

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

07 August 2013

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 July 2013
Ulu Gold Project, Nunavut, License Number 2BM-ULU0914

Activity at Ulu during July consisted of the AANDC conducting a site inspection on July 5th. A number of action items were identified by the inspector and Elgin is currently in the process of formulating a plan to deal with them.

Action items:

1. All fuel is to be stored in secondary containment, and covered to prevent water accumulation in the containment during periods of inactivity.
2. Hazardous waste is to be backhauled.
3. Sewage at the airstrip is to be backhauled in 2013, and as much hazardous waste as possible removed from site.
4. MMG berm is to be repaired or replaced, or MMG fuel removed from site.
5. Spill at the airstrip is to be cleaned up as per Spill Contingency Plan.
6. Items 1-5 are to be completed and a report submitted to the Inspector by September 30 2013.
7. The Monitoring program is to be implemented immediately, or documentation provided to the Inspector by July 31, 2013 that demonstrates authorization of the Board to discontinue Monitoring.
8. Waste storage areas are to be clearly identified.
9. Waste is to be clearly identified.
10. A timeline to address progressive reclamation of drill sites is to be prepared.
11. Items 8-10 are to be addressed in the next field 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: Jim Currie, COO of Elgin Mining Inc.