

Ida Porter <ida.porter@nwb-oen.ca>

2BM-ULU1520 REPORT OF JULY 15 2015 INSPECTION

Karyn Lewis <klewis@elginmining.com>

Mon, Nov 30, 2015 at 8:45 PM

To: Eva Paul <Eva.Paul@aandc-aadnc.gc.ca>

Cc: Erik Allain <Erik.Allain@aandc-aadnc.gc.ca>, Licensing Department licensing@nwb-oen.ca>, Tannis Bolt projofficerkia@giniq.com>

Hi Eva,

Please find responses on behalf of WPC Resources and Bonito Capital Corp. in regards to your email below as requested.

1. Please provide a response to my questions of January 16 and 19, 2015, by November 30, 2015.

Was a notification sent under Part H item 1? I was very surprised to find out in the fall that the site had been active (having no record of notification), and particularly that BCC had authorized WPC Resources to use Ulu's camp.

Please note that BCC has not resumed activities on-site and therefore did not provide notice of such. In total there was a presence at site for two weeks, 9 days in late August and 5 in early September, with the primary focus of Discovery Mining with the assistance of WPC to carry out the work as required in your inspection report. While at site WPC, on behalf of BCC, did conduct a geological assessment of the Ulu property by carrying out field investigations, reviewing technical information, and collecting soil and chip samples. BCC will notify you and the NWB if they intend to resume activities on-site in 2015 based on WPC's review of the technical information and site visit conducted in August and September of 2014.

The August Monthly Monitoring report indicates that DMS and WPC Resources were on-site. 6,900L water was used, and Pacto toilets instead of the RBC unit. This is good. Please provide comment on how domestic waste was treated - volumes? incinerator? backhauled? etc.

The August monthly monitoring report is correct. Included in the August monthly monitoring report, BCC reported approx. 6,900 litres of greywater produced. The greywater went into the retention pond, as directed in 2012. Domestic waste was incinerated on-site.

The September Monthly Monitoring report is very similar. The dates were changed but the same activities are listed (except the geotech inspection). Can you be more specific as to what activities were conducted in August vs. September? As per August, please provide comment on domestic waste. Also, please clarify the volume of water - was it really 8,200L for the 5 days in September or was that a cumulative total from August?

The September monthly monitoring report is correct. Included in the September monthly monitoring report, BCC reported approx. 8,200 litres of greywater produced. The greywater went into the retention pond, as directed in 2012. Domestic waste was incinerated on-site.

One more question regarding this summer's activities: what was done with the Pacto bags (the human waste)?

All Pacto waste for August and September was incinerated on-site.

- 2. The revised QA/QC plan and letter as required by the licence are to be submitted to the Board by November 30, 2015. WPC has advised that they have submitted the QA/QC plan to the laboratory and are currently anticipating the laboratory's letter this week. Both will be submitted to the Board as soon as we receive the letter.
- 3. A complete list of drill holes (with GPS coordinates) associated with this project (drilled by past and current operators) is to be provided to the Inspector. Please identify any holes that are known to be reclaimed according to the terms of the licence. This list is to be provided by January 31, 2016. Please see the attached document with a complete list of drill holes with GPS coordinates associated with the project. As far as we are aware all holes have been reclaimed.
- 4. Establishment (and regular maintenance) of sediment control measures to prevent further sediment loading of streams that have been affected by road deterioration. These measures are to be put in place at freshet 2016. **Measures will be put in place at freshet 2016 as per your request.**
- 5. All hazardous (and unknown) waste is to be moved into SOUND secondary containment that meets the definition of 'secondary containment' in the current licence 2BM-ULU1520. This is to be completed by June 30, 2016. We anticipate to have this work will completed by June 20, 2016.
- 6. All barrels of fuel are to be moved into SOUND secondary containment that meets the definition of 'secondary containment' in the current licence 2BM-ULU1520. This is to be completed by June 30, 2016. We anticipate to have this work will completed by June 20, 2016.
- 7. Spills are to be reported and addressed according to the approved Spill Contingency Plan. Steps are to be taken to a) stop the flow of hydrocarbons from the fuel storage pad, b) prevent any further migration of hydrocarbons down-slope from the fuel storage pad, and c) remediate the affected area. This work is to be completed by July 31, 2016 and a confirmatory report submitted to the inspector by August 15, 2016. We anticipate having this work completed by July 31, 2016 and the confirmatory report submitted by August 15, 2016.

Karyn Lewis Bonito Capital Corp. 778-386-7340

From: Eva Paul [mailto:Eva.Paul@aandc-aadnc.gc.ca]

Sent: October-20-15 12:35 PM **To:** Karyn Lewis; Patrick Downey

Cc: Erik Allain; Licensing Department; Tannis Bolt

Subject: 2BM-ULU1520 REPORT OF JULY 15 2015 INSPECTION

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