2020 ANNUAL REPORT:
2BE-HRP1924
Hood River Gold Project

Kitikmeot Region, Nunavut

March 2021

BLUE STAR GOLD CORP.

INTRODUCTON

The purpose of this document is to fulfill annual reporting requirements under Part B Item 1 of 2BE-HRP1924. The following sections correspond to the paragraphs in the licence. The Nunavut Water Board (NWB) Annual Report Standard Form can be found in the appendices along with supporting and additional information where required provided herein.

1) THE LICENSEE SHALL FILE AN ANNUAL REPORT ON THE APPURTENANT UNDERTAKING WITH THE BOARD NO LATER THAN MARCH 31ST OF THE YEAR FOLLOWING THE CALENDAR YEAR BEING REPORTED, CONTAINING THE FOLLOWING INFORMATION

This report has been submitted on or before March 31, 2021.

a) A SUMMARY REPORT OF WATER USE AND WASTE DISPOSAL ACTIVITIES

A summary report of water use and waste disposal activities can be found in the NWB Annual Report Standard Form (Appendix A).

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

All water used was on, in or flowing through Inuit Owned Land. A tabulation of water used is provided in Appendix B.

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

No water flowing in, on or through Crown land was used.

d) QUANTITY OF WASTE DISPOSED OF IN ON-SITE WASTE DISPOSAL FACILITY

Onsite waste disposal facilities include the following:

- Camp sump;
- Core saw sump;
- Incinerator;
- Drill cuttings sumps.

Quantities of waste deposited in each is summarized in Appendix C.

e) QUANTITY OF WASTE BACKHAULED TO APPROVED FACILITY FOR DISPOSAL

A small amount of waste was backhauled to the Ulu airstrip, consolidated for temporary storage and backhaul to Yellowknife, and received by a certified waste receiver, Kitikmeot Environmental Ltd. in Yellowknife. Waste backhauled from Hood River included incinerator ash, recyclables and hazardous waste such as oily rags and spent filters, batteries and aerosols. Appendix D lists all waste backhauled from the Ulu airstrip, which includes consolidated wastes from both the Hood River and Ulu projects.

Between August 28 and September 7, there were operational issues with the Hood River incinerator. During this time, putrescible wastes were transported to the Ulu camp for incineration or, when weather precluded flying, wastes were either stockpiled and/or manually burned.

f) A LIST OF UNAUTHORIZED DISCHARGES AND A SUMMARY OF FOLLOW-UP ACTIONS TAKEN

There was one unauthorized discharge in 2020. Details are provided in Appendix A.

g) ANY REVISIONS TO THE MANAGEMENT PLANS, AS REQUIRED BY PART B, ITEM 7, SUBMITTED IN THE FORM OF AN ADDENDUM

Given Blue Star's acquisition of the adjacent Ulu Gold Project (2BM-ULU2030) and planned coordination of exploration and camp activities moving forward, Blue Star wishes to consolidate existing approved management plans to support operational efficiency and consistency at both the Hood River and Ulu projects. Consolidated plans include the following, and are included in annual report submissions for both Ulu and Hood River water licences:

- Spill Response Plan;
- Interim Closure and Reclamation Plan;
- Waste Management Plan.

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

Drill stems were cut off at surface, and drill holes and related disturbed areas were returned to natural conditions immediately following completion of drilling. Drilling related equipment and supplies were removed from site, either to Ulu or to Yellowknife.

With the exception of some tent platforms still in place, the Hood River camp has been decommissioned, all related infrastructure including the fuel cache removed, and sumps backfilled. The remaining tent platforms will be relocated to Ulu in 2021. Core remains on site in accordance with Mineral Exploration Agreement HOODRIVER-001.

A photo log of the camp site at the start of the 2020 program and following camp decommissioning is provided in Appendix E, along with a photo of the camp site prior camp construction in 2019.

i) REPORT ALL ARTESIAN FLOW OCCURRENCES AS REQUIRED UNDER PART F, ITEM 3

No artesian flows were encountered.

j) A SUMMARY OF ALL INFORMATION REQUESTED AND RESULTS OF THE MONITORING PROGRAM

The Monitoring Program requires reporting of information tabulated in Table 1. Table 1 identifies where this information can be found herein.

Table 1. Location of Monitoring Program Results

Paragraph	Item	Location of Monitoring Results
1	Daily quantities of water that is used from sources located on, in or flowing through Crown Land, utilized for camp, drilling and other purposes	No water flowing in, on or through Crown land was used. Water used for camp and drilling is provided in Appendix B
2	GPS co-ordinates of all locations where sources of Water are utilized for all purposes	Appendix A
3	GPS co-ordinates of all locations where Wastes associated with camp operations and drilling operations are deposited.	Appendix A
4	Representative samples of the water column below any on ice drilling	No under-ice drilling was undertaken.
5	Sampling at HRP-1, being prior to discharge from secondary containment.	Appendix F

k) DETAILS PERTAINING TO LOCATIONS OF SUMP(S) AND DRILL HOLES

There were 11 drill set ups and 26 holes drilled. Drill hole locations are listed in Appendix F. Cuttings sump locations are listed in Appendix A; cuttings were deposited to sumps located within 10 m of the drill collar.

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

The Hood River camp was located at Lat 66°57’26.7 Long 111°04’10.7”.

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

No construction or Modifications were carried out in 2020 and none are planned for 2021.

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

An existing fuel cache previously established at the Hood River camp was utilized in 2020, to store drummed fuel. Fuel in use was either in drums within secondary containment such as those found at the tents and incinerator, or in a tidy tank such as that found at the drills. Photos are provided in Appendix E. Towards the end of the season, the existing fuel berm was demobilized for use at Ulu and replaced with a smaller berm. All fuel was removed from site as a part of the camp demobilization.

o) A SUMMARY OF PUBLIC CONSULTATION/PARTICIPATION, DESCRIBING CONSULTATION WITH LOCAL ORGANIZATIONS AND RESIDENTS OF THE NEARBY COMMUNITIES, IF ANY WERE CONDUCTED

Public meetings were scheduled to be held in Kugluktuk and Cambridge Bay in March 2020, however these meetings were cancelled due to travel restrictions associated with the COVID-19 pandemic. Blue Star personnel travelled to Cambridge Bay in February and met informally with residents, business owners, land users and potential workers. Blue Star has reached out to the Burnside and Omingmak Hunters and Trappers Associations in Cambridge Bay, the Kugluktuk Agoniatit Association, the Akaitcho Government, the TliCho Government, the Government of Nunavut, the Government of Northwest Territories and various members of the public and land users expressing an interest to meet, as and when it is suitable and feasible given the pandemic. Direct dialogue with the KIA and NTI Lands departments, the Hamlet of Kugluktuk, past workers, local land users and other members of the public has been ongoing throughout the year.

p) ANY OTHER DETAILS ON WATER USE OR WASTE DISPOSAL REQUESTED BY THE BOARD BY THE 1ST NOVEMBER OF THE YEAR BEING REPORTED.

In its letter dated 1 June 2020, the NWB requested that annual reporting deficiencies relating to cuttings sump location and waste management as well as effluent discharge monitoring related to the fuel berm be corrected. Accordingly, these have been addressed herein in Appendices A and F, respectively.

APPENDIX A. NWB ANNUAL REPORT STANDARD FORM

NWB Annual Report **Year being reported:** Select 2020

License No: 2BE-HRP1924 **Issued Date:** July 15, 2019
Expiry Date: July 14, 2024

Project Name: Hood River Gold Project

Licensee: Inukshuk Exploration Inc.

Mailing Address:
500-700 W. Pender St.
Vancouver, BC
V6C 1G8

Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

Blue Star Gold Corp. is filing the report.
Inukshuk Exploration Inc. is a wholly owned subsidiary of Blue Star Gold Corp.

General Background Information on the Project (*optional):

Blue Star/Inukshuk continued a coordinated exploration program in 2020 out of both the Hood River camp and the recently acquired adjacent Ulu project (licensed under 2BM-ULU2030).

Licence Requirements: the licensee must provide the following information in accordance with

Part B Item 1

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

Water Source(s): Camp Lake (domestic), Various (drilling)

Water Quantity:

60 m3/day	Quantity Allowable Domestic (cu.m)
110 m3 total	Actual Quantity Used Domestic (cu.m)
90 m3/day	Quantity Allowable Drilling (cu.m)
2111 m3 total	Total Quantity Used Drilling (cu.m)

Waste Management and/or Disposal

- [x] Solid Waste Disposal
- [x] Sewage
- [x] Drill Waste
- [x] Greywater
- [x] Hazardous
- [ ] Other:

Additional Details:

A list of unauthorized discharges and a summary of follow-up actions taken.

Spill No.: no # assigned (as reported to the Spill Hot-line)
Date of Spill: Unknown
Date of Notification to an Inspector: October 2, 2020
Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

During camp demobilization an area of ground underneath one of the tents was found to be stained with diesel. The time, date and nature of the spill is unknown. The contaminated material was excavated, containerized and transferred off site for appropriate treatment/disposal.

Revisions to the Spill Contingency Plan

Other: (see additional details)

Additional Details:

Refer to Part G of the Annual Report and attached consolidated Plan.

Revisions to the Abandonment and Restoration Plan

Other: (see additional details)

Additional Details:

Refer to Part G of the Annual Report and attached consolidated Plan.

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)

Refer to Part H of the Annual Report. The camp was demobilized and site area reclaimed.

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Details attached

Additional Details:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Details attached

Additional Details:

Results of any additional sampling and/or analysis that was requested by an Inspector

No additional sampling requested by an Inspector or the Board

Additional Details: (date of request, analysis of results, data attached, etc)

Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

No additional sampling requested by an Inspector or the Board

Additional Details: (Attached or provided below)

Any responses or follow-up actions on inspection/compliance reports

No inspection and/or compliance report issued by INAC

Additional Details: (Dates of Report, Follow-up by the Licensee)

Any additional comments or information for the Board to consider

With the closure and demobilization of the Hood River Camp, and the recent aquisiton of the adjacent Ulu property, Blue Star plans to house Hood River and Ulu crews workers together at a camp licenced under 2BM-ULU2030, startingin 2021 and thereafter. Accordingly, Blue Star requests that future water volumes allocated for domestic use under 2BE-HRP1924 be allocated instead for drilling purposes in the absense of domestic use, and that the NWB provide confirmation in writing.

Date Submitted:	March 26, 2021	
Submitted/Prepared by:	Sharleen Hamm	
Contact Information:	**Tel:**	604-996-1110
	Fax:	
	email:	sharleen.hamm@bluestargold.ca

GPS Coordinates for water sources utilized

Source Description	Latitude			Longitude		
	° Deg	' Min	" Sec	° Deg	' Min	" Sec
Camp Lake (domestic)	66	57	3.24	111	4	11.96
Lake in NFN zone	66	56	41	110	59	34
Lake east of Bizen zone	66	56	18	110	58	35
Lake east of Apex zone	66	55	54	110	58	35
Lake north of West Lake	66	54	45	110	58	48
Lake near Contact zone	66	55	32	110	58	48
Lake at Crown Zone	66	52	52	110	51	51
Fido River	66	54	53	110	53	47

GPS Locations of areas of waste disposal

Location Description (type)	Latitude			Longitude		
	° Deg	' Min	" Sec	° Deg	' Min	" Sec
Camp sump	66	57	32.04	111	4	11.28
Core saw sump	66	57	35.64	111	4	12.36
Incinerator	66	57	27.36	111	4	10.56
Cuttings sump located +/- 10 m of drill set-up for holes HR20-013, -014, -015, -016, -017	66	56	54.63	134	59	4.222
Cuttings sump located +/- 10 m of drill set-up for holes HR20-018, -019	66	56	52.95	134	59	9.908
Cuttings sump located +/- 10 m of drill set-up for holes HR20-020, -021, -022	66	56	54.05	134	59	5.458
Cuttings sump located +/- 10 m of drill set-up for holes HR20-023, -024, -025, -026	66	56	55.86	134	59	8.423
Cuttings sump located +/- 10 m of drill set-up for holes HR20-027, -028	66	56	39.03	134	59	13.21
Cuttings sump located +/- 10 m of drill set-up for hole HR20-029	66	56	15.78	134	58	48.19
Cuttings sump located +/- 10 m of drill set-up for hole HR20-030	66	55	52.2	134	58	55.37
Cuttings sump located +/- 10 m of drill set-up for holes HR20-031, -032	66	55	51.46	134	58	55.7
Cuttings sump located +/- 10 m of drill set-up for holes HR20-033, -034	66	52	55.03	134	51	57.19
Cuttings sump located +/- 10 m of drill set-up for hole HR20-035	66	52	55.42	134	51	55.14
Cuttings sump located +/- 10 m of drill set-up for holes HR20-036, -037, -038	66	54	36.94	134	53	51.47

APPENDIX B. DAILY WATER USE, INUIT OWNED LAND

Date	Water Use (m^3/day)			*Total (m^3/day)*
	Camp	Core Saw[1]	Drill	
2-Jul-20	1.035	0	0	1.035
3-Jul-20	1.035	0	0	1.035
4-Jul-20	1.035	0	0	1.035
5-Jul-20	1.035	0	0	1.035
6-Jul-20	1.035	0	0	1.035
7-Jul-20	1.035	0	0	1.035
8-Jul-20	1.035	0	0	1.035
9-Jul-20	1.035	0	0	1.035
10-Jul-20	1.035	0	0	1.035
11-Jul-20	1.035	0.95	33	34
12-Jul-20	1.035	0	33	34
13-Jul-20	1.035	0	77	78
14-Jul-20	1.035	0	0	1.035
15-Jul-20	1.035	0	0	1.035
16-Jul-20	1.877	0	0	1.877
17-Jul-20	1.353	0.8	50	52
18-Jul-20	1.660	0	56	58
19-Jul-20	1.096	0	69	70
20-Jul-20	0.925	0	57	57
21-Jul-20	1.545	0	38	40
22-Jul-20	1.323	0.8	69	70
23-Jul-20	1.131	0	70	71
24-Jul-20	1.306	0	68	70
25-Jul-20	0.870	0	64	65
26-Jul-20	1.264	0	58	59

Date	Water Use (m^3/day)			*Total (m^3/day)*
	Camp	Core Saw[1]	Drill	
27-Jul-20	1.256	0	74	75
28-Jul-20	1.653	0	78	80
29-Jul-20	1.847	0.8	76	78
30-Jul-20	1.806	0	60	62
31-Jul-20	1.315	0	60	62
1-Aug-20	1.806	0.8	85	86
2-Aug-20	1.224	0	57	58
3-Aug-20	1.637	0	77	78
4-Aug-20	0.975	0	0	0.975
5-Aug-20	1.079	0.8	0	1.1
6-Aug-20	1.056	0	62	63
7-Aug-20	1.091	0.8	67	69
8-Aug-20	1.648	0	77	79
9-Aug-20	2.015	0.8	45	47
10-Aug-20	1.415	0	76	77
11-Aug-20	1.868	0.8	76	78
12-Aug-20	0.893	0	0	0.893
13-Aug-20	1.084	0	0	1.084
14-Aug-20	1.572	0	0	1.572
15-Aug-20	1.328	0	56	57
16-Aug-20	2.261	0	50	53
17-Aug-20	1.085	0	0	1.085
18-Aug-20	1.511	0	0	1.511
19-Aug-20	1.71	0	0	1.71
20-Aug-20	1.48	0	0	1.48

Date	Water Use (m^3/day)			*Total (m^3/day)*
	Camp	Core Saw[1]	Drill	
21-Aug-20	1.46	0	0	1.46
22-Aug-20	1.47	0	0	1.47
23-Aug-20	1.36	0	0	1.36
24-Aug-20	1.49	0	0	1.49
25-Aug-20	1.10	0	0	1.10
26-Aug-20	1.85	0	0	1.85
27-Aug-20	1.51	0	0	1.51
28-Aug-20	1.05	0	0	1.05
29-Aug-20	0.08	0	0	0.08
30-Aug-20	0.58	0	0	0.58
31-Aug-20	0.58	0	0	0.58
1-Sep-20	0.58	0	0	0.58
2-Sep-20	0.58	0	0	0.58
3-Sep-20	0.58	0	0	0.58
4-Sep-20	0.59	0	0	0.59
5-Sep-20	1.09	0	0	1.09
6-Sep-20	0.80	0	0	0.80
7-Sep-20	1.29	0	37	39
8-Sep-20	1.35	0.8	22	23
9-Sep-20	0.70	0	0	0.70
10-Sep-20	1.45	0.8	0	1.4
11-Sep-20	1.90	0	0	1.90
12-Sep-20	0.59	0.8	0	0.6
13-Sep-20	1.51	0	0	1.51
14-Sep-20	1.05	0.8	0	1.1

Date	Water Use (m^3/day)			*Total (m^3/day)*
	Camp	Core Saw[1]	Drill	
15-Sep-20	0.98	0	0	0.98
16-Sep-20	1.25	0.8	0	1.2
17-Sep-20	0.27	0	0	0.27
18-Sep-20	2.34	0	39	42
19-Sep-20	1.29	0	56	58
20-Sep-20	1.31	0	40	41
21-Sep-20	1.20	0	42	43
22-Sep-20	1.28	0	55	56
23-Sep-20	2.06	0	0	2.06
24-Sep-20	0.72	0	0	0.72
25-Sep-20	1.89	0	0	1.89
26-Sep-20	0.70	0	0	0.70
27-Sep-20	1.11	0	0	1.11
28-Sep-20	0.45	0	0	0.45
29-Sep-20	0.68	0	0	0.68
Total	***110***	***11***	***2111***	***2221***

[1] Volume included in daily domestic volumes metered.

APPENDIX C. QUANTITIES OF WASTE DEPOSITED

Item	Waste	Amount
Camp sump	Greywater	74 m^3
Core saw sump	Water and cuttings	8 m^3
Incinerator	Solid domestic waste	3,040 kg
Cuttings sump at DH HR20-013, -014, -015, -016, -017	Water and cuttings	282 m^3
Cuttings sump at DH HR20-018, -019		184 m^3
Cuttings sump at DH HR20-020, -021, -022		205 m^3
Cuttings sump at DH HR20-023, -024, -025, -026		253 m^3
Cuttings sump at DH HR20-027, -028		104 m^3
Cuttings sump at DH HR20-029		108 m^3
Cuttings sump at DH HR20-030		148 m^3
Cuttings sump at DH HR20-031, -032		124 m^3
Cuttings sump at DH HR20-033, -034		72 m^3
Cuttings sump at DH HR20-035		30 m^3
Cuttings sump at DH HR20-036, -037, -038		73 m^3

APPENDIX D. QUANTITIES OF WASTE BACKHAULED (consolidated Ulu and Hood River waste)

Item	UN#	Transport Vessel	Amount
Aerosols processable	UN1950	Pallet	1
	UN1950	Drum	1
Batteries-alkaline	N/A	Pallet	1
Batteries-lead acid	UN2794	Each	24
Batteries-non spillable	UN2800	Each	23
Flammable liquids-fuel	UN1993	Drum	29
Non regulated solids - hydraulic hoses	N/A	Drum	2
Non regulated scrap metal	N/A	Megabag	2
Non regulated solids-empty drums	N/A	Drum	83
Non regulated solids-general debris	N/A	Drum	2
Non regulated solids-incinerator ash	N/A	Drum	6
Non regulated solids-oil/fuel filters	N/A	Drum	3
Non regulated solids-oily debris	N/A	Megabag	7
	N/A	Drum	1
Non regulated solids-rags and absorbents	N/A	Drum	7
Paint	N/A	4 L	18
Soil contaminated with hydrocarbons	N/A	Drum	30
Waste leachate- Hydrocarbons, glycol, water, mix	N/R	Drum	36

APPENDIX E. PHOTOS

Photo 1. Hood River camp, July 2020

Photo 2. Hood River camp site, October 2020

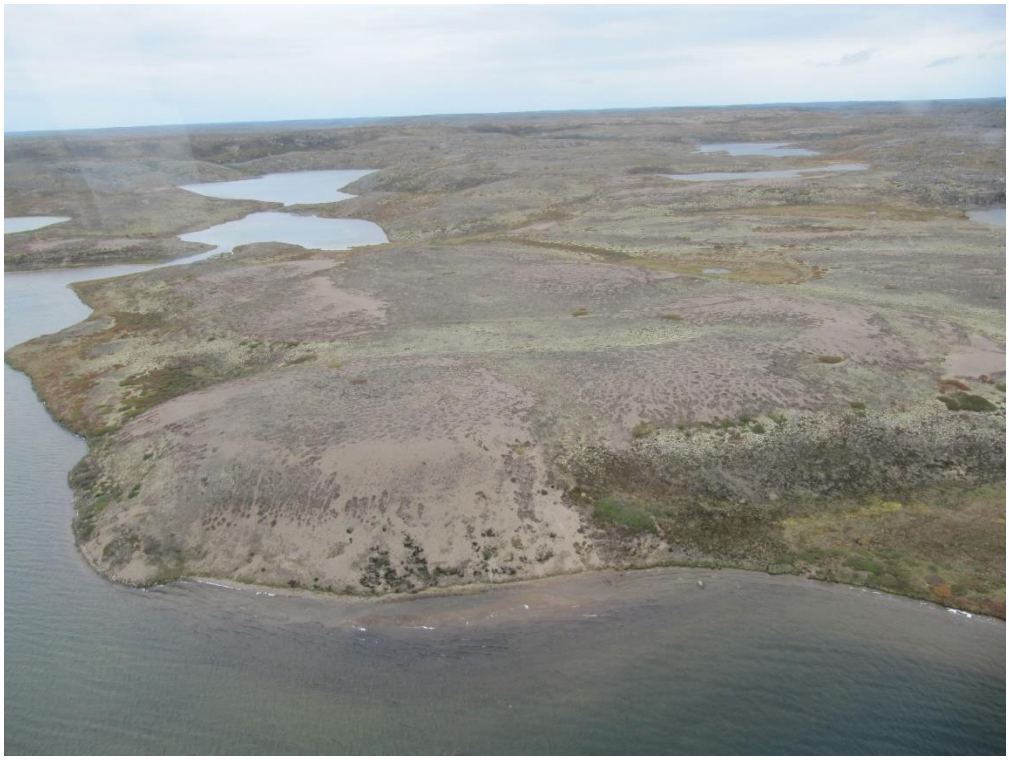

Photo 3. Hood River Camp site prior to construction, August 2019.

Photo 4. Reclaimed drill site

Photo 5. Main Hood River fuel cache

Photo 6. Late season Hood River fuel cache

Photo 7. Typical fuel containment, Hood River camp

APPENDIX F. MONITORING PROGRAM RESULTS

Station Name	Description/Criteria	Location						Volume	Maximum Concentration of any Grab Sample (µg/L), licence criteria					
		Latitude			Longitude									
		Deg	Min	Sec	Deg	Min	Sec	m^3	pH	Oil & Grease	Lead	Benzene	Toluene	Ethylbenzene
		º	′	″	º	′	″		6.5 to 9 (pH units)	15,000 & no visible sheen	1	370	2	90
HRP-1	Discharge from secondary containment, Hood River camp main fuel cache	66	57	25	111	4	17	<1	6.86	<1.0	0.107	<0.00050	<0.00050	<0.00050

APPENDIX F. DRILL HOLE LOCATIONS

Drill Hole	Latitude			Longitude		
	Deg	Min	Sec	Deg	Min	Sec
	º	'	"	º	'	"
HR20-013 HR20-014 HR20-015 HR20-016 HR20-017	66	56	54.63	134	59	4.222
HR20-018 HR20-019	66	56	52.95	134	59	9.908
HR20-020 HR20-021 HR20-022	66	56	54.05	134	59	5.458
HR20-023 HR20-024 HR20-025 HR20-026	66	56	55.86	134	59	8.423
HR20-027 HR20-028	66	56	39.03	134	59	13.21
HR20-029	66	56	15.78	134	58	48.19
HR20-030	66	55	52.2	134	58	55.37
HR20-031 HR20-032	66	55	51.46	134	58	55.7
HR20-033 HR20-034	66	52	55.03	134	51	57.19
HR20-035	66	52	55.42	134	51	55.14
HR20-036 HR20-037 HR20-038	66	54	36.94	134	53	51.47