



WATER LICENCE INSPECTION FORM

☒ Original
☐ Follow-Up Report

Licensee		Licensee Representative	
Blue Star Gold Corp		Darren Lindsay	
Licence No. / Expiry		Representative's Title	
2BM-ULU2030		Vice President, Exploration	
Land / Other Authorizations		Land / Other Authorizations	
IOL KTL 311C013			
Date of Inspection		Inspector	
11 August 2021		Baba Pedersen	
Activities Inspected			
<input checked="" type="checkbox"/> Camp	<input checked="" type="checkbox"/> Drilling	<input type="checkbox"/> Mining	<input type="checkbox"/> Construction
<input type="checkbox"/> Roads/Hauling	<input type="checkbox"/> Other:	<input type="checkbox"/> Other:	<input checked="" type="checkbox"/> Reclamation
		<input checked="" type="checkbox"/> Fuel Storage	

Conditions:	A - Acceptable	C - Concern	U - Unacceptable	NA – Not Applicable	NI – Not Inspected			
Water Use	Site Conditions		Haz/Mat Management					
	Condition	Comment	Condition	Comment	Condition	Comment		
Intake/Screen			Water Management Structures		Storage	A	14,23,24	
Flow Measure. Device	C	21,22	Culverts / Bridges		Spills			
Source:			Drainage		Spill Plan			
Water Use:	A	21,22	Borrow Area	A	25	Secondary Containment	A	18,23,24
Recirculation (y /n)			Mitigation Measures	A	11	Administrative		
Storage	A	19	Reclamation Activities	A/C	7/16,20	Records	C	15
			Materials Storage			Reports	A	12
Waste Disposal			Signage	C	5,6,9,21,22	Plans	A	2,4,8
Waste Water	A	17	Location	A	1	Notifications		
Solid Waste	A	15	Monitoring		Other			
Hazardous Waste			Sample Collection / Analysis			Drilling Activity	A	10
Non Haz Lumber	A	3				Staff Accommodations	A	13
*The number in the comments field will correspond with specific comments provided below.								
Samples taken by Inspector:			Location(s):					
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No								

SECTION 1	<input checked="" type="checkbox"/> Comments (s. __)	<input type="checkbox"/> Non-Compliance with Act or Licence (s. __)	<input type="checkbox"/> Action Required (s. __)
<p>On Wednesday August 11, 2021, I, Baba Pedersen, Resource Management and Water Resource Officer with Crown-Indigenous Relations and Northern Affairs Canada, the Writer of this Report, did inspect the Holder (Blue Star Gold Corporation) of Water Licence number 2AM-ULU2030 issued for the Ulu Camp Site and surrounding Exploration located at approximately N 67° 15' 41" and W 112° 28' 22" in the Kitikmeot Region of the Territory of Nunavut.</p> <p>Upon arrival to the site, the Inspector was accompanied by Wynter Blais and Tannis Bolt from the Kitikmeot Inuit Association, and Darren Lindsay, Vice President of Exploration for Blue Star Gold Corp.</p> <p>The Purpose of the Inspection was the following;</p> <p>To inspect Terms and Conditions pertaining to the Water License stated above and additionally to ensure that the Licensee is abiding by named Terms and Conditions within the License Permit.</p> <p>Due to the ongoing global Covid-19 Pandemic situation, this was a unique Inspection process. The Inspector flew in to the site on an Air Charter Helicopter. Air Charters are the only accessible means of travel to and from the mine site during the summer months. Recommended health guidelines including social distancing in response to the pandemic were respected the entire time the Inspector was on the ground at the Ulu Camp Site. At NO Time did any named parties including the Pilot of the Helicopter come into direct contact with anyone working at the Ulu Camp Site. The entire Inspection was done on foot and from the Helicopter in the air.</p>			
SECTION 2	<input checked="" type="checkbox"/> Comments	<input type="checkbox"/> Non-Compliance with Act or Licence	<input type="checkbox"/> Action Required
<p>The following is a list of Specific Locations Observed and Observations Made during this Inspection;</p> <p>1 Fly-Over of the Ulu Camp Area (Photos 1 & 2) Aerial Photos of the Camp footprint are shown</p> <p>2 Site of planned future Soil Treatment Facility (Photo 3) Blue Star plans on building a Soil Treatment Facility in this area in the future</p> <p>3 Raw Lumber Burn Barrel (Photo 4) This is where Blue Star Burns Raw, Untreated Lumber.</p>			



4 Old Portal (Photos 5 & 6)

Reclamation of this area is NOT being done this year. Reclamation for this area is planned in future

5 Sample Station ULU-4a (Photo 7)

Signage is inadequate. All Signage must be Permanent in nature and easily readable and found both in summer and winter.

6 Sample Station ULU-4b, Old Mine Sump (Photo 8)

Signage is inadequate. All Signage must be Permanent in nature and easily readable and found both in summer and winter.

7 Land Fill Area (Photos 9 & 10)

Active Land Fill Area being used as part of ongoing Reclamation Activities on site.

8 PCB Transformer (Photo 11)

There is NO Oil in it at this time. Plans are for KBL to clean it out in 2022 and then it will be placed in the Land Fill

9 Sample Station ULU-15 (Photo 12)

Signage is Broken. All Signage must be Permanent in nature and easily readable and found both in summer and winter.

10 Active Drill Site (Photos 13 & 14)

This is the 2nd Drill Site being used for this season. Water being used for Drilling Purposes is coming from the same site, West Lake, as the Potable Water is coming from.

11 Wash Area and Sump (Photo 15)

This is where all Contaminants are Washed Off of items before being placed into the Land Fill

12 Non-Compliance Issues disclosed by Blue Star in a letter to the NWB dated 6 August 2021 (Photos 16 & 17)

A White Tank and a Yellow Cab from a piece of Heavy Equipment were dug up and reported by Blue Star

13 New Accommodation Tents (Photo 18)

Recently built new Accommodation Tents for staff

14 Contaminated Soil Pile Stations (Photos 19, 20 & 21)

This is where all Contaminated Soils are stored and Signage for same

15 Incinerator (Photo 22)

Active Incinerator used for burnable Camp Waste. It takes 7 to 10 Days to fill a Drum with Ash. All full Drums are marked as Incinerator Ash and are sent off site with KBL.

16 In-Active Incinerator in Sea Can (Photo 23)

This is NOT currently in use

17 Grey Water Sumps (Photos 24, 25 & 26)

This is where Grey Water from Camp Use is Stored and Treated as well as Signage for same

18 Typical Secondary Containment of Fuel Drums (Photo 27)

Found on most Tent Structures in Camp

19 Water Storage Building (Photo 28)

3 Water Tanks are located inside the White ATCO Trailer used for storage of Potable Water. The 2 White Tanks outside the Trailer are used to haul the Water up from the Source at West Lake

20 Drill Hole used this year in 2021 (Photos 29 & 30)

Site of First Drill Hole used this season

21 Camp Potable Water Intake (Photo 31)

West Lake Water Intake Site for Potable Water. There is NO Signage. Water is Metered inside the Camp Water Storage Building

22 Drill Water Intake (Photo 32)

West Lake Water Intake Site for Drill Use. There is NO Signage. Water is Metered at the Drill Site

23 Camp Fuel Cache and Signage (Photos 33 & 34)

In Camp Fuel Storage Area within Secondary Containment and Signage for same. Contains 68 Drums of Diesel and 2.5 Drums of Gas

24 Airport Fuel Storage Area (Photo 35)

Aerial View of Airport Fuel Storage Area within Secondary Containment. Bladder contains about 31,000 Litres of Diesel. Drums include 64 Diesel, 84 Jet-A and 1 Gas

25 Old Camp Site Area and Gravel Borrow Source Area (Photo 36)

Aerial View of the old Camp Site area and active Gravel Borrow Source area

SECTION 3	<input checked="" type="checkbox"/> Comments	<input type="checkbox"/> Non-Compliance with Act or Licence	<input checked="" type="checkbox"/> Action Required
The following is a list of Information on each Item Inspected and any Actions Required for same;			
1 Fly-Over of the Ulu Camp Area (Photos 1 & 2)			
The Camp and Operations appear to be within allowable boundaries, the Inspector has NO Concerns about this at this time			
2 Site of planned future Soil Treatment Facility (Photo 3)			
Information Item only at this time			
3 Raw Lumber Burn Barrel (Photo 4)			
The Inspector has NO Concerns about this at this time			
4 Old Portal (Photos 5 & 6)			
Information Item only at this time			
5 Sample Station ULU-4a (Photo 7)			
Signage is inadequate and requires replacement this season Before Camp Closure.			
6 Sample Station ULU-4b, Old Mine Sump (Photo 8)			
Signage is inadequate and requires replacement this season before Camp Closure			



7 Land Fill Area (Photos 9 & 10)

The Inspector has NO Concerns about this at this time

8 PCB Transformer (Photo 11)

Information Item only at this time

9 Sample Station ULU-15 (Photo 12)

Signage is Broken and **requires replacement this season Before Camp Closure**

10 Active Drill Site (Photos 13 & 14)

The Inspector has NO Concerns about this at this time

11 Wash Area and Sump (Photo 15)

The Inspector has NO Concerns about this at this time

12 Non-Compliance Issues disclosed by Blue Star in a letter to the NWB dated 6 August 2021 (Photos 16 & 17)

The Inspector has NO Concerns about this at this time. **The Inspector would like to Thank Blue Star for being pro-active, open and honest about finding this Non-Compliance Issue and Reporting it as well as rectifying the situation on their own before being directed to do so.**

13 New Accommodation Tents (Photo 18)

The Inspector has NO Concerns about this at this time

14 Contaminated Soil Pile Stations (Photos 19, 20 & 21)

The Inspector has NO Concerns about this at this time

15 Incinerator (Photo 22)

A list of All Waste Ash Drums Created and When They Are Taken Off Site must be kept and made available to the Inspector when ever requested

16 In-Active Incinerator in Sea Can (Photo 23)

This should be De-Commissioned and properly Disposed Of in 2022 if there are no plans to use this again

17 Grey Water Sumps (Photos 24, 25 & 26)

The Inspector has NO Concerns about this at this time

18 Typical Secondary Containment of Fuel Drums (Photo 27)

Very Nice Secondary Containment found on most Tent Structures within Camp! The Inspector has NO Concerns about this at this time

19 Water Storage Building (Photo 28)

Due to COVID Restrictions at the time of this Inspection, the Inspector was not able to see inside this building. The Inspector does confirm that Darren Lindsay did provide email photos of the interior of this building right after the Inspection was completed. The Inspector has NO Concerns about this at this time

20 Drill Hole used this year in 2021 (Photos 29 & 30)

The Drill Adit must be Cut Off as close to the ground as possible and Capped this season before Camp Closure

21 Camp Potable Water Intake (Photo 31)

**All Water Use MUST be Metered AT THE SOURCE. Daily records must be kept and made available to the Inspector upon request
Appropriate Signage must be installed this season before Camp Closure**

22 Drill Water Intake (Photo 32)

**All Water Use MUST be Metered AT THE SOURCE. Daily records must be kept and made available to the Inspector upon request
Appropriate Signage must be installed this season before Camp Closure**

23 Camp Fuel Cache and Signage (Photos 33 & 34)

The Inspector has NO Concerns about this at this time

24 Airport Fuel Storage Area (Photo 35)

The Inspector has NO Concerns about this at this time

25 Old Camp Site Area and Gravel Borrow Source Area (Photo 36)

The Inspector has NO Concerns about this at this time

UPDATE AS AT DECEMBER 9, 2021 SUBMISSION OF REPORT

The Inspector can confirm that Sharleen Hamm from Blue Star did provide an email with photos to the Inspector dated October 4, 2021 that shows All Signage has been Replaced as Requested as well as the New Water Meter Installed at the Raw Water Intake at Station ULU-1.

Thank you very much to Blue Star for rectifying all my major concerns from my Verbal Report to them on Site.

The Ulu Camp Field Program has Concluded and the Camp was Closed for the Season on September 30, 2021

Licensee or Representative	Inspector's Name
	Baba Pedersen
Signature	Signature
	Signed Original on File
Date	Date
	2021 December 9



Office Use Only:	Follow-up report to be issued by Inspector	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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cc. CIRNAC, Manager of Field Operations, Iqaluit, justin.hack@canada.ca
Nunavut Water Board, Manager of Licensing, Gjoa Haven, licensing@nwb-oen.ca



PHOTO LOG

Date	Camera	Inspector	Authorization
11 August 2021	Nikon Coolpix W300	Baba Pedersen	2BM-ULU2030
Photo Log # DSCN0052			
Photo 1			
			
Description: Blue Star Ulu Camp – Aerial View 1			
Photo Log # DSCN0064			
Photo 2			
			
Description: Blue Star Ulu Camp – Aerial View 2			



Photo Log # DSCN0078

Photo 3



Description: Location of planned future Soil Treatment Facility

Photo Log # DSCN0084

Photo 4



Description: Raw Lumber Burn Barrel



Photo Log # DSCN0092

Photo 5



Description: Old Portal – View 1

Photo Log # DSCN0093

Photo 6



Description: Old Portal – View 2



Photo Log # DSCN0095

Photo 7



Description: Sample Station ULU-4a showing inadequate Signage

Photo Log # DSCN0096

Photo 8



Description: Old Mine Sump Sample Station ULU-4b



Photo Log # DSCN0111

Photo 9



Description: Land Fill Area – View 1

Photo Log # DSCN0118

Photo 10



Description: Land Fill Area – View 2



Photo Log # DSCN0107

Photo 11



Description: Old PCB Transformer, contains NO Oil, to be cleaned in 2022 then placed into Land Fill

Photo Log # DSCN0115

Photo 12



Description: Broken Signage at Sample Station ULU-15



Photo Log # DSCN0139

Photo 13



Description: Active Drill adjacent to Ulu Camp – View 1

Photo Log # DSCN0140

Photo 14



Description: Active Drill Adjacent to Ulu Camp – View 2



Photo Log # DSCN0145

Photo 15



Description: Wash Area and Sump

Photo Log # DSCN0148

Photo 16



Description: White Tank shown is part of Non-Compliance Disclosure Letter from Blue Star to the NWB on 6 Aug 2021

Photo Log # DSCN0147

Photo 17



Description: Yellow Cab shown is part of Non-Compliance Disclosure Letter from Blue Star to the NWB on 6 Aug 2021

Photo Log # DSCN0150

Photo 18



Description: New Accommodations Tents (white & blue) recently installed



Photo Log # DSCN0153

Photo 19



Description: Contaminated Soil Piles – View 1

Photo Log # DSCN0155

Photo 20



Description: Contaminated Soil Piles – View 2

Photo 21

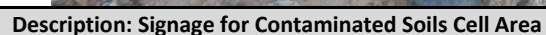


Photo 22

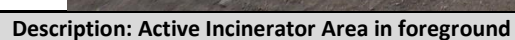




Photo Log # DSCN0175

Photo 23



Description: Inactive Old Incinerator in Sea Can – Not in Use

Photo Log # DSCN0177

Photo 24



Description: Signage at Grey Water Sump area



Photo Log # DSCN0179

Photo 25



Description: Grey Water Sump #2 – empty – not in active use

Photo Log # DSCN0180

Photo 26



Description: Grey Water Sump #1 – In Active Use



Photo Log # DSCN0190

Photo 27



Description: Typical Secondary Containment of Fuel Drum outside most Tent Structures – Very Nice

Photo Log # DSCN0192

Photo 28



Description: Water Tank Building (white Trailer on Left) with 3 Tanks inside, 2 Tanks shown outside are for hauling water from the lake



Photo Log # DSCN0197

Photo 29



Description: First Drill Site from this 2021 Season – View 1

Photo Log # DSCN0198

Photo 30



Description: First Drill Site from this 2021 Season – View 2



Photo Log # DSCN0209

Photo 31



Description: Sample Station ULU-1 (a-for Camp Use), Water Intake at West Lake – NO SIGNAGE

Photo Log # DSCN0213

Photo 32



Description: Sample Station ULU-1 (b-for Drill Use), Water Intake at West Lake – NO SIGNAGE



Photo Log # DSCN0215

Photo 33



Description: Signage at In-Camp Fuel Storage Area

Photo Log # DSCN0216

Photo 34



Description: In-Camp Fuel Storage Area containing 68 Diesel Drums and 2.5 Gas Drums



Photo Log # DSCN0244

Photo 35



Description: Airport Fuel Storage Area – Bladder contains about 31,000 ltrs of Diesel, Drums = 64 Diesel, 84 Jet-A and 1 Gas

Photo Log # DSCN0259

Photo 36



Description: Aerial View of Old Camp Area and Active Borrow Pit