

October 3, 2025
Project No: CAPR003914

Darren Lindsay
VP Exploration
Blue Star Gold Corp.
507 – 700 West Pender Street
Vancouver, BC V6C 1G8

Dear Darren:

RE: Interim Closure and Reclamation Plan Costing Update

Following consultation between Blue Star Gold Corp, the Kitikmeot Inuit Association (KIA), SteveJan Consultants (SJCI representing KIA) & SRK Consulting (Canada) Inc. on January 20, 2025, the 2020 Ulu Project Interim Closure and Reclamation Plan (ICRP) costing was updated to reflect the work completed since the initial submission in 2020 to the end of the 2024 field season. The following outlines the key considerations that informed the revised costing:

- The quantities were adjusted based on work completed or adjustments to the original quantities due to improved understanding of site conditions. These values were discussed and agreed with SJCI and Blue Star during a site visit in August 2024. SRK has included comments on all updated line items and included a zero-dollar value for items where the work is fully complete in the attached table for reference. Examples of quantity adjustments include:
 - 90% of the demolition was completed; the 2024 quantity reflects the remaining 10% of the original amount.
 - KEL Environmental provided updated petroleum hydrocarbon contaminated material quantities in 2024, which are approximately one-quarter of the initial amount. The soil treatment facility was reduced to half its size, and construction quantities were reduced by 50%.
- The unit rates were not reconstructed for the 2024 budget update; instead, the 2020 rates were adjusted by 17.68% for inflation based on the Bank of Canada's inflation calculator for 2020 to 2024 (<https://www.bankofcanada.ca/rates/related/inflation-calculator/>).
- The metal leaching and acid rock drainage (ML/ARD) investigation, outlined in the 2020 ICRP, was completed and found that approximately 90% of the rock brought to the surface is potentially acid generating (PAG). The costing includes an additional \$150,000 to advance the long-term ML/ARD management plan development and \$200,000 for the interim (short-term) management of problematic

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areas. The allowances are intended for the immediate term; however, it is worth noting that long-term ML/ARD management will be required and will incur costs that are notably greater than those currently estimated. Blue Star has committed to updating the closure plan within the next 6 to 12 months, which will include a detailed long-term ML/ARD management component.

- Blue Star and KIA (John Roesch) discussed the possibility of reducing the Ulu Project security if Blue Star mobilizes newer equipment to site. The basis of the security reduction includes:
 - The new equipment will increase work efficiency, allowing work to be completed more efficiently by reducing overall project duration and lowering unit costs through the use of more appropriate equipment.
 - The current unit rates are low due to Blue Star owning the equipment on site, and do not account for renting or purchasing equipment. Allowing Blue Star to purchase equipment with funds outside of the ICRP costing will help maintain the current unit costs.
 - A \$320,000 contingency was included in the initial ICRP costing for the rebuilding/repair of existing equipment. This was added to the contingency by Blue Star, as the condition of the existing equipment was unknown at the time (2020). Over the past four years, Blue Star has invested a considerable amount of money in rebuilding its existing equipment. The \$320,000 contingency for equipment rebuilds/repairs was removed due to work completed and additional equipment brought to site by Blue Star in 2025.
 - The equipment would remain the property of KIA until the interim closure work is completed.
- Blue Star also highlighted that they would like to request a reduction of the contingency from 20% to 18%. This was added based on the discussions with Blue Star and KIA; however, it was not reflected in SJCI's costing submission.

Sincerely,
SRK Consulting (Canada) Inc.

DRAFT

Darryl Godley, BSc, PEng (NU, NWT, Yukon & BC)
Senior Consultant

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The opinions expressed in this document have been based on the information available to SRK at the time of preparation. SRK has exercised all due care in reviewing information supplied by others for use on this project. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information, except to the extent that SRK was hired to verify the data.

ICRP Costing

COST ESTIMATE

Task	Qty (2020)	Qty (Updated)	Unit	Unit Rate (Incl. Inflation)	2025 Subtotal Cost	2025 Total	Comments
1. DIRECT COSTS							
1.1 Building Demolition						\$3,941.19	
<i>Demolition of Existing Weather Havens</i>							
Demolition of Ulu Camp	4,569	457	m ³	\$8.63	\$3,941.19		The majority of demolition is completed, with the arctic corridor remaining (the remainder of the camp will be salvaged and is included under the exploration camp securities); 10% of the original volume remaining.
1) Disposal of waste accounted for under Section 1.2 Non-Hazardous Landfill 2) Decommissioning of electrical and mechanical accounted for in camp costs							
1.2 Non-Hazardous Waste Landfill						\$110,529.86	
<i>Existing Waste Handling</i>							
Transport to Facility (Load and Haul)	6,900	1,380	m ³	\$11.74	\$16,207.36		
Transport to Facility (Utilizing Dozer Push/Pull)	4,600	920	m ³	\$7.86	\$7,232.14		80% of work complete, quantity adjusted to 20% of the original total.
Placement/Packing in Facility (Excavator/Front End Loader/Dozer)	11,500	2,300	m ³	\$2.67	\$6,144.07		
<i>Additional Waste Handling</i>							
Transport Ulu Camp Demolition Waste to Facility (Load and Haul)	1,142	0	m ³	\$11.74	\$0.00		Work Complete.
Transport Additional Waste to Facility - esker, equipment etc. (Load and Haul)	3,400	0	m ³	\$11.74	\$0.00		Work Complete.
Placement/Packing in Facility (Excavator/Front End Loader/Dozer)	4,542	0	m ³	\$2.67	\$0.00		Work Complete.
<i>Closure</i>							
Intermediate Cover (Load, haul and place)	2,485	497	m ²	\$10.34	\$5,141.00		Intermediate cover complete, assuming that 20% will require replacement when landfilling the remaining non-hazardous waste
Final Cover (Load, haul and place)	3,130	3,130	m ²	\$19.02	\$59,523.49		
Contouring of Cover Material	5,615	5,615	m ³	\$2.67	\$14,999.55		
<i>Water Management</i>							
Drainage Contouring/Sloping Around Facility Perimeter	480	480	m ²	\$2.67	\$1,282.24		
Allowance (Pumping, diversion trenching etc.)	1	0	ea	\$23,536.00	\$0.00		The landfill no longer extends higher than the northern natural ground therefore it is unlikely a diversion is required, the water management will be dealt with in contouring of cover material.
1.3 Soil Treatment Facility						\$301,433.17	
<i>Facility Earthworks</i>							
Foundation and Berm Construction - Dozer	9,173	4,587	m ³	\$1.99	\$9,121.69		
Foundation and Berm Construction - Excavator & Truck	6,115	3,058	m ³	\$18.78	\$57,428.89		
Bedding Placement	845	422	m ³	\$13.11	\$5,535.51		The volume of petroleum hydrocarbon-contaminated (PHC) material requiring treatment in a Soil Treatment Facility has reduced compared to the original estimate. This is due to the treatment of the existing soil by aeration of existing piles from 2020 to date, and additional investigation conducted by KEL. 50% reduction in the facility size (KEL, 2024). Only one of the two planned cells is to be constructed.
Liner Cover Placement	2,252	1,126	m ³	\$13.11	\$14,761.36		
<i>Liner Installation</i>							
Geotextile and LLDPE Installation	6,756	3,378	m ²	\$17.65	\$59,628.46		
<i>Material Sorting and Placement</i>							
Sorting of PHC Contaminated Material	6,000	2,000	m ³	\$9.31	\$18,616.98		Sorting of PHC material has been ongoing since 2020, with two areas remaining for sorting (below the workshop and Ulu Camp tank farm). The volume is reduced to 2000 m ³ based on these areas. The KEL report outlines approximately 900m ³ of PHC material for STF treatment. Due to additional sorting still required, a volume of 2000m ³ was selected as a conservative estimate.
Load and Haul to Facility	4,000	2,000	m ³	\$10.34	\$20,688.14		
Placement in STF Facility	4,000	2,000	m ³	\$13.11	\$26,219.10		
<i>Monitoring</i>							
Baseline and Post Closure PHC Contamination Testing	10	10	ea	\$208.00	\$2,079.99		
Operational PHC Contamination Testing	123	123	ea	\$116.24	\$14,298.05		
Water Quality Sampling	38	38	ea	\$199.23	\$7,570.83		
<i>Annual Operations</i>							
Tilling/mechanical turning of material 2025	16	16	days	\$1,885.59	\$30,169.39		
Material Removal 2025	2,400	1,000	m ³	\$13.11	\$13,109.55		
Material Transfer/Placement 2026	800	500	m ³	\$13.11	\$6,554.78		Adjusted based on updated volume for treatment within STF.
Material Removal 2027	800	500	m ³	\$13.11	\$6,554.78		
<i>Closure</i>							
Liner removal	5,630	2,815	m ²	\$1.07	\$3,014.55		As outlined above, 50% reduction in the facility size, only one of the two originally planned cells to be constructed.
Levelling of Facility Berms	6,115	3,058	m ²	\$1.99	\$6,081.13		
1.4 Ore Management						\$0.00	
<i>Repair of Mine Sump</i>							
Remove of Mineralised Material in Sump Berms	50	0	m ³	\$2.67	\$0.00		
Load and Haul Material for Sump Berms	50	0	m ³	\$18.78	\$0.00		
Placement of Material for Sump Berms	50	0	m ³	\$2.67	\$0.00		
Replace Base Liner System	680	0	m ²	\$17.65	\$0.00		
<i>Ore Placement in Mine Sump</i>							
Load and Haul Ore in Mine Sump	1,850	0	m ³	\$18.78	\$0.00		Task removed from closure costing. The initial Interim Closure and Reclamation Plan identified the ore to be potentially acid generating (PAG), the geochemical investigation which followed identified approximately 90% of the surface rock to be PAG and as a result, the management of the ore will now be included in the site-wide Metal Leach & Acid Rock Drainage (ML/ARD) management plans.
Placement of Ore in Sump	1,850	0	m ³	\$13.11	\$0.00		
<i>Cover</i>							
Liner Cover	1,040	0	m ²	\$17.65	\$0.00		
Esker Sand Cover Load and Haul to Sump	312	0	m ³	\$10.34	\$0.00		
Esker Sand Placement and Contouring	312	0	m ³	\$2.67	\$0.00		
1.5 Mine Workings						\$0.00	
<i>Portal Cover (Allowance)</i>							
Placement of Temporary Barrier (Sea Cans)	1	0	allow	\$1,541.33	\$0.00		Work complete. The portal entrance is blockaded with seacons.
<i>Steel Vent Raise Cover (Allowance)</i>							
Engineering Design	1	0	allow	\$27,490.05	\$0.00		Task removed. Ongoing monitoring of the existing vent raise cover has found that the cover remains stable with no sign of instability. Blue Star is to continue monitoring, but no additional work is required until final long-term closure.
Fabrication and Installation of Steel Vent Cover	1	0	allow	\$36,587.37	\$0.00		

