

PART B: GENERAL CONDITIONS		Blue Star, Mar 2022
1	The Licensee shall file an Annual Report on the Appurtenant Undertaking with the Board no later than March 31 st of the year following the calendar year being reported, containing the following information:	Compliant
	a. A summary report of Water use and Waste disposal activities;	
	b. Quantity of Water (in cubic metres/day) obtained for domestic and other purposes from sources on, in or flowing through Inuit-owned lands for the reporting period;	
	c. Quantity of Water (in cubic metres/day) obtained for domestic and other purposes from sources on, in or flowing through Crown Lands reporting period;	
	d. Quantity of Waste disposed of on on-site Waste disposal facility;	
	e. Quantity of Waste backhauled to approved facility for disposal;	
	f. A list of unauthorized discharges and a summary of follow-up actions taken;	
	g. Any revisions to the management plans, as required by Part B, Item 7, submitted in the form of an Addendum;	
	h. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;	
	i. Report all artesian flow occurrences as required under Part F, Item 3;	
	j. A summary of all information requested and results of the Monitoring Program;	
	k. Details pertaining to locations of sump(s) and drill holes;	
	l. GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) for the locations of all temporary camps established in support of the project if the actual coordinates differ from that provided in the application;	
	m. A summary, including photographic records before, during and after any relevant construction activities or Modifications and/or major maintenance work carried out on facilities under this Licence and an outline of any work anticipated for the next year;	
	n. Detailed discussion on the performance, installation, and evaluation, including the use of photographic record, of the primary and secondary containment functions used in fuel storage to safeguard impacts to freshwaters;	
	o. A summary of public consultation/participation, describing consultation with local organizations and residents of the nearby communities, if any were conducted;	
	p. Any other details on Water use or Waste disposal requested by the Board by the 1 st November of the year being reported.	
2	The Licensee shall notify the NWB of any changes in operating plans or conditions associated with this project at least thirty (30) days prior to any such change.	NA. No changes
3	The Licensee shall install flow meters or other such devices, or implement suitable methods required for the measuring of Water volumes as required under Part J, Item 1.	Suitable methods implemented
4	The Licensee shall, for all Plans submitted under this Licence, include a proposed timetable for implementation. Plans submitted, cannot be undertaken without subsequent written Board approval and direction. The Board may alter or modify a Plan if necessary to achieve the legislative objectives and will notify the Licensee in writing of acceptance, rejection or alteration of the Plan.	All plans are approved and implemented.
5	The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.	Compliant
6	The Licensee shall review the Plans referred to in this Licence, as required by changes in operation and/or technology, and modify the Plan accordingly. Revisions to the Plans shall be submitted in the form of an Addendum to be included with the Annual Report.	No changes
7	Every Plan to be carried out pursuant to the terms and conditions of this Licence shall become a part of this Licence, and any additional terms and conditions imposed upon approval of a Plan by the Board become part of this Licence. All terms and conditions of the Licence should be contemplated in the development of a Plan where appropriate.	Compliant
8	The Licensee shall ensure a copy of this Licence is maintained at the site of operations at all times. Any communication with respect to this Licence shall be made in writing to the attention of: (a) Manager of Licensing: Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0 Telephone: (867) 360-6338 Fax: (867) 360-6369 Email: licensing@nwb-oen.ca (b) Inspector Contact: Manager of Field Operations, CIRNAC Nunavut District, Nunavut Region P.O. Box 100 Iqaluit, NU X0A 0H0 Telephone: (867) 975-4295 Fax: (867) 979-6445	Compliant
9	The Licensee shall submit an electronic copy of all reports, studies, and plans to the Board. Reports or studies submitted to the Board by the Licensee shall include a detailed executive summary in Inuktitut and Inuinnaqtun.	Compliant
10	The Licensee shall ensure that all documents or correspondence submitted by the Licensee to the NWB are received and acknowledged by the Manager of Licensing.	Compliant
11	This Licence is assignable as provided for in Section 44 of the Act.	Compliant
12	The expiry or cancellation of this Licence does not relieve the Licensee from any obligation imposed by the Licence, or any other regulatory requirement.	Compliant
PART C: CONDITIONS APPLYING TO WATER USE		
1	The Licensee shall obtain all Water for domestic camp use from the source proximal to the camp. Total camp Water use shall not exceed sixty (60) cubic metres per day. Drill Water shall be obtained from local Water source(s), proximal to the drilling targets as outlined in the Application and shall not exceed ninety (90) cubic metres per day. The volume of Water for all purposes under this Licence shall not exceed one hundred and fifty (150) cubic metres per day.	Compliant
2	The Licensee shall at least thirty (30) days prior to the use of Water submit to the Board for review hydrological overview of the water body to be used for camp activities.	No camp currently in use
3	The withdrawal of Water from any stream shall not exceed ten (10) per cent of the low flow of that stream unless approved by the Board in writing.	Compliant
4	The Licensee shall submit to the Board for approval in writing, the following information at least thirty (30) days prior to the use of Water of a sufficient volume that the source water body may be drawn down: volume required, hydrological overview of the water body, details of impacts, and proposed mitigation measures.	NA

5	The Licensee shall equip all water intake hoses with a screen of an appropriate mesh size to ensure that fish are not entrained and shall withdraw Water at a rate such that fish do not become impinged on the screen.			Compliant
6	The Licensee shall not conduct any work below the ordinary High Water Mark of any water body unless approved by the Board in writing.			Compliant
7	The Licensee shall not cause erosion to the banks of any body of Water and shall provide necessary controls to prevent such erosion.			Compliant
8	Sediment and erosion control measures shall be implemented prior to and maintained during the undertaking to prevent entry of sediment into Water.			Compliant
PART D: <u>CONDITIONS APPLYING TO WASTE DISPOSAL</u>				
1	The Licensee shall locate areas designated for Waste disposal at a minimum distance of thirty-one (31) metres from the ordinary High Water Mark of any water body such that the quality, quantity or flow of Water is not impaired, unless otherwise approved by the Board in writing.			Compliant
2	The Licensee shall not practice on-site land filling of domestic Waste, unless otherwise approved by the Board in writing.			Compliant
3	The Licensee is authorized to dispose of all acceptable food Waste, paper Waste and untreated wood products in an incinerator.			Compliant
4	The Licensee shall not open burn plastics, wood treated with preservatives, electric wire, Styrofoam, asbestos or painted wood to prevent the deposition of Waste materials of incomplete combustion and/or leachate from contaminated ash residual, from impacting any surrounding Waters, unless otherwise approved by the Board in writing.			Compliant
5	The Licensee shall provide to the Board documented authorization from all communities in Nunavut receiving Wastes from the Hood River project prior to any backhauling and disposal of Wastes to those communities.			NA. No waste disposed of in communities
6	The Licensee shall backhaul and dispose of all hazardous Wastes, Waste oil and noncombustible Waste generated through the course of the operation at a licensed Waste disposal site.			Compliant. Done through Ulu.
7	The Licensee shall maintain records of all Waste backhauled and records of confirmation of proper disposal of backhauled Waste. These records shall be made available to an Inspector upon request.			Compliant. Done through Ulu.
8	The Licensee shall contain all greywater in a Sump located at a distance of at least thirtyone (31) metres above the ordinary High Water Mark of any water body, at a site where direct flow into a water body is not possible and no additional impacts are created, unless otherwise approved by the Board in writing.			No sump currently in use
9	The Licensee shall dispose of all toilet wastes through incineration, chemical or composting toilets. Any remaining residue generated through the course of the operation shall be backhauled and disposed of in an approved Waste disposal site.			No camp currently in use.
10	The Board has approved the Plan entitled “Waste Management Plan ” dated May 2019 that was submitted as additional information with the Application.			-
11	The Licensee shall at least sixty (60) days prior to commencement of incineration of any Waste submit to the Board for review an addendum to the Plan referred to in Part D, Item 10 to include incineration management details.			No incinerator currently in use.
12	All Effluent discharged from secondary containment at Monitoring Program Station(s) HRP-X shall not exceed the following Effluent quality limits:			No fuel cache currently in use
	Parameter	Maximum Concentration of any Grab Sample (µg/L)		
	pH	6.5 to 9 (pH units)		
	Oil and Grease	15,000 and no visible sheen		
	Lead	1		
	Benzene	370		
	Toluene	2		
	Ethylbenzene	90		
PART E: <u>CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS</u>				
1	The Licensee shall not erect camps or store material on the surface of frozen streams or lakes including the immediate banks except what is for immediate use. Camps shall be located such as to minimize impacts on surface drainage.			No camp currently in use.
2	The Licensee shall provide, to the Board and an Inspector, the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) for location of the camp within thirty (30) days of establishing the camp.			No camp currently in use.
3	The Licensee shall conduct all activities in such a way as to minimize impacts on surface drainage and the Licensee shall immediately undertake corrective measures in the event of any impacts on surface drainage.			Compliant
4	The Licensee shall construct all winter lake and stream crossings, including ice bridges, entirely of Water, ice or snow. The Licensee shall minimize disturbance by locating ice bridges in an area that requires the minimum approach grading and the shortest crossing route. Stream crossings shall be removed or the ice notched prior to spring break-up.			NA. No winter operations
5	Stream crossing shall be a minimum of five hundred (500) meters from spawning areas.			NA. No crossings constructed.
6	With respect to access road, pad construction or other earthworks, the deposition of debris or sediment into or onto any water body is prohibited. These materials shall be disposed a distance of at least thirty one (31) metres from the ordinary High Water Mark in such a fashion that they do not enter the Water.			NA. No earthworks
7	The Licensee shall not mobilize heavy equipment or vehicles unless the ground surface is capable of fully supporting the equipment or vehicles without rutting or gouging. Overland travel of equipment or vehicles shall be suspended if rutting occurs.			Compliant
PART F: <u>CONDITIONS APPLYING TO DRILLING OPERATIONS</u>				
1	The Licensee shall not conduct any land based drilling within thirty-one (31) metres of the ordinary High Water Mark of any water body, unless otherwise approved by the Board in writing.			Compliant
2	The Licensee shall dispose of all drill waste, including Water, chips, muds and salts (CaCl ₂) in any quantity or concentration, from land-based and on-ice drilling, in a properly constructed Sump or an appropriate natural depression located at a distance of at least thirty-one (31) metres from the ordinary High Water Mark of any adjacent water body, where direct flow into a water body is not possible and no additional impacts are created.			Compliant
3	If artesian flow is encountered, drill holes shall be immediately sealed and permanently capped to prevent induced contamination of groundwater or salinization of surface Waters. The Licensee shall report all artesian flow occurrences within the Annual Report, including the location (GPS coordinates) and dates.			NA. No artesian flow encountered
4	Drilling additives or mud shall not be used in connection with holes drilled through lake ice unless they are re-circulated or contained such that they do not enter the Water, or are demonstrated to be non-toxic.			NA. No on ice drilling
5	For “on-ice” drilling where drill additives are not being used, return Water released must be nontoxic, and not result in an increase in total suspended solids in the immediate receiving Waters, above the Canadian Council of Ministers for the Environment, Guidelines for the Protection of Freshwater Aquatic Life (i.e. 10 mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100 mg/L).			NA. No on ice drilling
6	The Licensee shall establish water quality conditions prior to and upon completion of any drilling program through lake ice.			NA. No on ice drilling
PART G: <u>CONDITIONS APPLYING TO MODIFICATIONS</u>				

1	The Licensee may, without written consent from the Board, carry out Modifications to the Water Supply Facilities and Waste Disposal Facilities provided that such Modifications are consistent with the terms of this Licence and the following requirements are met:			NA. No modifications
	a.	the Licensee has notified the Board in writing of such proposed Modifications at least sixty (60) days prior to beginning the Modifications;		
	b.	such Modifications do not place the Licensee in contravention of the Licence or the Act ;		
	c.	such Modifications are consistent with the NIRB Screening Decision;		
	d.	the Board has not, during the sixty (60) days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than sixty (60) days; and		
	e.	the Board has not rejected the proposed Modifications.		
2	Modifications for which all of the conditions referred to in Part G, Item 1 have not been met can be carried out only with written approval from the Board.			NA. No modifications
3	The Licensee shall provide as-built plans and drawings of the Modifications referred to in this Licence within ninety (90) days of completion of the Modification. These plans and drawings shall be stamped by an Engineer.			NA. No modifications
PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING				
1	The Board has approved the Plan entitled “Spill Response Plan ” dated April 2019 that was submitted as additional information with the Application.			-
2	The Licensee shall prevent any chemicals, petroleum products or Wastes associated with the project from entering Water. All Sumps and fuel caches shall be located at a distance of at least thirty-one (31) metres from the ordinary High Water Mark of any adjacent water body and inspected on a regular basis.			Compliant
3	The Licensee shall conduct any equipment maintenance and servicing in designated areas and shall implement special procedures (such as the use of drip pans) to manage motor fluids and other Waste and contain potential spills.			Compliant
4	If during the term of this Licence, an unauthorized discharge of Waste occurs, or if such a discharge is foreseeable, the Licensee shall:			
	a.	Employ the approved Spill Contingency Plan;		Compliant
	b.	Report the spill immediately to the NWT/NU 24-Hour Spill Line at (867) 920-8130 and to the Inspector at (867) 975-4295; and		Compliant
	c.	For each spill occurrence, submit to the Inspector, no later than thirty (30) days after initially reporting the event, a detailed report that will include the amount and type of spilled product, the GPS location of the spill, and the measures taken to contain and clean up the spill site.		Compliant
5	The Licensee shall, in addition to Part H, Item 5, regardless of the quantity of releases of harmful substances, report to the NWT/NU 24-Hour Spill Line if the release is near or into a Water body.			Compliant
PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION OR TEMPORARY CLOSURE				
1	The Board has approved the Plan entitled “Abandonment and Restoration Plan ” dated April 2019 that was submitted as additional information with the Application.			-
2	The Licensee shall complete all restoration work prior to the expiry of this Licence.			Compliant
3	The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee’s operations.			Compliant
4	The Licensee shall backfill and restore all sumps to the pre-existing natural contours of the land.			Compliant
5	The Licensee shall remove from the site, all infrastructure and site materials, including all fuel caches, drums, barrels, buildings and contents, docks, water intakes, pumps and lines, material and equipment prior to the expiry of this Licence.			Complete
6	All roads and airstrip, if any, shall be re-graded to match natural contour to reduce erosion.			NA. None constructed.
7	The Licensee shall remove any culverts and restore the drainage to match the natural channel. Measures shall be implemented to minimize erosion and sedimentation.			NA. No culverts
8	In order to promote growth of vegetation and the needed microclimate for seed deposition, all disturbed surfaces shall be prepared by ripping, grading, or scarifying the surface to conform to the natural topography.			NA. No mechanically disturbed surfaces.
9	Areas that have been contaminated by hydrocarbons from normal fuel transfer procedures shall be reclaimed to meet objectives as outlined in the Government of Nunavut’s Environmental Guideline for Site Remediation, 2010. The use of reclaimed soils for the purpose of back fill or general site grading may be carried out only upon consultation and approval by the Government of Nunavut, Department of Environment and an Inspector.			Compliant
10	The Licensee shall restore all drill holes and disturbed areas to natural conditions immediately upon completion of the drilling. The restoration of drill holes must include the removal of any drill casing materials and if having encountered artesian flow, the capping of holes with a permanent seal. Where drill casings cannot be removed the Licensee shall cut off the casings at ground level and identify with signage.			Compliant
11	The Licensee may leave the casings on site, if it intends to continue drilling in existing casings, but shall add signaling to keep the area safe for the other territory users. The drill casings left cannot stay on the field for more than 2 years after the drilling.			Compliant
12	The Licensee may store drill core produced by the appurtenant undertaking in an appropriate manner and location at least thirty-one (31) metres above the ordinary High Water Mark of any adjacent water body, where any direct flow into a water body is not possible and no additional impacts are created.			Compliant
13	The Licensee shall contour and stabilize all disturbed areas to reduce erosion and sedimentation to Water, upon completion of work upon completion of the undertaking and as per Part I, Item 4.			Compliant
PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM				
1	The Licensee shall measure and record, in cubic metres, the daily quantities of water that is used from sources located on, in or flowing through Crown Land, utilized for camp, drilling and other purposes.			NA. No Crown land use. Water use was
2	The Licensee shall provide the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where sources of Water are utilized for all purposes.			Compliant
3	The Licensee shall determine the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where Wastes associated with camp operations and drilling operations are deposited.			Compliant
4	The Licensee shall obtain representative samples of the Water column below any ice where required under Part F, Item 5 and 6. Monitoring shall include but not be limited to the following: Total Suspended Solids; pH; Electrical Conductivity; Total Trace Metals as determined by a standard ICP Scan (to include at a minimum, the following elements: Al, Sb, Ba, Be, Cd, Cr, Co, Cu, Fe, Pb, Li, Mn, Mo, Ni, Se, Sn, Sr, Ti, U, V, Zn); Trace Arsenic and Mercury			NA. No on ice drilling
5	The Licensee shall maintain, at a minimum, the following existing Monitoring Program Stations or as otherwise approved by the Board in writing:			Compliant
	Monitoring Station	Description	Frequency	Parameters
	HRP-X, where X refers to a number of a Station	Discharge from the secondary containment.	Prior to discharge	Discharge volume, m3 Quality in accordance with Part D, Item 12
				NA. Station in active.

Blue Star Gold Corp.
Compliance Assessment
2BE-HRP-1924
March 2022

6	All sampling, sample preservation and analyses shall be conducted in accordance with methods prescribed in the current edition of <i>Standard Methods for the Examination of Water and Wastewater</i> , or by such other methods approved by the Board in writing.	NA. No analysis, monitoring station inactive
7	All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.	NA. No analysis, monitoring station inactive
8	The Licensee shall include in the Annual Report required under Part B, Item 2 all data, monitoring results and information required by this Part.	Compliant