File No: 2BM-ULU2030

July 18, 2022

Darren Lindsay, P.Geo. VP Exploration Blue Star Gold Corp. 102-17910 55 Ave Surrey, BC V3S 6C8

Email: d.lindsay@bluestargold.ca

RE: NWB Technical Review of the 2021 Annual Report for the Ulu Gold Project; Water Licence No: 2BM-ULU2030.

Dear Mr. Lindsay:

The Nunavut Water Board (NWB or Board) has completed its technical review of the 2021 Annual Report (Report) provided to the Board by Blue Star Gold Corp. (Blue Star or Licensee) on March 29, 2022, to fulfill the requirements of Part B of Water Licence No: 2BM-ULU2030 (Licence).

In its submission, the Licensee indicated that "activities undertaken at Ulu were limited to exploration and progressive reclamation" and that "mine operations had not resumed" and therefore "no sampling was undertaken pursuant to Part D Item 15".

The Board notes that the following updated management plans were provided with the Report:

- Quality Assurance & Quality Control Plan, Ulu Gold Project (including Hood River, Roma and other Licenced Projects), Kitikmeot Region, Nunavut – Revision 2, March 2022; and
- Spill Response Plan, Ulu Gold Project (including Hood River, Roma and other Licenced Projects), Kitikmeot Region, Nunavut Revision 3, March 2022

On April 20, 2022, the Report along with the updated management plans were distributed through the Kitikmeot distribution list with a deadline for comments set to May 20, 2022. On May 6, 2022 comments were received from Crown-Indigenous Relations and Northern Affairs (CIRNA). In their submission, CIRNA recommended to include *in all subsequent annual reports the quantity of water daily usage as to ensure that the daily water use limit set out in the Water Licence would not be exceeded*. Additionally, CIRNA requested *information on the volume of waste rock used during the road repair and the volume of PAG rock removed*. On July 12, Blue

Star provided their responses to CIRNA's questions, which CIRNA found satisfactory on July 13, 2022.

Copies of all documents received during public review can be accessed through the NWB's Public Registry and FTP site using the following link:

<u>ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BM%20-%20Mining/2BM-ULU2030%20Blue%20Star/3%20TECH/B%20GENERAL/10%20ANNUAL%20RPT/2021</u>

After completing the technical review of the Report, including all comments received from the Interveners, the Board would like to acknowledge that the information provided generally addresses the requirements of the Licence. The NWB is of understanding that all concerns raised by CIRNA inspector<sup>1</sup> on August 11, 2021 have already been addressed by the Licensee.

Additionally, the Board notes that upon review, the updated *Spill Response Plan* was found satisfying the requirements of the Licence and the updated *Quality Assurance & Quality Control Plan* was accepted by the NWB with the issuance of this Letter.

The Board also notes that the Report indicated that "Blue Star is also pursuing an amendment to its Licence in order to modify the criteria associated with Part D Item 9." The NWB is looking forward to receiving this Amendment Application from the Licensee.

The Licensee also noted the following: "Ulu activities were coordinated with works undertaken at Hood River, with the Ulu camp and infrastructure supporting Hood River exploration. Hood River is discussed herein to inform an understanding of local site activities and program context." The Board notes that the 2021 Annual Report for Water Licence associated with the Hood Rived Project was reviewed with the issuance of the Amended Hood River Licence No: 2BE-HRP1932 on June 09, 2022.

Should you have any questions, please feel free to contact the undersigned at (867) 360-6338 (extension 29) or <a href="mailto:sergey.kuflevskiy@nwb-oen.ca">sergey.kuflevskiy@nwb-oen.ca</a>, at your earliest convenience.

Sincerely,

Sergey Kuflevskiy Technical Advisor

NUNAVUT WATER BOARD

Cc: Distribution List – Kitikmeot

<sup>1</sup> Crown-Indigenous Relations and Northern Affairs (CIRNA), Water Licence Inspection Report, December 9, 2021.