

Bonito Capital Corp.

September 30, 2017

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 2017 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:

- Repair and test all the damaged liner, including the areas that were covered during maintenance work;
- Cover all exposed liner and any exposed edges with protective over-liner (sandy material);
- 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; and,
- Document the as-built and mitigation work done at the fuel transfer area.

There are no issues requiring immediate attention identified in the report. The exposed liner in the main tank farm and day use fuel containment were covered with sandy material during the 2017 summer season. Bonito anticipates completed reclamation work next year to right-size the project and these items may be removed during 2018.

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 to the access road were completed this season. Silt fencing in 2 different locations on the downstream side of the road where installed to mitigate sediment downstream.

Bonito will document the as-built and mitigation work done at the fuel transfer area next season.

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

Sincerely,

Bonito Capital Corp.

"Karyn Lewis"

Karyn Lewis