

2BM-ULU1520 Condition No.	Compliance Assessment
<p>Pursuant to the Nunavut Waters and Nunavut Surface Rights Tribunal Act and the Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada, the Nunavut Water Board, hereinafter referred to as the Board, hereby grants to Bonito Capital Corporation #1204 – 700 West Pender Street, Vancouver BC V6C 1G8 hereinafter called the Licensee, the right to alter, divert or otherwise use water or dispose of waste for a period subject to restrictions and conditions contained within this Licence renewal:</p> <p>Licence Number/Type: 2BM-ULU1520 TYPE “B”</p> <p>Water Management Area: QUEEN MAUD GULF WATERSHED (30)</p> <p>Location: ULU GOLD PROJECT, KITIKMEOT REGION, NUNAVUT</p> <p>Classification: MINING UNDERTAKING</p> <p>Purpose: DIRECT WATER USE AND DEPOSIT OF WASTE</p> <p>Quantity of Water use not to Exceed: ONE HUNDRED (100) CUBIC METRES PER DAY</p> <p>Date of Licence Issuance: MAY 13, 2015</p> <p>Expiry of Licence: MAY 12, 2020</p> <p>This Licence renewal, issued and recorded at Gjoa Haven, Nunavut, includes and is subject to the annexed conditions.</p>	-
<b>Part A. Scope, Definitions and Enforcement</b>	
<b>1 Scope</b>	
<p>a. This Licence is issued subject to the conditions contained herein with respect to the taking of Water and the depositing of Waste of any type in any Waters or in any place under any conditions where such waste or any other waste that results from the deposits of such Waste may enter any Waters. Whenever new Regulations are made or existing Regulations are amended by the Governor in Council under the Nunavut Waters and Nunavut Surface Rights Tribunal Act, or other statutes imposing more stringent conditions relating to the quantity or type of Waste that may be so deposited or under which any such Waste may be so deposited, this Licence shall be deemed, upon promulgation of such Regulations, to be subject to such requirements.</p>	-
<p>b. Compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.</p>	-
<b>2 Definitions</b>	
<p>“<b>Acid/Alkaline Rock Drainage</b>” means the production of acidic or alkaline leachate, seepage or drainage from underground workings, ore piles, waste rock, tailings, and overburden that can lead to the release of metals.</p>	-
<p>“<b>Act</b>” means the Nunavut Waters and Nunavut Surface Rights Tribunal Act.</p>	-

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<b>"Addendum"</b> means the supplemental text that is added to a full plan or report usually included at the end of the document and is not intended to require a full resubmission of the revised report.	-
<b>"Amendment"</b> means a change to original terms and conditions of this Licence requiring correction, addition or deletion of specific terms and conditions of the Licence; modifications inconsistent with the terms of the set terms and conditions of the Licence.	-
<b>"Appurtenant Undertaking"</b> means an undertaking in relation to which a use of water or a deposit of waste is permitted by a licence issued by the Board.	-
<b>"Average Concentration"</b> means the arithmetic means of any four consecutive analytical results submitted to the Board in accordance with the sampling and analysis requirements specified in the "Monitoring Program".	-
<b>"Board"</b> means the Nunavut Water Board established under the <i>Nunavut Land Claims Agreement</i> and the <i>Nunavut Waters and Nunavut Surface Rights Tribunal Act</i> .	-
<b>"Effluent"</b> means treated or untreated liquid waste material that is discharged into the environment from a structure such as a settling pond, landfarm or a treatment plant.	-
<b>"Engineer"</b> means a professional engineer registered to practice in Nunavut in accordance with the <i>Consolidation of Engineers and Geoscientists Act S. Nu 2008, c.2 and the Engineering and Geoscience Professions Act S.N.W.T. 2006, c.16 Amended by S.N.W.T. 2009, c.12</i> .	-
<b>"Freeboard"</b> means the vertical distance between the water surface elevation and the lowest elevation of the effective water containment crest of the dam, dyke or other containment structure.	-
<b>"Greywater"</b> means all liquid wastes from showers, baths, sinks, kitchens and domestic washing facilities, but does not include toilet wastes.	-
<b>"High Water Mark"</b> means the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land (ref. Department of Fisheries and Oceans Canada, Operational Statement: Mineral Exploration Activities).	-
<b>"Inspector"</b> means an Inspector designated by the Minister under Section 85 (1) of the <i>Act</i> .	-
<b>"Licensee"</b> means the holder of this Licence.	-
<b>"Minewater"</b> means groundwater or any water used in mining, which is pumped or flows out of any underground workings or open pit.	-
<b>"Minister"</b> means the Minister of Aboriginal Affairs and Northern Development Canada.	-
<b>"Modification"</b> means an alteration to a physical work that introduces a new structure or eliminates an existing structure and does not alter the purpose or function of the work, but does not include an expansion.	-

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<b><u>"Nunavut Land Claims Agreement (NLCA)"</u></b> means the <i>"Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada"</i> , including its preamble and schedules, and any amendments to that agreement made pursuant to it.	-
<b><u>"Progressive Reclamation"</u></b> means those reclamation activities conducted during the operation period of the mine prior to notification of final closure, to modify and restore the land and water to standards acceptable to the Board.	-
<b><u>"Regulations"</u></b> means the <i>Nunavut Waters Regulations</i> SOR/2013-69 18th April, 2013.	-
<b><u>"Retention Pond"</u></b> means any natural or man-made depression designed to act as a settling facility for the purpose of separating solids from Minewater or runoff water.	-
<b><u>"Secondary Containment"</u></b> means an impermeable structure, external to and separate from primary containment, which prevents unplanned spills of hazardous materials and provides a minimum capacity of 110% of the original vessel. Where multiple vessels are stored within the containment, it must provide a minimum capacity equal to the sum of the largest vessel and 10% of the aggregate volume of all other vessels located in the containment. This structure shall also provide containment and control of hoses and nozzles.	-
<b><u>"Settling/Neutralization Pond"</u></b> means any natural or man-made depression designed to act as a settling facility for the purpose of separating solids from runoff water associated with the ore storage facility.	-
<b><u>"Sewage"</u></b> means all toilet wastes and greywater.	-
<b><u>"Sewage Treatment Facility"</u></b> means the rotating biological contactor designed to treat Sewage and Greywater.	-
<b><u>"Sludge"</u></b> means accumulated and concentrated solids removed from the Sewage treatment Facility.	-
<b><u>"Solid Waste"</u></b> means garbage, refuse, or other discarded material resulting from operating the undertaking, excluding sewage sludge, commercial, industrial or hazardous waste.	-
<b><u>"Spill Contingency Plan"</u></b> means a Plan developed to deal with unforeseen petroleum and hazardous materials events that may occur during the operations conducted under the Licence.	-
<b><u>"Sump Below-ground"</u></b> means an excavation for the purpose of catching or storing water in an underground working or at the bottom of a shaft.	-
<b><u>"Sump or Sumps"</u></b> A structure or depression that collects, controls, and filters liquid waste before it is released to the environment. This structure should be designed to prevent erosion while allowing percolation of liquid waste.	-
<b><u>"Sump Above-ground"</u></b> means an excavation in impermeable soil for the purpose of catching or storing fluids.	-

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<b>"Sump Below-ground"</b> means an excavation for the purpose of catching or storing water in an underground working or at the bottom of a shaft.	-
<b>"Toilet Wastes"</b> means all human excreta and associated products, but does not include greywater.	-
<b>"Waste"</b> means, as defined in s.4 of the <i>Act</i> , any substance that, by itself or in combination with other substances found in water, would have the effect of altering the quality of any water to which the substance is added to an extent that is detrimental to its use by people or by any animal, fish or plant, or any water that would have that effect because of the quantity or concentration of the substances contained in it or because it has been treated or changed, by heat or other means.	-
<b>"Waste Rock"</b> means all unprocessed rock materials that are produced as a result of mining operations.	-
<b>"Water Supply Facilities"</b> means the facilities associated with West Lake, including the intake, piping, storage tanks, and distribution network designed to provide water for the site.	-
<b>"Water" or "Waters"</b> means waters as defined in section 4 of the <i>Act</i> .	-
<b>3. Enforcement</b>	
a. Failure to comply with this Licence will be a violation of the <i>Act</i> , subjecting the Licensee to the enforcement measures and the penalties provided for in the <i>Act</i> .	-
b. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the <i>Act</i> .	-
c. For the purpose of enforcing this Licence and with respect to the use of Water and deposit or discharge of Waste by the Licensee, Inspectors appointed under the <i>Act</i> , hold all powers, privileges and protections that are conferred upon them by the <i>Act</i> or by other applicable law.	-
<b>Part B. General Conditions</b>	
1. The Water use fees, payable to the Receiver General for Canada, shall be sent to the Board annually for the right to the use of Water in accordance with section 12 of the <i>Regulations</i> .	N/a  No activity has been undertaken on site since Blue Star was assigned the licence in Dec 2019.

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2.The Licensee shall furnish and maintain security with the Minister, in the amount of \$1,685,542, in the form that is satisfactory to the Minister.	Compliant.  Security was posted on January 9, 2020.
3.The security referred to in Part B, Item 2 shall be maintained until such time as the Minister is satisfied that the Licensee has complied with all provisions of the approved Final Abandonment and Restoration Plan. This clause shall survive the expiry of this Licence or renewals thereof.	Compliant.
4.The Licensee may submit to the Board for approval, a request for a reduction to the amount of security. The submission shall include supporting evidence to justify the request.	N/a
5.The Licensee shall, at least sixty (60) days prior to resuming active operation or within sixty (60) days following a decision to proceed to active closure and reclamation of the site, provide the Board with an updated estimate of the Ulu Gold Project restoration liability using the most current version of RECLAIM, its equivalent or other similar methods approved by the Board, in accordance with the principles of INAC's "Mine Site Reclamation Policy for Nunavut" (2002).	N/a
6.The Licensee shall review the financial security posted for the project, as required by changes in operations, components and/or technology, and submit annually to the Board for review, an updated estimate of the Ulu Gold Project restoration liability using the current version of RECLAIM, its equivalent or other similar method approved by the Board, in accordance with principles of INAC's "Mine Site Reclamation Policy for Nunavut" (2002).	Compliant.  A security review is submitted with this application.
7.Licensee shall furnish and maintain such further or other amounts of security as may be required by the Board, based upon annual estimates of current mine reclamation liability provided under Part B, Item 6.	N/a
8.The Licensee shall file an Annual Report on the appurtenant undertaking with the Board no later than March 31 of the year following the calendar year being reported, which shall contain the following information: a. tabular summaries and analysis of all data collected under the Monitoring Program in Part J; b. a summary of any construction work, modification and/or major maintenance work carried out on the Water Supply Facilities and Sewage Treatment Facility, including all associated structures, and an outline of any work anticipated for the next year; c. results for samples collected on ore and waste rock as referred to in Part D, Item 11; d. a list of unauthorized discharges and follow-up action taken; e. updates or revisions to the Waste Management Plan, Spill Contingency Plan, Abandonment and Restoration Plan, Operations and Maintenance Plan, Care and Maintenance Plan and any other plans associated with the Licence. Revisions may be subject to Board approval;	Blue Star will file its annual report for 2020 on time.

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<p>f. any updates to the estimate of the restoration liability, as required under Part B, Item 5 and 6, based upon the results of the restoration research, project development monitoring, and any modifications to the site plan;</p> <p>g. a brief description of follow-up action taken to address concerns detailed in inspection and compliance reports prepared by the Inspector;</p> <p>h. Report all artesian flow occurrences as required under Part F, Item 3;</p> <p>i. a summary of hazardous materials shipped out, the treatment received, and the location of the approved treatment facility to which they were sent;</p> <p>j. a summary of any abandonment and restoration work completed during the year and an outline of any work anticipated for the next year;</p> <p>k. a summary of any specific studies or reports requested by the Board, and a brief description of any future studies planned or proposed;</p> <p>l. public consultation/participation report describing consultation with local organizations and residents of the nearby communities, if any were conducted; and</p> <p>m. any other details on Water use or Waste disposal requested by the Board by the 1<sup>st</sup> of November of the year being reported.</p>	
<p>9.The Licensee shall install and maintain flow meters or other such devices, or implement suitable methods capable of measuring Water volumes as required to comply with Part C, Item 2 and the Monitoring Program under Part J.</p>	<p>N/a</p> <p>No activity has been undertaken on site since Blue Star was assigned the licence in Dec 2019.</p>
<p>10.The Licensee shall post signs in the appropriate areas to inform the on-site personnel and public of the location of the Water Supply Facility, Sewage Treatment Facility and Monitoring Program Stations. All signs shall be in English, Inuktitut, and Inuinnaqtun.</p>	<p>TBD.</p> <p>The water supply facility and the sewage treatment facility were decommissioned by the previous owner.</p> <p>Blue Star will confirm suitable Monitoring Program Station signage at the first opportunity in 2020.</p>
<p>11.The Licensee shall, for all Plans, reports and studies submitted under this Licence, include an executive summary in terms understandable to the general public translated into Inuktitut and Inuinnaqtun.</p>	<p>Not compliant. Plans submitted with this application do include an</p>

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	summary in English. Translations are forthcoming and will be provide prior to commencement of works under the licence.
12.The Licensee shall, for all Plans submitted under this Licence, include a proposed timetable for implementation and the Board recommends that a table be included with the Plan that documents the date, purpose and page(s) of the revision. 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.	Compliant.
13.The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.	Blue Star looks forward to implementing this condition once it is on site.
14.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 may become part of this Licence. All terms and conditions of the Licence should be contemplated in the development of a Plan where appropriate.	-
15.The Licensee shall review the Plans referred to in this Licence as required by changes in operation and/or technology and modify the Plans accordingly. Revisions to the Plan are to be submitted in the form of an Addendum to be included with the Annual Report, unless directed otherwise by an Inspector. Addendums should be accompanied with a concordance sheet that provides an overview of the changes made to the Plan.	Blue Star looks forward to implementing this condition once it is onsite.
16.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) <b>Manager of Licensing:</b> Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0 Telephone: (867) 360-6338 Fax: (867) 360-6369 Email: <a href="mailto:licensing@nwb-oen.ca">licensing@nwb-oen.ca</a>  b) <b>Inspector Contact:</b>	

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Manager of Field Operations, AANDC Nunavut District, Nunavut Region P.O. Box 100 Iqaluit, NU X0A 0H0 Telephone: (867) 975-4295 Fax: (867) 979-6445	
17.The Licensee shall submit one paper copy and one 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.	Once approved, Blue Star will submit.
18.The Licensee shall ensure that any document(s) or correspondence submitted by the Licensee to the NWB is received and acknowledged by the Manager of Licensing.	Noted.
19.This Licence is assignable as provided for in Section 44 of the Act.	-
<b>Part C. Conditions Applying to Water Use</b>	
1.The Licensee shall obtain all water from West Lake using the Water Supply Facilities or as otherwise approved by the Board.	N/a  No activity has been undertaken on site since Blue Star was assigned the licence in Dec 2019.
2.The quantity of water withdrawn from West Lake shall not exceed one hundred (100) cubic metres <i>per</i> day.	
3.Within six (6) months following notification to the Board and an Inspector that site operation will resume, the Licensee shall submit to the Board, Terms of Reference for the Hydrological Assessment of West Lake, including an implementation schedule.	
4.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.	
5.The Licensee shall not remove any material from below the ordinary High Water Mark of any water body unless authorized.	
6.The Licensee shall not cause erosion to the banks of any body of Water and shall provide necessary controls to prevent such erosion.	
7.Sediment and erosion control measures shall be implemented prior to and maintained during the operation to prevent entry of sediment into water.	
<b>Part D. Conditions Applying to Waste Disposal</b>	



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1.The Licensee shall provide at least ten (10) days’ notice to an Inspector prior to any planned discharges of Effluent from the Retention Pond and Settling/Neutralization Ponds and for the start-up of the Sewage Treatment Facility.		N/a. The sewage treatment facility was decommissioned by the previous owners, and the ponds have yet to be constructed.										
2.The Licensee shall direct all Sewage to the Sewage Treatment Facility or as otherwise approved by the Board in writing.		N/a. The sewage treatment facility was decommissioned by the previous owners.										
3. All Effluent discharged from the Sewage Treatment Facility at Monitoring Station ULU-2, shall not exceed the following Effluent quality limits: <table><tr><th>Parameter</th><th>Maximum Concentration of Any Grab</th></tr><tr><td>BOD<sub>5</sub> (mg/L)</td><td>30.0</td></tr><tr><td>TSS (mg/L)</td><td>35.0</td></tr><tr><td>pH</td><td>6.0 to 9.5</td></tr><tr><td>Oil and Grease</td><td>No Visible Sheen</td></tr></table>			Parameter	Maximum Concentration of Any Grab	BOD <sub>5</sub> (mg/L)	30.0	TSS (mg/L)	35.0	pH	6.0 to 9.5	Oil and Grease	No Visible Sheen
Parameter	Maximum Concentration of Any Grab											
BOD <sub>5</sub> (mg/L)	30.0											
TSS (mg/L)	35.0											
pH	6.0 to 9.5											
Oil and Grease	No Visible Sheen											
4.The Licensee shall maintain the Sewage Treatment Facilities to the satisfaction of an Inspector.												
5.All Minewater and Water from the portal entrance, should it be encountered, shall be directed to the Retention Pond or as otherwise approved by the Board in writing.		N/a  No activity has been undertaken on site since Blue Star was assigned the licence in Dec 2019.										
6.All Effluent discharged from the Retention Pond and Settling/Neutralization Ponds and runoff from the Waste Rock storage areas and ore storage area at Monitoring Stations ULU-5, ULU-6, ULU-7 and ULU-8 shall not exceed the following Effluent quality limits: <table><tr><th>Parameter</th><th>Maximum Average Concentration</th><th>Maximum Concentration of any Grab Sample</th></tr><tr><td>Total Arsenic (mg/L)</td><td>0.5</td><td>1.0</td></tr></table>		Parameter	Maximum Average Concentration	Maximum Concentration of any Grab Sample	Total Arsenic (mg/L)	0.5	1.0	N/a. The ponds have yet to be constructed.				
Parameter	Maximum Average Concentration	Maximum Concentration of any Grab Sample										
Total Arsenic (mg/L)	0.5	1.0										

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Total Copper (mg/L)	0.3	0.6		
Total Lead (mg/L)	0.2	0.4		
Total Nickel (mg/L)	0.5	1.0		
Total Zinc (mg/L)	0.5	1.0		
TSS (mg/L)	25.0	50.0		
pH	6.0 to 9.5			
Oil and Grease	No Visible Sheen			
7.All Effluent discharged shall be directed towards East Lake in a manner such that surface erosion will be minimized.				N/a  No activity has been undertaken on site since Blue Star was assigned the licence in Dec 2019.
8.The Licensee shall operate and maintain the Retention and Settling/Neutralization Ponds such that: a. At least one (1) metre of freeboard is maintained at the retention berm at all times; b. Seepage from the pond is minimized at all times; c. Any seepage that occurs and does not meet the Effluent quality requirements as specified in Part D, Item 6 shall be collected and immediately returned to the pond; d. Any constructed facilities that are eroded are to be repaired immediately; and e. Inspections of the Retention Pond and structures are carried out weekly during periods of open water and records kept of these inspections for review upon request of an Inspector.				N/a. The ponds have yet to be constructed.
9.The Licensee shall submit to the Board for approval, within sixty (60) days following notification of resumption of operations, in accordance with Part H, item 1, a proposal for the disposal of Effluent from the Retention Pond and Settling/Neutralization Ponds. The proposal shall include the following: a. Options for discharge of Minewater/runoff water (including East Lake, if applicable); b. Details on quantity and quality of the Minewater/runoff water; and c. Options for treatment and disposal.				

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<p>10.The Licence shall arrange for a Geotechnical Engineer to inspect the earthworks, geological regime, and the hydrological regime of the Project prior to recommencing on-site activities, and annually thereafter. The Geotechnical Engineer's report shall be submitted to the Board within sixty (60) days of the inspection, with a cover letter from the Licensee outlining an implementation plan to respond to the Engineer's recommendations.</p>	<p>Blue Star looks forward to implementing this condition once it is on site.</p>
<p>11.The Licensee shall submit to the Board for approval, within sixty (60) days of resuming on-site operations, a plan for ongoing Acid Rock Drainage and Geochemical Characterization. The plan shall be developed in accordance with the Indian and Northern Affairs Canada "Guidelines for Acid Rock Drainage Prediction in the North, September 1992" and shall include the following:</p> <ul style="list-style-type: none"> <li>a. Implementation of recommendations in the report entitled "Ulu Project: Preliminary Assessment of acid rock drainage potential" dated October 1996, prepared by Klohn-Crippen Consultants Ltd.;</li> <li>b. Continued field leaching testing for two years to establish long-term weathering trend;</li> <li>c. Kinetic test work on waste rock, ore, prospective tailings to assess changes in ARD potential with depth;</li> <li>d. Options for collection and treatment of ARD; and</li> <li>e. An implementation schedule.</li> </ul>	<p>Blue Star looks forward to implementing this condition in the future as needed.</p>
<p>12.The Licensee shall, within sixty (60) days following notification to the Board of its decision to resume on-site operations in accordance with Part H, item 1, submit to the Board for approval in writing a Waste Rock and Ore Storage Plan to address the management of all drainage from permanent and temporary ore and Waste Rock storage areas. The plan shall include the following:</p> <ul style="list-style-type: none"> <li>a. A description and site map to scale, identifying the ore and waste rock storage areas, the settling pond(s) and downstream receiving areas;</li> <li>b. A schedule of ore stockpiling, coarse tailings and waste rock production by rock type, tonnage, and destination;</li> <li>c. An identification of all potential sources of drainage from each storage site and the distance to the downstream receiving environment;</li> <li>d. Detailed proposal for the management of each flow, including water quality monitoring, collection, treatment, rerouting and final disposal;</li> <li>e. Detailed construction plans and drainage management for waste rock types that may be problematic as a result of ARD testing;</li> <li>f. Contingency plans for controlling runoff and seepage water chemistry;</li> <li>g. Temperature analysis of all waste rock storage areas having ARD potential to include the effect of oxidation reactions on predicted ARD generation rates; and</li> <li>h. An ARD sampling and analysis protocol for waste rock used in construction and/or stockpile areas.</li> </ul>	

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13.The Board has approved the Plan entitled <i>Ulu Gold Project Nunavut, Canada, Solid and Hazardous Waste Management Plan</i> , dated March 2013 that was submitted as additional information with the 2012 Annual Report.	-
14.The Licensee shall update the Plan referred to in Part D, Item 13 to address relevant interveners' comments and recommendations provided during the review process for the Application. Updates to the Plans should be submitted as an addendum to the 2015 Annual Report.	Compliant.  Blue Star has submitted an updated plan with this application.
<b>Part E. Conditions for Spill Contingency Planning</b>	
1.The Board has approved the Plan entitled <i>Ulu Gold Project Nunavut, Canada Spill Contingency Plan</i> , dated March 2013, which was submitted as additional information with the 2012 Annual Report.	-
2.The Licensee shall update the plan reference in Part E, Item 1 to address relevant comments and recommendations raised by interested parties during the review process for the Application. Updates to the plan shall be submitted as an addendum to the 2015 annual report.	Compliant.  Blue Star has submitted an updated plan with this application.
3.The Licensee shall ensure that any chemicals, petroleum products or wastes associated with the project do not enter 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.	Blue Star looks forward to implementing this condition once it is on site.
4.The Licensee shall provide secondary containment for hazardous materials and fuel storage areas.	
5.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.	
6.The Licensee shall regularly inspect fuel tanks and connectors for leaks and movement and shall keep a written log of inspections to be made available to an Inspector upon request.	
7.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 Spill Contingency Plan; b. Report the spill immediately to the 24-Hour Spill Line at (867) 920-8130 and to the Inspector at (867) 975-4295; and 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.	

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<b>Part F. Conditions Applying to Drilling Operations</b>	
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.	Blue Star looks forward to implementing this condition once it is on site.
2.The Licensee shall dispose of all drill waste, including water, chips, muds and salts (CaCl <sub>2</sub> ) 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.	
3.The Licensee shall, upon the completion of drilling, immediately seal and permanently cap drill holes 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.	
4.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.	
5.Drilling additives or mud shall not be used in conjunction 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.	
6.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. 10mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100mg/L).	
7.The Licensee shall establish Water quality conditions prior to and upon completion of any drilling program through lake ice.	
<b>Part G. Conditions Applying to Modifications and Construction</b>	
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: <ul style="list-style-type: none"> <li>a. the Licensee has notified the Board in writing of such proposed Modifications at least sixty (60) days prior to beginning the Modifications;</li> <li>b. such Modifications do not place the Licensee in contravention of the Licence or the Act;</li> <li>c.such Modifications are consistent with the NIRB Screening Decision;</li> </ul>	Noted.

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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.	Noted.
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.	N/a. No modifications are currently planned.
4.Prior to construction of any structures intended to contain or divert water or waste, the Licensee shall submit to the Board for approval design drawings stamped by an Engineer.	N/a. No construction of this nature is currently planned.
5.Construction of designed structures shall be carried out as approved by the Board.	Noted.
6.As-built drawings of all structures designed to contain or divert water or waste shall be stamped by an Engineer and submitted to the Board within ninety (90) days of completion of the structures.	Noted.
7.Should fill or quarry material be required, it must be obtained from a source approved by the Board.	Noted.
8.The Licensee shall ensure through testing, that waste rock used in construction is free of metal leaching and acid generating potential.	Blue Star looks forward to implementing this condition once it is on site.
<b>Part. H. Conditions Applying to Operation and Maintenance</b>	
1.The Licensee shall, at least sixty (60) days prior to initiating major operational changes to the Project, notify the NWB and an Inspector of any such changes, including the resumption of active operations.	Noted.
2.The Board has approved the plan entitled <i>Ulu Gold Project Nunavut, Canada Sewage Treatment Plant Operation and Maintenance Plan</i> , dated March 2013, which was submitted as additional information with the 2012 Annual Report.	-

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3.The Licensee is required to update the Plan referred to in Part H, Item 2 to address relevant comments and recommendations provided by intervening parties during the review process. Updates to the plan shall be submitted to the Board for review as an addendum within the 2015Annual Report.	N/a. The sewage treatment facility was decommissioned by the previous owners.
<b>Part I. Conditions Applying to Abandonment and Restoration or Temporary Closing</b>	
1.The Board has approved the plan entitled <i>Ulu Gold Project Nunavut, Canada, Care and Maintenance Plan Water Quality Sampling</i> , dated May 2014 that was submitted as additional information with the Application.	-
2.The Board has approved the plan entitled <i>Interim Closure and Reclamation Plan</i> , dated March 2013 that was submitted as part of the 2012 Annual Report.	-
3. The Licensee shall update the Plans referred to in Part I, Items 1 and 2 to address relevant comments raised by intervening parties during the technical review period for the Application. Updates to the plans shall be submitted to the Board for review as addendums within the 2015 Annual Report.	Compliant.  Blue Star has submitted an updated plan with this application.
4. The Licensee shall notify the Board and an Inspector, in writing, at least sixty (60) days prior to filing any formal application to achieve Recognized Closed Mine status.	Noted.
5. The Licensee shall submit to the Board for approval in writing, within sixty (60) days following notice pursuant to Part I, item 4, a final Abandonment and Restoration Plan.	Noted.
6. The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee's operations.	Blue Star looks forward to implementing this condition once it is on site.
7. The Licensee shall backfill and restore all sumps to the pre-existing natural contours of the land.	
8. The Licensee shall remove from the site infrastructures and site material, including but not limited to, all fuel caches, drums, barrels, buildings and contents, water pumps and lines, material and equipment before the expiry of this Licence.	Blue Star looks forward to implementing this condition upon final closure.
9.All roads and airstrip shall be re-graded to match natural contours.	
10.All culverts shall be removed and the drainage opened up to match the natural channel.	
11.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.	
12.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, (March 2009 Revision). The use of reclaimed soils for the purpose of back fill or general site grading may be carried	

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out only upon consultation and approval by the Government of Nunavut, Department of Environment and an Inspector.	Blue Star looks forward to implementing this condition once it is on site.
13.The Licensee shall restore all drill holes and disturbed areas to natural conditions immediately upon completion of the drilling or trenching. 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.	
14.The Licensee may store drill cores 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.	
15.All disturbed areas shall be contoured and stabilized upon completion of work and restored to a pre-disturbed state.	
<b>Part. J. Conditions Applying to the Monitoring Program</b>	
1.The Licensee shall comply with the Monitoring Program annexed to this Licence as Schedule J, and any amendments to it as may be made from time to time, pursuant to the conditions of this Licence.	Blue Star looks forward to implementing this condition once it is on site.
2.The Licensee shall maintain the necessary signs to identify the stations of the Monitoring Program. All signs shall be in English and Inuktitut.	Blue Star will confirm suitable Monitoring Program Station signage at the first opportunity in 2020.
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.	Blue Star looks forward to implementing this condition once it is on site.
4.The Licensee shall, prior to the release of Effluent from Monitoring Stations ULU-5, ULU-6, ULU-7 and ULU-8 for the purpose of demonstrating compliance, sample for the parameters listed under Part D, Item 6.	
5.The Licensee shall obtain representative samples of the water column below any ice where required under Part F, Item 7. Monitoring shall include 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, Fe, Pb, Li, Mn, Mo, Ni, Se, Sn, Sr, Tl, Ti, U, V, Zn), and Trace Arsenic and Mercury	



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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.	Noted.
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.	
8. The Licensee shall, within sixty (60) days following issuance of the Licence, resubmit to the Board for review the Plan entitled <i>Ulu Gold Project Nunavut, Canada Quality Assurance and Quality Control Plan Water Quality Sampling</i> , dated June 2014, along with a cover letter from an accredited laboratory confirming acceptance of the Plan for analyses to be performed under this Licence.	Compliant.  A letter was submitted on Dec 1, 2015. Blue Star believes this letter to still be valid.
9. The Licensee shall annually review the QA/QC plan submitted under Part J, Item 8 and modify it as necessary. Revised plans shall be submitted to the NWB with an approval letter from an accredited, and lab meets standards set in Part J, Item 6 and Part J, Item 7.	Complaint.  Blue Star has reviewed the existing approved Plan and believe is to still be valid.
10.A Monthly Monitoring Program Summary Report shall be submitted to the Board for review within thirty (30) days following the month being reported. This summary shall include the monitoring results collected according to the Monitoring Program.	Blue Star looks forward to implementing this condition once it is on site.
11.The Licensee shall include in the Annual Report required under Part B, Item 8, all data, monitoring results, and information required by this Part.	