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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File Nos: **2BM-ULU2030**
2BE-HRP1924

October 28, 2021

Sharleen Hamm
Project Manager
Blue Star Gold Corp. & Inukshuk Exploration Inc.
507-700 W. Pender St.
Vancouver, BC V6C 1G8

Email: Sharleen.hamm@bluestargold.ca

**RE: NWB Technical Review of the 2020 Annual Reports for Water Licences Nos:
2BM-ULU2030, Ulu Gold Project; and
2BE-HRP1924, Hood River Project.**

Dear Ms. Hamm:

The Nunavut Water Board (NWB or Board) has completed its technical review of the 2020 Annual Reports (Reports) provided to the Board by Blue Star Gold Corp. (Blue Star or Licensee) on March 30, 2021, to fulfill the requirements of Part B of Water Licences Nos: 2BM-ULU2030 and 2BE-HRP1924 (Licences).

In its submission, the Licensee indicated the following: *“Blue Star has merged Hood River (2BE-HRP1924) and Ulu management plans for operational efficiency as the Hood River Camp is closed, and moving forward, all activities will be centralized out of Ulu.”* The following updated management plans were provided as part of the submission:

- *Interim Closure and Reclamation Plan, Ulu Gold Project (including Hood River, Roma and other Licenced Projects), Kitikmeot Region, Nunavut – Revision 2, March 2021*
- *Spill Response Plan, Ulu Gold Project (including Hood River, Roma and other Licenced Projects), Kitikmeot Region, Nunavut – Revision 2, March 2021*
- *Waste Management Plan, Ulu Gold Project (including Hood River, Roma and other Licenced Projects), Kitikmeot Region, Nunavut – Revision 2, March 2021*
- *Landfill Management Plan, Ulu Gold Project, Kitikmeot Region, Nunavut – Revision 2, March 2021*
- *Soil Treatment Facility Management Plan, Ulu Gold Project, Kitikmeot Region, Nunavut – Revision 2, March 2021*

On April 8, 2021, the Reports along with the updated management plans were made available through the Kitikmeot distribution list for information. No comments have been received to date.

The technical review of the Reports determined that the information provided generally addresses the requirements of the respective Water Licences.

The Board also notes the following request provided by the Licensee:

“With the closure and demobilization of the Hood River Camp, and the recent aquisiton [sic.] of the adjacent Ulu property, Blue Star plans to house Hood River and Ulu crews workers together at a camp licenced under 2BM-ULU2030, starting in 2021 and thereafter. Accordingly, Blue Star requests that future water volumes allocated for domestic use under 2BE-HRP1924 be allocated instead for drilling purposes in the absense [sic.] of domestic use, and that the NWB provide confirmation in writing.”

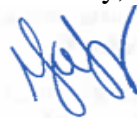
The NWB would like to remind the Licensee that such alterations to the terms and conditions of Water Licence should be processed through an Amendment to the Licence and recommends the Licensee to submit an Amendment Application to request these changes, which will allow the Board to initiate a publicly open and transparent process.

Additionally, the Board is of understanding that Blue Star has acquired the Roma Project in 2021. The Board notes that the exploration activities at the Roma Project are currently not included into the scope of Water Licence 2BE-HRP1924. Therefore, this Licence should be amended to reflect the expansion of the project area, if the Licensee is planning to conduct any exploration activities at the Roma Project.

The Board also notes that upon review, the updated management plans listed above were found satisfying the requirements of the Licences and were accepted by the NWB with the issuance of this Letter.

Should you have any questions, please feel free to contact the undersigned at (867) 360-6338 (extension 29) or sergey.kuflevskiy@nwb-oen.ca, at your earliest convenience.

Sincerely,



Sergey Kuflevskiy
Technical Advisor
NUNAVUT WATER BOARD

Cc: Distribution List – Kitikmeot