (NWB Licence 2BM-ULU1520) for the Project is valid until May 12, 2020 and will need to be amended to facilitate the execution of this Workplan.

1.2. Company Information

BCC is a wholly owned subsidiary of Mandalay Resources Corporation (Mandalay). Mandalay is a Canadian-based company focused on assets in Australia, Chile and Sweden. BCC contact information is as follows:

Company:	Bonito Capital Corp.
Project:	Ulu Gold Project, Nunavut
Company Address:	Suite 330, 76 Richmond Street East, Toronto, ON, M5C 1P1
Telephone:	778-386-7340
Email:	klewis@elginmining.com
Attention:	Karyn Lewis, General Administration
Effective date:	September 2017

Additional copies of the Workplan are available from General Administration. The Workplan will be posted in key locations at the site, and all employees and contractors will be made aware of its contents.

1.3. Environmental and Sustainable Development Policy

BCC is committed to maintaining a safe, clean, compliant and respectful work environment. BCC looks to our employees, contractors and managers to adopt and grow a culture of social responsibility and environmental excellence. Together we achieve this by:

- Promoting environmental stewardship in all tasks. Nothing is too important that it cannot be done in a clean and responsible manner. We strive towards maintaining a zero-incident work place.
- Recognizing that we have a shared responsibility as stewards of the environment in which we operate. We will not walk away from a non-compliant act.
- Identifying, managing and mitigating environmental, business and social risks in an open, honest and transparent manner.

- Planning our work so it is done in the cleanest possible manner and executing work according to plan.
- Continually improving environmental and operational performance by setting and reviewing achievable targets.
- Providing appropriate and necessary resources in the form of training, personnel and capital, including those required for closure planning and reclamation.
- Managing our materials and waste streams, maintaining a high degree of emergency response preparedness and minimizing our operational footprint to maintain environmental protection at all stages of project development.
- Procuring goods and services locally, where available, and favouring suppliers with environmentally and socially responsible business practices.
- Seeking to understand, learn from and mitigate the root causes of environmental incidents and near misses when they do occur.
- Employing systems and technology to achieve compliance, increase efficiency and promote industry best practices in development, operations and environmental stewardship.
- Working with stakeholders to identify and pursue opportunities for sustainable social and economic development and capacity building.
- Conducting early and ongoing stakeholder engagement relevant to the stage of project and mine development and operation.
- Recognizing diversity in the workplace and building meaningful relationships with all stakeholders in a timely, collaborative and transparent manner.

Through implementation of this policy, BCC seeks to earn the public's trust and be recognized as a respectful and conscientious employer, neighbour and environmental steward.

1.4. Purpose and Scope of Plan

The Workplan is designed to provide a description of the following:

- The Ulu project background;
- Approach to 'right-sizing' the Project through progressive reclamation of certain facilities; and

- Future monitoring.
- The Workplan is developed in consideration of the following regulatory instruments:
- NWB Type B water licence 2BM-ULU1520;
- KIA Land Use Licence KTL311-C013; and
- INAC Inspection Report July 2017.

The Workplan describes the requirement for two small landfills to support progressive reclamation which were noted as a potential requirement in the IARP but not specifically included in the above authorizations. While the primary approach for progressive reclamation involves the disposal of as much material as feasible underground via the existing exploration ramp and efforts will be made in this regard, there is some uncertainty with respect to the space available. Therefore, the need for landfilling inert materials at surface is considered reasonable, and the Workplan and amendment application includes landfilling as an activity. Non-hazardous waste landfills are often utilized for reclamation activities at remote northern work sites. The need for potential landfilling at Ulu has been discussed with the KIA, and a Landfill Operation and Maintenance Plan is included in this Workplan as Appendix D.

2. Project Information

2.1. Location Information

The Project is located in the Kitikmeot region of Nunavut, approximately 12 km north of the Hood River and 150 km north of the Lupin mine. The geographic center of the property is 66° 54'27" N / 110° 58'24W. A Project location figure is included in Appendix A.

The site has a mean annual air temperature of approximately -12 °C with extreme annual temperature recorded below -50 °C. Permafrost in the region is approximately 400 metres deep.

The Ulu deposit is an Archaean epigenetic lode-gold occurrence located within the High Lake Greenstone Belt of the north-central Slave Province. Gold mineralization is hosted by discordant quartz veins in mafic metavolcanics and, less commonly in metagabbro and metasediments. Mineralization is comprised of an intensely silicified zone with arsenopyrite contained in fractures and dilatancies within basalts.

2.2. Site Description

The Project site is self-contained with the exception of the transportation requirements for materials/supplies and workforce mobilization. A site layout figure is included in Appendix A. The Project site is comprised of three main areas:

1. Ulu Camp: Houses the 50-person residential complex consisting of Weatherhaven accommodations, vehicle repair shop, vehicle parking, power house, emergency generators, office and change rooms, fuel storage tank farm, freshwater system, sewage treatment plant and sewage line, incinerator, ore storage area, waste pad, portal, water retention pond, and access roads;
2. Camp 3: Comprised of fuel storage tank farm, explosives magazine, detonator magazine, quarry and borrow pit eskers; and
3. Roads and Airstrip: Roads (14 km) and an airstrip (1,200 m) connect the Ulu camp and portal area and Camp 3.

Additional equipment and material at Ulu include:

- a working mobile fleet of drill jumbos;
- ore truck;
- grader;
- excavator;
- dozer;
- passenger bus;
- pickups trucks;
- low bed truck;
- fuel supply truck;
- miscellaneous small equipment and spares;
- miscellaneous iron and steel scrap; and
- miscellaneous wooden pallets.

The site is accessible year-round by aircraft only. Bulk items were initially brought on site via the overland trail from the Lupin mine. During periods of exploration, all supplies were transported by air. The 50-person camp and kitchen were refurbished and updated in 2012. Facilities and equipment have been well maintained during care maintenance and will be used to support the execution of the Workplan.

3. Site Maintenance and Progressive Reclamation to Date

Since acquiring the property in 2014, BCC has undertaken annual maintenance and progressive reclamation of the site. Key activities have included:

- Manage snow and storm water in accordance with best practices;
- Maintain secondary containment in petroleum storage areas;
- Prevent the release of petroleum products;
- Implement Ulu Gold Project Spill Contingency Plan, as required;
- Manage all waste according to Ulu Gold Project Solid Waste and Hazardous Waste Management Plan;
- Inspect water and domestic sewage pipelines;
- Maintain environmental licenses, permits and authorizations;
- Conduct monitoring programs;
- Regularly review and update contingency and management plans;
- Vehicle and equipment maintenance;
- Road maintenance; and
- Continue to back haul as much waste and hazardous materials as possible each year during C&M.

Specifically, BCC has backhauled oil/waste oil and hazardous waste from site wherever possible on flights to Yellowknife using the services of KBL. Fuel has been removed from site, and waste has been consolidated and secured in secondary containment and placed in 45 gallon drums pending opportunities for removal.

Road repairs have been performed as part of Care and Maintenance activities to reduce erosion and sediment. A washed-out section of the roadway was repaired in 2017. The repair was done using a coarse rock fill available on site and details were documented in a document titled "171201 2BM-ULU1520 - BCC response to Inspector Reports - July and November 2017-ILAE" with technical memorandum attachment "171201 2BM-ULU1520 - 948-2 Ulu Road Assessment Culverts_FINAL-ILAE.pdf". Both were submitted to the Nunavut Water Board in December 2017. Within the inspector response document BCC committed to confirm the source of the coarse

rock fill during the 2018 season. This will be completed when site access is available in the spring.

Targeted soil sampling was undertaken at the Camp Fuel Farm specific to one historic spill near the fuel farm. A BCC December 4, 2017 memo to the Nunavut Water Board in response to inspector comments titled “171201 2BM-ULU1520 - BCC response to Inspector Reports - July and November 2017-ILAE” describes the hydrocarbon-impacted soil that was removed near the Ulu Camp Fuel Farm. Its technical appendix titled “171201 2BM-ULU1520 948-2 Ulu 2017 Water and Soil Sampling_FINAL-ILAE” describes the follow-up sampling that was conducted to confirm that the spill-related hydrocarbon contamination did not migrate deeper or farther than the soil that was removed. The Workplan scope includes additional sampling, removal and underground disposal of all remaining hydrocarbon-contaminated soil associated with the tank farms.

Appendix B provides a photo documentation of existing conditions at Ulu.

4. Progressive Reclamation Workplan

The decision to implement this Workplan is based on the existing progressive reclamation needs of the Project and the level of exploration activity planned at the site. Under this Workplan, the Project site will be progressively reclaimed with some surface infrastructure to remain for future use.

The objectives of the Workplan activities are as follows:

- 'Right-size' the Project through progressive reclamation of facilities that are not required to support exploration level activities;
- Ensure that there is no danger to the health or safety of people and wildlife;
- Minimize the requirement for long term maintenance and monitoring of the Project site; and
- Return affected areas to a condition that is compatible with the surrounding area and future exploration use.

BCC has worked with the KIA in developing the Workplan for Ulu. The following infrastructure will remain in place for potential future exploration use:

- Airstrip;
- Site roads and pads (Camp 3 pad, ore storage pad, and waste rock storage pad); and
- Necessary accommodations.

4.1. Approach

The Project has been in care and maintenance for over ten years and has not advanced past the exploration stage or seen significant development of surface infrastructure over its life. The approach to progressive reclamation in this case, and with usable equipment available at site, is straight forward once access to the underground is established. Available equipment planned for use to execute the Workplan includes:

- Front end loader
- Ore truck(s)
- Dozer with ripper

- Grader
- Fuel truck
- Light vehicles for transport
- Drill jumbo
- Scoop tram(s)

To implement the Workplan a crew of approximately 20 persons will be mobilized to site in May 2018 to open the camp and service the vehicles and equipment required for progressive reclamation. The existing camp at Ulu will be used during the progressive reclamation activities. Regular flights between Yellowknife and Ulu will serve to backhaul hazardous waste from site as needed.

Gaining access, dewatering and rehabilitating the underground is planned to take approximately 8 weeks, and is anticipated to be completed by the end of June. This will allow for hydrocarbon impacted soil and other dismantled surface infrastructure to be placed underground for permanent disposal. Two landfills (Landfill 1 within the waste rock storage pad, and Landfill 2 in the depression outside the portal) are proposed to be established at surface if required for inert and non-hazardous material in the event the capacity of the underground does not meet the disposal needs. Progressive reclamation is planned to be completed over the summer period ending in September 2018.

A construction crew is planned to mobilize to site in the winter of 2019 when the overland trail between Ulu and the Lupin mine is scheduled to be re-established. The overland trail will allow the final backhaul of usable equipment and remaining materials to the Lupin mine where they can be used in progressive reclamation or temporarily stored for future use.

Site monitoring following execution of the Workplan will be focused on site safety and include three summer seasons of monitoring to verify the physical stability of the landfills, portal (if accessible) and vent raise as discussed in Section 5. Water quality monitoring has been carried out in accordance with the licence requirements and demonstrated to be within compliance on a consistent basis. Surface water quality monitoring will continue as per the monitoring in the existing water licence.

The Workplan activities are discussed in the following sections for each key facility with additional detail provided in Appendices C, D and F.

4.2. Schedule

Workplan activities are scheduled to commence in April of 2018 and are anticipated to be completed by the end of September 2018. Usable equipment and remaining material will be stored pending final backhaul to the Lupin mine along an overland trail to be constructed in early 2019. The following provides a schedule overview of key activities associated with the Workplan.

Table 2. Ulu Progressive Reclamation Schedule

Ulu Progressive Reclamation Schedule											
	2018								2019		
Activity	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Mobilization to site											
Portal Access & Dewatering											
Underground backfill											
Landfill 1 implementation											
Landfill 2 implementation											
Close portal											
Demobilization from site											
Winter road construction											
Final demobilization											

4.3. Underground Access

The Ulu underground exploration program was developed via a portal and ramp to a depth of 155 m over a distance of approximately 1,762 m. Ore accesses have been developed on the 25, 50, 75, 95, 115 and 135 m levels. No permanent equipment or facilities are known to be present underground.

To support the Workplan, the underground area will be accessed and used for the permanent disposal of hydrocarbon impacted soil, dismantled pieces of surface infrastructure and 1,200 m^3 of ore currently stored on the ore storage pad. Accessing the underground area requires dewatering the ponded water in front of the bulkhead, dismantling the portal bulkhead and ice plug, and dewatering the ramp and workings where materials are planned to be placed. Water will be sampled prior to and during discharge to verify compliance with licence requirements and will be directed to a location overland as the waterline and outfall in East Lake will be

decommissioned. Details of the underground access and disposal plan are provided in Appendix C.

Once all material has been backfilled underground, or the underground reaches capacity, the portal will be sealed using engineered bulkhead to prevent future access. The area immediately in front of the portal will be used as a landfill, if needed, and will be covered and re-contoured to approximate grade to prevent water ponding and covered with esker material. The ventilation raise opening is currently covered with a tarp and rockfill and surrounded by a perimeter fence to restrict access. Following the completion of the underground disposal work, a wooden cap and additional fill will be placed over the opening and graded away from the shaft to facilitate drainage and prevent unauthorized accessed.

4.4. Buildings and Contents

All buildings at the Project camp are collapsible and are designed to be dismantled easily. These structures primarily include the main Ulu camp and vehicle repair shop. With the exception of the facilities scheduled to stay in place, all other facilities will be dismantled and placed underground, or in a surface landfill if underground space is limited.

4.5. Freshwater Intake System

West Lake is the fresh water source for the camp and exploration activities. A seven horsepower submersible electric pump, installed on a floating dock, supplies water to the camp via an insulated two inch pipeline approximately 680 metres in length. Two storage tanks are present at the site; a 27,000 litre tank for general water use and a 63,000 litre tank for fire water storage.

Once sufficient freshwater is stored to support Workplan activities, the floating dock, all pumps, piping and associated support structures will be removed and disposed of underground or in a surface landfill. The final freshwater tank will be drained and disposed of in a similar manner at the end of 2018 activities.

4.6. Sewage Disposal Facilities

Historically, sanitary sewage and camp greywater has been treated prior to release to the environment. Treatment is carried out with a packaged facility employing a rotating biological contactor (RBC). Once treated, the effluent is released to East Lake via a 550-metre, insulated two-inch pipeline. If the RBC system at Ulu is still functional, it will be used to treat the blackwater and greywater generated onsite during progressive reclamation activities per the conditions of the water licence. In the event the RBC is not functional, the blackwater and greywater will be disposed of in a natural land-based sump 300 m from any waterbody. The sump will be covered daily and permanently at the end of the field season with esker material.

4.7. Surface Retention Pond

The surface retention pond is located adjacent to the portal and provided containment for water pumped from the exploration portal and decline ramp. The pond is constructed with a geomembrane liner and allowed for sediment to settle out. Water sampling was conducted prior discharging to East Lake during exploration activities.

The surface retention pond will remain in place as a back-up holding area for ice or water that is being transferred to the environment for controlled discharge, until the underground disposal work and its associated dewatering activities are complete. The pond will be decommissioned when the underground disposal and other related work are completed.

The standing water currently located in front of the Ulu portal entrance has passed water licence discharge criteria and will be discharged to the environment in a controlled manner. Any ice plug water and surficial water located behind the bulkhead will be sampled to ensure compliance with water licence discharge criteria prior to release. Once the vent raise is accessible and open to the underground workings, water will be sampled at various depths and sent to a laboratory for analysis. If the analysis results confirm that the water meets discharge criteria, underground dewatering will commence, and water will be discharged overland at a controlled rate. Underground dewatering water will be screened using field parameters and sampled weekly to ensure compliance with discharge criteria. If, at any point, the water does not meet water licence discharge criteria, temporary storage will be used until the water can be released.

At the end of the Workplan implementation, the pond will be pumped dry and the sediment residuals will be disposed of underground. The geomembrane liner material used in the pond will be packaged up for disposal underground or in the landfill. The area will be graded to conform to the natural contours of the land.

4.8. Access Roads and Airstrip

There are approximately 14 km of roads (including the airstrip) at the Ulu Project. These connect the Ulu camp pad with other ancillary locations at the site including the Camp 3 pad, the explosives storage area, the esker quarry, the fresh water pump dock, the camp accesses including shops, seacan storage, and the underground access ramp. The roads include six culverts to provide unrestricted flow to the drainage areas during spring melt and precipitation events. All roads, pads and the airstrip will remain in place for potential future use.

4.9. Fuel Storage Infrastructure and Hydrocarbon Impacted Soil

There is no fuel currently stored in the tanks at the Project site. Fuel storage during periods of exploration was operated through two individual tank farms. The tank farm at Camp 3 consists of two 1,324,895 litre tanks and six 52,995 litre tanks. At the Ulu camp pad, fuel was stored in five 52,995 litre tanks. Both tank farms store P40 and P50 grade diesel. Historically, fuel was stored in the remote tank farm at Camp 3 until it was transferred to the Ulu camp as required. Both tank farms are constructed within dyked areas and are designed to hold 110% of the largest tank. A high density polyethylene liner is installed within each tank farm to prevent release of any spilled material.

Approximately 100,000 litres of fuel will be delivered to site by air and stored in two tanks at the Ulu camp pad to support progressive reclamation activities. Fuel remaining at the end of 2018 will be transferred to 2,250 litre tanks to facilitate decommissioning of the main tanks. Fuel stored in 2,250 litre tanks will be used in final stages of the Workplan implementation and for overland trail construction in 2019 and then backhauled to the Lupin mine for future use.

The bermed containment area of each tank farm is expected to contain some hydrocarbon impacted soil (esker sand) from normal transfer procedures. Considering the short duration of the Workplan and summer work season, landfarming hydrocarbon impacted soil is not feasible

for the Project as natural degradation processes for hydrocarbons requires a high level of management (watering, nutrient input, aeration) and can take several years in the arctic environment. With the availability of the underground area to secure the permanent disposal of the material within a permafrost environment, the placement of approximately 1,100 m^3 of soil underground is the preferred approach. Visual observations during excavation and soil sampling within and outside the bermed areas will confirm the extent of excavation required once the tanks are dismantled and liners are removed. During the excavation of hydrocarbon-impacted soil and liner material from the tank farm areas, a qualified professional will be onsite with equipment suitable for field screening of hydrocarbon contamination. Soil will be excavated until hydrocarbon concentrations are not detected above CCME and Nunavut criteria (CCME, 2008; Government of Nunavut, 2009). Soil samples will also be collected adjacent to and below the excavated areas and analyzed at a laboratory to confirm that hydrocarbon contamination has not migrated outside the area of excavation. The delineation of hydrocarbon impacts will be conducted in accordance with CCME guidelines (CCME, 2008).

Water used for decommissioning of the fuel tanks will be treated with an oil/water separator, and the treated water will be recycled and reused as practicable. Treated water that is discharged will meet water licence requirements, and hydrocarbons that are generated as part of the treatment process will be burned or transported off site.

Additional information on tank farm decommissioning is provided in Appendix E.

4.10. Explosives Magazine

There are no explosives stored on site. The explosive and detonator magazines are located to the southwest of the Ulu camp, west of the Reno Lake esker. These magazines consist of seacan storage containers enclosed by a chain link fence.

During progressive reclamation, the fencing will be dismantled and place underground, and the seacans may be utilized for shipment of materials off site.

4.11. Borrow Source

The esker borrow source is located near Camp 3 at Reno Lake and was used for the roads, airstrip and final grade on the camp pad. Additional esker material is likely required from the

borrow source for use as cover over the landfills and vent raise. Approximately 5,000 m^3 may be required.

4.12. Waste Rock

Waste rock was produced during the initial development of the portal and ramp. The waste rock was used to prepare a level pad area for construction of the camp facilities at the site. Waste rock was also placed in the location of the proposed ore storage pad for grading. Once completed, these pads were capped with a thin layer of esker material to provide final base for construction/laydown.

Acid rock drainage (ARD) potential of all rock types from the Ulu site has been investigated previously. In 1996, additional investigation work was completed to specifically address the ARD characteristics of the ore and waste rock (KCCL 1996). Findings indicated that the samples as a group have a relatively uniform paste pH and Neutralization Potential (NP), very low sulphate-S and low to very low carbonate-NP contents. The acid generation potential (AP) of a sample was calculated as attributable to the sulphide present (total sulphur minus the sulphate-sulphur) or SAP.

Most of the NP in the samples is due to non-carbonate minerals. Because of the low carbonate in the samples, the sulphide content is the most important parameter determining the Net Neutralizing Potential (NNP) and the Neutralizing Potential Ratio, or NPR (NP/AP ratio) of a sample. Variable results were obtained in the 1996 study and indicated that a threshold of 0.9% (by weight) sulphur should be used as a discriminator (any rock containing more than approximately 2.5% pyrrhotite or 2.0% pyrite or 4.5% arsenopyrite by volume or their combined equivalents) when defining potentially acid generating (PAG) or non-PAG material. Later work conducted in 2005 determined that the PAG threshold should be a total sulphur content greater than 0.2% (by weight) and an NPR less than 3.

Samples collected from the site indicate that some PAG material is present at the north ramp. In volume however, this PAG rock constituted only a small proportion of the total material present. The overall paucity of PAG-material along with the slow weathering process associated with the region suggest that, with well mixed materials, acid drainage is not expected to be generated from the waste rock stockpile and waste rock used as construction materials.

No ARD issues have been observed at the site and all of the waste rock is located over 175 m from the nearest water body. As part of the Workplan, the existing pile of waste rock is planned to be incorporated into the landfill cover followed by an esker layer to facilitate grading over the landfill area. The remaining pads are not expected to pose a future ARD risk and will be left in place for potential future use.

4.13. Ore Stockpile

A partial ore storage pad, constructed of waste rock, is located adjacent to the Ulu portal. The pad construction was never completed and a limited volume of approximately 1,200 m^3 of ore has been stored on the pad for over 20 years.

While no ARD issues have occurred, the ore can be placed back underground as part of the Workplan. The partial ore pad itself will remain in place for potential future use.

4.14. Surface Exploration Drill Targets

BCC has developed a record of historic surface drill site locations (location coordinates are shown in Appendix F) and the majority of these sites have been visited to verify that they have been cleaned up with casings sealed and cut to near ground level. As part of the Workplan, the site crew will visually inspect the remaining locations to verify they are left in accordance with licence requirements.

5. Future Monitoring

Post-Workplan monitoring of the site will take place in key areas to verify the physical stability of engineered structures including the vent raise cap, and landfills. Geotechnical inspections will be carried out annually for a period of 3 years to evaluate settlement and verify that contouring is adequate such that water is not ponding at these key locations. While minor surface subsidence is normally expected immediately after material placement, the engineered landforms will be over-constructed to accommodate this subsidence and graded at a minimum of 2% to limit ponding and expedite runoff.

Water quality monitoring to date has consistently shown that the surrounding environment has not been affected by site activities either through direct discharge or seasonal runoff from storage pads Surface water quality monitoring will continue as per licence requirements.

6. List of Studies Undertaken

Ulu Project: Preliminary Assessment of Acid Rock Drainage Potential, Klohn-Crippen Consultants Ltd., October 1996.

Fisheries Assessment of Streams and Lakes in the Ulu Project Area, RL&L Environmental Services Ltd., November 1996.

Notes on Wildlife in the Vicinity of the Echo Bay Mines Ulu Project and Associated Transportation Corridor, Hubert and Associates and Canamera Geological Ltd., August 1996.

Wildlife and Wildlife Habitat Assessment, Canamera Geological Ltd., Environmental Resources Division, November 1996.

Ulu Mine Project Archaeological Impact Assessment: Phase I, Quaternary Consultants Ltd., July 1996.

Ulu Mine Project Archaeological Impact Assessment: Phase II, Quaternary Consultants Ltd., September 1996.

Land-Cover and Vegetation of the Ulu Site and Ulu/Lupin Winter Road, Nunavut, Canada, Institute for Advanced Field Education Ltd., January 1998.

Vegetation and Soils in the Vicinity of the Ulu Mining Project and along the Hood River Riparian Corridor, Nunavut, Canada, January 1998.

Kenetic Testing of Sulfide-Rich Material From Ulu, Klohn-Crippen Consult. Ltd., April 1998.

Baseline Aquatic Studies Program in the Ulu Project Area, Nunavut, RL&L Environmental Services Ltd., May 1998.

7. References

Klohn-Crippen Consultants Ltd., *Ulu Project: Preliminary Assessment of Acid Rock Drainage Potential*, October 1996.

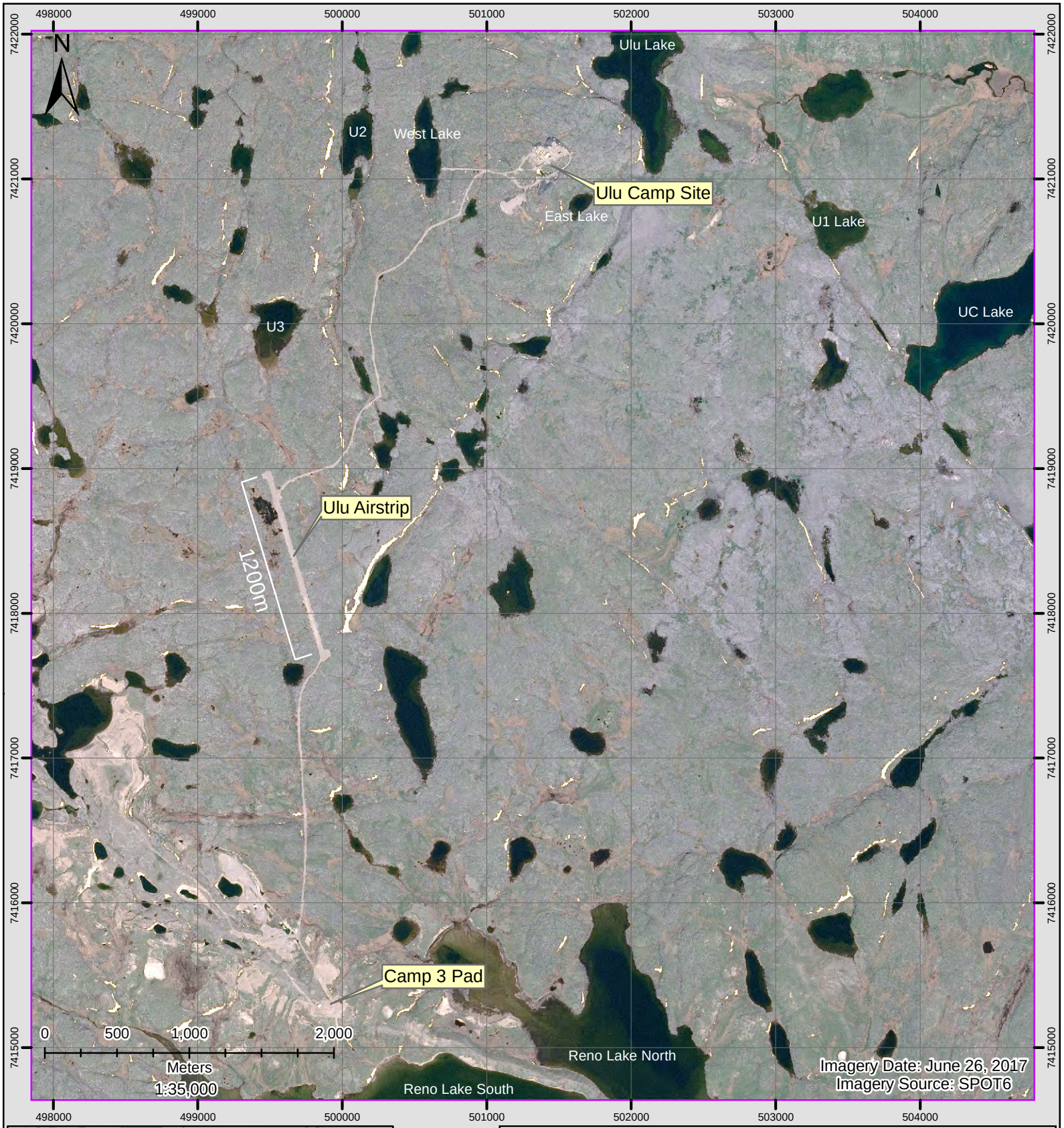
Appendix A – Figures

Ulu Project

General Location Map

Figure 1

Date: Mar 05, 2018	Coordinate System: NAD 1983 UTM Zone 12N	Project # 948-1	Revision A
Drawn By: DM / Chkd By: SW			
Bonito Capital Corporation	Document Path: I:\PROJECTDATA\Bonito_948\948-3_Ulu ClosurePlan\Disc\GIS\(1) Map Documents\Figure 1 Regional Location.mxd		



Post Progressive Reclamation

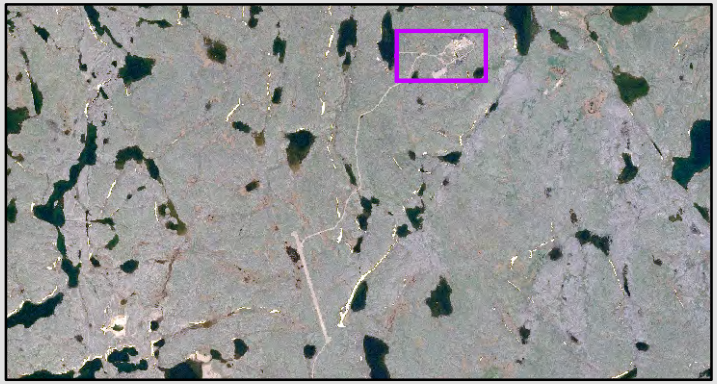
Ulu Project Site

Figure 2

Date: Mar 05, 2018		Coordinate System: NAD 1983 UTM Zone 12N	Project #	Revision
Drawn By: DM	Chkd By: SW		948-3	A

Bonito Capital Corporation

Document Path: I:\PROJECTDATA\Bonito_948\948-3_Ulu ClosurePlan\Disc\GIS\(1) Map Documents\Figure 2 Post Progressive Reclamation Ulu Project Site 170926.mxd



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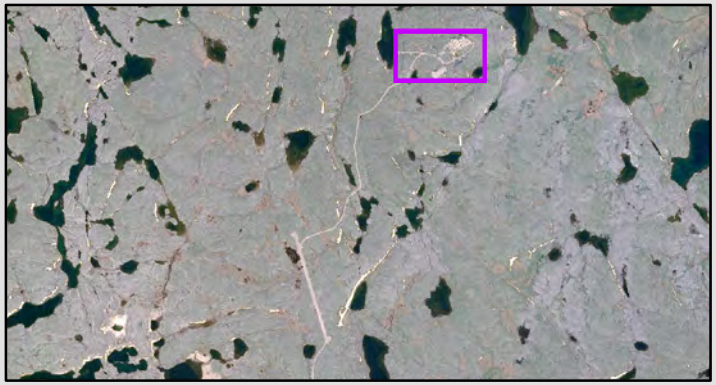
Ulu Project

Existing Exploration Site Facilities

Figure 3

Date: Mar 05, 2018	Coordinate System: NAD 1983 UTM Zone 12N	Project #	Revision
Drawn By: DM / Chkd By: SW		948-3	A
Bonito Capital Corporation	Document Path: I:\PROJECTDATA\Bonito_948\948-3_Ulu ClosurePlan\Disc\GIS\(1) Map Documents\Figure 3 Existing Ulu Site Facilities 170914.mxd		



BONITO CAPITAL CORP.

Post Progressive Reclamation

Ulu Site Facilities

Figure 4

Date: Mar 05, 2018	Coordinate System: NAD 1983 UTM Zone 12N	Project # 948-3	Revision A
Drawn By: DM / Chkd By: SW			
Bonito Capital Corporation	Document Path: I:\PROJECTDATA\Bonito_948\948-3_Ulu ClosurePlan\Disc\GIS\(1) Map Documents\Figure 4 Post Closure Ulu Site Facilities 170919.mxd		

Appendix B – Site Photos

Ulu Camp Facing Southwest (July 2017)

Ulu Camp Facing Northwest Spill Clean-and Preliminary Delineation (July 2017)

Visible Spill Clean-up-and Preliminary Laboratory Sample Delineation (August 2017)

Camp 3 Segregated Waste and Empty Fuel Tank Farm (July 2017)

Airstrip with Segregated Waste (July 2017)

Waster Rock Pad with Segregated Waste (July 2017)

Ore Pad with Segregated Waste and Waste Ore (July 2017)

Mine Sump (July 2017)

Portal Depression Area Waste Materials Removed (August 2017)

Fresh Water Intake Pipe From West Lake (August 2017)

)

Road Repairs and Silt Fencing (August 2017)

Road Repairs and Silt Fencing (August 2017)

Appendix C – Underground Access and Disposal Approach

NORWEST CORPORATION

Suite 1830, 1066 W. Hastings Street
Vancouver, BC V6E 3X2
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OQM | Organizational Quality Management Program

Memorandum

To	Karyn Lewis, Bonito Capital Corporation	**Project #**	948-3
CC		**Date**	March 2, 2018
From	David Miller, P.E.; Sara Wilkins, P.Geo.		
Subject	**Ulu Progressive Reclamation Workplan Underground Access and Disposal Approach**		

1. INTRODUCTION

Bonito Capital Corporation (BCC) has retained Norwest Corporation (Norwest) to provide guidance on specific progressive reclamation activities for the Ulu Project Progressive Reclamation Workplan for Kivalliq Inuit Association (KIA) review and for application submission to the NWB. The Ulu Gold Project (Ulu or Project) is an advanced exploration project that is currently in care and maintenance status, covered under Nunavut Water License 2BM-ULU1520 (Water Licence) issued by Nunavut Water Board (NWB) to BCC, a wholly owned subsidiary of Mandalay Resources Inc. (Mandalay). The project is situated in the Kitikmeot region of Nunavut, about 150 km north of the Lupin Mine. The project land is leased from the KIA. The project site is an underground exploration site with an airstrip, camp and supporting facilities. The surrounding landscape is dominated by treeless arctic tundra with exposed weathered bedrock and glacial features.

2. OBJECTIVE

The objective of this memorandum is to outline the approach for re-establishing access to the exploration portal and underground ramp to allow materials to be backfilled underground during progressive reclamation of the Project. The approach addresses the following:

- Dewatering the ponded water in front of the portal;
- Obtaining access to the vent raise;
- Dismantling the portal bulkhead and ice plug;
- Dewatering the underground ramp;
- Debris disposal; and
- Re-establishing the portal bulkhead as part of the progressive reclamation landform.

The engineering guidance provided herein is not intended to be used for construction. A detailed workplan, including a detailed ventilation plan, will be developed prior to execution of the Progressive Reclamation Workplan.

3. EQUIPMENT

The progressive reclamation activities will require the following key pieces of equipment:

- CAT 311 Backhoe with drum cutter and hydraulic hammer attachments;
- Underground scoop tram;
- Drilling jumbo;
- Ventilation; and
- Water pumps.

4. EXECUTION

This section describes the approach for re-accessing the underground ramp and vent raise, establishing ventilation, dewatering the mine workings required for disposal, evaluating and reinforcing the mine workings, placing materials in the mine workings and re-establishing the portal bulkhead.

Access into the portal is currently blocked by a temporary bulkhead which consists of shotcrete material, wire frames and metal rebars. In front of the bulkhead, seasonal water accumulation will be sampled to ensure that it meets Water Licence discharge criteria and will be directed to a location overland, as the waterline and outfall in East Lake will be decommissioned. The ponded water was sampled and analyzed in July 2017 and the analyses confirmed that the water quality met the discharge limits outlined in the Water License. A table comparing water quality results to the license criteria is included in Table 1 below.

Table 1 – Portal Ponded Water Chemistry (June 2017)

Parameter	Portal Depression Sample-1	Depression Sample-2	Retention Pond Sample-1	Retention Pond Sample-2	Max. Average Concentration*	Max. Concentration of any Grab Sample*
Total Arsenic (mg/L)	0.00113	0.00117	0.00246	0.00245	0.5	1
Total Copper (mg/L)	0.00198	0.00202	0.0047	0.0044	0.3	0.6
Total Lead (mg/L)	0.00016	0.000156	0.000104	0.000077	0.2	0.4
Total Nickel (mg/L)	0.00514	0.00474	0.00073	0.00064	0.5	1
Total Zinc (mg/L)	0.0768	0.0767	<0.006	<0.0030	0.5	1
TSS (mg/L)	<3.0	<3.0	<3.0	<3.0	25	50
pH	6.93	6.94	7.49	7.61	6.0 to 9.5	
Oil and Grease	No Sheen	No Sheen	No Sheen	No Sheen	No Visible Sheen	NA

* as stipulated by Ulu Water License No. 2BM-ULU1520

Behind the bulkhead, records indicate that there is an ice plug of unknown thickness. Access to the vent raise is currently blocked by a temporary wooden structure and records indicate that the vent raise additionally contains an ice plug.

The initial work to be performed in preparing for underground access includes determining the thickness of the ice plugs and the water level in the underground workings. This will occur by removing the portal bulkhead at the top of the ramp and drilling a hole through the ice plug to determine the length of the ice plug on the ramp and the water level, if any, behind the ice plug. If the thickness of the ice plug cannot be determined by drilling from the top of the ramp, then holes will be drilled vertically from the surface down to the ramp at increasing depths and horizontal intervals.

Removal of the portal ice plug will first require demolition of the temporary bulkhead comprised of shotcrete material. An excavator already onsite will be fitted with rotary drum cutter and hydraulic hammer attachments to break up the bulkhead material, which can be set aside for later disposal underground. After the bulkhead has been demolished, excavation of the ice plug itself can begin. The portal ice plug will be removed using the same excavator and attachments while broken ice material can be cleared with an LHD. The estimated 5.0 metre (m) height should be sufficient for the excavator to continue underground and remove the ice plug. Demolition of the ice plug should commence from the roof and work down. During the ice plug excavation, ventilation will be provided using a blowing fan and tubing used during Ulu exploration. Removal of ice on the roof and ribs will be critical to assess the condition of ground support and rock. Supplemental support may be required and will be installed as needed during the advance through the ice plug.

Simultaneously with the work being performed at the portal, the ventilation raise will be accessed on the surface and the water level in the raise will be determined by utilizing an instrument used for measuring the water level in a piezometer, or another acceptable method. In both situations, the mine air quality will be monitored for explosive or dangerous gasses before and during any work. If an ice plug is present in the ventilation raise, the excavator and attachments will also be used, but will have limited reach. A possible alternative in this situation is circulate steam, to drill and heat or blast the ice plug. Further details will be included in the detailed underground access workplan.

Once the water level in the mine workings is established, water samples will be collected at various depths and analyzed to determine compliance with the Water Licence effluent discharge criteria. Water will be sampled prior to and during discharge to verify compliance with Water Licence requirements and will be directed to a location overland as the waterline and outfall in East Lake will be decommissioned. A site relationship will be determined between turbidity and total suspended solids (TSS) prior to underground dewatering. Once dewatering commences, field analyses for pH, electrical conductivity, turbidity, and total arsenic will be conducted daily. Weekly samples will be collected and submitted to a laboratory for pH, TSS, and metals analyses. If field-measured parameters change significantly between daily readings, an extra suite of laboratory samples will be collected immediately and submitted to a laboratory for analysis. If laboratory results indicate exceedance(s) of Water Licence effluent discharge criteria, discharge will be halted, and underground dewatering flow will be directed to a temporary storage area that will be used for treatment until the water can be released.

Underground dewatering will begin from the ventilation raise access and continue until water is pumped down to the 95 Level, if possible. The ventilation raise is vertical from the surface to the 50 Level, then at 9º from vertical between the 50 and 75 Levels, and then at 22º from vertical between the 75 to 95 Levels. If the ventilation raise geometry prevents pumping the potential entrapped water down to the 95 Level from the surface, subsequent levels below the 50 Level may need to be dewatered after access is established via the ramp. If the workings are completely full of water, there will be an estimated 40 million (M) liters or 10M gallons. Assuming a pump capacity of 250 gallons per minute, it would take approximately one month to pump the entire workings. If the required volume of material to be disposed of underground can be limited to the 95 Level and above, the total quantity of water is reduced to 7M gallons, or about 21 days of pumping at the assumed rate.

It cannot be assumed that the underground ramp is in a stable physical condition. Following the removal of the portal bulkhead and ice plug, the ramp will be ventilated and evaluated. Beginning at the portal and as access down the ramp progresses, roof and rib support would be installed, as needed, and under the direction of qualified underground personnel. Ice will be disposed of in the Mine Sump and any material cleaned up by the scoop would be temporarily hauled outside until the initial disposal area underground has been secured and made safe, and then the material would be hauled back underground.

For ventilation, an exhausting fan will be installed at the ventilation raise. This will allow for intake air to flow in from the top of the ramp, down the ramp system to the 95 Level, and exhaust up the raise. This will ensure that all rehabilitation work performed in the ramp will be done in intake air, and dust will be carried away from workers. If initial access to the 95 Level is prohibited by the water level needing to be incrementally pumped, or if ventilation controls were compromised on the 50 Level or 75 Level, temporary ventilation configurations may be needed before establishing the exhausting configuration.

It was previously assumed that 1,200 cubic meters (m3) of ore and 1,074 m3 of hydrocarbon contaminated soil would be disposed of underground. In addition, site facilities demolition waste, equipment (with batteries and fuel removed) and other non-hazardous waste would be disposed of underground.

Norwest has estimated the cavern volume available for each mining level at Ulu based upon provided digital workings drawings. These workings were provided in AutoCAD™ format in a separate drawing per mining level. The initial work involved creating a composite drawing of all mining levels and then cutting any overlap in mine workings. Norwest then estimated the length of each type of advance (Drift, Main, and Spiral Ramp), and multiplied them by an assumed 5 m x 5 m opening for a subsequent volume per development type and level, as summarized in Table 1.

Table 2: Estimated Cavern Volumes in Ulu Underground Workings

	Length (m)					Volume (m^3)			
Level	Drift	Main	Spiral Ramp	Width (m)	Height (m)	Drift	Main	Spiral Ramp	Total
25	114	155		5	5	2,850	3,875	0	6,725

50	89	150		5	5	2,225	3,750	0	5,975
75	84	98	117	5	5	2,100	2,450	2,925	7,475
95	148	58	72	5	5	3,700	1,450	1,800	6,950
100	104	34	28	5	5	2,600	850	700	4,150
115	52	35		5	5	1,300	875	0	2,175
135	90	64	51	5	5	2,250	1,600	1,275	5,125
155	23	63		5	5	575	1,575	0	2,150
Total	**704**	**657**	**268**			**17,600**	**16,425**	**6,700**	**40,725**

Norwest assumed a fill factor of 65% when placing material in the underground workings. Based on this, the 50, 75, and 95 Levels could be filled to leave the 25 Level workings for material from building demolition, equipment, and other larger materials to be disposed of. Once final volumes to be disposed of underground are more accurately defined, then final planning for the required Levels could be completed. In any event, it appears that adequate volume exists for the closure process.

Norwest has prepared a high-level estimate for the haulage of bulk materials, non-hazardous waste, ore and contaminated soil. An underground haul truck is present at site and Norwest has assumed that it will be made operable for the duration of reclamation and has estimated its haulage capacity at 6.0 m^3. Using an operating schedule of two shifts per day and 28 days per month for the three-month period, the required number of haulage loads per day would be approximately 26. This number would increase to about 39 loads per day if the haulage of material would be limited to the first two months, and the third month would be dedicated to hauling the building demolition, equipment, and other larger materials to be disposed of.

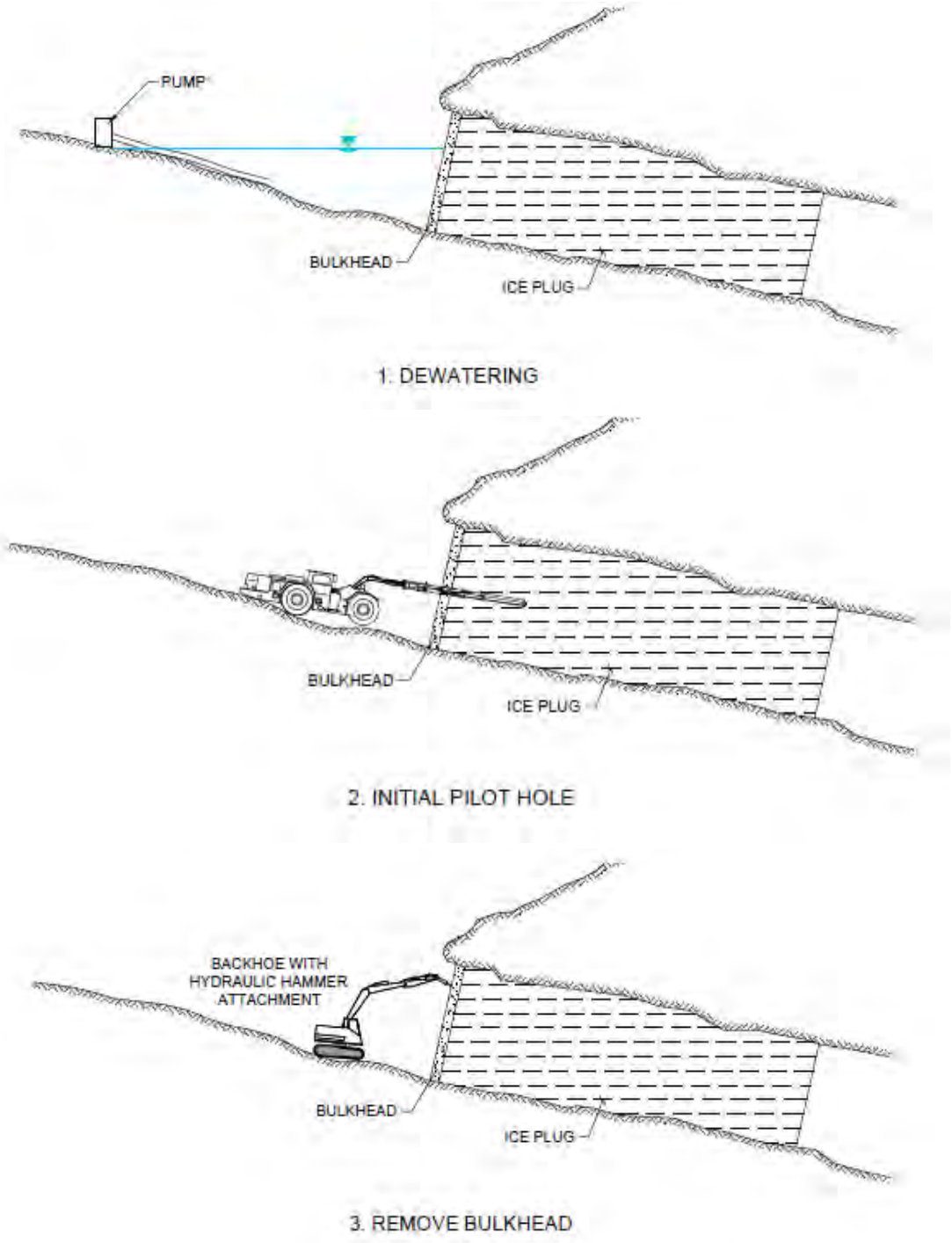
To fully utilize the available summer season when work can be completed, the plan is for a qualified equipment mechanic to perform any necessary repairs and to have the site equipment in reliable operating condition in the months prior to the available summer season. In addition, any other required equipment would be delivered to the site in advance.

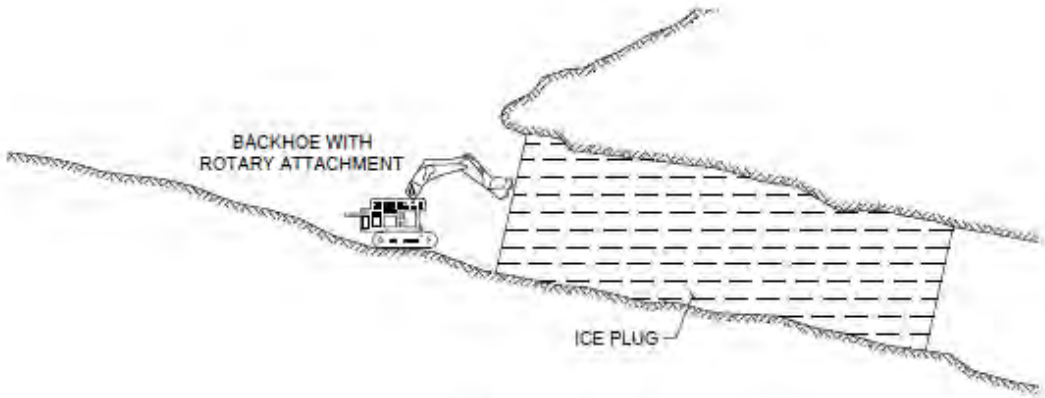
Upon completion of underground material placement, a bulkhead will be reconstructed and reinforced as necessary at the top of the ramp. The portal depression will be filled to surface with landfill materials and capped, along with the ventilation raise, with waste rock and esker materials to prevent access, facilitate drainage and blend into the surrounding topography.

Under ideal conditions and assuming a 20 m length ice plug, access to the underground workings and ice plug removal will take approximately three weeks. Dewatering is estimated to take approximately the same period of time and can start as soon as vent raise access is established and water quality parameters are confirmed. Underground ramp re-enforcement work and ventilation establishment is anticipated to take another 3 weeks, for a total estimate of 2 months of obtain safe access to the underground areas for disposal.

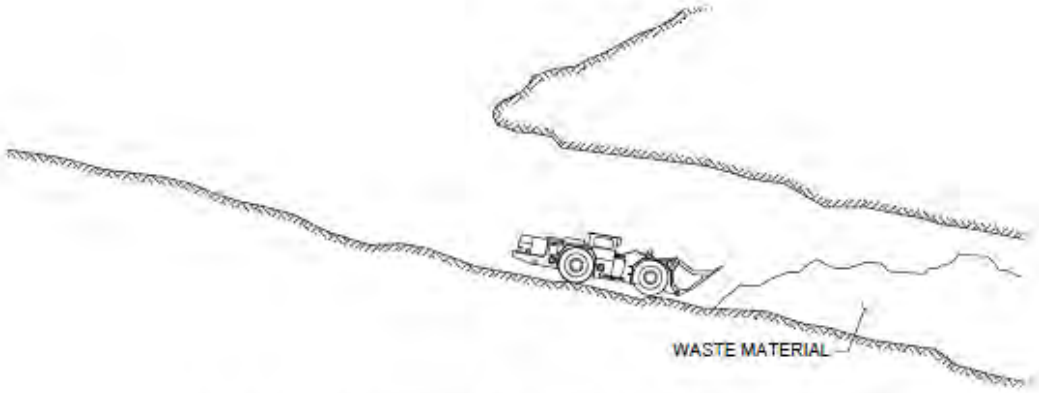
Figure 1 presents cross-sectional schematics of procedures for re-accessing the underground ramp.

Figure 1. Schematics of Procedures for Re-accessing the Underground Ramp





4. REMOVE ICE PLUG



5. PLACE WASTE MATERIAL AND USED EQUIPMENT INTO ADIT

6. RE-ESTABLISH BULKHEAD/CLOSURE

5. REFERENCES

Nunavut Water Board (NWB) 2015. Nunavut Water License 2BM-ULU1520, Submitted to Bonito Capital Corporation, May 2015.

BGC Engineering (BGC) 2016. Ulu Camp Reclamation Estimate, letter submitted to Kitikmeot Inuit Association, January 2016.

Wolfden Resources Inc. (Wolfden) 2005. Underground work drawings, 1:1,000 Scale, February, 2005.

Appendix D – Landfill Operation and Maintenance Plan

Bonito Capital Corporation

A wholly owned subsidiary of Mandalay Resources Corporation

Ulu Exploration Project

Nunavut, Canada

Landfill Operations and Maintenance Plan

March 2018

Bonito Capital Corporation
76 Richmond Street East, Suite 330
Toronto, Ontario M5C 1P1

Executive Summary English

This Landfill Operations and Maintenance Plan (LOMP) has been prepared by Bonito Capital Corporation (BCC), a wholly owned subsidiary of Mandalay Resources Corporation (Mandalay) for the Ulu Gold Project (Project) in accordance with its Water Licence 2BM-ULU1520 (Licence). The Project site is located in the Kitikmeot region of Nunavut approximately 12 km north of Hood River and 150 km north of Lupin Mine. The Project has been in a state of care and maintenance since 2006 and is currently proposing to complete certain reclamation activities in the summer of 2018 under a Progressive Reclamation Workplan scope.

The LOMP has been developed to provide the operating and progressive reclamation parameters for two landfills which, as part of the Progressive Reclamation Workplan scope, will be used to dispose of non-hazardous and inert materials at surface. The two landfills will be used as contingency disposal locations for non-hazardous and inert materials that do not operationally or physically fit underground. Certain non-hazardous and inert materials waste materials may be burned at surface in an open burn pit. This document details the rational for the landfills, the location and conceptual design of the landfills, the materials that are suitable for landfilling, the materials suitable for open burning, and the progressive reclamation approach for the landfills.

Executive Summary Inuktitut

Awaiting translation – to be provided as soon as possible

Executive Summary Inuinnaqtun

Awaiting translation – to be provided as soon as possible

Table of Contents

1. Introduction

Bonito Capital Corporation (BCC), a wholly owned subsidiary of Mandalay Resources Corporation (Mandalay), has prepared this Landfill Operations and Maintenance Plan (LOMP) for the Ulu Gold Project (Project) to provide operational and progressive reclamation details for two landfills and a burn pit, which will be used to dispose of non-hazardous and inert materials at surface during execution of the Ulu Project – Progressive Reclamation Workplan scope. The Project site is located in the Kitikmeot region of Nunavut approximately 12 km north of Hood River and 150 km north of Lupin Mine. The Project has been in a state of care and maintenance since 2006 and is currently proposing to complete certain reclamation activities in the summer of 2018 under a Progressive Reclamation Workplan scope.

The landfills are required for the disposal of non-salvageable and non-hazardous inert wastes from historic exploration activities and progressive reclamation activities that cannot be incinerated, openly burned or placed underground for operational reasons. The primary repository for waste materials is the Project's historical underground workings. Certain non-hazardous and inert materials waste materials may be incinerated or burned at surface in a permitted open burn pit. Following progressive reclamation waste disposal and sealing of the underground workings, landfill materials will be used to fill the existing portal depression to surface. This will additionally allow for inert, non-hazardous wastes produced in the final days of the Progressive Reclamation Workplan scope to be safely and efficiently disposed of at surface. The second landfill will be a contingency landfill only, for materials that cannot be dissembled small enough to fit underground, and will be built in a trench dug into the existing waste rock pad, avoiding the need for additional surface disturbance.

The objective of the two landfills is to contain non-hazardous inert waste in a safe and environmentally sound manner at stable locations. The landfills will be reclaimed prior to the completion of the Progressive Reclamation Workplan scope by suitable material placement and grading to conform to the surrounding topography.

2. Regulatory Regime

Waste management in Nunavut is regulated under the Nunavut Public Health Act, the Nunavut Environmental Protection Act and the federal Environmental Protection Act. In addition to mandatory requirements, a number of waste management and reclamation guidelines are commonly used in Nunavut and Northwest Territories. Of particular relevance is the *Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories* (MVLBW/AANDC 2013), which includes landfill reclamation planning considerations, landfill reclamation objectives and monitoring requirements. The *Guidelines for the Planning, Design, Operations and Maintenance of Modified Solid Waste Sites in the NWT* (Ferguson Simek Clark, 2003) additionally outlines solid waste facility design guidelines applicable to northern environments. The proposed landfills are designed to function within these guidelines.

Open burning will be conducted in accordance with the *Environmental Guideline for the Burning and Incineration of Solid Waste* (Government of Nunavut 2012), and *Guidance on Municipal Solid Wastes Suitable for Open Burning* (Government of Northwest Territories 1993). Burn pit or incinerator ash will be suitable for landfill burial if it meets the criteria set out in Table 1 of the *Environmental Guideline for Industrial Waste Discharges into Municipal Solid Waste and Sewage Treatment Facilities* (Government of Nunavut 2012).

Ulu holds a current Water License (2BM-ULU1520) from the Nunavut Water Board and conditions related to the management of Waste are included under Part D in the License, which does not include surface landfills, although the potential need is considered in the March 2016 Interim Closure and Reclamation Plan.

3. Locations and Design Concepts

As part of progressive reclamation, the ponded water accumulating in the existing portal depression will be drained and the underground workings will be dewatered to allow for the disposal of suitable waste materials underground. Following underground materials placement and final bulkhead installation, the remaining depression will be required to be filled and graded to integrate with the natural topography. This location is therefore an ideal location to dispose of landfill suitable materials using a depression method landfill as shown Figure 1. Placed waste will be capped with minimum of 0.5 m of suitable materials and graded to meet the reclaimed landform topography.

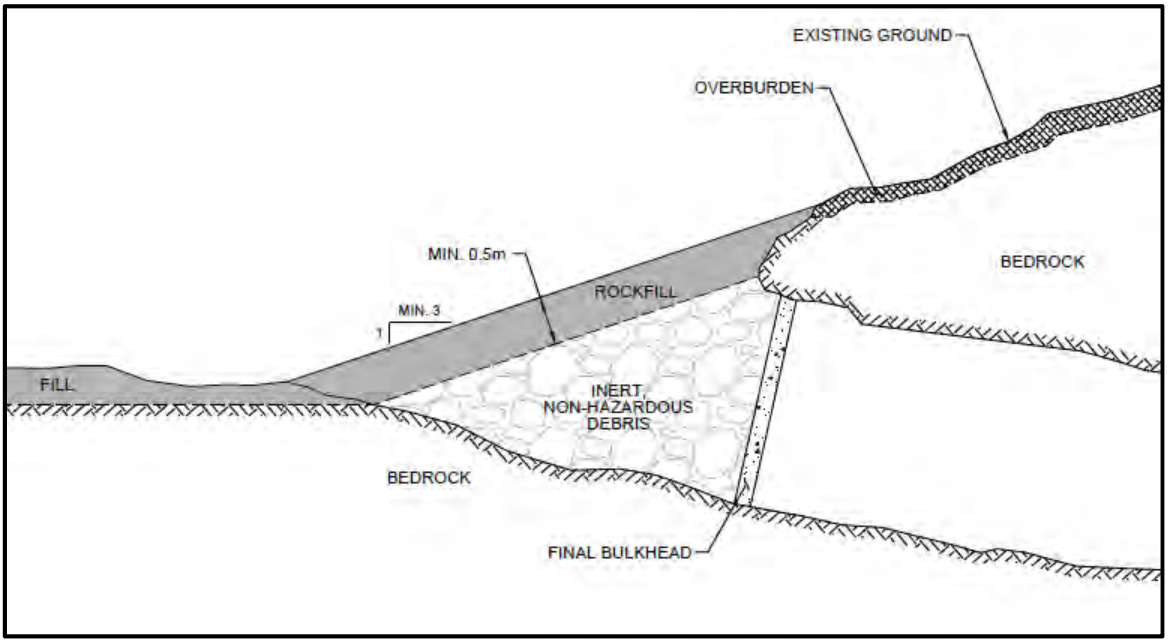


Figure 1 – Depression Method Landfill Schematic (not to scale)

For contingency purposes, the existing waste rock pad has been identified as secondary location for landfill waste. The waste rock pad has the potential to receive waste in an excavated cavity or trench. Waste rock will be excavated from the existing waste rock pad to create a cavity for non-hazardous inert waste placement, as shown in Figure 2. The landfill will not expand the surface footprint of the pad. Similar to the portal depression landfill, once its design capacity is reached waste will be capped with 0.5m of suitable materials and graded to meet natural topography and encourage drainage.

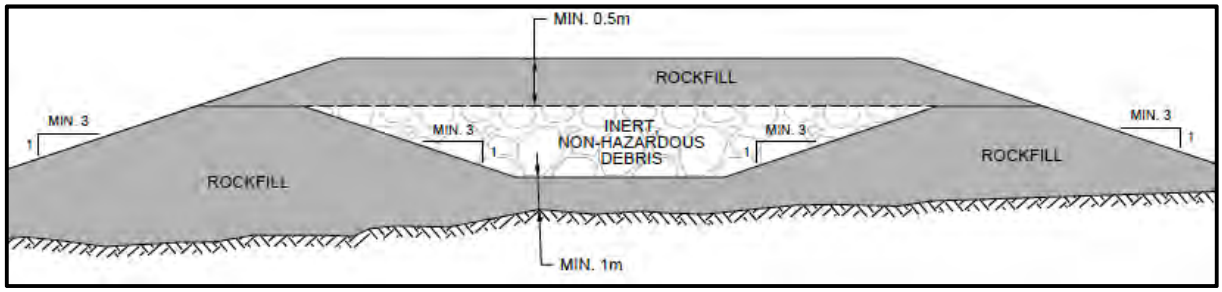


Figure 2 – Trench Method Landfill Schematic (not to scale)

The estimated design capacities of the surface landfills are shown in Table 1 below. The capacities presented are design (neat) representing the total estimated space from the available dimensions, and do not account for void space associated with un-compacted material and waste.

Table 1: Estimated Landfill Neat Capacities

Landfill ID	Plan Area (m^2)	Height/Thickness (m)	Design Storage Volume (m^3)	Cover Material (m^3)
Portal Depression Landfill	650	6 to <1*	1,950	325
Waste Rock Pad Landfill	3,450	2	6,900	1,725
		Total	**8,850**	**2,050**

* The Portal Landfill is tapered with the portal at the back and the existing road at the front.

Controlled open burning is an efficient method of reducing the volume of certain waste types at remote sites and minimizing landfill requirements. One burn pit is planned to be located on the waste rock pad, adjacent to the location of the potential waste rock landfill, which is downwind of camp and away from waterbodies. To mitigate the potential spread of fire, the burn pit will cease operation if the waste rock landfill is used. Burn-pit ash will be incorporated into the waste rock landfill, if used, or covered with suitable materials and graded to encourage drainage.

4. Waste Management Practices

The approach for the disposal of solid waste is to first identify and segregate the waste streams for appropriate handling. Acceptable items that can be landfilled are those that are non-hazardous, inert, non-putrescible, with very low leachate and heat generation potential. All other materials will either be incinerated, open burned, placed in the underground working, or backhauled offsite. Limiting the materials that can be placed in the landfills reduces the ability to create leachate.

Landfill operations will involve the placement of waste directly on the landfill surface located within the waste rock pile cavity or portal depression and compacted with heavy equipment on a systematic basis. Waste will be placed at one end of the designated area to full height followed by a progressive waste placement advancement. Areas where the waste has been placed to full height, compacted where possible and levelled will be progressively covered by the placement of a suitable fill to prevent wind-blown debris.

Wastes that may contain food products, including packaging waste or other organic waste that could attract wildlife will be incinerated in the Mine's incinerator. This includes all garbage from the camp, kitchen, site lunchrooms and offices. The ash from the incinerator will be placed in drums and disposed of in the underground workings. During the final days of the Progressive Workplan scope, incinerator ash samples can be collected and tested for metals to confirm suitability for landfilling. In the event that's these ash drums are not suitable for landfilling, they will be backhauled to a licensed waste disposal facility in the south.

In addition to the incinerator, the BCC will be applying for a summer 2018 burn permit. Non-hazardous oversized materials, including untreated wood products, will be burned in the burn pit to reduce the volume of waste entering the landfill.

The landfills or burn pit do not require a full-time attendant. The site foreman or acting designate will appoint a landfill inspector to undertake periodic inspections of the landfills while in operation to identify deposition sequencing based on volumes of waste, verify compliance with the Ulu Landfill Management Plan; including observations of unsuitable materials and corrective actions, wildlife signs, evidence of erosion, ponding or unusual landfill settlement, and adequacy of safety measures.

5. Waste Items Acceptable for Landfilling

The following non-hazardous, inert, non-putrescible, low leachate and heat generation potential waste materials will be acceptable for disposal at the landfills. As previously noted, the landfills will serve as contingency locations only, as the primary depository for waste is the underground workings.

- Asphalt;
- Bricks;
- Carpet;
- Caulking;
- Ceramics;
- Clothing;
- Concrete;
- Fibreglass;
- Glass;
- Insulation;
- Plaster and Gyproc;
- Plastics (except expanded polystyrene);
- Plexiglass;
- Roofing;
- Rubber products;
- Steel, copper and iron products;
- Styrofoam boards;
- Wire; and
- Any mixture of the wastes referred to above, including vehicles, machinery and small appliances provided all liquids, grease, batteries, ozone depleting substances and electronics have been removed.

6. Waste Items Acceptable for Open Burning

BCC will carry out periodic controlled burns of clean wood, paper and cardboard materials using the guidance found in the *Environmental Guideline for the Burning and Incineration of Solid Waste* (Government of Nunavut 2012) and *Guidance on Municipal Solid Wastes Suitable for Open Burning* (Government of Northwest Territories 1993). Measures to be implemented for controlled open burning include:

- Only paper, paperboard packing, untreated wood waste and natural fiber textiles are burned.
- The waste is burned in a controlled manner and at a location which is separate from combustible vegetation and other materials or areas including the existing landfill.
- Burning takes place only on days when winds are light and blowing away from camp and waterbodies (east – northeast).
- Waste is burned in manageable volumes so the fire does not get out of control.
- The burn pile will be maintained to create an efficient hot burn using consistent feed rates and mixtures.
- The fire is started, attended and monitored at all times by authorized and qualified personnel with resources to control the fire (shovels, rakes, water, fire extinguisher).
- Fires will be extinguished to ensure smoldering material does not persist.
- The waste is kept dry or covered to the extent practicable prior to burning.
- Building demolition wastes should not be burned unless they have been sorted to remove non- wood wastes such as roofing materials, electrical wire, plastics, asbestos and other non-wood wastes.

References

Ferguson Simek Clark 2003, Guidelines for the Planning, Design, Operations and Maintenance of Modified Solid Waste Sites in the Northwest Territories, Prepared for The Department Municipal and Community Affairs Government of the Northwest Territories, April 2003.

Government of Northwest Territories 1993, Guidance on Municipal Solid Wastes Suitable for Open Burning, Prepared by Government of Northwest Territories Department of Environment and Natural Resources, October 1993.

Government of Nunavut 2012, Environmental Guideline for the Burning and Incineration of Solid Waste, Prepared by Government of Nunavut Department of Environment, October 2010, Revised January 2012.

Government of Nunavut 2011, Environmental Guideline for Industrial Waste Discharges into Municipal Solid Waste and Sewage Treatment Facilities, Prepared by Government of Nunavut Department of Environment, January 2002, Revised April 2011.

MVLBW/AANDC 2013, Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories, Prepared by Mackenzie Valley Land and Water Board and Aboriginal Affairs and Northern Development Canada, November 2013.

Appendix E – Tank Farm Decommissioning Approach

Tank Farm Decommissioning Approach

A specialist sub-contractor is currently developing a detailed execution plan to allow for equipment currently available at site to clean, dismantle and remove the fuel tanks; in accordance with applicable regulations and guidelines specific to tank decommissioning and disposal in Nunavut, including CEPA, 1999 PPAPPR Section 209.

It is anticipated that the execution plan will utilize a steam seem method and internal scaffolding for disassembly. The used wash water will be impacted by hydrocarbons and will not be suitable for direct environmental discharge. The used water will be processed through an oil-water separator, recycled when feasible, and tested for environmental criteria prior to discharge. The waste hydrocarbons from the separation process will be burned in accordance with regulations or disposed of offsite.

Large tank materials will be cut into manageable pieces and placed underground in accordance with the detailed plan. The current plan assumes a fill factor of 65% when placing material in the underground workings.

Appendix F – Exploration Drill Site Locations

LIST OF DRILL HOLES

the resource estimate are highlighted.

Hole	East	North	Elevation	Length	Dip	Azimuth	Company
04UL-01	501199.64	7420986.80	474.08	151.00	-50.0	30	Wolfden
04UL-02	501199.96	7420987.37	474.11	175.00	-61.2	30	Wolfden
04UL-03	500984.92	7421121.13	462.42	139.00	-45.0	30	Wolfden
04UL-04	500925.97	7421121.94	461.48	160.00	-60.0	30	Wolfden
04UL-05	500926.03	7421122.21	461.46	165.50	-67.0	30	Wolfden
04UL-06	500875.80	7421135.37	461.85	199.00	-60.0	30	Wolfden
04UL-07	500875.85	7421135.53	461.83	210.00	-65.0	30	Wolfden
04UL-08	500960.03	7421081.75	462.01	169.00	-45.0	30	Wolfden
04UL-09	500959.61	7421081.04	461.98	188.00	-60.0	30	Wolfden
04UL-10	501093.15	7421014.27	470.26	204.30	-55.0	27	Wolfden
04UL-11	500668.00	7421083.00	441.00	469.00	-55.0	24	Wolfden
04UL-12	500629.00	7421017.00	441.00	601.00	-58.0	30	Wolfden
04UL-13	500932.43	7421517.75	459.48	808.00	-62.5	210	Wolfden
04UL-14	500932.56	7421518.04	459.40	889.00	-65.0	208	Wolfden
04UL-15	501144.08	7420903.87	470.23	271.00	-51.0	28	Wolfden
04UL-16	500794.00	7421096.60	457.38	298.00	-50.0	24	Wolfden
04UL-17	500793.69	7421096.21	457.33	295.00	-55.0	24	Wolfden
04UL-18	500793.65	7421095.97	457.27	323.30	-58.5	24	Wolfden
04UL-19	500668.00	7421083.00	441.00	517.00	-58.0	27	Wolfden
04UL-20	501098.65	7420928.58	473.71	300.40	-50.0	27	Wolfden
04UL-21	501025.63	7420899.46	468.73	403.00	-55.0	27	Wolfden
04UL-22	501025.76	7420899.92	468.83	454.00	-60.0	27	Wolfden
04UL-23	500750.56	7421031.10	450.97	396.00	-52.0	27	Wolfden
04UL-24	500750.78	7421031.46	450.91	426.00	-55.0	27	Wolfden
04UL-25	501025.87	7420900.05	468.90	373.00	-52.5	27	Wolfden
04UL-26	500875.90	7420930.16	462.45	457.30	-57.0	27	Wolfden
04UL-27	500975.56	7420908.74	467.40	451.00	-60.0	27	Wolfden
04UL-28	500813.18	7420835.31	463.17	619.00	-55.0	28	Wolfden
04UL-29	500883.03	7420867.95	459.60	505.00	-54.0	27	Wolfden
04UL-30	500883.11	7420868.35	459.66	567.50	-60.4	27	Wolfden
04UL-31	500992.64	7420840.08	466.53	517.00	-58.0	28	Wolfden
04UL-32	501137.92	7420984.37	474.86	213.75	-54.9	28	Wolfden
04UL-33	501138.16	7420984.88	474.85	184.00	-48.0	28	Wolfden
04UL-34	500993.17	7420840.91	466.34	488.00	-68.0	28	Wolfden
04UL-35	501095.66	7420908.18	473.00	350.00	-50.7	28	Wolfden
04UL-36	501095.49	7420907.91	473.08	370.00	-56.0	28	Wolfden
04UL-37	500714.38	7420771.50	454.72	738.00	-50.0	25	Wolfden
04UL-38	500714.24	7420771.26	454.69	757.25	-55.0	24	Wolfden
04UL-39	500750.42	7420918.90	456.84	500.00	-45.0	27	Wolfden
04UL-40	500750.86	7420919.80	456.56	523.00	-56.0	27	Wolfden
04UL-41	500703.10	7420944.77	447.33	598.00	-54.3	26	Wolfden
04UL-42	500682.11	7420811.87	452.55	718.00	-56.0	21	Wolfden
04UL-43	500787.44	7420795.14	462.62	700.00	-56.0	23	Wolfden
04UL-44	500604.39	7420778.61	444.15	739.00	-50.0	22	Wolfden
12UE001	500244.00	7422378.00	445.00	197.20	-45.0	120	ELGIN
12UE002	500580.00	7422966.00	468.00	319.00	-45.0	100	ELGIN
12UE003	500843.00	7423141.00	445.00	214.00	-45.0	270	ELGIN
12UE004	500281.00	7421667.00	452.00	190.00	-45.0	44	ELGIN
12UE005	500273.00	7421489.00	448.50	151.00	-45.0	45	ELGIN
12UF001	501151.31	7421012.48	474.00	170.00	-51.2	31	ELGIN
12UF002	501045.06	7421028.13	467.47	226.00	-68.7	36	ELGIN
12UF003	500986.68	7420885.24	468.00	476.00	-61.7	22	ELGIN
12UF004	500891.57	7421066.99	463.27	335.00	-61.8	31	ELGIN

12UF005	500888.87	7421110.34	461.22	220.00	-53.2	30	ELGIN
12UF006	500828.50	7421023.90	461.87	439.00	-63.7	32	ELGIN
12UF007	500780.92	7420923.24	460.99	599.00	-64.6	28	ELGIN
12UF008	500822.00	7421001.00	463.00	395.00	-56.2	30	ELGIN
89VD01	501272.28	7421035.34	467.90	84.43	-44.0	114	BHP
89VD02	501219.56	7421054.28	472.90	84.43	-41.0	43	BHP
89VD03	501221.19	7421053.59	472.73	72.24	-46.0	116	BHP
89VD04	500999.00	7421154.06	466.24	60.00	-44.0	55	BHP
89VD05	501055.81	7421092.78	468.89	124.05	-44.0	31	BHP
89VD06	501017.41	7421123.69	467.89	93.57	-55.0	39	BHP
89VD07	501110.31	7421078.22	470.15	237.13	-46.0	40	BHP
89VD08	501197.72	7421034.91	473.29	160.63	-46.5	48	BHP
89VD09	501210.75	7421018.84	473.24	148.44	-47.0	55	BHP
89VD10	501250.00	7421021.25	469.82	90.53	-44.0	22	BHP
89VD11	501288.47	7420998.66	466.82	93.57	-46.0	20	BHP
89VD12	501272.22	7420960.56	464.89	84.43	-47.0	24	BHP
89VD13	501255.75	7421167.09	471.55	84.43	-47.0	57	BHP
89VD14	500943.63	7421118.78	461.86	283.10	-44.0	59	BHP
89VD15	500943.91	7421178.75	461.88	124.05	-46.0	57	BHP
89VD16	501314.88	7420805.59	472.90	78.33	-45.0	23	BHP
89VD17	500971.75	7421166.31	465.58	61.05	-50.0	60	BHP
89VD18	501085.53	7421197.56	471.81	144.89	-45.0	215	BHP
89VD19	500926.53	7421010.22	462.84	276.54	-53.0	39	BHP
89VD20	501249.22	7421116.13	471.06	157.09	-45.0	218	BHP
89VD21	501127.25	7421019.47	472.40	172.82	-46.0	37	BHP
89VD22	501146.34	7420963.63	475.05	263.83	-55.0	27	BHP
90VD23	501198.13	7421001.69	474.51	121.92	-45.0	351	BHP
90VD24	501136.16	7421063.44	471.45	108.51	-44.0	33	BHP
90VD25	500978.16	7420991.88	465.44	445.31	-47.0	30	BHP
90VD26	500877.31	7421162.41	461.02	179.53	-45.0	27	BHP
90VD27	500893.13	7421032.28	462.39	277.06	-47.0	35	BHP
90VD28	500905.94	7421154.41	461.42	151.49	-47.0	35	BHP
90VD29	500829.75	7421180.84	460.26	188.06	-44.5	37	BHP
90VD30A	501015.06	7420937.81	468.39	306.63	-45.0	31	BHP
90VD31	500860.97	7420892.63	461.68	444.09	-56.5	28	BHP
90VD32	501080.50	7420939.34	473.19	258.28	-50.0	21	BHP
90VD33	500860.94	7420892.59	461.79	358.77	-46.0	28	BHP
90VD34	500858.69	7421055.22	462.13	294.74	-50.0	29	BHP
90VD35	501393.94	7420960.75	453.68	130.15	-46.0	16	BHP
90VD36	500815.63	7420919.72	460.68	405.15	-46.0	26	BHP
90VD37	501371.44	7421050.19	457.03	126.68	-43.0	206	BHP
90VD38	500811.41	7421090.28	458.94	270.40	-51.0	35	BHP
90VD39	500813.69	7420919.50	460.31	489.81	-57.0	26	BHP
90VD40	500742.72	7421100.22	447.80	285.60	-42.0	29	BHP
90VD41	500697.22	7421134.69	441.52	346.56	-53.0	29	BHP
90VD42	500740.44	7420996.31	450.94	392.28	-44.0	30	BHP
90VD43	500907.63	7420882.91	459.74	386.18	-47.5	26	BHP
90VD44	500907.69	7420882.94	459.46	578.21	-59.0	24	BHP
90VD45	500740.13	7420995.78	450.92	438.05	-56.5	33	BHP
90VD46	501207.34	7421223.41	470.90	108.75	-43.0	176	BHP
90VD47	500703.69	7421018.66	444.03	400.51	-45.0	33	BHP
90VD48	501212.19	7420897.63	469.61	273.71	-44.0	355	BHP
90VD49	501198.56	7421295.75	465.95	105.77	-42.5	175	BHP
90VD50	501142.13	7421196.53	472.12	72.23	-46.0	132	BHP
90VD51	500947.31	7420854.16	464.56	389.21	-44.5	26	BHP
90VD52	501297.09	7421206.09	466.43	252.08	-46.0	202	BHP
90VD53	500703.13	7421018.28	443.88	617.83	-54.0	37	BHP

90VD54	501429.44	7421353.59	457.56	100.27	-44.0	36	BHP
90VD55	501573.13	7421395.63	446.50	148.44	-44.0	203	BHP
90VD56	500947.31	7420853.97	465.69	458.09	-55.0	26	BHP
90VD57	501422.28	7421233.28	459.26	137.85	-46.0	29	BHP
90VD58	500774.13	7420944.03	459.85	414.53	-45.0	27	BHP
90VD59	501386.78	7421257.72	459.58	105.77	-45.0	44	BHP
90VD60	501454.84	7421210.94	461.17	117.96	-43.0	45	BHP
90VD61	501158.34	7420741.47	465.21	114.91	-44.0	210	BHP
90VD62	501009.66	7420860.84	467.28	393.50	-43.5	23	BHP
90VD63	500773.38	7420943.41	459.95	480.71	-56.5	28	BHP
90VD64	501199.28	7420625.94	463.02	60.05	-42.0	136	BHP
90VD65	501277.16	7420536.31	456.23	60.05	-44.0	248	BHP
90VD66	501228.66	7420556.44	460.18	121.01	-44.0	37	BHP
90VD67	500847.53	7421258.22	460.79	200.28	-45.0	36	BHP
90VD68	501009.56	7420860.34	467.29	386.49	-56.5	22	BHP
90VD69	500720.53	7420878.72	450.30	589.40	-53.0	21	BHP
90VD70	500785.19	7421262.31	456.13	261.21	-61.0	38	BHP
90VD72	501083.00	7420875.22	468.55	325.53	-52.5	25	BHP
90VD75	500657.06	7420918.22	444.15	712.01	-54.0	9	BHP
90VD77	500685.63	7421069.88	440.62	456.26	-61.0	24	BHP
90VD78	501440.41	7421400.63	455.29	32.13	-51.0	216	BHP
90VD80	501384.78	7421388.69	457.37	45.41	-40.0	32	BHP
90VD81	500702.88	7425676.59	473.30	99.67	-60.0	69	BHP
90VD82	501360.31	7421374.38	457.59	19.51	-47.0	234	BHP
90VD83	501409.19	7421362.19	457.01	23.08	-50.0	191	BHP
90VD84	501001.13	7421227.19	467.89	270.97	-89.9	0	BHP
90VD85	500612.88	7425602.59	477.30	154.53	-45.0	315	BHP
90VD86	501164.47	7421041.72	472.63	108.81	-44.5	24	BHP
90VD87	501045.97	7421030.06	467.29	169.77	-43.0	32	BHP
90VD88	500658.22	7420918.72	444.15	562.97	-51.0	29	BHP
90VD89	500685.72	7421069.84	443.13	514.19	-51.0	23	BHP
90VD90	500779.63	7420757.44	461.13	620.88	-49.5	25	BHP
90VD91	501363.50	7421413.66	457.78	79.86	-45.0	196	BHP
90VD92	500548.44	7420942.75	440.45	698.91	-49.0	29	BHP
90VD93	501213.25	7421059.50	472.75	34.14	-50.0	342	BHP
91VD094	500522.78	7420929.53	446.54	969.87	-55.0	32	BHP
91VD095	500577.75	7420848.81	440.45	862.58	-54.0	26	BHP
91VD096	500721.19	7420906.84	448.75	416.66	-55.0	30	BHP
91VD096A	500720.59	7420903.91	448.24	622.71	-54.5	30	BHP
91VD097	500658.91	7420874.72	446.60	742.49	-55.0	19	BHP
91VD098	500771.56	7420850.63	463.86	604.11	-55.0	30	BHP
91VD099	501854.88	7421523.59	463.86	28.65	-45.0	151	BHP
91VD100	501765.88	7421382.59	468.30	37.19	-45.0	186	BHP
91VD101	501793.88	7421294.59	468.30	35.62	-45.0	250	BHP
91VD102	501756.88	7421264.59	468.30	36.58	-45.0	185	BHP
91VD103	500474.75	7420992.75	442.85	743.10	-50.0	31	BHP
91VD104	500413.16	7420913.94	480.19	1067.10	-53.0	30	BHP
91VD105	500366.78	7420841.03	481.67	1349.96	-56.0	28	BHP
91VD105A	500624.09	7421209.97	116.97	427.66	-51.3	46	BHP
91VD106	500833.16	7420904.41	463.70	541.60	-45.0	33	BHP
91VD107	501385.28	7421496.72	451.18	229.50	-46.0	194	BHP
91VD108	500304.63	7421170.13	476.06	876.00	-50.0	54	BHP
91VD109	501374.16	7421448.63	455.75	154.83	-45.0	197	BHP
91VD110	501452.91	7421445.75	454.32	295.05	-44.0	198	BHP
91VD115	500610.88	7421792.59	468.30	88.39	-45.0	205	BHP
91VD116	500382.72	7421219.88	466.10	720.24	-50.0	54	BHP

91VD117	500657.88	7421792.59	468.30	90.83	-45.0	210	BHP
91VD121	501297.88	7421429.09	468.30	49.38	-45.0	20	BHP
91VD122	501344.88	7421398.59	468.30	60.04	-45.0	198	BHP
91VD123	500246.28	7421112.59	463.57	1035.41	-48.0	57	BHP
91VD124	500833.38	7420905.09	460.30	461.14	-50.0	21	BHP
91VD125	500630.81	7420835.13	442.45	793.09	-55.0	39	BHP
91VD126	500417.59	7421118.06	453.10	612.04	-45.5	48	BHP
91VD127	500860.31	7420875.72	462.44	444.40	-50.5	30	BHP
91VD129	500860.31	7420875.72	462.44	624.23	-62.0	36	BHP
91VD130	500630.66	7420835.22	442.40	714.76	-54.0	31	BHP
91VD131	500461.66	7420800.59	473.81	944.99	-55.0	33	BHP
91VD132	500375.44	7420728.97	443.30	1053.69	-55.0	30	BHP
91VD133	500612.31	7420749.75	444.95	929.03	-55.0	32	BHP
91VD134	500703.88	7420698.59	452.92	743.10	-57.0	30	BHP
92VD135	501271.28	7421756.41	441.06	39.01	-45.0	14	BHP
92VD136	501260.88	7420862.59	468.92	133.20	-45.0	40	BHP
92VD137	501248.56	7421767.50	442.68	25.57	-45.0	30	BHP
92VD138	501223.88	7420902.59	471.60	181.96	-45.0	35	BHP
92VD139	501184.06	7421772.19	443.97	21.95	-45.0	46	BHP
92VD140	501143.88	7420878.59	470.32	246.27	-45.0	35	BHP
92VD141	500945.88	7420851.59	465.40	572.11	-59.0	26	BHP
92VD142	501273.88	7421191.59	473.30	32.92	-50.0	82	BHP
92VD143	500974.88	7420822.59	465.50	495.91	-58.5	26	BHP
92VD144	500820.19	7421990.19	444.19	46.63	-45.0	54	BHP
92VD145	500950.47	7421814.28	447.93	54.86	-45.0	18	BHP
92VD146	500874.47	7421919.78	446.97	43.59	-45.0	42	BHP
92VD147	501040.88	7420846.59	468.04	447.14	-59.0	15	BHP
92VD148	501083.88	7421152.59	471.09	41.50	-46.5	136	BHP
92VD149	501329.88	7420840.59	465.44	28.96	-48.0	26	BHP
92VD150	501265.56	7421721.28	441.57	69.49	-45.0	16	BHP
92VD151	501322.47	7421713.50	435.06	110.33	-44.5	8	BHP
92VD152	500944.56	7421779.50	449.04	218.53	-44.5	12	BHP
92VD153	501027.88	7420823.59	468.03	447.14	-50.0	24	BHP
92VD154	501262.97	7420990.59	469.00	161.24	-45.0	15	BHP
92VD155	501210.88	7420947.09	465.30	150.27	-45.0	22	BHP
92VD156	501229.13	7421063.59	472.87	108.81	-45.0	343	BHP
92VD157	501276.88	7421018.59	467.90	137.77	-45.0	351	BHP
92VD158	500819.28	7421919.50	448.11	174.35	-45.0	45	BHP
92VD159	501001.47	7421895.00	446.38	130.15	-45.0	155	BHP
92VD160	501161.38	7421709.00	444.28	136.25	-46.0	39	BHP
92VD161	501104.88	7421738.91	447.64	213.36	-45.0	32	BHP
92VD162	501184.88	7421184.69	472.25	229.21	-46.0	166	BHP
92VD163	501088.06	7421081.50	469.03	169.16	-45.0	31	BHP
92VD164	500972.97	7420902.91	467.28	399.90	-44.0	23	BHP
92VD165	501121.88	7420932.19	474.78	477.14	-49.0	20	BHP
92VD166	501186.06	7421041.69	473.01	150.00	-46.0	14	BHP
92VD167	501443.06	7420888.69	445.24	130.25	-46.0	220	BHP
92VD168	500865.56	7421356.41	462.29	69.19	-45.5	58	BHP
92VD169	500935.88	7420925.00	461.46	800.00	-45.0	26	BHP
92VD170	500672.56	7422356.59	473.30	53.34	-45.0	100	BHP
92VD171	501136.88	7421782.59	469.30	169.77	-45.0	358	BHP
93VD172	501337.88	7421713.59	434.30	52.43	-45.0	35	BHP
93VD173	500606.88	7422356.59	473.30	117.04	-45.0	35	BHP
93VD174	500622.88	7422438.59	473.30	98.45	-45.0	62	BHP
93VD175	501217.88	7421365.59	468.30	122.83	-45.0	79	BHP

93VD176	501269.88	7421283.59	467.30	89.31	-45.0	54	BHP
93VD177	501315.88	7421123.59	466.30	52.73	-45.0	80	BHP
93VD178	501224.88	7421228.59	470.80	211.23	-45.0	39	BHP
96-UL-1	500871.69	7421240.09	461.30	77.00	-60.0	35	Echobay
96-UL-10	501040.31	7421077.78	467.00	119.00	-60.0	32	Echobay
96-UL-11	501090.09	7421094.38	469.90	38.00	-45.0	35	Echobay
96-UL-12	501096.09	7421060.88	466.60	89.00	-51.0	26	Echobay
96-UL-13	501096.09	7421060.88	469.90	101.00	-60.0	42	Echobay
96-UL-14	501117.91	7421052.59	471.20	65.00	-49.0	30	Echobay
96-UL-15	501117.91	7421052.59	467.90	95.00	-60.0	46	Echobay
96-UL-16	501148.41	7421057.19	472.30	67.00	-59.0	31	Echobay
96-UL-17	501165.81	7421057.19	470.00	41.00	-45.0	30	Echobay
96-UL-18	501192.50	7421036.09	473.30	62.00	-45.0	32	Echobay
96-UL-19	501128.31	7420973.78	471.40	180.00	-55.0	10	Echobay
96-UL-2	500885.00	7421253.28	461.70	42.00	-45.0	35	Echobay
96-UL-20	501128.31	7420973.78	471.40	209.00	-60.0	13	Echobay
96-UL-21	501128.31	7420973.78	474.70	191.00	-59.0	20	Echobay
96-UL-22	501128.31	7420973.78	471.40	176.00	-54.0	26	Echobay
96-UL-24	501128.31	7420973.78	474.70	170.00	-55.0	49	Echobay
96-UL-25	501247.19	7420998.19	469.50	75.00	-45.0	22	Echobay
96-UL-27	501279.09	7421012.19	464.30	47.45	-45.0	0	Echobay
96-UL-3	500898.50	7421214.00	461.70	77.00	-60.0	35	Echobay
96-UL-31	500818.09	7421154.59	459.70	212.00	-60.0	35	Echobay
96-UL-33	500886.41	7421155.50	461.40	161.60	-60.0	36	Echobay
96-UL-34	500925.69	7421146.38	461.60	143.00	-60.0	37	Echobay
96-UL-35	500954.59	7421118.19	462.10	140.00	-60.0	36	Echobay
96-UL-37	500982.50	7421078.69	463.70	131.00	-60.0	36	Echobay
96-UL-38	500973.09	7421049.09	463.30	182.00	-60.0	35	Echobay
96-UL-4	500915.81	7421227.09	462.50	38.50	-45.0	35	Echobay
96-UL-5	500885.00	7421178.19	461.30	122.00	-60.0	35	Echobay
96-UL-6	500943.91	7421203.78	463.00	25.00	-45.0	35	Echobay
96-UL-7	500923.69	7421164.00	458.90	95.00	-60.0	35	Echobay
96-UL-8	500958.31	7421149.78	459.80	89.00	-60.0	35	Echobay
96-UL-9	501051.31	7421124.38	464.90	32.00	-45.0	32	Echobay
97CHP115N	501075.00	7421144.41	346.00	34.00	0.0	237	Echobay
97CHP115S	501075.00	7421137.59	346.00	30.00	0.0	237	Echobay
97CHP135N	501050.00	7421134.00	328.00	14.60	0.0	245	Echobay
97CHP135S	501050.00	7421127.19	328.00	9.80	0.0	238	Echobay
97CHP23E	501226.81	7421075.00	425.00	22.00	0.0	183	Echobay
97CHP25W	501231.59	7421075.00	425.00	17.40	0.0	185	Echobay
97UL100A01	501033.59	7421214.31	352.92	219.00	-30.2	164	Echobay
97UL100A02	501033.78	7421214.28	352.56	276.00	-41.9	162	Echobay
97UL100A03	501032.88	7421214.47	352.89	240.00	-38.2	173	Echobay
97UL100A04	501033.13	7421214.47	352.56	256.50	-46.7	168	Echobay
97UL100A05	501032.16	7421214.66	352.81	243.00	-43.0	182	Echobay
97UL100A06	501032.16	7421214.59	353.00	189.00	-33.2	183	Echobay
97UL100A13	501031.63	7421214.59	352.90	219.00	-35.9	190	Echobay
97UL100A14	501031.63	7421214.75	352.74	249.00	-44.4	190	Echobay
97UL100A15	501031.63	7421214.72	352.62	327.00	-48.4	190	Echobay
97UL100A16	501031.28	7421214.91	352.33	309.00	-50.8	194	Echobay
97UL100A17	501031.22	7421214.63	352.82	222.00	-30.1	194	Echobay
97UL100A20	501030.69	7421214.75	352.82	174.00	-34.8	201	Echobay
97UL100A21	501030.75	7421214.91	352.64	270.00	-45.0	202	Echobay
97UL100A22	501030.78	7421215.00	352.43	342.00	-49.9	202	Echobay
97UL100A25	501029.84	7421215.88	352.62	351.00	-51.6	221	Echobay
97UL100A26	501029.75	7421215.75	352.82	300.00	-40.9	220	Echobay
97UL100A56	501029.97	7421215.19	352.46	270.00	-39.7	214	Echobay

97UL100B01	501018.38	7421237.16	353.18	252.00	-30.6	205	Echobay
97UL100B02	501018.13	7421238.13	353.41	227.00	-31.6	217	Echobay
97UL100B03	501018.19	7421238.44	353.16	240.02	-42.9	222	Echobay
97UL100B04	501018.31	7421238.59	353.14	291.00	-51.6	221	Echobay
97UL100B05	501017.97	7421238.78	353.16	348.00	-40.7	229	Echobay
97UL100B06	501018.13	7421238.91	353.05	267.00	-44.3	229	Echobay
97UL100B07	501018.13	7421238.94	352.99	309.00	-54.5	228	Echobay
97UL100B08	501017.53	7421239.22	352.68	369.12	-48.0	242	Echobay
97UL100B09	501017.47	7421239.19	353.00	210.00	-43.1	241	Echobay
97UL100B10	501017.38	7421239.16	353.23	300.10	-34.4	241	Echobay
97UL100B11	501017.25	7421239.63	352.90	261.00	-39.0	248	Echobay
97UL100B16	501018.22	7421238.44	353.17	273.00	-37.0	222	Echobay
97UL100B17	501018.38	7421238.63	352.95	297.00	-45.9	222	Echobay
97UL100B18	501018.06	7421238.88	353.11	351.00	-46.7	229	Echobay
97UL100B19	501018.16	7421238.94	352.96	387.00	-48.1	229	Echobay
97UL100B21	501017.47	7421239.19	352.99	369.06	-44.6	242	Echobay
97UL115-01	501055.94	7421124.44	354.08	134.00	-38.8	142	Echobay
97UL115-02	501055.88	7421124.53	344.89	167.00	-47.6	141	Echobay
97UL115-03	501054.94	7421124.56	345.54	137.00	-43.2	160	Echobay
97UL115-04	501054.91	7421124.44	345.14	153.00	-51.8	161	Echobay
97UL115-05	501054.16	7421124.28	344.94	152.00	-49.4	175	Echobay
97UL115-06	501053.97	7421124.38	344.88	153.00	-58.2	180	Echobay
97UL115-07	501053.41	7421124.09	344.89	147.00	-59.0	192	Echobay
97UL115-08	501052.00	7421123.41	345.41	143.00	-50.8	203	Echobay
97UL115-09	501052.13	7421123.56	345.32	194.00	-54.1	208	Echobay
97UL115-10	501051.50	7421124.31	344.96	213.00	-54.5	227	Echobay
97UL115-11	501051.63	7421124.25	345.63	152.00	-50.7	224	Echobay
97UL115-12	501050.13	7421127.69	346.43	98.18	-5.1	281	Echobay
97UL115-13	501050.97	7421124.81	345.33	185.00	-49.6	235	Echobay
97UL115-14	501050.97	7421124.97	345.51	161.00	-43.5	237	Echobay
97UL115-O1	501055.94	7421124.44	354.08	134.00	-38.8	142	Echobay
97UL25-01	501234.88	7421077.44	429.19	75.00	0.0	153	Echobay
97UL25-02	501234.34	7421076.94	429.20	72.00	0.0	161	Echobay
97UL25-03	501233.78	7421076.72	429.15	62.00	0.0	170	Echobay
97UL25-04	501233.69	7421078.84	429.17	52.00	0.0	183	Echobay
97UL25-05	501218.34	7421100.09	427.71	70.00	0.0	205	Echobay
97UL25-06	501218.25	7421100.09	427.70	41.00	0.0	220	Echobay
97UL25-07	501218.38	7421100.16	427.69	45.00	0.0	235	Echobay
97UL25-08	501218.19	7421100.19	428.34	54.50	10.0	242	Echobay
97UL25-09	501234.34	7421076.94	428.90	72.00	-8.0	161	Echobay
97UL25-10	501234.88	7421077.44	429.19	80.00	0.0	143	Echobay
97UL75-01	501069.88	7421120.09	386.56	95.00	-35.0	150	Echobay
97UL75-02	501069.69	7421120.00	385.83	122.00	-56.5	155	Echobay
97UL75-03	501069.13	7421119.63	386.41	83.50	-41.6	165	Echobay
97UL75-04	501067.63	7421119.50	386.32	101.00	-53.8	188	Echobay
97UL75-05	501066.88	7421119.56	386.45	86.00	-41.0	198	Echobay
97UL75-06	501065.25	7421120.31	386.85	89.00	-35.0	223	Echobay
97UL75-07	501066.28	7421119.88	386.39	109.30	-51.2	207	Echobay
97UL75-08	501065.81	7421120.25	386.46	120.00	-53.1	216	Echobay
97UL75-09	501068.78	7421119.78	386.20	117.00	-59.5	170	Echobay
97UL75-10	501064.53	7421121.28	387.42	101.00	-26.4	239	Echobay
97UL75-11	501064.25	7421121.66	386.88	131.00	-28.8	248	Echobay
97UL75-12	501064.63	7421122.28	386.50	152.00	-36.8	253	Echobay
97UL75-13	501065.66	7421119.91	387.10	105.00	-16.8	214	Echobay
97UL75-14	501064.97	7421120.38	387.14	92.00	-18.9	225	Echobay
97UL75-15	501064.44	7421121.25	387.10	89.00	-20.2	239	Echobay
97UL75-16	501064.81	7421121.03	386.65	110.00	-40.6	234	Echobay

97UL75-17	501069.53	7421120.19	387.58	60.11	-1.2	156	Echobay
97UL75-18	501068.44	7421118.88	387.57	35.00	-0.5	175	Echobay
97UL75-19	501066.09	7421123.56	387.23	35.00	0.3	260	Echobay
97UL75-20	501065.66	7421123.50	387.61	53.00	-0.4	275	Echobay
97UL75-21	501066.09	7421123.97	387.62	77.00	-0.3	283	Echobay
97UL95-01	501061.63	7421117.22	366.89	95.00	-18.0	287	Echobay
97UL95-02	501061.06	7421117.09	366.42	122.00	-29.5	284	Echobay
97UL95-03	501060.94	7421116.41	366.23	101.00	-36.4	273	Echobay
97UL95-04	501061.13	7421115.75	366.63	35.00	-5.6	264	Echobay
97UL95-05	501061.28	7421115.66	366.70	64.00	-26.1	263	Echobay
97UL95-06	501061.41	7421115.34	366.45	141.00	-36.3	257	Echobay
97UL95-07	501061.50	7421114.88	366.34	98.00	-36.5	250	Echobay
97UL95-08	501061.53	7421114.88	366.05	125.00	-43.8	248	Echobay
97UL95-09	501062.03	7421114.16	366.30	50.00	-38.0	235	Echobay
97UL95-10	501062.13	7421114.13	366.18	116.00	-42.0	234	Echobay
97UL95-11	501062.19	7421113.69	366.16	91.00	-40.0	227	Echobay
97UL95-12	501062.88	7421113.13	365.86	110.00	-52.7	214	Echobay
97UL95-13	501063.47	7421112.94	365.75	86.00	-47.2	204	Echobay
97UL95-14	501064.44	7421113.03	367.01	25.00	-12.1	189	Echobay
97UL95-15	501064.50	7421113.16	365.97	47.00	-45.1	188	Echobay
97UL95-16	501064.50	7421113.31	365.70	110.00	-55.2	190	Echobay
97UL95-17	501065.38	7421113.81	365.87	80.00	-48.5	168	Echobay
97UL95-18	501065.50	7421113.97	365.77	110.00	-53.7	163	Echobay
97UL95-19	501065.75	7421113.97	366.59	65.00	-30.5	158	Echobay
97UL95-20	501066.03	7421114.22	366.38	98.00	-38.2	149	Echobay
97UL95-21	501066.00	7421114.28	366.11	140.00	-46.4	146	Echobay
97UL95-22	501066.31	7421114.44	367.21	45.00	-5.1	140	Echobay
97UL95-23	501061.38	7421117.31	367.33	74.00	-0.2	287	Echobay

Bonito Capital Corporation

A wholly owned subsidiary of Mandalay Resources Corporation

Ulu Gold Project

Nunavut, Canada

Solid and Hazardous Waste Management Plan

March 2018

Bonito Capital Corporation
Mandalay Resources Corporation
76 Richmond Street East, Suite 330
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Document Control

Revision No	Date	Details
1.0	August 2011	Plan submitted to NWB
2.0	March 2013	Plan updated to reflect comments received from intervenors Plan approved under Water Licence 2BM-ULU1520
3.0	March 2016	Updated to reflect new water licence Updated contact and general information Added document control table Updated site history Expanded on and moved description of possible use and disposal options for incinerator ash from Section 6.2 to 6.2 Added possible development of landfill for closure into Section 6.3 Updated reference section
4.0	March 2018	Updated to reflect water licence amendment Updated site history Added disposal of suitable waste in underground workings Added possible development of two landfills Added development of burn pit

Executive Summary English

This Solid and Hazardous Waste Management Plan (Plan) has been prepared by Bonito Capital Corporation (BCC), a wholly owned subsidiary of Mandalay Resources Corporation (Mandalay) for the Ulu Project (Project) in accordance with its Water Licence 2BM-ULU1520 (Licence). The Project site is located in the Kitikmeot region of Nunavut approximately 12 km north of Hood River and 150 km north of Lupin Mine. The site has been in a state of care and maintenance since 2006 and BCC has made the decision to complete certain reclamation activities in the summer of 2018. Facilities including site roads, pads, airstrip, and necessary accommodations will remain in place for future use. Other existing facilities at site will be progressively reclaimed as outlined in the March 2018 *Progressive Reclamation Workplan*.

Typical waste generated on site during past Project exploration and care and maintenance activities included domestic and hazardous waste, waste ore, and, in the event of a spill, hydrocarbon contaminated soils. Waste generated on site during execution of the *Progressive Reclamation Workplan* will include building and demolition waste, non-salvageable equipment, domestic waste and hazardous waste. BCC has and will continue to identify and segregate wastes into various streams. Where possible, BCC will divert waste streams through reduction, re-use and recycling measures.

Solid non-hazardous wastes will be, segregated into non-recyclable, recyclable, combustible, and non-combustible. Non-hazardous and non-recyclable wastes will be placed underground in the exploration mine workings. To the maximum extent possible, scrap metal and recyclable materials will be salvaged for re-use or hauled to Yellowknife to be recycled. Combustible inert solids including food scraps, will be incinerated to prevent wildlife attraction. Larger combustible inert solids, mainly produced by building demolition, will burned in an approved site burn pit. One or two small landfills may be developed surface for the permanent storage of non-hazardous and inert waste materials. The landfills will only be used if portions of the inert, non-hazardous waste do not operationally or logistically fit in the underground workings. Clean non-hazardous incinerator ash may be re-used for on-site reclamation activities or placed underground if required.

Contaminated soils resulting from any accidental spills will be handled in accordance with the *Ulu Gold Project Spill Contingency Plan,* and then placed underground as part of the *Progressive Reclamation Workplan* scope. Hazardous wastes will be sorted and temporarily stored on site in a designated area with secondary containment. Potentially hazardous waste materials including batteries, antifreeze, solvents, products containing mercury, paint, oil, and aerosols, will be removed from any buildings and equipment prior to dismantling. Hazardous and potentially hazardous waste materials will be disposed of in accordance with the waste-specific details outlined in this Plan.

All wastes will be transported in accordance with applicable waste-specific regulations; with the appropriate records of waste management activities, documentation and manifests. BCC personnel responsible for the management of waste will receive appropriate training.

Executive Summary Inuktitut

Awaiting translation – to be provided as soon as possible

Executive Summary Inuinnaqtun

Awaiting translation – to be provided as soon as possible

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Figures

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1. Introduction

Bonito Capital Corporation (BCC), a wholly owned subsidiary of Mandalay Resources Corporation (Mandalay), has prepared this Solid and Hazardous Waste Management Plan (Plan) with respect to the requirements within Water Licence Number 2BM-ULU1520 (Water Licence). An annual review of the Plan takes place and revisions are submitted as necessary with the annual report in accordance with Part B(8,e) of the Water Licence. In addition, this Plan takes into consideration waste management plans and procedures included in the Ulu Project March 2018 *Progressive Reclamation Workplan*.

The March 2016 *Solid and Hazardous Waste Management Plan* was approved by the Nunavut Water Board (NWB) under Part D(13) of the Water Licence. The current Type B water licence 2BM-ULU1520 for the Ulu Gold Project (Ulu or the Ulu Project) is valid until May 12, 2020.

1.1. Background

Mandalay is a Canadian based company focused on producing assets in Australia, Chile and Sweden, a development project in Chile and the exploration and development of the past-producing Lupin gold mine and the Ulu gold project, both located in Nunavut, Canada.

Ulu has seen extensive exploration since its discovery in 1989. The Ulu site lease was purchased by Echo Bay Mines Ltd. from BHP in 1995 with the intent to develop the property into a satellite mine for additional feed to the Lupin mill. An underground development, diamond drilling and bulk sample program was conducted in 1996 and 1997 to provide infill geological information. Underground operations ceased in 1997 prior to the mine providing mill feed to Lupin. In 2002 Kinross Gold Corporation acquired the Ulu Project. Wolfden Resources Corporation purchased BCC and the Ulu Project from Kinross in 2004. Wolfden undertook surface exploration and environmental studies, widened the airstrip and reactivated the portal to access the underground workings. Since 2006 the project has been in care and maintenance (43-101 Technical Report, 2015). The Project is currently planning to implement a *Progressive Reclamation Workplan* in the summer of 2018.

1.2. Company Information

During the care and maintenance period the Site has changed ownership. In 2007, Zinifex purchased Wolfden. Zinifex merged with Oxiana Limited and formed OZ Minerals. The assets of OZ Minerals were purchased by China Minmetals resulting in OZ Minerals becoming MMG Resources Inc.. MMG subsequently sold BCC to Elgin Mining Inc. and Mandalay purchased BCC from Elgin in September 2014. WPC Resources Inc. has since entered into a non-binding letter of intent with Mandalay to acquire BCC.

Company:	Bonito Capital Corp.
Project:	Ulu Gold Project, Nunavut
Company Address:	Suite 330, 76 Richmond Street East, Toronto, ON M5C 1P1

Telephone:	778-386-7340
Email:	klewis@elginmining.com
Attention:	Karyn Lewis, General Administration

Effective date: 31 March 2016

Distribution List:

Karyn Lewis	General Administration
Discovery Mining Services	Site Contractor
WPC Resources Corporation	Exploration Operator

Additional copies of this Plan are available from General Administration. This Plan will be posted in key locations at the site, and all employees and contractors will be made aware of its contents.

1.3. Environmental and Sustainable Development Policy

Bonito Capital Corporation (BCC) is committed to maintaining a safe, clean, compliant and respectful work environment. BCC looks to our employees, contractors and managers to adopt and grow a culture of social responsibility and environmental excellence. Together we achieve this by:

- Promoting environmental stewardship in all tasks. Nothing is too important that it cannot be done in a clean and responsible manner. We strive towards maintaining a zero-incident work place.
- Recognizing that we have a shared responsibility as stewards of the environment in which we operate. We will not walk away from a non-compliant act.
- Identifying, managing and mitigating environmental, business and social risks in an open, honest and transparent manner.
- Planning our work so it is done in the cleanest possible manner and executing work according to plan.
- Continually improving environmental and operational performance by setting and reviewing achievable targets.
- Providing appropriate and necessary resources in the form of training, personnel and capital, including that required for closure planning and reclamation.
- Managing our materials and waste streams, maintaining a high degree of emergency response preparedness and minimizing our operational footprint to maintain environmental protection at all stages of project development.
- Procuring goods and services locally, where available, and favouring suppliers with environmentally and socially responsible business practices.
- Seeking to understand, learn from and mitigate the root causes of environmental incidents and near misses when they do occur.

- Employing systems and technology to achieve compliance, increase efficiency and promote industry best practices in development, operations and environmental stewardship.
- Working with stakeholders to identify and pursue opportunities for sustainable social and economic development and capacity building.
- Conducting early and ongoing stakeholder engagement relevant to the stage of project and mine development and operation.
- Recognizing diversity in the workplace and building meaningful relationships with all stakeholders in a timely, collaborative and transparent manner.

Through implementation of this policy, BCC seeks to earn the public's trust and be recognized as a respectful and conscientious employer, neighbor and environmental steward.

1.4. Purpose and Scope of Plan

This Plan is designed to provide the necessary background information for identification, segregation, handling and disposal of solid and hazardous waste generated during Project and *Progressive Reclamation Workplan* activities.

The objectives of the Plan are to:

- Provide a guidance for solid and hazardous waste management at Ulu; and
- Describe the responsibility and tasks involved with Waste Management.

1.5. Applicable Legislation and Guidelines

Waste management in Nunavut is regulated by the following:

- Nunavut Water and Nunavut Surface Rights Tribunal Act, SC 2002;
- Nunavut Public Health Act;
- Nunavut Environmental Protection Act;
- Federal Environmental Protection Act;

Hazardous waste management is further regulated by the following:

- Transportation of Dangerous Goods Act (TDGA) and Regulations (TDGR);
- Federal Interprovincial Movement of Hazardous Waste Regulations;
- Export and Import of Hazardous Waste and Hazardous Recyclable Material Regulations;
- International Air Transport Association (IATA);
- International Civil Aviation Organization Technical Instructions (ICAO);
- Occupational Health and Safety Regulations;
- National Fire Code;
- Work Site Hazardous Materials Information System Regulations (WHMIS); and
- Public Health Act.

The Plan was also prepared with consideration of the following guideline documents issued by the Government of Nunavut Department of Environment:

- Environmental Guideline for the Burning and Incineration of Solid Waste;
- Environmental Guideline for the General Management of Hazardous Waste;
- Environmental Guideline for Industrial Waste Discharges;
- Environmental Guideline for Waste Antifreeze;
- Environmental Guideline for Waste Batteries;
- Environmental Guideline for Waste Solvents;
- Disposal Guidelines for Fluorescent Lamp Tubes;
- Municipal Solid Wastes Suitable for Burning; and
- Guideline for the Management of Waste Lead and Lead Paint.

2. Project Information

2.1. Project Location

The Ulu Project is situated in the Kitikmeot Region, Nunavut, approximately 12 km north of Hood River and 150 km north of Lupin Mine. The geographic center of the property is 66° 54'27" N / 110° 58'24W as shown in Figure 1: Ulu Project Location Map**.**

2.2. Project and Site Description

The Ulu Project site is completely self-contained with the exception of the transportation requirements for materials/supplies and workforce mobilization. There are three (3) main location areas as shown in Figure 2:

1. Ulu Camp which houses the residential complex consisting of Weatherhaven accommodations, vehicle repair shop, vehicle parking, power house, emergency generators, office and change rooms, fuel storage tank farm, freshwater system, sewage treatment plant and sewage line, incinerator, ore storage area, waste pad, mine portal, surface mine sump (retention pond), and access roads as shown in Figure 3;
2. Camp 3, which is comprised of fuel tank farm, explosives magazine, detonator magazine, quarry and borrow pit eskers; and
3. Airstrip

The site is accessible year-round only by aircraft. Bulk items were brought on site via and overland trail from the Lupin mine. During *Progressive Reclamation Workplan* activities, all supplies will be flown-in, with hazardous waste flown out, and salvageable equipment demobilized to Lupin on the overland trail. Figure 2 shows the Ulu Project site and Figure 3 shows the Ulu Camp Area Site plan. Figure 4 shows the Ulu Site Facilities that will remain following execution of the *Progressive Reclamation Workplan*.

Figure 1: Ulu Project Location Map

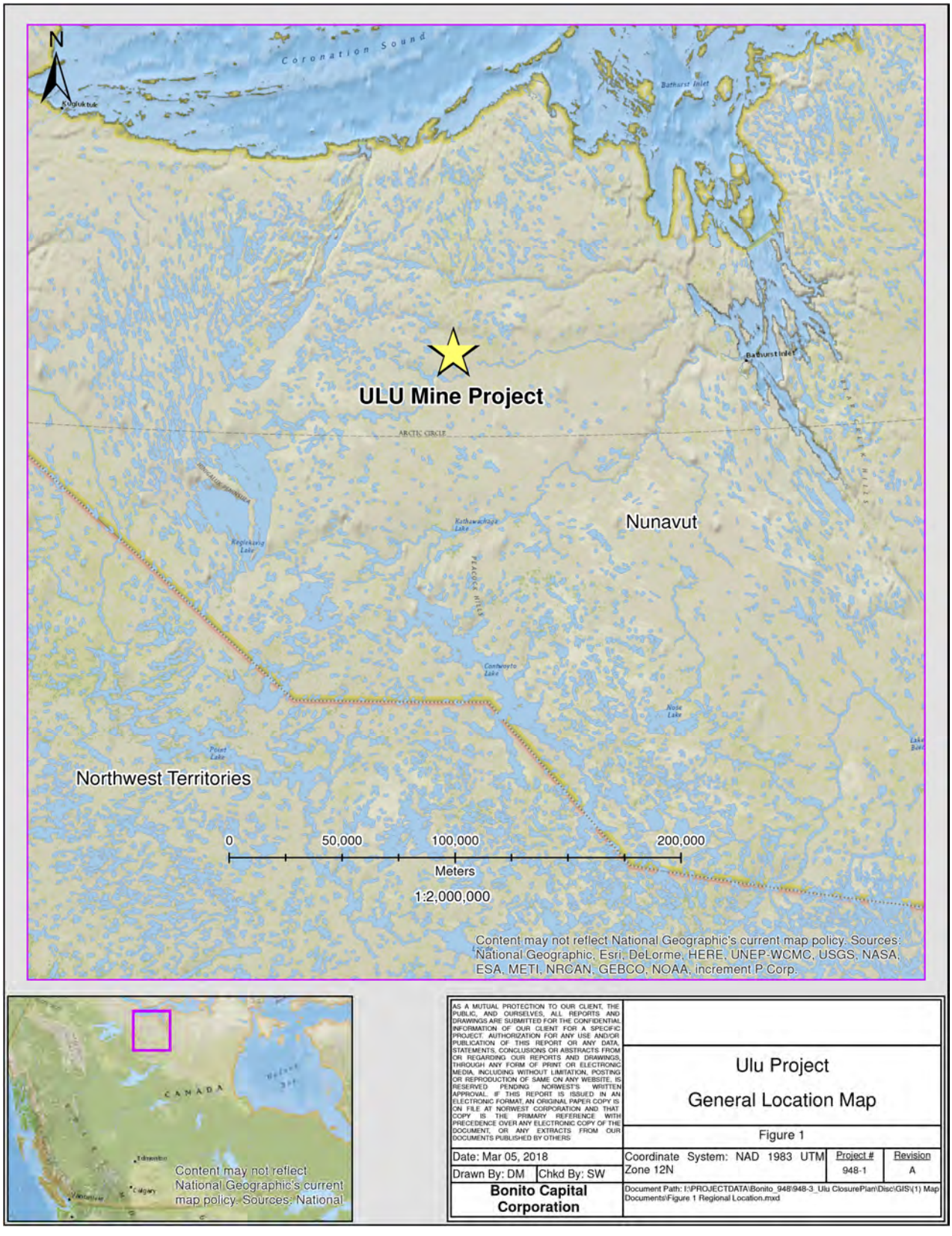


Figure 2: Main Areas Ulu Site

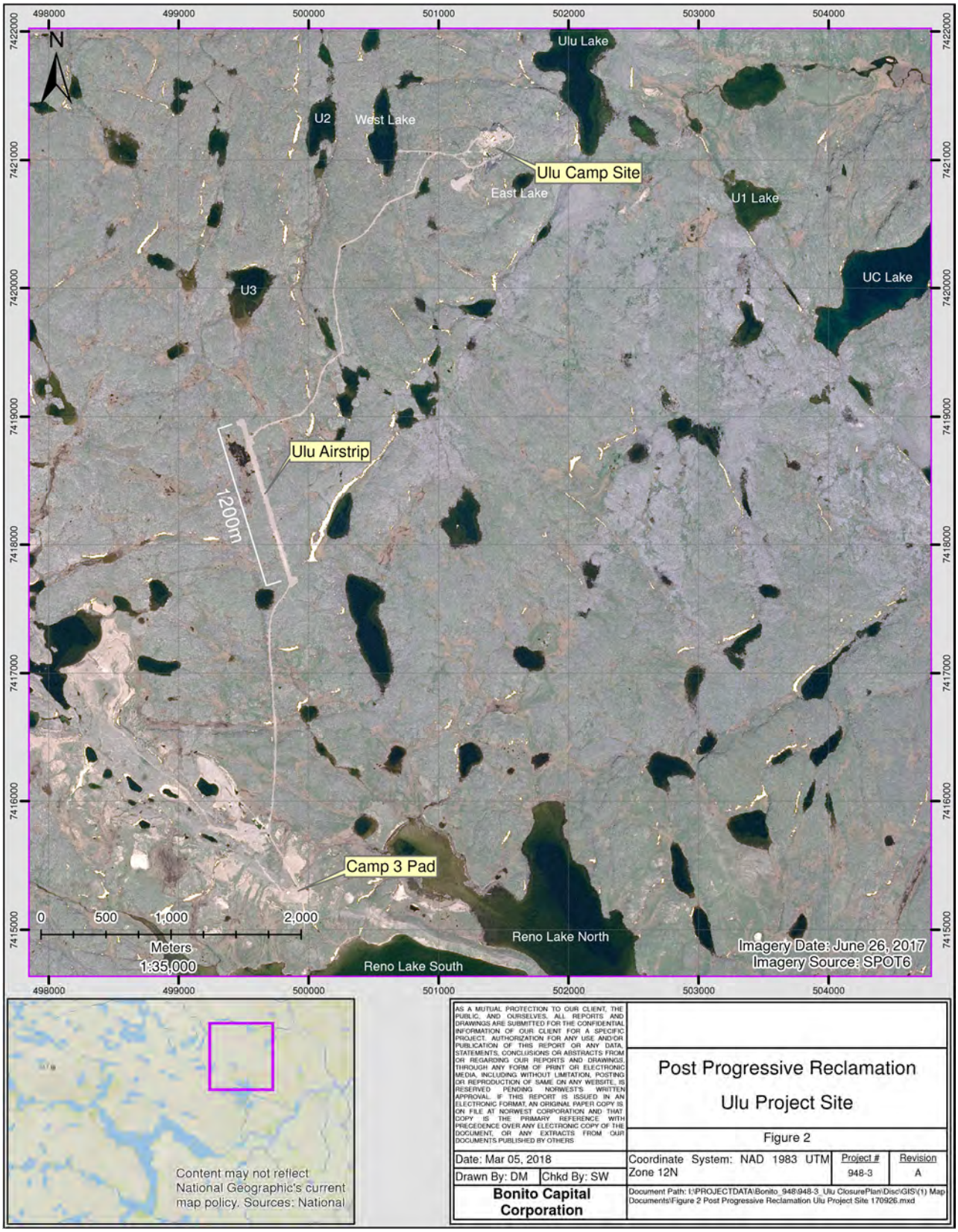


Figure 3: Ulu Camp Area Site Plan

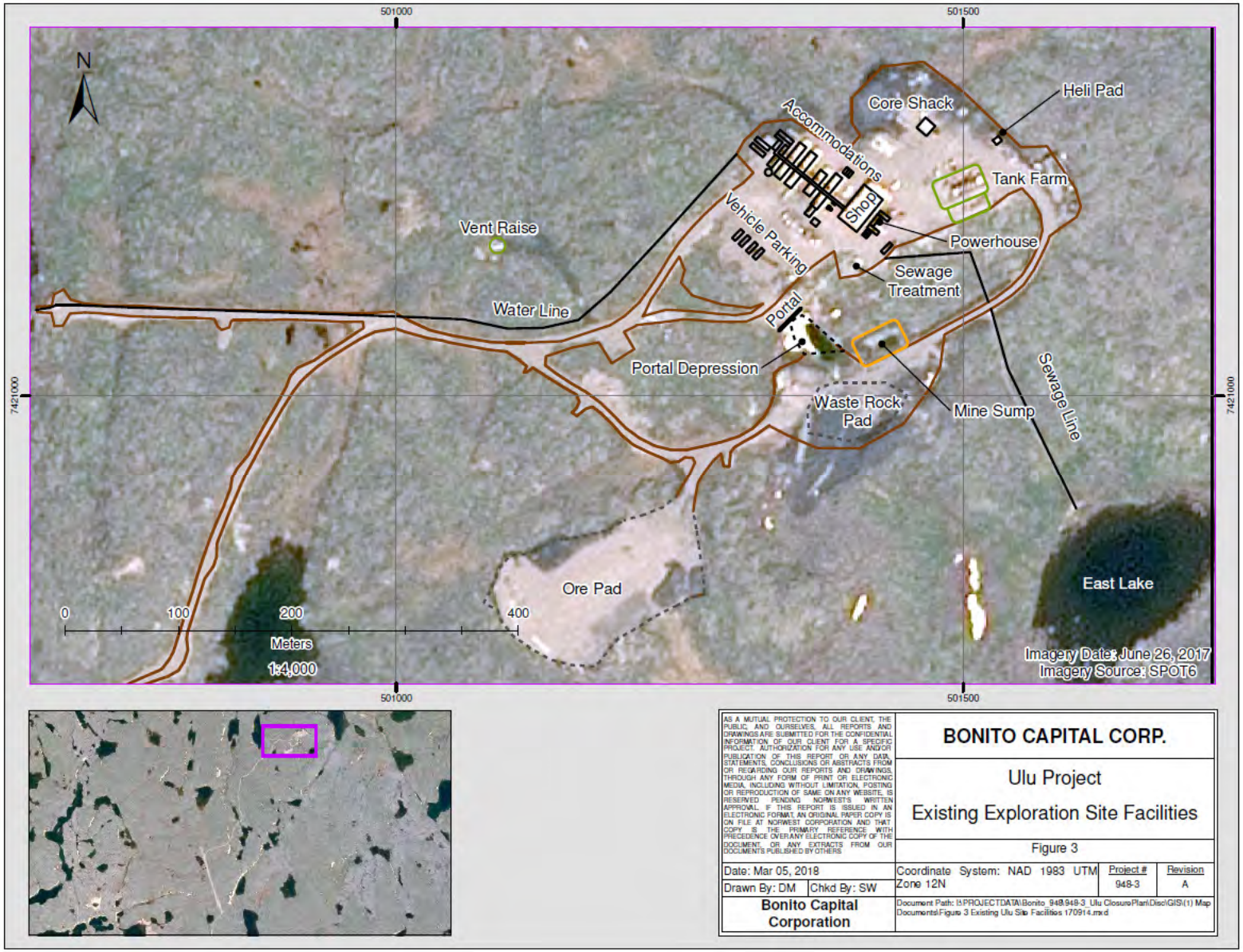
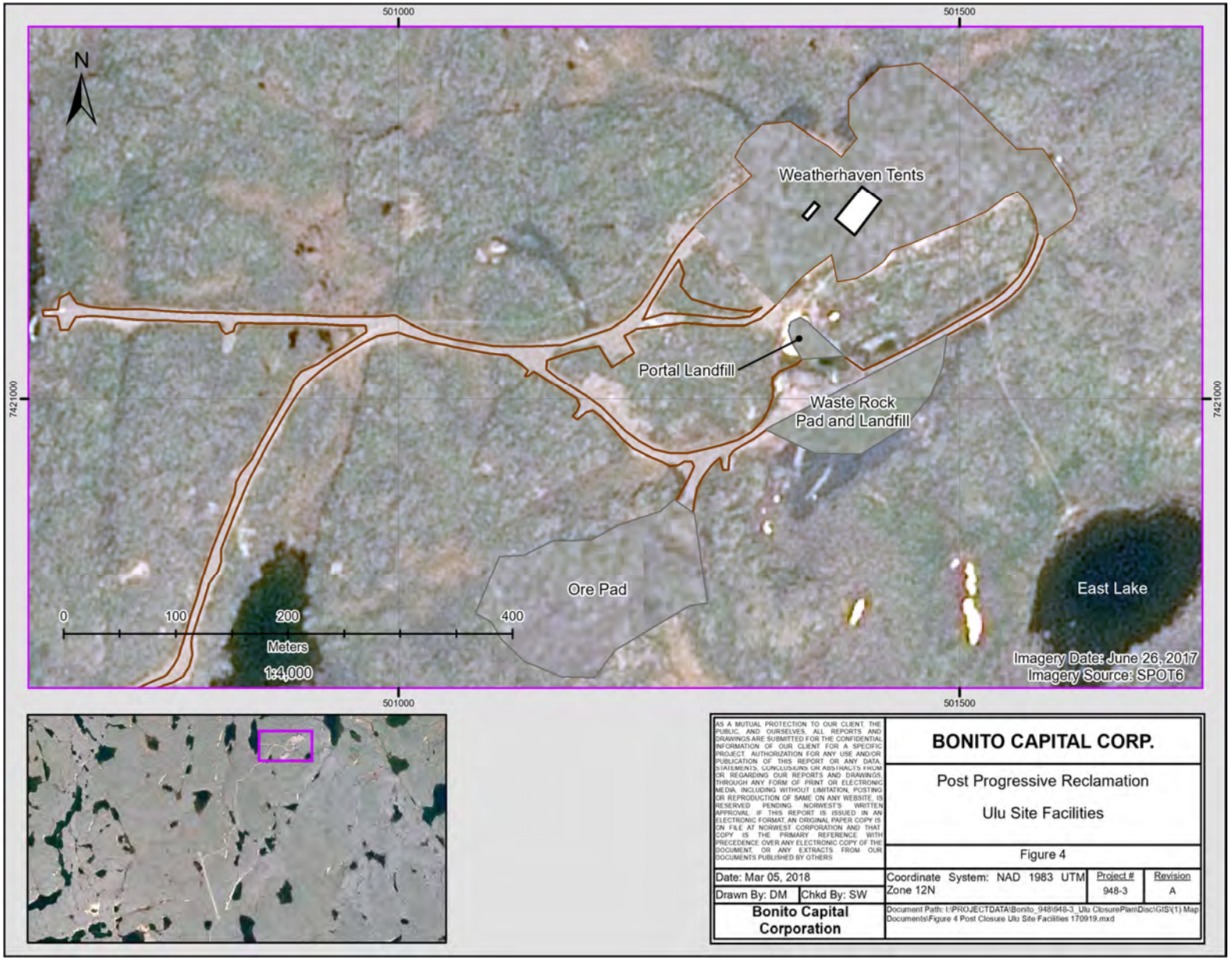


Figure 4: Post Progressive Reclamation Site Facilities



3. Waste Identification

Typical waste generated on site during past Project exploration and care and maintenance activities included domestic and hazardous waste, waste ore, and, in the event of a spill, hydrocarbon contaminated soils. Waste generated on site during execution of the *Progressive Reclamation Workplan* will include building and demolition waste, non-salvageable equipment, domestic waste and hazardous waste.

In order to determine if a solid waste is a hazardous waste, the Ulu site shall:

- Refer to the MSDS for the material in question;
- Maintain an inventory of materials on site and their classification; and
- Review the materials inventory on an annual basis.

All wastes generated by BCC's activities will be classified and managed by appropriately trained personnel. Common knowledge can be used to determine that materials such as paper, untreated wood, concrete and food scraps are not hazardous wastes and where they should be segregated for disposal. BCC will retain documentation to substantiate the basis for its determinations that a solid waste is not a hazardous waste, in all but the most obvious situations (e.g. food scrap).

4. Waste Segregation

Following identification, waste is segregated at the source. This is an essential component of waste management as comingled wastes can result in the reclassification of waste streams, a change in handling and storage procedures and an increase in the cost of waste disposal. Waste streams are currently being segregated as follows:

Table 1: Waste Segregation

Hazardous		Non-Hazardous		
		Non-Recyclable or Salvageable		Recyclable or Salvageable
Non-Recyclable	Recyclable	Non-Combustible	Combustible	
Fluorescent light tubes	Oil, fuel	Incinerator ash	Food scraps	Scrap metal
Solvent Contaminated Soils	Antifreeze	Building demolition waste	Untreated wood	Food and beverage containers
Other non-recyclable hazardous solids and liquids	Batteries	Non-salvageable equipment	Paper products	Some plastic products
-	Remediated soil	Hydrocarbon Contaminated Soil	Light plastics not treated with chlorine	Salvageable equipment
-	Solvents	Waste Ore	-	-
-	-	All other non-potentially hazardous wastes	Natural textile fibers	-

Hazardous non-recyclable and recyclable waste materials, have been and will continue to be stored in 205 litre drums that will be backhauled to Yellowknife for disposal at suitable facilities. Non-hazardous materials will be segregated as per above and salvaged for re-use, incinerated or burned in a site burn pit, disposed of underground or disposed of in one of the two small site landfills.

5. Waste Diversion

Where possible, waste diversion including reduction, re-use and recycling, will occur as follows:

Reduce

- Purchase only required amounts of materials;
- Purchase from vendors who will accept exchanges of used waste (i.e batteries) for new materials purchased
- Conduct periodic waste audit to inventory and study waste produced, identify costs of current management methods, and identify opportunities for further diverting waste;
- Protect materials from damage;
- Maintain equipment to reduce replacements;
- Substitute less hazardous materials where possible; and
- Select durable products to maximize useful life.

Reuse and Recycling

- Test items such as batteries to ensure they are spent before disposal;
- Return materials to the system following maintenance or repair where possible;
- Filter and/or use additives to replenish lost properties of material in order to extends useful life where possible;
- Engage in waste exchange programs; and
- Collect and return materials to the manufacturer where possible.

Where diversion is not an option, waste will be incinerated or burned in a site burn pit, disposed of underground or in one of the two potential small site landfills, or shipped offsite to a third-party waste receiver. The status and use of onsite facilities is discussed in Section 6.2 and 6.3.

6. Solid, Non-Hazardous Waste Management

6.1. Types of Waste

Hazardous waste is shipped to KBL Environmental, a licensed waste disposal facility in Yellowknife.

Solid non-hazardous wastes are segregated into non-recyclable, recyclable, combustible, and non-combustible as outlined in Table 1. To the maximum extent practical, salvageable equipment and scrap metal generated at the Ulu site shall be sold to other users or shipped to a metal recycling facility. Recyclable materials such as plastic and metals will be returned to the appropriate facilities in Yellowknife.

Combustible Inert Solids

Small volumes of combustible inert solids outlined in Table 1, mainly food scraps and combustible camp waste, will be incinerated in the incinerator facility described in Section 6.2 to prevent wildlife attraction. Larger volumes of combustible inert solids, mainly non-treated wood and natural fibers and paper products, will be burned in an approved site burn pit.

Non-Combustible, Inert Solids

Non-combustible, inert solid wastes deemed unsuitable for incineration will be appropriately segregated, stored such that it is inaccessible to wildlife, and placed underground in the abandoned exploration mine workings or at surface in one of two small landfills. These wastes may include:

- Waste ore;
- Hydrocarbon contaminated soil;
- Mobile and non-mobile equipment with hazardous materials removed;
- Incinerator ash;
- Geomembrane liner material;
- Kitchen grease;
- Painted / treated wood;
- Drywall and ceiling tile;
- Insulation;
- Plumbing waste;
- Welding rods;
- Flooring;
- Electrical waste;
- Mechanical waste; and
- Filters (air, furnace, oil).

Further details on the specific inert non-hazardous materials suitable for the burn pit or the small surface

landfills are included in the Ulu Project *Landfill Operations and Maintenance Plan* (March 2018).

Soils Contaminated with Petroleum Products

Soils contaminated from spills of petroleum products (including diesel, gasoline, oils, used oil, and grease) will be stored in drums. The drums have been and will continue to will be temporarily stored within the Ulu camp tank farm containment area for secondary containment pending disposal underground. Field methods and laboratory confirmation testing will determine and confirm the extent of contamination.

Waste Ore

Small amounts of waste ore located on the Ore Pad will be will be moved into the abandoned underground workings.

6.2. Incinerator Facility

There is an existing incinerator at site. However, this unit will require a detailed retrofit to upgrade to current specifications. BCC plans to install a new incinerator prior to the next exploration season. BCC plans to compile and submit the following as an addendum to this Plan for review and approval by the NWB. This plan will include:

- Incineration equipment specifications;
- Quantities of waste to be incinerated;
- Waste segregation protocol;
- Training procedures for site personnel working with the incinerator; and
- Reporting format.

Clean non-hazardous incinerator ash may be re-useable for on-site reclamation activities as a soil amendment. Analytical testing is required to determine if incinerator ash is appropriate for remedial use. Testing is also required to determine if the incinerator ash can be disposed of in a future onsite landfill.

6.3. Burn Pit and Landfill Facilities

BCC is currently applying to operate two small surface landfills and a burn pit at the Ulu project site, to support the execution of the *Progressive Reclamation Workplan*. Disposal of non-hazardous solid waste in an on-site landfill during closure is given consideration in the *Interim Closure and Reclamation Plan* (March 2016). Details of the proposed locations and uses for the burn pit and landfills are included in the *Landfill Operations and Maintenance Plan* (March 2018). The locations of the proposed landfill facilities are shown in Figure 4 of this document.

6.4. Transport

Non-hazardous waste will be stored in appropriate containers or locations specific to the waste stream,

such that they are inaccessible to wildlife, and properly secured to ensure that no leaks or spills occur during transport. Combustible wastes will be hauled to the incinerator or burn-pit, as appropriate. Non-combustible, non-hazardous wastes will be placed underground in the abandoned Ulu exploration mine workings as per the *Progressive Reclamation Workplan* (March 2018). Non-hazardous inert solid wastes deemed un-suitable for disposal underground due to operational reasons such as the underground being sealed, will be transported to one of the two locations suitable for landfilling, as per the *Landfill Operations and Maintenance Plan* (March 2018).

6.5. Documentation

To facilitate waste reduction initiatives, records of all waste shipped off-site or placed in the landfills will be maintained, including:

- Location where waste was generated;
- Type of waste;
- Volume of waste;
- Additional materials required (i.e Megabags, drums);
- Any other comments.

All non-hazardous waste requiring shipment off site must have a Bill of Lading accompany the shipment.

7. Hazardous Waste Management

7.1. Hazardous Waste Materials

7.1.1 Solvents and Soils Contaminated with Solvents

Materials contaminated with solvents containing greater than 10% chlorinated and/or fluorinated hydrocarbons shall be excavated until there is no visible sign of contamination and disposed of as waste solvent hazardous materials. Material contaminated with solvents other than those containing greater than 10% chlorinated and/or fluorinated hydrocarbons shall be excavated until there is no visible sign of contamination and managed as petroleum-contaminated soil (as detailed above).

Storage

Waste solvent will be temporarily stored on site until sufficient volumes are collected for cost effective transport to a recycler or disposal facility. Waste solvent will be stored as follows:

- Re-use original containers, where possible, or bulk waste solvent into containers manufactured for the purpose of containing solvents into good quality 16 gauge or lower steel or plastic 205 L drums;
- Use containers that are sound, sealable and not damaged or leaking;

- Containers will be clearly labeled according to the requirements of the WHMIS, the relevant TDG and IATA requirements;
- Small quantities of solvent should never be stored in used food containers (i.e. bottles and cans); and
- Keep away from sources of ignition.

Labeling

Containers containing waste solvent must have diamond shaped classification placard affixed to them and include the following TDG shipping labels:

Shipping label: WASTE Flammable Liquid, N.O.S.
Classification: 3
Product Identification Number: UN1993 Packing
Group: I, II or III
Special Provision: 16

A package orientation label will also be displayed on the container.

Chlorinated, bromated and other halogenated organic solvents must be identified by their specific shipping name.

Disposal

Bulk waste solvent will be shipped off site to a registered recycling facility. Small volumes of waste solvent (i.e. less than one cup) can be disposed of by allowing the liquid to evaporate.

Solvent containers that have been emptied to the greatest extent possible will be sent off site for landfill disposal. The emptied containers will be rendered unusable by puncturing or crushing prior to disposal to prevent their reuse.

7.1.2 Waste Batteries

Purchasing

To the extent practicable, lead acid and nickel cadmium batteries are to be purchased only from vendors who will accept exchanges of used batteries for new batteries purchased.

Storage

Waste batteries will be temporarily stored on site until sufficient volumes are collected for cost effective transport to a recycler or disposal facility. Waste batteries will be stored as follows:

- Only containers that are sound, sealable and not damaged or leaking will be used;
- Storage containers will be kept closed at all times;

- Spent batteries will be placed into a lined plywood box with a sound sealable lid;
- All fill ports and vents must be upward, the batteries cushioned and rendered incapable of sparking or short circuiting;
- All storage containers will be placed on wooden pallets to keep containers and batteries off the ground during storage and transport;
- Each container will be packed labeled according to the requirements of the WHMIS, relevant TDG and IATA requirements.

Labeling

Containers containing spent batteries must have a diamond shaped classification placard affixed to them and include one of the following TDG shipping labels depending upon the type of battery:

Shipping label: WASTE Batteries, Wet, Filled with Acid
Classification: 8
Product Identification Number: UN2794
Packing Group: III

Shipping label: WASTE Batteries, Wet, Filled with Alkali
Classification: 8
Product Identification Number: UN2795
Packing Group: III

Shipping label: WASTE Batteries, Wet, Non-Spillable
Classification: 8
Product Identification Number: UN2800
Packing Group: III
Special Provision: 39

Shipping label: WASTE Batteries, Dry, Containing Potassium Hydroxide Solid
Classification: 8
Product Identification Number: UN3028
Packing Group: III

Shipping label: WASTE Lithium Batteries
Classification: 9
Product Identification Number: UN3090
Packing Group: II
Special Provision: 34

Shipping label: WASTE Batteries Containing Sodium or WASTE Cells Containing Sodium
Classification: 4.3
Product Identification Number: UN3292
Packing Group: II

The words “This Side Up” will also be displayed on the top of the shipping package

Disposal

All waste batteries will be sent off-site with the goal of recycling to the maximum extent possible. Alkaline and carbon zinc batteries can be disposed with household garbage, while all other types can be recycled.

7.1.3 Waste Antifreeze

Storage

Waste antifreeze will be temporarily stored on site until sufficient volumes are collected for cost effective transport to a recycler or disposal facility. Waste antifreeze will be stored as follows:

- When possible, re-use the original container, containers manufactured for the purpose or bulked into good quality 16 gauge (or lower) steel or plastic 205 L drums;
- Use only containers that are sound, sealable and not damaged or leaking; and

- Containers will be clearly labelled according to the WHMIS, relevant TDG and IATA requirements.
- Never mix waste antifreeze with another waste (i.e. solvent, used oil, waste fuel);
- Small quantities should never be stored in used food containers (i.e. bottles and cans).

Labeling

Containers containing waste antifreeze must have diamond shaped classification placard affixed to them and include the following TDG shipping labels:

Shipping label: Waste Poisonous Liquids, N.O.S.
Subsidiary Name: Ethylene glycol mixture, or Propylene glycol mixture
Product Identification Number: UN2810
Classification: 6.1, 9.2
Packing Group II, 111
Special Provisions 102,109

A package orientation label will also be displayed on the container.

Disposal

Bulk waste antifreeze will be shipped off site to a registered recycling facility. Antifreeze containers that have been emptied to the greatest extent possible will be sent off site for landfill disposal. The emptied containers will be rendered unusable by puncturing or crushing prior to disposal to prevent their reuse.

7.1.4 Waste Products Containing Mercury

Storage

Waste products containing mercury (i.e. fluorescent lamp tubes) will be temporarily stored on site until sufficient volumes are collected for cost effective transport to a disposal facility. Waste products will be stored as follows:

- Unbroken, spent fluorescent lamp tubes will be stored in their original shipping boxes and special care will be taken to avoid crushing of the lamps;
- Broken fluorescent lamp tubes will be stored in sound, sealable, undamaged and not leaking containers such as a good quality 16 gauge or lower gauge metal or plastic 205 L drum;
- The containers will be sealed or closed at all times;
- Wooden pallets will be used to keep the containers off the ground during storage and transport; and
- Containers will be clearly labeled according to the requirements of the WHMIS, the relevant TDG and IATA requirements.

Labeling

Containers containing mercury containing products must have a diamond shaped classification placard affixed to them and include the following TDG shipping label:

Shipping label:	WASTE Mercury Classification: 8 Product Identification Number: UN2809 Packing Group: III

Disposal

Waste products containing mercury will be shipped off site to an approved hazardous waste disposal facility.

7.1.5 Waste Paint

Storage

Waste paint will be temporarily stored on site until sufficient volumes are collected for cost effective transport to a recycler or disposal facility. Waste paint will be stored as follows:

- When possible, re-use the original container, containers manufactured for the purpose or bulked into good quality 16 gauge (or lower) steel or plastic 205 L drums;
- Use only containers that are sound, sealable and not damaged or leaking;
- Containers will be clearly labelled according to the WHMIS, relevant TDG and IATA requirements; and

- Keep away from sources of ignition.

Labeling

Containers of waste alkyd, oil-based, or other special paint coatings must have a diamond shaped classification placard affixed to them and include the following TDG shipping label:

Shipping label: WASTE Paint (or WASTE Paint Related Materials)
Classification: 3
Product Identification Number: UN1263
Packing Group: I, II or III
Special Provision: 59 and 83

Shipping label: WASTE Paint (or WASTE Paint Related Materials)
Classification: 8
Product Identification Number: UN3066
Packing Group: II or III
Special Provision: 59

Containers of waste latex, acrylic, and other water based paints will include the following shipping label:

Shipping label: Waste Paint

Disposal

Small quantities of waste paint and paint accessories will be allowed to dry out thoroughly in well ventilated locations with care taken to prevent contact of waste with people and wildlife. Dried out waste paint can be shipped off site for landfill disposal.

Bulk liquid waste will be shipped off site to either a paint recycler or for disposal at an approved hazardous waste facility.

7.1.6 Waste Oil

Storage

Waste oil will be temporarily stored on site until sufficient volumes are collected for cost effective transport to a recycler or disposal facility. Waste oil will be stored as follows:

- When possible, re-use the original container, containers manufactured for the purpose or bulked into good quality 16 gauge (or lower) steel or plastic 205 L drums;
- Use only containers that are sound, sealable and not damaged or leaking; and
- Containers will be clearly labelled according to the WHMIS, relevant TDG and IATA

requirements.

Labeling

Waste oil containers will be labeled as follows:

Shipping label: WASTE OIL

Disposal

Bulk waste oil will be shipped off site to an approved recycling or disposal facility.

7.1.7 Waste Aerosols

Storage

Waste aerosols will be temporarily stored on site until sufficient volumes are collected for cost effective transport to a recycler or disposal facility. Waste aerosols will be stored as follows:

- Cans will be punctured and drained if possible;
- Cans will be stored in drums;
- Containers will be kept sealed and closed at all times; and
- Containers will be clearly labelled according to the WHMIS, relevant TDG and IATA requirements.

Labeling

Waste aerosol containers will be labeled as follows:

Shipping label: Aerosols, Flammable Class 2

Disposal

Waste aerosols will be shipped off site to an approved facility for recycling or disposal.

7.2. Hazardous Waste Storage

Hazardous wastes are temporarily stored on site pending transport to an approved hazardous waste treatment/ disposal facility off-site when there is backhaul space available.

Hazardous wastes are temporarily stored within the Ulu camp tank farm containment area for secondary containment. Small quantities of other compatible hazardous wastes are bulked into 16 gauge or equivalent metal or plastic 205 litre (45 gallon) drums for the purpose of secondary containment and stored in an empty sea can for security and protection. For example; waste glycol in a sealed 20 litre pail would be the primary containment. It will then be placed inside a steel and/or plastic 205 litre drum, which is sealed. This is the secondary containment.

Wastes are temporarily stored in accordance with the following procedures:

- The person in charge of the facility and storage area is trained in the TDG, WHMIS, and IATA for packaging, storage and shipping procedures for hazardous wastes.
- All persons interacting with hazardous wastes are required to wear the appropriate Personal Protective Equipment (PPE);
- Regular inspections are performed and recorded;
- Containers are placed so that each container can be inspected for signs of leaks or deterioration;
- All hazardous wastes are stored in a location that provides the maximum amount of safety for site personnel and protection of the environment;
- Incompatible chemical wastes are not packaged or stored together;
- All hazardous wastes are stored on-site for the shortest practical length of time and in a manner that prevents release to the environment;
- Containers sized appropriately and are composed of appropriate non-reactive material;
- Efforts are made not to contaminate the outside of the container during filling. Containers and packages with visible signs of external contamination will not be used in the storage or transport of hazardous wastes;
- All container and package lids are secured tightly;
- All approved containers and packages are structurally capable of withstanding the aggregate weight of all containers within the package;
- All containers are properly packaged. All containers other than 4 or 10 L plastic containers, 20 L pails, or 205 L drums must be enclosed in a package with sufficient appropriate packing material to ensure that the container(s) will not be damaged during transport;
- Leaking or deteriorated containers are removed as soon as practical and their contents transferred to a sound container;
- Records are maintained of the type and amount of waste in storage;
- The storage facility is equipped with emergency response equipment appropriate for the type and volume of materials stored within (i.e. spill kit, appropriate type of fire extinguisher, etc.); and
- All waste containers and packages are properly labeled according to the appropriate WHMIS, MSDS and/or federal TDG Regulations.

7.3. Transport

The transport of potentially hazardous wastes by aircraft must conform to the IATA, TDGR and ICAO Technical Instructions for classification, packaging, labelling and manifesting depending upon the mode of transport.

Prior to shipping, all containers will be inspected to ensure that they are sound, securely covered, and clearly labeled.

Hazardous waste generators, carriers and receivers must be registered with the Government of Nunavut Department of Environment. BCC is registered as a hazardous waste generator (NUG 100049).

7.4. Manifests

The TDG and IATA require that a completed hazardous waste manifest form accompany each shipment of hazardous waste. The Federal Government also requires completion of the Interprovincial Movement of Hazardous Waste manifests for all hazardous waste shipments being transported out of the province or territory where it was generated. Manifests are available from the Government of Nunavut Environmental Protection Service and are completed prior to the off-site shipment of any hazardous wastes. The completed manifest form includes:

- Detailed information on the types and amounts of hazardous waste being shipped;
- A record of the generator, carriers and receivers involved in the shipment; and
- Information on the storage, treatment or disposal of the waste and confirmation that they reached their intended final destination.

The manifest form must be signed by one of the following BCC personnel prior to shipment:

- Site Manager;
- Purchaser; or
- Designee.

The transporter must sign and date the manifest upon accepting the waste for shipment. The returned copy of the manifest with the handwritten signature of the owner or operator of the recycling or disposal facility will be retained on site for at least three (3) years.

In addition, the IATA requires that all shipments of hazardous wastes tendered to air carriers be accompanied by the IATA Shipper's Declaration of Dangerous Goods. A BCC representative (Site Manager, Purchaser, or Designee) will complete the form in accordance with IATA requirements and ensure all packaging, placards and labeling is consistent with the product being transported.

7.5. Record Keeping and Reporting

At a minimum the following records are kept on file:

- Test results, waste analysis or other determinations made in evaluating whether wastes are hazardous;
- Facility inspection reports;
- Types, amounts, location and containers of wastes in storage;
- Types and amounts of waste transported;
- MSDS sheets for all types of waste on site;
- Signed manifests; and
- Agreements with local police, fire, hospitals or emergency response teams, emergency response contractors, and with the local health department, as appropriate, for the types of hazardous wastes handled at the Ulu site and the potential need for the services of these agencies.

8. Training

At a minimum BCC personnel responsible for the management of waste will receive training in the following areas:

- Incinerator Training;
- Workplace Hazardous Material Information System (WHMIS);
- Transportation of Dangerous Goods (TDG); and
- International Air Transport Association (IATA).

9. Roles and Responsibilities

Table 2: Role and Responsibilities

Position	Responsibility
Site Manager	• Inspect facilities • Ensure supplies and resources are available for waste management activities
Manager of Environment or Designate	• Review and update Waste Management Plan • Audit waste handling records
Trained waste management personnel	• Complete shipping documents • Maintain shipping records • Receive and file disposal records • Track waste generation volumes • Package waste in accordance with applicable regulations • Assist all employees and contractors with waste storage and packaging

10. References

Government of Nunavut, Department of Environment, Environmental Guidelines. Source: http://env.gov.nu.ca/programareas/environmentprotection/legislation

Letter from P. Smith, Environment Canada, to P. Beaulieu, NWB, Re: 2BM-ULU0914 Waste Management Plan D13, dated September 23, 2011.

Letter and Technical Review Memorandum from I. Parsons, Aboriginal Affairs and Northern Development Canada, to P. Beaulieu, NWB, Re: 2BM-ULU0914 – Waste Management Plan - Ulu Mine Site – Elgin Mining Ltd., dated September 30, 2011

Letter and Technical Review Memorandum from J. Allen, Aboriginal Affairs and Northern Development Canada, to P. Beaulieu, NWB, Re: 2BM-ULU – Bonito Capital Corporation – Ulu Gold Project – Renewal Application, dated August 22, 2014

National Instrument 43-101 Technical Report prepared by Buena Tierra Developments Ltd, North Face Software Ltd. and Giroux Consultants Ltd., *Technical Report on the Ulu Gold Property Nunavut, Canada*, effective date April 14, 2015 as amended July 10, 2015.

ATTACHMENT 5

Executive Summary English

This 2BM-ULU1520 Application for Water Licence Amendment English Summary document has been prepared by Bonito Capital Corporation (BCC), a wholly owned subsidiary of Mandalay Resources Corporation (Mandalay) for the Ulu Exploration Project (the Project). The Project site is located on Inuit Owned Lands in the Kitikmeot region of Nunavut approximately 12 km north of Hood River and 150 km north of the Lupin mine. The site has been in a state of care and maintenance since 2006 and BCC has made the decision to complete certain reclamation activities in the summer of 2018. Facilities including site roads, pads, airstrip, and necessary accommodations will remain in place for future use. Other existing facilities at site will be progressively reclaimed as outlined in the Ulu Project Progressive Reclamation Workplan and its supporting technical appendices.

The objectives of the Ulu Project Progressive Reclamation Workplan are as follows:

- 'Right-size' the Project by reclaiming facilities that are not required to support exploration level activities;
- Ensure that there is no danger to the health or safety of people and wildlife;
- Minimize the requirement for long term maintenance and monitoring of the Project site; and
- Return affected areas to a condition that is compatible with the surrounding area and future exploration use.

Progressive reclamation has occurred wherever feasible since Mandalay acquired the Project. To complete the Workplan scope, the following key activities will be carried out:

- Re-open the underground exploration portal and ramp for ultimate disposal of surface materials;
- Potential development of two landfills at surface for permanent storage of non-hazardous and inert materials;
- Excavation of hydrocarbon impacted soils and disposal underground;
- Removal of all buildings and equipment and disposal underground or in the proposed landfills, with the exception of the facilities identified for use;
- Transport hazardous waste off-site; and
- Development of an overland trail between the Project and the Lupin mine in the winter of 2019 to transport final materials and usable equipment.

Future monitoring of the Ulu site will take place in accordance with the water licence and will confirm the physical stability of the landfills, portal (if accessible) and vent raise.

ATTACHMENT 6

HSBC

DATE OF AMENDMENT:24JAN2017	GUARANTEE NO: PEBHTO231527
BENEFICIARY: HER MAJESTY, THE QUEEN IN RIGHT OF CANADA, AS REPRESENTED BY THE NORTHERN DEVELOPMENT, PAYABLE TO THE RECEIVER GENERAL FOR CANADA C/O - P.O.BOX 2200, QIMUGJUK BUILDING,2 ND FLOOR, IQALUIT, NUNAVUT, X0A 0H0, CANADA	APPLICANT: ELGIN MINING INC 200-83 YONGE STREET TORONTO ON M5C 1S8, CANADA CANADA
ADVISING BANK: SEND TO THE BENEFICIARY	AMOUNT: CAD 1,685,542.00 THIS AMENDMENT (NO. 008) FORMS AN INTEGRAL PART OF THE ABOVE MENTIONED GUARANTEE AND MUST BE ATTACHED THERETO.
DATE AND PLACE OF EXPIRY: 04JUL2018 AT OUR COUNTERS	CREDIT AVAILABLE WITH: OURSELVES BY:PAYMENT

AMEND APPLICANT AS FOLLOWS:

DELETE: ELGIN MINING INC
200-83 YONGE STREET
TORONTO ON M5C 1S8, CANADA
INSERT: BONITO CAPITAL CORP
76 RICHMOND STREET EAST,SUITE 330
TORONTO,ON, M5C 1P1
CANADA

INCREASE STANDBY LETTER OF CREDIT AMOUNT BY CAD 332.00
TO A NEW AMOUNT OF CAD 1,685,542.00
CAD ONE MILLION SIX HUNDRED
EIGHTY FIVE THOUSAND FIVE HUNDRED
FORTY TWO.00 ONLY
PLEASE BE ADVISED THAT THE REFERENCE NUMBER FOR THIS INSTRUMENT HAS BEEN CHANGED FROM GTE HTO 119128 TO PEBHTO231527. KINDLY QUOTE THE NEW REFERENCE NUMBER FOR YOUR COMMUNICATION WITH US GOING FORWARD.
PLEASE TREAT THIS AS AMENDMENT NO.008 UNDER THE NEW REFERENCE.
AMENDMENT NOS. 001 TO 007 ARE OUR INTERNAL AMENDMENTS.
ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED. ANY QUERIES PLEASE CONTACT US AT 1-888-962-4722.

FOR AND ON BEHALF OF
HSBC Bank Canada

Shinjini Banerjee
AUTHORIZED SIGNATURE

CARMEN YUEN
017411

SHINJINI BANERJEE
67727

HSBC BANK CANADA
Global Trade and Receivables Finance, 250 University Avenue, 3rd Floor, Toronto, Ontario M5H 3E5
Swift: HKBCCATT

HSBC

++INFO TO BENEFICIARY++
+THE PLACE OF EXPIRY AND PRESENTATION IS AMENDED TO READ AS
HSBC BANK CANADA,GTRF STANDBY UNIT, 3RD FL00R, 250 UNIVERSITY
AVENUE, TORONTO, ON, M5H 3E5, CANADA.
PLEASE FORWARD PRESENTATION OR REQUEST BY MAIL/REGISTERED
MAIL/COURIER AT BENEFICIARY'S EXPENSE TO THIS ADDRESS.

FOR AND ON BEHALF OF
HSBC Bank Canada

Shinjini Banerjee
AUTHORIZED SIGNATURE

CARMEN YUEN
017411

SHINJINI BANERJEE
67727

ATTACHMENT 7

CORPORATE ACCESS NUMBER: 2015800200

Alberta

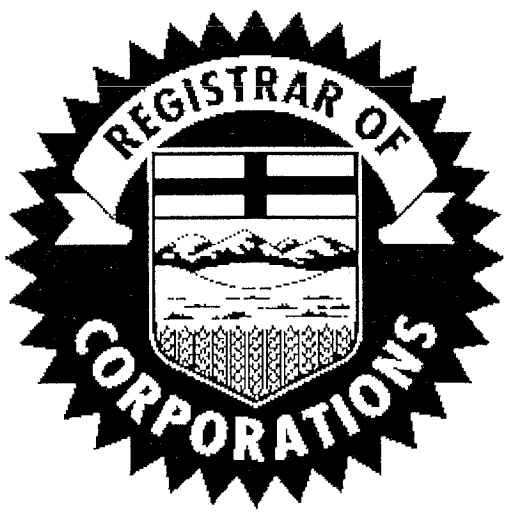
BUSINESS CORPORATIONS ACT

CERTIFICATE

OF

INCORPORATION

BONITO CAPITAL CORP.
WAS INCORPORATED IN ALBERTA ON 2011/01/07.



Articles of Incorporation
For
BONITO CAPITAL CORP.

Share Structure:	SEE SHARE STRUCTURE SCHEDULE ATTACHED
Share Transfers Restrictions:	NO SECURITIES (OTHER THAN NON-CONVERTIBLE DEBT SECURITIES) OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS
Number of Directors:	
Min Number of Directors:	1
Max Number of Directors:	11
Business Restricted To:	NONE
Business Restricted From:	NONE
Other Provisions:	SEE OTHER PROVISIONS SCHEDULE ATTACHED

Registration Authorized By: MELINDA PARK
SOLICITOR

SHARE STRUCTURE SCHEDULE

Attached to and forming part of the Articles of Incorporation of

BONITO CAPITAL CORP.

THE CLASSES OF SHARES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE ARE:

1. **An unlimited number of Common shares**, the holders of which are entitled:

(a) to receive notice of and to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;

(b) to receive any dividend declared by the Corporation on this class of shares; provided that the Corporation shall be entitled to declare dividends on the Preferred shares, or on any other classes of shares without being obliged to declare any dividends on the Common shares of the Corporation;

(c) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution in equal rank with the holders of all other Common shares of the Corporation.

2. **An unlimited number of Preferred shares**, which as a class, have attached thereto the following rights, privileges, restrictions and conditions:

(a) the Preferred shares may from time to time be issued in one or more series, and the Directors may fix from time to time before such issue the number of Preferred shares which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred shares including, without limiting the generality of the foregoing, any voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion if any, and any sinking fund or other provisions;

(b) the Preferred shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Corporation amongst its shareholders for the purpose of winding up its affairs, be entitled to preference over the Common shares and over any other shares of the Corporation ranking by their terms junior to the Preferred shares of that series. The Preferred shares of any series may also be given such other preferences, not inconsistent with these Articles, over the Common shares and any other such Preferred shares as may be fixed in accordance with clause (2)(a); and

(c) if any cumulative dividends or amounts payable on the return of capital in respect of a series of Preferred shares are not paid in full, all series of Preferred shares shall participate rateably in respect of accumulated dividends and return of capital.

OTHER PROVISIONS SCHEDULE

Attached to and forming part of the Articles of Incorporation of

BONITO CAPITAL CORP.

OTHER RULES OR PROVISIONS

1. The directors may, between annual meetings, appoint one or more additional directors of the Corporation to serve until the next annual meeting, but the number of additional directors shall not at any time exceed one-third (1/3) of the number of directors who held office at the expiration of the last annual meeting of the Corporation.

2. Meetings of the shareholders of the Corporation may be held outside Alberta

BUSINESS CORPORATIONS ACT
(SECTION 6)

FORM 1

ALBERTA
REGISTRIES

ARTICLES OF INCORPORATION

1. NAME OF CORPORATION:

   BONITO CAPITAL CORP.

2. THE CLASSES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE:

   See Share Structure Schedule attached

3. RESTRICTIONS, IF ANY, ON SHARE TRANSFERS:

   No securities (other than non-convertible debt securities) of the Corporation shall be transferred without the approval of the Board of Directors.

4. NUMBER (OR MINIMUM AND MAXIMUM NUMBER) OF DIRECTORS:

   Minimum of One (1); Maximum of Eleven (11)

5. RESTRICTIONS, IF ANY, ON BUSINESS THE CORPORATION MAY CARRY ON:

   None

6. OTHER PROVISIONS, IF ANY:

   See Other Provisions Schedule attached

7. INCORPORATOR

DATE: January 7, 2011

NAME	ADDRESS (INCLUDE POSTAL CODE)	SIGNATURE
Melinda Park	#1900, 520 – 3rd Avenue S.W. Calgary, Alberta T2P 0R3