



NIRB File No.: 05EN091

AANDC File No.: N2011C0013, *previously* N2005C0024

KIA File No.: KTL305C018

NWB File No.: 2BE-BAR0712

August 9, 2012

Andrea Maynes, Project Geologist
Bluestone Resources Inc.
275-1075 West Georgia Street
Vancouver, BC V6E 3C9

Via Email: amaynes@bluestonerresources.ca

RE: Acknowledgement of Receipt of Annual Report for the Barrow Project

Dear Andrea Maynes:

On June 8, 2012 the Nunavut Impact Review Board (NIRB or Board) received Bluestone Resources Inc.'s 2011 annual report for its Barrow Project as required by the Board's July 15, 2005 Screening Decision Report for this project (NIRB File No. 05EN091).

As you are aware, Term and Condition #5 of the Screening Decision Report outlines the following annual reporting requirements:

5. The Permittee shall file a report with the Board no later than March 31 of the year following the calendar year reported, which shall contain but not be limited to the following information:
 - a. A summary of activities undertaken for the year, including but not limited to the amount of drilling;
 - b. A work plan for the following year;
 - c. The results of environmental studies undertaken (if undertaken) and plans for future studies;
 - d. Wildlife encounters and actions/mitigation taken;
 - e. A summary of local hires and initiatives;
 - f. A summary of community consultations undertaken and the results;
 - g. A summary of site-visits by inspectors with results and follow-up actions;
 - h. A summary of site-visits with community members (if conducted);
 - i. The number of take-offs & landings from an airstrip with approved flight path with date and location;
 - j. The number of helicopter touch-downs on the land with date, location and reason (provide reason unless confidential);
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- k. Site photos;
- l. Revisions to the Abandonment and Restoration Plan;
- m. Progressive reclamation work undertaken; and
- n. A summary of how it has complied with all project terms and conditions and how the terms and conditions are achieving their purpose.

Upon review of Bluestone Resources Inc.'s June 8, 2012 submission, the 2011 Annual Report appears to be deficient in providing the following information as requested by the NIRB's July 15, 2005 Screening Decision Report:

- Item 5(d): Wildlife encounters and actions/mitigation taken;
- Item 5(k): Site photos;
- Item 5(n): A summary of how it has complied with all project terms and conditions and how the terms and conditions are achieving their purpose.

Recognizing that this information has not been provided within the 2011 Annual Report as submitted for the Barrow Project, the NIRB respectfully requests that Bluestone Resources Inc. provide the following information to our office on or before September 9, 2012:

- A record of wildlife encounters and any follow-up or mitigation measures taken by the site operator;
- Updated site photos; and
- Discussion regarding the efforts taken by the Proponent and the site operator to comply with the recommended terms and conditions.

The requested information may be submitted to our office via email at info@nirb.ca.

Should you have any questions or if you require additional time to submit the requested information, please contact Tara Arko, Technical Advisor via email at tarko@nirb.ca or by telephone at (867) 983-4611.

Sincerely,



Tara Arko
Technical Advisor
Nunavut Impact Review Board

Cc Jeff Mercer, Aboriginal Affairs and Northern Development Canada
Tracey McCaie, Aboriginal Affairs and Northern Development Canada
Wynter Kuliktana, Kitikmeot Inuit Association
Phyllis Beaulieu, Nunavut Water Board