

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

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17 September 2012

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

Dear Ms. Beaulieu

**RE: Monthly Report for August 2012**  
**Ulu Gold Project, Nunavut, License Number 2BM-ULU0914**

During August, activities at Ulu consisted of surface drilling with two core rigs. There were approximately 666 person days from exploration and support crews.

There was approximately 131 m<sup>3</sup> of water withdrawn from West Lake, and 111 m<sup>3</sup> of sewage generated.

Water quality monitoring was undertaken at sampling station Ulu-1. The results are shown in Table 1.

Table 1: Sampling Station Ulu-1 water sampling results – August 2012

Sample Location	ULU-1	ULU-1	ULU-1	2BM-ULU0914
Date and Time	Aug 07, 2012 @ 1030 hrs	Aug 14, 2012 @ 1030 hrs	Aug 28, 2012 @ 1503 hrs	Maximum Concentration of Any Grab Sample (mg/L)
ALS Lab #	L1189968-1	L1193661-1	L1201035-1	
Total Arsenic	<0.00040	<0.00040	<0.00040	
Total Copper	0.0025	0.0034	0.0033	-
Total Lead	<0.00010	0.00015	<0.00010	-
Total Zinc	<0.0040	0.0055	0.0051	-
Total Nickel	<0.0020	<0.0020	<0.0020	-
Total Mercury	<0.00010	<0.00010	<0.00010	-
Total Cadmium	<0.000050	<0.000050	<0.000050	-
TSS	<3.0	<3.0	<3.0	-
pH	7.10	7.09	6.81	-

Water quality monitoring was undertaken at sampling station Ulu-2 on August 28, 2012. The results are shown in Table 2.

Table 2: Sampling Station Ulu-2 water sampling results – August 28, 2012

		2BM-ULU0914
Sample Location	ULU—2	Maximum Concentration of Any Grab Sample (mg/L)
Date and Time	Aug 28, 2012 @ 1503 hrs	
ALS Lab #	L1201035-2	
TSS	<3.0	35.0
BOD <sub>5</sub>	<2.0	30.0
pH	6.97	6.0 - 9.5
Oil & Grease	n/a	Visible sheen

Domestic waste generated during the month of August was burned in the on-site incinerator. Plastics and other waste streams were separated and backhauled to approved waste handling facility in Yellowknife, NT (KBL Environmental) for disposal.

The drilling program for 2012 was completed August 29, 2012. The camp and other infrastructure have been placed back in care and maintenance. The site will be completely closed by mid-September.

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

Sincerely,

**Bonito Capital Corp.**



James (Jim) Currie P. Eng  
Chief Operating Officer

Cc: Vivian Park