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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: **2BM-ULU1520**

July 23, 2018

Karyn Lewis
General Administration
Elgin Mining Inc., Bonito Capital Corporation
Suite 330, 76 Richmond Street East
Toronto, ON M5C 1P1

Email: [klewis@elginmining.com](mailto:kewis@elginmining.com)

RE: Discharge of Minewater and Water to Surface; Water Licence No. 2BM-ULU1520, Ulu Gold Project, Bonito Capital Corporation

Dear Ms. Lewis:

The Nunavut Water Board (NWB) has reviewed the July 17, 2018 request by Bonito Capital Corporation (BCC) under Water Licence No. 2BM-ULU1520, Part D, Item 5 to direct Minewater and Water to surface rather than to the Retention Pond. The NWB notes that this Licence term allows for this type of alteration by including the following wording:

or as otherwise approved by the Board in writing.

The NWB understands that:

- this is a one-time activity to temporarily dewater portions of the mine prior to additional closure activities
- the volume and timing of the dewatering make it inappropriate to direct this water to the Retention Pond
- the Retention Pond provides an opportunity to manage some water quality parameters (i.e. total suspended solids (TSS)) and a structured approach to erosion control
- utilizing surface discharger rather than the Retention Pond will require increased vigilance to prevent water quality or erosion impacts.

BCC has committed to conducting daily monitoring, weekly sampling, and monthly reporting for the release; including making efforts to determine a relationship between turbidity and TSS. The NWB feels that these efforts meet the intent of the existing Licence and if applied with vigilance should avoid water quality or erosion problems.

The NWB would like to remind the Licensee that following Licence conditions should be considered during the dewatering:

- Part D, Item 1:

The Licensee shall provide at least ten (10) days' notice to an Inspector prior to any planned discharges of Effluent from the Retention Pond and Settling/Neutralization Ponds and for the start-up of the Sewage Treatment Facility.

The Licensee should also provide at least ten (10) days' notice to the Inspector for release to the surface due to dewatering.

- Part D, Item 7:

All Effluent discharged shall be directed towards East Lake in a manner such that surface erosion will be minimized.

The Licensee should also direct the dewatering Water in a manner such that surface erosion will be minimized.

- Part C, Item 7:

Sediment and erosion control measures shall be implemented prior to and maintained during the operation to prevent entry of sediment into water.

By copy of this letter the Board approves the request to discharge Minewater and Water from temporary mine dewatering as proposed in the following documents:

- 180717 2BM-ULU Request to Discharge Minewater and Portal Water to Surface_Rev2;
and
- 180717 2BM-ULU Ulu Vent Raise and portal Water Discharge Points.

Should you have any questions, please feel free to contact me, Dave Baines, at (867) 360-6338 (extension 29), at your earliest convenience.

Sincerely,

Dave Baines
Nunavut Water Board,
Technical Advisor

Cc: Distribution List – Kitikmeot