

File: 2BM-ULU2030

August 7, 2020

Peter Kuhn General Manager Blue Star Gold Corp. 1125-595 Howe St. Vancouver, BC V6C 2T5 Sharleen Hamm, Advisor Licensee Representative for Blue Star Gold Corp. 1125-595 Howe St. Vancouver, BC V6C 2T5

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Subject: Water Licence 2BM-ULU2030 Part E Item 3 – Landfill Construction

Dear Mr. Kuhn

The Nunavut Water Board (NWB or Board) received from Blue Star Gold Corp. (Blue Star) on February 30, 2020, the Landfill - Issued For Construction (IFC) drawings and associated information, for the Ulu non-hazardous waste landfill (Landfill), for Board review as required under Part E, Item 3 of the Water Licence 2BM-ULU2030 (Licence). This information has been saved to the NWB Public Registry Website at the link below:

ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BM%20-%20Mining/2BM-ULU2030%20Blue%20Star/3%20TECH/E%20CONST%20&%20OPER/

As outlined in the cover letter, these IFC drawings correspond to the engineering drawings provided to the NWB with the water licence amendment and renewal application earlier this year, and have been subject to public review and Board consideration; "the only changes are the identification as being IFC, and the addition of the engineer's seal, notes related to boundary limits and control points, and the listing of stakeout points."

The NWB confirms that the conditions under Part E, Item 3, of the Licence have been met, with the information being contained in the project's Landfill Management Plan, that can be found on the NWB Public Registry Website at the link below:

ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BM%20-%20Mining/2BM-ULU2030%20Blue%20Star/1%20APPLICATION/2020%20Renewal%20Amendment/200316%202BM-ULU1520%20AppxU LMP all-IMLE.pdf

¹ Landfill Management Plan, Ulu Gold Project, Kitikmeot Region, Nunavut, March 2020.

The NWB has reviewed the Issued For Construction (IFC) drawings and related information, and finds them functional and generally satisfying Licence requirements. By copy of this letter, the Board accepts these IFC drawings as required under of Part E, Item 3, of Water Licence No: 2BM-ULU2030.

The Board advises Blue Star that all relevant environmental mitigation measures should be taken to prevent erosion and sedimentation during construction, and that monitoring should be completed to ensure that the site is stable once activities are completed. The Board is also advises that a Construction Summary Report should be provided as per Licence terms and conditions.

Should you have any questions or require any clarification with respect to the above, please feel free to contact Derek Donald, Technical Advisor, by email at Derek.Donald@nwb-oen.ca, or Richard Dwyer, Licensing Manager, by email at licensing@nwb-oen.ca or by phone (867) 360-6338.

Sincerely,

NUNAVUT WATER BOARD

Derek Donald Technical Advisor

Cc: Kitikmeot Distribution list