

06 February 2023

Andrew Nakashuk  
Chairperson  
Nunavut Planning Commission  
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Dear Chairperson Nakashuk,

**Re: Blue Star Gold Corp. Draft Nunavut Land Use Plan Post-Hearing Submission**

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**INTRODUCTION**

Blue Star Gold Corp. (“Blue Star” or the “Company”) respects the efforts made by the Nunavut Planning Commission (NPC) to undertake the preparation of the Draft Nunavut Land Use Plan (DNLUP).

Thank you for the opportunity to submit this supplemental letter to the NPC following the 2022 round of public hearings. We are committed to supporting the implementation of a land use plan that provides a foundation for a prosperous future for the Territory.

Blue Star would like to take this opportunity to build on our previous submissions (October, 2021 and April, 2022) subsequent to the review of the NPC hearings in Cambridge Bay, and after further review of the DNLUP and written submissions from other participants.

**BLUE STAR’S FOCUS ON EXPLORATION IN NUNAVUT**

Blue Star is a mineral exploration and development company focused solely on projects within Nunavut. The company recognizes the substantial mineral potential of the Slave Geological Province greenstone belts and expects additional deposits to be uncovered through further exploration. Blue Star is the largest mineral titleholder on the High Lake Greenstone Belt; this geological formation runs the length of the northern half of the proposed Grays Bay Road and Port Project. Blue Star and its wholly owned subsidiaries Inukshuk Exploration Incorporated and Ulu Mining Inc. (collectively referred to herein as Blue Star) operate in 267 square kilometers of mineral properties in the Kitikmeot Region. Blue Star’s surface and subsurface tenure predominantly occur on Inuit Owned Land (IOL) and include: the Ulu Gold Project, a Crown mining lease; the Hood River Gold Project, an area delineated by a Mineral Exploration Agreement (MEA), located contiguous to the Ulu mining lease; and the Roma Project, comprised of twelve Crown mineral claims and an area delineated by a MEA located contiguous to the Roma claims.

Blue Star’s projects have been screened by the Nunavut Impact Review Board (NIRB) and licensed by the Kitikmeot Inuit Association (KitIA) and the Nunavut Water Board (NWB), and all mineral properties are maintained in good standing. We work diligently and in good faith toward progressing our investments in

Nunavut, including reclamation of legacy Ulu mine site infrastructure and mine waste in tandem with our exploration and development activities.

The Ulu, Hood River and Roma Projects are immediately adjacent to the MMG Izok Corridor Project that is on hold pending resolution of the infrastructure deficit in the west Kitikmeot. Blue Star believes that the proposed Izok Corridor Project/Gray's Bay Road and Port Project have the potential to support 100+ years of social and economic benefits associated with mining of the currently known mineral resources along the corridor.

#### **RESPECT FOR INUIT QAUJIMAJATUQANGIT AND THE REGULATORY SYSTEM**

Blue Star understands that developing mineral exploration projects in Canada requires adherence to some of the most stringent environmental requirements in the world and uses Inuit Qaujimajatuqangit, rigorous scientific investigations, and leading-edge engineering methods and technologies to advance and develop its projects and generate social and economic benefits while protecting the environment.

#### **LIMITED USE DESIGNATIONS / REMOVAL OF HIGH MINERAL POTENTIAL LAND FROM POTENTIAL DEVELOPMENT**

The Slave Geological Province is well known to have substantial mineral potential which has only been selectively explored. Exploration and mineral potential evaluations have focused on known high value minerals which have changed over time due to advances in a variety of fields, some of which have resulted in the Government of Canada's recent release of the Critical Minerals Strategy (2022). Nunavut has an opportunity to play a key role in the responsible development and production of critical minerals given an appropriate planning framework that aligns with this federal strategy. It is therefore important for the DNLUP to recognize future potential and not unknowingly preclude opportunities to discover and develop high value mineral resources.

Blue Star contends that limited use designations should be used sparingly if at all in this draft plan to leave open opportunity to refine the plan based on improved information from future studies, and changes in mineral value. This also provides opportunity for a more incremental approach allowing for a thorough decision on cost benefits of land use decisions at the regional and community levels.

#### **CARIBOU PROTECTION MEASURES**

Blue Star's most advanced project, its existing infrastructure and the main hub for its operations (static activities), the Ulu Mine Site, is located in a proposed Mixed Use Area, while the focus of its exploration interest (mobile activities) pursuant to its MEA's with NTI are located in a proposed Limited Use Area characterized by Caribou Post-calving Areas and Caribou Key Access Corridors, and abut Caribou Calving Grounds. Through its *Wildlife Protection Plan*, which was subject to public review through the NIRB screening process and approval by the KitIA via its land use licensing process, Blue Star's authorizations prohibit any activity from May 15 – July 15, unless localized monitoring of caribou activity on the land indicates conditions that are acceptable to the KitIA<sup>1</sup>.

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<sup>1</sup> 20EN001 para.47, 19EA019 para.35

Following consultation with the KitlA, Hunters and Trappers Organizations and the public, Blue Star understands that caribou calving areas can change in location over time. Accordingly, Blue Star has implemented mobile protection measures to undertake works in and adjacent to caribou habitat in a manner that allows work to be undertaken on IOL yet is responsive to caribou protection. Mobile protection measures enable Blue Star to continue working when the land is not used for migration or calving yet be prepared to stop working if those activities occur. The measures are suitably applicable to both static (mine site) and mobile (exploration) activities.

The Limited Use designation imposes permanent land use restrictions regardless of the presence of caribou. Blue Star finds this approach to be inadequate for caribou protection and does not reflect the dynamics of the arctic ecosystem. This approach will have a substantial negative impact on investor confidence and economic development in Nunavut.

### **GRAY'S BAY ROAD AND PORT / DEVELOPMENT OF LINEAR INFRASTRUCTURE**

Blue Star's projects are all co-located along the proposed Gray's Bay Road Corridor. The success of Blue Star's future development may rely on this transportation corridor as either a primary or alternative means of access. In May 2021, the KitlA indicated to the NIRB its desire to resume the Gray's Bay Road and Port Project (GBRP) review. Blue Star notes that the GBRP is absent from Section 5.3 of the 2021 DNLUP. Blue Star also notes that the MMG Izok Corridor Project subject to delayed screening since 2012 is not noted in any of the DNLUP documents or maps. Although Blue Star can undertake fly in-fly out operations due to the property hosting the only airstrip in the area, linear infrastructure may be required for future development. Having no opportunity for linear infrastructure would negatively impact the project and again have a substantial negative impact on investor confidence.

### **PROTECTION OF EXISTING RIGHTS**

Functional protection of existing mineral right shoulders requires flexibility for project designs to adjust to changes in understanding of deposits, improvements in resource extraction and processing and design, and use of alternative energy sources and the associated transmission infrastructure. The draft plan constrains potential for improvements and implementation of advancements, placing potential investments at risk and reducing investor confidence in the economic development in Nunavut.

Blue Star has a study area of 2,956,530 hectares within which its existing rights of Crown claims, license, MEAs and a mining lease are located. While the 2021 DNLUP indicates that existing rights holders will be exempt from Limited Use prohibitions should a project undergo a significant modification, Blue Star is uncertain how related components of its future activities located within its current study area (as screened by the NIRB) will be considered by the NPC in relation to existing rights, as some screened activities and areas are not yet held in a licence or lease. Blue Star is uncertain whether these areas would be accessible and activities permissible in Limited Use Areas following implementation of the 2021 DNLUP. Similarly, Blue Star has recently secured an additional MEA with NTI and is uncertain whether this agreement, or other applications, will be considered by the NPC to be existing rights.

Further, Appendix A in the 2021 DNLUP is titled Existing Rights. Blue Star understands that Appendix A is not a complete list of existing rights holders but a list of those with tenure in Limited Use Areas only. Limiting the list of Existing Rights holders in Limited Use Areas provides an incomplete understanding of the existing mineral-related activity in Nunavut. Further, this selective approach provides an incomplete

understanding of a project footprint that is relevant to consideration of significant modification during future conformity determinations. The Appendix A list should be expanded to show all existing mineral rights holders and their respective tenures.

#### **ANNUAL REPORTING**

Section 6.3.2 of the 2021 DNLUP indicates annual reporting on VCs and mitigation measures will be required by January 30. Blue Star considers this a duplication of reporting that is already undertaken by other Institutes of Public Government (IPG's), whose annual reporting due date is March 31. Blue Star encourages harmonizing the reporting mechanism and due date with other IPG's to reduce duplication and utilize existing resources such as the NPC Lupit and NIRB web portals.

#### **CLOSING**

Based on the concerns expressed in the Company's submissions, Blue Star does not support the 2021 DNLUP in its current form. Blue Star echo's the comments provided by the NWT and Nunavut Chamber of Mines and those made by MMG, who we share linear infrastructure interest and future development of the High Lake Greenstone belt with. All parties support a collaborative planning process, strategic use of multiple planning tools to facilitate informed decision making, and a less prescriptive and more incremental approach to land use planning. Blue Star firmly believes that conservation, cultural and economic interests are not mutually exclusive.

Sincerely,



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