

Suite 507, 700 W. Pender Street, Vancouver, BC V6C 1G8 CANADA

Tel: +1.778.379.1433 Fax: +1.778.379.1434

9 February 2021

Richard Dwyer Manager of Licencing Nunavut Water Board PO Box 119 Gjoa Haven, NU XOB 1J0

Dear Mr. Dwyer,

Re. 2BM-ULU2030 Response to Party Comments on Part E Item 3, Soil Treatment Facility

Blue Star Gold Corp. (Blue Star) is pleased to provide this letter in response to a comment from Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) issued on January 29, 2021, regarding its submission pursuant to Part E Item 2 of 2BM-ULU2030 relating to water management at the Soil Treatment Facility (STF).

Regarding water flow into the water storage pond: as outlined in section 4.1 of the approved *Soil Treatment Facility Management Plan* (Management Plan), the base of the STF will be sloped at a grade of at least 1% towards sumps, facilitating water drainage towards, and accumulation in, the ponds.

Regarding water flow out of the water storage pond: pond sumps will consist of a vertical perforated standpipe/drum from which water can be retrieved.

Regarding water overflow out of the storage pond: in its response to party comments during water licencing, Blue Star indicated it plans to actively manage the facility on site during the summer months over its life, maintaining water in the water containment pond at a level that is below freeboard at 0.5 m. Inspection, including post-precipitation event inspection, as detailed in Section 5.0 of the *Management Plan* will occur throughout operations and is considered adequate to mitigate an emergency overflow. As outlined in Section 7.7 of the approved *Interim Closure and Reclamation Plan*, should the site enter interim closure during facility operation, at a minimum, annual inspections and water management activities will occur. Should these measures still prove to be inadequate and the facility overflows, it will be treated as a spill and the approved *Spill Response Plan* will be activated.

Should you have any questions about this submission, please contact the undersigned.

Kind ragards,

Sharleen Hamm, R.P.Bio.

Advisor

Blue Star Gold Corp.

Sharleen.hamm@bluestargold.com

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