



Water Resources Division  
Nunavut Regional Office  
Iqaluit, NU  
X0A 0H0

NWB File: 2BM-ULU0914  
CIDMS #: 507169

Mar 23, 2012

**Re: 2BM-ULU0914 – Monthly Reports 2011 (November-December) – Ulu  
Gold Mine Project – Bonito Capital Corporation - Elgin Mining Inc.**

Please be advised that Aboriginal Affairs and Northern Development Canada (AANDC) has completed a review of the monthly reports for water license 2BM-ULU0914 (Ulu Gold Mine) submitted by Bonito Capital Corporation on behalf of Elgin Mining Inc. The NWB circulated the monthly reports for information purposes only. All documents related to the application posted on the NWB ftp site under 2BM-ULU0914 were included in my review (See attached Technical Review Memo).

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4282 or by email at [Ian.Parsons@aandc-aadnc.gc.ca](mailto:Ian.Parsons@aandc-aadnc.gc.ca).

Sincerely,

*Original signed by*

Ian Parsons  
Regional Coordinator

Cc. Murray Ball, Manager of Water Resources – Aboriginal Affairs and  
Northern Development Canada (AANDC), Nunavut Regional Office



## **Technical Review Memorandum**

To: Phyllis Beaulieu – Manager of Licensing, Nunavut Water Board

From: Ian Parsons – Regional Coordinator, Aboriginal Affairs & Northern Development Canada.

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**Re: 2BM-ULU0914 – Monthly Reports 2011 (November-December) – Ulu Gold Mine Project – Bonito Capital Corporation - Elgin Mining Inc.**

The Ulu Project is situated in Kitikmeot Region of Nunavut approximately 250 km southeast of Kugluktuk.

On May 6, 2011 a purchase agreement between MMG and Elgin Mining Incorporated, declared that Bonito Capital Corporation, being a party to the purchase agreement, will acquire all of MMG's interest in the Ulu Property.

### **Recommendations/Comments**

AANDC notes that the monthly monitoring reports for May – October have not been submitted. AANDC recommends that the proponent submit the monthly monitoring reports for the months of May – October inclusively.

AANDC notes that the November Monitoring Report submitted by Bonito Capital Corporation on behalf of Elgin Mining indicates that the runoff (1l/min) from the waste rock storage area at sampling site Ulu-7 (sampled in September) exceeded the water license parameter of Total Suspended Solids (TSS). AANDC recommends that the proponent notify an AANDC inspector of the exceedance and also control and direct the runoff from the waste rock and ore storage area to a secondary containment area where the TSS can settle out before continuing to discharge to the environment, the proponent is also reminded that the water be sampled again before discharging.

AANDC reminds the proponent that AANDC inspectors are to be notified at least 10 days in advance of any and all related discharges from any of its facilities as per Part D Item 1 of the Water License 2BM-ULU0914.



Cc. Murray Ball, Manager of Water Resources – AANDC, Nunavut Regional Office  
Andrew Keim, A/Manager Field Operations - AANDC, Nunavut Regional Office