

Bonito Capital Corp.
(a subsidiary of Elgin Mining Inc.)

5 November 2013

Ms. Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

Dear Ms. Beaulieu

**RE: 2013 Annual Geotechnical Inspection – Ulu Gold Project, Nunavut
Ulu Gold Project, Nunavut, License Number 2BM-ULU0914**

Please find attached 2013 Geotechnical Inspection Report, completed by SRK Consulting, to fulfil part D, item 10 of our water licence.

There are no issues requiring immediate attention identified in the report. The exposed and/or damaged liners will be covered and/or repaired in the 2014 summer season.

If you have any questions regarding the above, please do not hesitate to contact me.

Sincerely,
Bonito Capital Corp.

George Friesen
Manager of Technical Services

CC: Patrick Downey, CEO of Elgin Mining Inc.