

Ulu Gold Project

Introduction

Blue Star Gold Corp. (Blue Star), through its 100% wholly owned subsidiary Ulu Mining Inc., has recently acquired the Ulu Gold Project (the Project) in the Kitikmeot Region of Nunavut. The Project is contiguous with the Hood River Gold Project, also owned by Blue Star, through its other subsidiary Inukshuk Exploration Inc.. The Project's existing water licence will expire in May 2020; Blue Star is undertaking to amend and renew this licence.

Purpose

The Purpose of this submission is to commence the process to amend and renew the existing water licence, 2BM-ULU1520.

Scope

The Project scope is to:

- access site via an existing airstrip, an ice strip or historic overland winter trail,
- conduct progressive reclamation of legacy site infrastructure,
- recommence surface and underground exploration-related activities including but not limited to land and ice-based drilling, prospecting and exploration to expand understanding of existing gold occurrences and locate new gold targets,
- establish a new exploration camp location and associated water supply,
- maintain and extend the existing airstrip,
- store fuel,
- quarry/borrow for construction materials, and
- undertake studies in support of future impact assessment and mine development planning.

The existing facilities at Ulu, such as the camp and airstrip, may also be used to support other authorized activities in the region including work on the Grays Bay Road and Port Project and resupply for the Hood River Gold Project.

The majority of the above listed activities have previously been authorized to occur at Ulu. However, the following proposed project components have not been previously licenced and so are considered a significant modification to the Project:

- Soil treatment facility;
- Non-hazardous waste landfill;
- Alternate exploration camp location;
- Alternate industrial and domestic water supply;
- Increase in water withdrawal volume to 200 m³/day;
- Potential use of biodiesel as a fuel source.

Regulatory Context

The Project has been screened and licenced in the past. Authorizations include:

- Nunavut Impact Review Board (NIRB) screening decisions
 - 99WR055
 - 04EN014
 - 05EN007
- Nunavut Water Board water licences
 - NWB2ULU9700
 - NWB1ULU0008
 - 2BMULU0914
 - 2BMULU1520
- Kitikmeot Inuit Association Land Use Licence KTL311C013
- Crown Mining Lease 3563.

Blue Star wishes to retain the ability to conduct any and all activities that have been authorized to date.

Location

The Program will occur at a site known as the Ulu Gold Project, located approximately 220 km southeast of Kugluktuk in the Kitikmeot Region, Nunavut. The Project is currently accessible by air only and was historically accessed by an overland trail connecting to the Tibbitt to Contwoyto Winter Road. The Project is located on Inuit-owned land, and is immediately adjacent to the Hood River property.

The Project is located in the Southern Arctic Ecozone and the Takijuk Lake Upland ecoregion. The study area encompasses the Hood River watershed.

Timing

The Program is planned to commence upon receipt of approvals and is expected to be seasonal. In the near term, summer drilling only is planned, with camp operation occurring between May and October. It is possible that on ice drilling in spring may occur in subsequent years, with the camp opening in March. Seasonal closure of camp will typically occur during winter months. Resupply may occur in either spring or summer.

It is expected that the Program, as currently scoped, will last up to 5 years, which is the expected duration of a Type B water licence.

Equipment and Materials

Various equipment and materials already exist on site. Current and future equipment used on site may vary in size and number but is generally expected to include, or be similar to, the following:

- Drill rigs;
- Helicopters;
- Fixed wing planes;
- Generators;
- Water pumps;
- Snowmobiles;
- Snow cats;
- Small watercraft;
- Compressors;
- ATVs;
- Skidsteers;
- D8 Cat;
- Graders;
- Excavators;
- Incinerator;
- Haul trucks;
- Pick up trucks;
- Busses;
- Sled;
- Portable camp.

Similarly, materials and supplies used and stored on site may vary in quantity, type and size, but generally are expected to include:

- Diesel;
- Biodiesel;
- Gasoline
- Jet fuel;
- Propane;
- Various lubricants, greases and coolants;
- Inert drilling fluids;
- Calcium chloride;
- Acetylene;
- Oxygen.

Materials will be stored and handled properly, in such a manner as to minimize potential impacts to land and water, such as use of secondary containment. Fuel may be stored and/or transported in designated containers including jerry cans, tidy tanks, drums, fuel cubes, tanks, bladders or equivalent.

Stakeholder Engagement

Discussions about all of Blue Star's activities in Nunavut, including plans for Ulu have been undertaken since early 2019 with the following organizations, a number of which occurred in person in Kugluktuk, Cambridge Bay and Vancouver: Kugluktuk, Burnside and Omingmaktok Hunters' & Trappers' Organizations; residents of Kugluktuk and Cambridge Bay; NTI; the KIA; the NPC; the NIRB; the NWB; the GN; CIRNAC; CanNor; other operators in the region; various local and regional service providers and operators. Ongoing engagements, including in person meetings in Iqaluit, Kugluktuk, Cambridge Bay, Toronto and Vancouver are planned to occur over the upcoming months.

Environmental Effects

Potential environment effects and suitable mitigation measures have been considered and are presented in Appendix G of this application. Existing management plans approved under the existing water licence will either be carried forward or have been revised and are provide to parties for review and comment, as outlined in this application.