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13 March 2020

Richard Dwyer
Manager of Licencing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU
XOB 1J0

Dear Mr. Dwyer,

Re. Application for a Renewal and Amendment of Blue Star Gold Corp.'s Ulu Gold Project Water Licence 2BM-ULU1520

In late 2019, of Blue Star Gold Corp.'s (Blue Star) was assigned the 2BM-ULU1520 water licence and soon thereafter took custody of the Ulu site and commenced the process to renew the existing Type B water licence and amend the scope to support reclamation of legacy facilities, and continued operation of Ulu as an exploration site. Accordingly, please find enclosed the following documents in support of Blue Star's application to renew water licence 2BM-ULU1520, and amend to include additional waste management facilities, increased water use, alternate water sources, quarrying and an alternate camp location at the Ulu Gold Project located in the Kitikmeot Region of Nunavut:

- Application form;
- Appendix A. Maps;
- Appendix B. Nunavut Planning Commission Determinations;
- Appendix C. Nunavut Impact Review Board Screening Decision Reports;
- Appendix D. Project Description;
- Appendix E. Project Summary;
- Appendix F. Supplemental Information Guidelines, Advanced Exploration;
- Appendix G. Effects Assessment;
- Appendix H. Stakeholder Engagement Log and Summary;
- Appendix I. Statement of Financial Security;
- Appendix J. List of Officers;
- Appendix K. Certificate of Incorporation;
- Appendix L. Compliance Assessment;



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Appendix M. Draft Amended Water Licence;

Appendix N. Spill Response Plan;

Appendix O. Waste Management Plan;

• Appendix P. Interim Closure and Reclamation Plan;

• Appendix Q. Closure Cost Estimate;

• Appendix R. Environment and Heritage Resources Protection Plan;

• Appendix S. Soil Treatment Facility Management Plan;

Appendix T: Borrow Management Plan;Appendix U: Landfill Management Plan..

Further to our meeting in Vancouver in January 2020 and subsequent email exchanges, we respectfully request that the Nunavut Water Board (NWB) commences its internal review prior to the Nunavut Impact Review Board's (NIRB) issuance of their Screening Decision Report (SDR), and that the NWB commences the public review of the Type B application as soon as possible following issuance of the SDR, so that the amended and renewed Type B licence may be issued on time to allow for licencing continuity at Ulu. Note that the public comment period for the NIRB screening of the application has ended, and issuance of the SDR is expected imminently.

Blue Star recognizes that there is considerable new technical information provided with this application for a Type B licence renewal and amendment. Blue Star remains available to all interested parties to discuss any aspect of the Type B application at any point in the process and is committed to fostering a common understanding of the intended approach to reclaiming the Ulu site and continuing exploration activities.

Blue Star also wishes to advise that in addition to the security held by Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) under the licence, it has already posted security with the Kitikmeot Inuit Association (KIA). Through this re-licencing process, Blue Star supports a coordinated approach to security administration wherein the KIA holds all security under the licence. Discussion to this effect have been initiated with both the KIA and CIRNAC, and remains ongoing.

Finally, this letter authorizes Sharleen Hamm of Sharleen Hamm Consulting Ltd. to represent Blue Star's interests in matters pertaining to water licencing. Ms. Hamm can be reached at 604-996-1110 or via email at sharleen@sharleenhamm.com.



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Should you have any questions about the project or the application, don't hesitate to contact myself or Sharleen, as needed.

Regards,

Peter Kuhn General Manager Blue Star Gold Corp. Kjgold2010@gmail.com

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Encl.

cc. K. Kharatyan, Nunavut Water Board

- D. Donald, Nunavut Water Board
- G. Okonkwo, Crown-Indigenous Relations and Northern Affairs
- S. Dewar, Crown-Indigenous Relations and Northern Affairs
- B. Pedersen, Crown-Indigenous Relations and Northern Affairs
- G. Clark, Kitikmeot Inuit Association
- W. Kuliktana, Kitikmeot Inuit Association