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Cambridge Bay  
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Richard Dwyer  
Manager of Licensing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, Nunavut  
X0B 1J0

Kugluktuk  
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Sent by e-mail: richard.dwyer@nwb-oen.ca

November 21<sup>st</sup>, 2025

Bathurst Inlet  
Kingaok  
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**RE: KIA's Review of Reclamation Security for the Ulu Project given Progressive Reclamation work done by Blue Star Gold Corp.**

Dear Richard Dwyer,

Bay Chimo  
Umingmaktok  
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In 2024 the Kitikmeot Inuit Association (KIA) inspected the Ulu Project Site in the Kitikmeot Region to review the amount of progressive reclamation work that had been completed Blue Star Gold Corp (BSG) site.

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In combination of this site visit and a desktop review, the KIA has updated its assessment of reclamation security for the Ulu Project Site. BSG has also undertaken a review of their security estimate as a result of the progressive reclamation undertaken at site.

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Currently there is \$2,629,3277 of total security being held for the Project, \$1,685,542 is held by CIRNAC while \$943,835 is held by the KIA.

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KIA's updated security estimate for the site is \$1,740,400 while Blue Star's estimate is \$1,688,854. The difference between these estimates is \$51,546 which can be split between KIA and Blue Star for an updated security of \$1, 714, 627, representing a reduction of \$914,700 from current total security.

Our consultant recommends a split between land (KIA) and water (CIRNAC) of 80% and 20% respectively. The project is primarily on IOL and in the past (2015 & 2020) KIA had requested to hold all the security for the Ulu Project given that Blue Star operates under a Type B water license and that CIRNAC does not hold security for any other project in Nunavut operating under a Type B water license.

CIRNAC's security on this project is a legacy issue that predates the formation of Nunavut, the establishment of IOL and the original mine Plan for the site. CIRNAC originally held all the security for land and water for the project; however, in



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2019 AND 2020, KIA was successful in obtaining security from Blue Star for the project given that it is on IOL.

KIA is again requesting the NWB that we hold all the security for the Ulu Project, and the total required security be reduced to \$1, 714, 627 for the site to reflect the updated estimates of both KIA and BSG.

Both KIA and Blue Star have provided our security reclamation calculations to CIRNAC, and we are currently waiting for their estimate of reclamation security required for the project.

The KIA would be available for an on-line meeting with the NWB, Blue Star Gold Corporation and CIRNAC as early as February 2026 to discuss reclamation security for the Ulu Project mine site.

Thank you.

A handwritten signature in black ink that reads "C. Barker".

Cory Barker, M.Sc.  
*Interim* Director, Department of Lands, Environment, and Resources  
Kitikmeot Inuit Association

Cc John Roesch, Senior Project Officer, KIA, Department of Lands, Environment, and Resources

Enclosure: KIA reclamation calculations and report.