

# Bonito Capital Corp.

October 31, 2016

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

To whom it may concern,

Please accept this cover letter with plan and timelines to implement the engineer's recommendations. The 2016 Ulu Geotechnical Inspection Report, completed by Norwest Corporation (Norwest), to fulfil part D, item 10 for water licence 2BM-ULU1520.

Norwest stated that the facilities are in good geotechnical condition and Norwest made the following maintenance and repair recommendations:

1. Repair all damaged liner and test the repairs
2. After the tests, cover all exposed liner and any exposed edges with protective over liner
3. Replace the broken wooden cribbing in the Camp 3 fuel tank farm and re-level the tanks or decommission and remove the tanks from the containment.
4. Continue to monitor the animal burrow activities on site.
5. Repair the access roads between the camps for safe vehicle access.

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 2017 summer season. Animal burrows will also be monitored.

The cribbing at Camp 3 tank farm will be repaired prior to any fuel delivery to the farm. Currently all the tanks in Camp 3 tank farm are empty.

Repairs and maintenance on the liner in the mine sump will be completed prior to utilize it.

Repairs to the access road commenced this season, vehicles are now able to drive on the road, with the repairs to be completed in the 2017 season. Silt fencing in 2 different locations on the downstream side of the road where installed to mitigate sediment downstream.

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

Sincerely,

**Bonito Capital Corp.**

*"Karyn Lewis"*

Karyn Lewis