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7 October 2020

Manager of Field Operations, CIRNA Nunavut District, Nunavut Region P.O. Box 100 Igaluit, NU XOA 0H0

Dear Mr. Pedersen,

Re. 2BM-ULU2030 Part H Item 7c – Spill Follow-up Report, September 15, 2020

Further to Part H Item 7c of 2BM-ULU2030, Blue Star Gold Corp. (Blue Star) is providing this letter in follow-up to a spill report submitted on September 15, 2020. The spill occurred in the esker sand quarry at the Ulu site, located at $111^{\circ}00'33''$ Long and $66^{\circ}51'35''$ Lat.

During quarry operations, the loader was found to be leaking hydraulic fluid. Subsequent to initial spill reporting, the vehicle was taken out of service and repaired prior to being put back into service. An additional 18 m³ of contaminated material was removed from the quarry and stockpiled within containment at Ulu for treatment in the future Ulu soil treatment facility.

I trust this satisfies the reporting required under this part. Should you require further information regarding this matter, please contact Sharleen Hamm at 604.996.1110 or Sharleen.hamm@bluestargold.ca.

Regards,

Peter Kuhn General Manager Blue Star Gold Corp.

Peter.kuhn@bluestargold.ca

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cc. W. Kuliktana, Kitikmeot Inuit Association

D. Donald, Nunavut Water Board