



Water Resources Division
Resource Management Directorate
Nunavut Regional Office
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Your file - Votre référence
2BE-HRP1924

Our file - Notre référence
GCDOCS # 103121821

May 16, 2022.

Mr. Richard Dwyer
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0B 1J0
sent via e-mail: licensing@nwb-oen.ca

Re: Crown-Indigenous Relations and Northern Affairs Canada's review of Inukshuk Exploration Incorporated's Type B Water Licence amendment application – Type B Water Licence No. 2BE-HRP1924

Dear Mr. Dwyer,

Thank you for your May 12, 2022 invitation for reply on Blue Star Gold Corp. responses to the technical review comments on the above referenced application.

CIRNAC had on April 22, 2022, provided three comments to the Nunavut Water Board (NWB) on the Blue Star Gold Corp. Type B water licence amendment application.

Blue Star Gold Corp., on May 12, 2022 provided responses to the comments to the satisfaction of CIRNAC with no outstanding issues.

1. CIRNAC Technical Review Comment (R-01):

Clarify the water usage limits intended to adopt for drilling and camp purposes in the event that a camp becomes operational at the Roma project.

Blue Gold Star Response:

Inukshuk plans to adhere to the water usage limits, as per an amended licence being 299 m³/day for all uses, including camp and drilling, or portions thereof. Blue Star believes this



to be the purpose of the Type B licence threshold, being a daily limit on overall water use for the project.

Should a camp become operational at Roma, it would necessarily reduce the allowable volume of water available for drilling.

To support ongoing water use tracking, Blue Star continues to implement the following across all of its projects:

- Inline water meters for all water withdrawals;
- Recording water meter readings at the start of each shift, being
 - Daily for domestic water use;
 - Every 12 hours for drill water use.
- Reporting all water use to the Program Manager at the end of each shift for daily water use compliance tracking and reconciliation.

Further, domestic water is not withdrawn continuously; rather, is it withdrawn as needed and is typically stored in tanks which are in turn drawn down based on camp demand. Conversely, drill water withdrawal volume and duration can be continuous, yet may vary with geological formation, drill hole depth, ambient temperature, and may cease all together during a drill move or maintenance. Accordingly, the tracking and reporting system in place along with the flexibility associated with drill and domestic water use supports planning and management to achieve overall daily water licence compliance.

Blue Star respectfully requests the Nunavut Water Board (NWB) consider amending Part C Item 1 to read as follows, as requested in its application:

The Licensee shall obtain all Water for domestic camp use from the source proximal to the camp. Drill Water shall be obtained from local Water source(s), proximal to the drilling targets as outlined in the Application. The volume of Water for all purposes under this Licence shall not exceed two hundred and ninety nine (299) cubic metres per day.

Should this revised condition not be favorable to the NWB, Inukshuk respectfully proposes an alternative, allocating a specific maximum volume for domestic use:

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 the remaining available licenced volume during periods of withdrawal for domestic use. The volume of Water for all purposes under this Licence shall not exceed two hundred and ninety nine (299) cubic metres per day.

CIRNAC is satisfied with Blue Star Gold Corp's response.



2. CIRNAC Technical Review Comment (R-02):

- Clarify if a sump was constructed on the tundra where the effluent from the secondary containment is being discharged; and
- Recommends that board retain Part D, Item 12 in the water licence to ensure that an acceptable effluent quality is being discharged to the receiving environment.

Blue Gold Star Response:

Neither a camp nor fuel cache is currently in place under 2BE-HRP-1924; therefore no secondary containment or sump is installed. Following future secondary containment installation, Inukshuk will discharge in accordance with the licence, to a sump on the tundra (as opposed to a discharge to surface water).

Should the NWB retain a condition imposing an effluent quality limit, Inukshuk respectfully requests that the NWB impose a modified total lead criteria that is consistent with the Metals and Diamond Mining Effluent Regulations pursuant to the Fisheries Act as well as number of other 2BE licences, being 200 µg/L or 0.2 mg/L. This is a value that is adequately protective, achievable and in line with federal regulations.

CIRNAC is satisfied with Blue Star Gold Corp's response.

3. CIRNAC Technical Comment (R-03):

Update the spill response plan with the current contact details of the emergency Personnel.

Blue Gold Star Response:

An update Spill Response Plan is included with this submission.

CIRNAC is satisfied with Blue Star Gold Corp's response.

If there are any questions or concerns, please contact me at (867) 975-4738 or by e-mail at Vincent.okonkwo@rcaanc-cirnac.gc.ca or Andrew Keim at (867) 975-4550 or Andrew.keim@rcaanc-cirnac.gc.ca.

Sincerely,

Vincent Okonkwo
Senior Environmental Assessment Specialist