

## BONITO CAPITAL CORP.

March 31, 2019

Karen Kharatyan  
A/Manager of Licensing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU X0B 1J0

**By email** karen.kharatyan@nwb-oen.ca

**Re:** 2018 Annual Report: Ulu Advanced Exploration Project Type B Water Licence (2BM-ULU1520).

Dear Ms. Kharatyan,

Bonito Capital Corp (BCC) is pleased to submit the attached 2018 Annual Report for the Ulu Advanced Exploration Project (Project) in accordance with Type B water licence 2BM-ULU1520 Part B, Item 8.

BCC carried out care and maintenance and progressive reclamation at the Ulu site during the 2018 season. The crew arrived at site on March 29, 2018 and departed on September 30, 2018. There were between 7-10 people at site during the 2018 season.

Site visits were carried out by the KIA on August 24, 2018, Stantec (geotechnical inspection and soil sampling), Procon (underground) and ChemKleen (tank cleaning and dismantling).

Water use and greywater per month are as follows:

<b>Water Use</b>	<b>Metres cube</b>	<b>Greywater</b>	<b>Metres cube</b>
April	1.56	April	1.56
May	3.20	May	3.20
June	3.06	June	3.06
July	3.40	July	3.40
August	4.49	August	4.49
September	3.39	September	3.39

Sewage was stored in a tank until the Sewage Treatment Facility was ready for use during the second week of May. During March and April garbage was removed from site. The incinerator was repaired and operational in May 2018.

The information summary and appendices address the 2018 annual reporting requirements.

Should you have any questions please contact the undersigned.

Yours truly,

“Karyn Lewis”

Karyn Lewis

76 Richmond Street East, Suite 330  
Toronto, ON, M5C 1P1, Canada  
Tel: 778-386-7340

### **Executive Summary - English**

Bonito Capital Corp (BCC) submitted its 2018 Annual Report to the Nunavut Water Board for the Ulu Advanced Exploration Project (Project) in accordance with Type B water licence 2BM-ULU1520 Part B, Item 8.

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Included in the annual report is an, information summary and appendices addressing the 20178 annual reporting requirements.

## **2BM-ULU1520 – 2018 BCC Annual Reporting Requirements - Part B, Item 8**

The Licensee shall file an Annual Report on the appurtenant undertaking with the Board no later than March 31st of the year following the calendar year being reported, which shall contain the following information:

**a. tabular summaries and analysis of all data collected under the Monitoring Program, Part J;**

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**b. a summary of construction work, modification and/or major maintenance work carried out on the Water Supply Facilities and Sewage Treatment Facility, including all associated structures, and an outline of any work anticipated for the next year;**

No construction, modification and/or major maintenance was carried out this year on the Water Supply Facilities and Sewage Treatment Facility.

**c. results from acid generating samples collected on ore and waste rock as referred to in Part D, Item 11.**

No samples were collected from ore or waste rock and tested for acid generation in 2017 as there was no water present to test.

**d. a list of unauthorized discharges and follow-up action taken;**

No unauthorized discharges in 2018.

- e. **updates or revisions to the Waste Management Plan, Spill Contingency Plan, Abandonment and Restoration Plan, Operations and Maintenance Plan, Care and Maintenance Plan and any other plans associated with the Licence. Revisions may be subject to Board approval;**

Updates to following plans were submitted with the 2015 annual report and BCC is awaiting comments and/or approval from the NWB:

- ☐ Appendix E - Waste Management Plan
- ☐ Appendix F - Spill Contingency Plan
- ☐ Appendix G - Interim Abandonment and Restoration Plan
- ☐ Appendix H - Sewage Treatment Plan and Operations and Maintenance Plan
- ☐ Appendix I - Care and Maintenance Plan

- f. **an updated estimate of the restoration liability, as required under Part B, Item 5 and 6, based upon the results of the restoration research, project development monitoring, and any modifications to the site plan;**

The cost estimate remains the same as 2015.

A link to BCC's current cost estimate on the NWB ftp site is as follows:

<ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BM%20-%20Mining/2BM-ULU1520%20Bonito/3%20TECH/2%20SECURITY/2014-2015/141231%202BM-ULU0914%202014%20Reclaim%20and%20Basis%20of%20Costing-ILAE.pdf>

- g. **a brief description of follow-up action taken to address concerns detailed in inspection and compliance reports prepared by the Inspector;**

Water Resource Inspector did not conduct an inspection during 2018. The KIA carried out an inspection on August 24, 2018.

- h. **report all artesian flow occurrences as required under Part F, Item 3;**

No artesian flow occurrences to report during 2018.

**i. a summary of hazardous materials shipped out, the treatment received, and the location of the approved treatment facility to which they were sent;**

BCC backhauled approx. 88,000 lbs of waste from site. Hazardous waste was shipped to KBL located in Yellowknife, NWT. Attached are the KBL manifests.

**j. a summary of any abandonment and restoration work completed during the year and an outline of any work anticipated for the next year;**

BCC carried an aggressive progressive reclamation program to return to the site to an exploration stage property.

BCC assessed and commissioned an underground dump and 2 scoops for the underground work as well as installing a new engine in the 966.

The incinerator was repaired and is now operational. A new back-up generator was installed.

A number of buildings were dismantled are ready to be put into the landfill. There include the trailer by the core shack, the trailer around camp 3, office tent, recreational tent, men's and women's dry tent, clinic and the arctic corridor to the hard buildings .

Within the shop area, the brine tank was removed, all the misc. items were removed as well as the storage loft and rooms. The shop will be dismantled and the hydrocarbon soils removed in 2020.

At Camp 3, all the equipment, buildings and tanks were moved across from the portal area. The Camp 3 fuel tanks were cleaned, dismantled and moved across from the mine portal (see attached ChemKleen engineer report). Hydrocarbon soils were removed and place in the main tank farm located at the main camp. There was a final cover up and redressing of the Camp 3 fuel berm. Once all the hydrocarbon soils were removed Stantec carried out a hydrocarbon soil analysis for the Camp 3 (see attached). Camp 3 area was also recontoured.

The water intake from West Lake was dismantled and placed across from the mine portal. The runway lighting as also been removed.

During 2018, Bonito removed approximately 88,000 lbs of waste from site (see attached KBL manifests). Also removed from site were old generators, compressor and the transformer.

During 2018, BCC did attempt to access the vent raise but was unable to get through the ice. It was decided that the vent raise would be filled in with rock and covered with esker. This task has been completed.

Moved ore to portal entrance - 1,700m<sup>3</sup>

Hauled Esker - 3,615m<sup>3</sup> has been hauled and place above the mine portal - to be completed in 2019

Cleaned and dismantled fuel tanks at main camp (ChemKleen engineer report attached)

Access Mine portal (Procon) – dewatered and accessed walls - no ice plug, walls are in good condition, additional bolts not required and it was determined that access underground is greater than expected without the vent raise (Procon report attached)

To address the Inspectors concern as to whether waste rock was used during 2017 for road repairs BCC can advise that rock was used from around site but was not rock used from the waste rock stockpile

Re-contoured borrow pit esker – final completion in 2020

Prepared vehicles for storage

***j. a summary of any specific studies or reports requested by the Board, and a brief description of any future studies planned or proposed;***

The 2018 Geotechnical Inspection Report and cover letter was submitted to the NWB and are located on the NWB FTP site.

\*BCC has not attached the documents due to the large size of the file for email.

A summary of the report states that overall the facilities at Ulu are in good condition. The 2018 progressive reclamation work has eliminated some of the previously recorded risks and the need for some maintenance work.

- Further inspections should be carried out to monitor the backfilled material at Camp 3 and the day fuel tank containment for settlement and erosion
- Monitor the condition of the debris stockpile at the laydown area near the mine portal for health and safety hazards
- Monitor surface water management at the contaminated soil stockpile in the main fuel tank farm to prevent overflow and erosion from spreading to soil outside of the containment area.
- Survey the as-built remediation at Camp 3 and Day Fuel tank containment for documentation.

***k. a public consultation/participation report describing consultation with local organizations and residents of the nearby communities, if any were conducted;***

BCC met with the KIA in January 2018 at the Vancouver Mining Show. KIA and BCC has various telephone and email communications throughout 2018 in regards to progressive reclamation activities. The KIA carried out an inspections on August 24, 2018.

***L. any other details on water use or waste disposal requested by the Board by November 1st of the year being reported.***

The Nunavut Water Board did not request additional information for the 2017 reporting period.

**APPENDICES**

Appendix A – Inspection Reports,  
Appendix B – KBL Waste Manifests



## **Appendix A**

### **Inspections Reports, Responses and Documentation**

## **Appendix B**

### **KBL Manifests**

