



REVISIONS	Rev.	Prior
Rating	Spec. Buy	-
Target Price	\$0.90	-
Revenue F2021E (M)	\$0.0	-
Revenue F2022E (M)	\$0.0	-

MARKET DATA	
Date:	May 18, 2022
Current Price (C\$):	\$0.63
52-Week Range:	\$0.31 / \$0.90
Shares O/S (M):	53.1
Mkt Cap (\$M):	\$33.5
EV (\$M):	\$34.3
Avg. Weekly Vol. (M)	0.09

Website: www.bluestargold.ca

FINANCIALS			
Fiscal Year End: November 30			
	F2020A	F2021E	F2022E
Revenue (\$M)	\$0.0	\$0.0	\$0.0
	F2021A	F2022-Q1A	
Cash (\$M)	2.4	1.7	
Current Assets (\$M)	2.9	1.9	
Net Cash (\$M)	-0.2	0.7	
Total Assets (\$M)	23.8	23.2	
Debt (\$M)	0.0	0.0	
Total Liabilities (\$M)	2.9	2.8	
Key Shareholders	(M)	% Held	
Georg Pollert, Dir.	24.28	45.7%	
Robert Pollert	6.26	11.8%	
Klaus Schmid, Dir.	2.17	4.1%	

Source: Company Reports, S&P Capital IQ

Chris Thompson, CFA, MBA, P.Eng.
Director of Equity Research

Blue Star Gold Corp.

(TSXV:BAU | OTC:BAUFF | FSE:5WP0)

A Golden & Growing Resource in Canada's North

COMPANY DESCRIPTION:

Blue Star Gold Corp. ("Blue Star" or "the Company") is a Vancouver-based mineral exploration and development company that explores for gold in Nunavut, Canada. The Company has acquired 100% interests in the Ulu Gold, Hood River, and Roma projects in Nunavut, covering 267 km² (26,674 ha; over 65,912 acres) in the High Lake Greenstone Belt ("HLGB"). The Ulu Gold and Hood River properties are adjacent to each other, and the Roma project is located 48 km due north of the Ulu Gold Project. The Ulu Gold Project contains an NI 43-101 resource (M&I and Inferred) of 831,000 gold (Au) ounces (oz.).

INVESTMENT THESIS AND UPCOMING CATALYSTS:

- **District-scale Exploration Opportunity:** The Company is the largest title holder on the HLGB with over 26,674 hectares (ha) in highly prospective and underexplored areas.
- **Existing Resource to Build Upon:** The Ulu Gold Project contains an NI 43-101 resource of 831,000 Au oz. and the existing resource is still open along strike and depth.
- **Building on the 2021 Exploration Program:** Promising results warrant further exploration; key results included 20.8 g/t Au over 8.15 metres (m), 52.7 g/t Au over 2.0m, 19.1 g/t Au over 4.91m, 6.9 g/t Au over 7.00m, and 13.0 g/t Au over 2.64m.
- **Regional Exploration:** Besides the existing resource, the projects have several drill-ready targets and other peripheral gold showings or zones that can be further explored.
- **Strong Management Team:** Management has extensive experience and geological knowledge of the region.
- **Cash in the Bank:** As of February 28, 2022, **Blue Star** had \$1.66 million in cash on its Balance Sheet.

FINANCIAL ANALYSIS & VALUATION:

- We are basing our one-year target price on a multiple of 65x EV/oz. and we are using an adjusted resource.
- Our adjusted resource for the valuation is based on the following formula: 75% of the Measured & Indicated ("M&I") and 50% of the Inferred resource. The adjusted resource for valuation is 566,750 Au oz.
- We also assume there will be additional financings over the next year and the share count in one year will be 54.5 million shares.
- **We are Initiating Coverage with a Speculative Buy rating and one-year price target of \$0.90.**

All figures in CAD unless otherwise stated.

eResearch Corporation

100 University Avenue, 5th Floor • Toronto, Ontario • M5J 1V6
www.eresearch.com

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1.0 Investment Thesis – Why Invest in Blue Star Gold

- **High Potential District-scale Projects**
 - **Blue Star** holds interests in several high-grade gold and prospective exploration projects in Canada with drill-ready targets including the Ulu Gold Property, Hood River Property, and Roma Project.
 - The Company is the largest title holder on the High Lake Greenstone Belt (“HLGB”) with over 26,674 ha (over 65,912 acres) in three highly prospective and underexplored areas.
 - Greenstone belts are highly prolific and synonymous with high-grade gold production and often contain ore deposits of gold, silver, copper, lead, and zinc.
 - The Ulu Gold Project contains an NI 43-101 resource of 831,000 Au oz. and the Company can build upon this resource to create scale.
 - Canada is a mining-friendly jurisdiction with a transparent regulatory regime.
- **Value Creation Opportunity**
 - Due to the quality of assets and resource growth potential of the mining properties, the Company has a significant value creation opportunity.
 - According to the technical reports, the existing resource at the Ulu Gold Property has the potential for expansion as the Flood Zone is still open at depth, the Gnu Zone is still open along strike and at depth, and the other peripheral gold showings or zones can be further explored.
 - The 2021 exploration program delivered promising initial results that warranted further exploration. Key results included 2.0m of 52.7 g/t Au, 4.91m of 19.1 g/t Au, 7.00m of 6.9 g/t Au, and 2.64m of 13.0 g/t Au.
 - In addition, a newly discovered vein system in the Gnu area on the Ulu Property, 750m northeast of the Flood Zone, returned 8.15m of 20.8 g/t Au.
 - Please see “[Section 3.5 Exploration History](#)” for more information.
- **Existing Infrastructure Lowers Start-up Expenses**
 - There are almost 1,700m of underground development as the Ulu deposit has a decline and cross cuts from a small bulk sample.
 - The Ulu Gold Property also includes an inventory of capital equipment, a mining camp, maintenance shop, and 1,200-metre airstrip.
- **An Experienced Team**
 - **Blue Star** has an experienced team of professionals with a successful exploration history and an engaged Board of Directors to advance the projects.
 - Please see “[Appendix B: Management, Board of Directors, and Advisor Biographies](#)” for more information.
- **Cash in the Bank**
 - As of February 28, 2022, **Blue Star** had \$1.66 million in cash on its Balance Sheet.
 - In addition, the Company has illustrated its ability to raise funds from the capital markets when required.

2.0 Company Overview

Blue Star Gold Corp. (“Blue Star” or “the Company”) (TSXV:BAU | OTC:BAUFF | FRA:5WPA) is a Vancouver-based mineral exploration and development company that explores for gold in Nunavut, Canada.

Founded in 2007, the Company was renamed **Blue Star** in January 2019 when there were major changes in management and the board of directors.

Blue Star has two subsidiaries, **Inukshuk Exploration Incorporated (Inukshuk)**, which owns the Hood River claims, and **Ulu Mining Inc.**

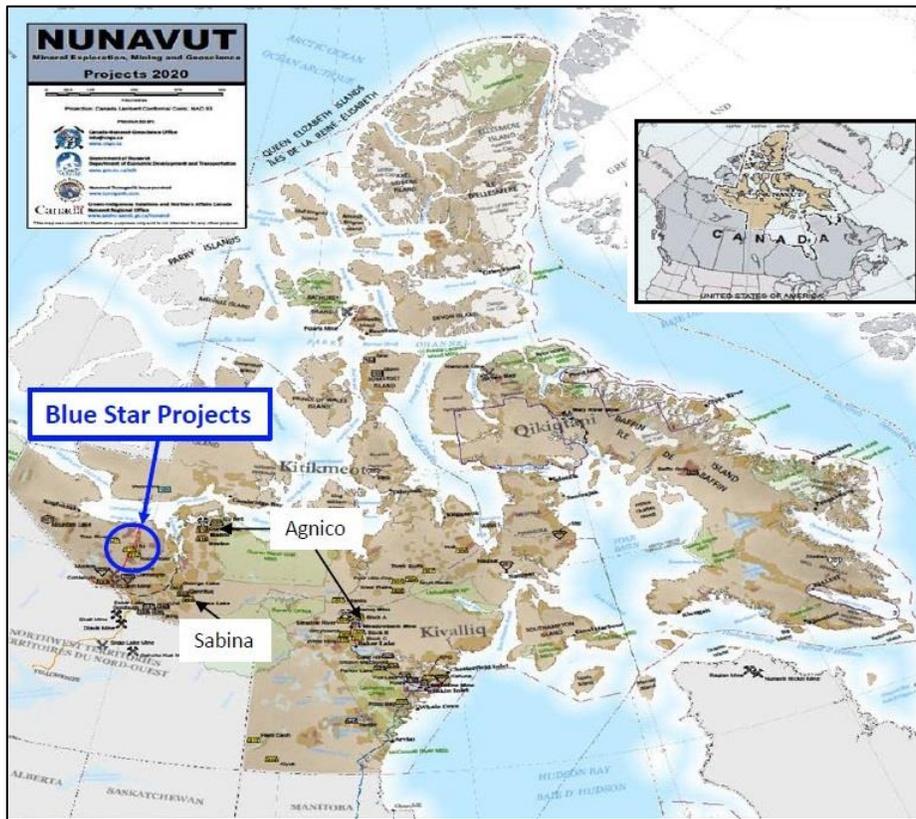
The Company has acquired 100% interests in the Ulu Gold, Hood River, and Roma projects in Nunavut. The Ulu Gold and Hood River properties are adjacent to each other and cover more than 12,150 ha (over 30,023 acres) of the HLGB which is well known for hosting high-grade gold occurrences. The Roma project is located 48 km due north of the Ulu Gold Project.

The Ulu Gold Project contains an NI 43-101 resource of 831,000 Au oz.

The Roma Project is also in the HLGB, covers an area of 14,524 ha, and is approximately 30 km north of the Ulu and Hood River properties. The geologic setting and style of mineralization at the Roma Project are quite similar to that discovered at the Ulu property.

The Company’s registered office is located at 700 West Pender Street Suite 507, Vancouver, British Columbia, Canada V6C 1G8.

Figure 1: Nunavut, Canada, and Blue Star's Project Locations



Source: Company Presentation (March 2022); eResearch

2.1 Company History

Blue Star was originally incorporated in April 2007 as **Northern Shield Metals Ltd.** The Company changed its name to **WPC Resources Inc.** in January 2008, and later to **Blue Star** in 2019.

From 2009 to 2014, the Company entered into various agreements optioning exploration projects in locations including the Northwest Territories, Canada, and Nevada, U.S.A.

In 2014, the Company entered into an option agreement with **Inukshuk**, a private company, to purchase all of the outstanding shares of **Inukshuk** and its 100% interest in the Hood River Property in Nunavut, Canada.

Also in 2014, **Blue Star** entered into an option agreement with **Elgin Mining Inc. (TSX:ELG)** and **Bonito Capital Corp.** to acquire up to 80% interest in the Ulu Gold Property in Nunavut, Canada. **Mandalay Resources Corporation (TSX:MND)** acquired **Elgin Mining** in 2014 to become the lessor of the Ulu Gold Property agreement.

In 2016, **Blue Star** announced that it had retained **Tetra Tech Inc. (NASDAQ:TTEK)**, a Vancouver-based consulting and engineering firm, to perform an independent technical evaluation focused on analyzing the mining and milling of the known mineral resources at the Ulu Gold Property.

In 2017, **Blue Star** revised its 80% acquisition agreement and signed a letter of intent with **Mandalay** to acquire 100% interest in the Ulu Gold Property. The new option agreement superseded the Ulu Option Agreement from 2014 and closed in January 2018.

The Company went through board and management restructurings in 2018 as well as working on the planning and permitting of a drill program on its properties in the Kitikmeot region of western Nunavut, which included meeting and consulting with the Nunavut stakeholders.

During 2019, **Blue Star's** management and the technical team completed several trips to Nunavut and the Northwest Territories to visit local communities and met with Institutes of Public Government ("IPG"), the Regional Inuit Authority ("RIA"), the Government of Nunavut, and the Government of Canada.

In 2019, **Blue Star** completed detailed geological mapping and sampling of the surface showings, as well as an 11-hole inaugural drill program of 1,540m at the North Fold Nose ("NFN") gold zone in the Ulu Fold Trend at the Hood River project.

At the start of 2020, the Company completed the acquisition of the Ulu Gold Property, which comprised the mining lease and mineral rights, including an inventory of capital equipment, a mining camp, shop, and 1,200-metre airstrip.

In 2020, a 7,621-metre, 38-hole drill program was completed at the Ulu Gold and Hood River properties. The goal was to expand the known resources and provide data for resource modelling, and test exploration targets.

In February 2021, **Blue Star** acquired 100% interest in the nine mineral claims at the Roma Project, Nunavut. Following the Roma Project acquisition, the Company became the largest title holder in the HLGB and controls 16,645 ha (over 41,100 acres) of the total project area.

During 2021, the Company drilled 25 drill holes totalling 5,012m with highlight holes including 11.06 g/t Au over 2.18m and 52.7 g/t Au over 2.0m.

Finally, in January 2022, **Blue Star** staked additional claims in the Roma Project area to increase the size of the project to 14,524 ha (over 35,889 acres).

3.0 Blue Star’s Projects

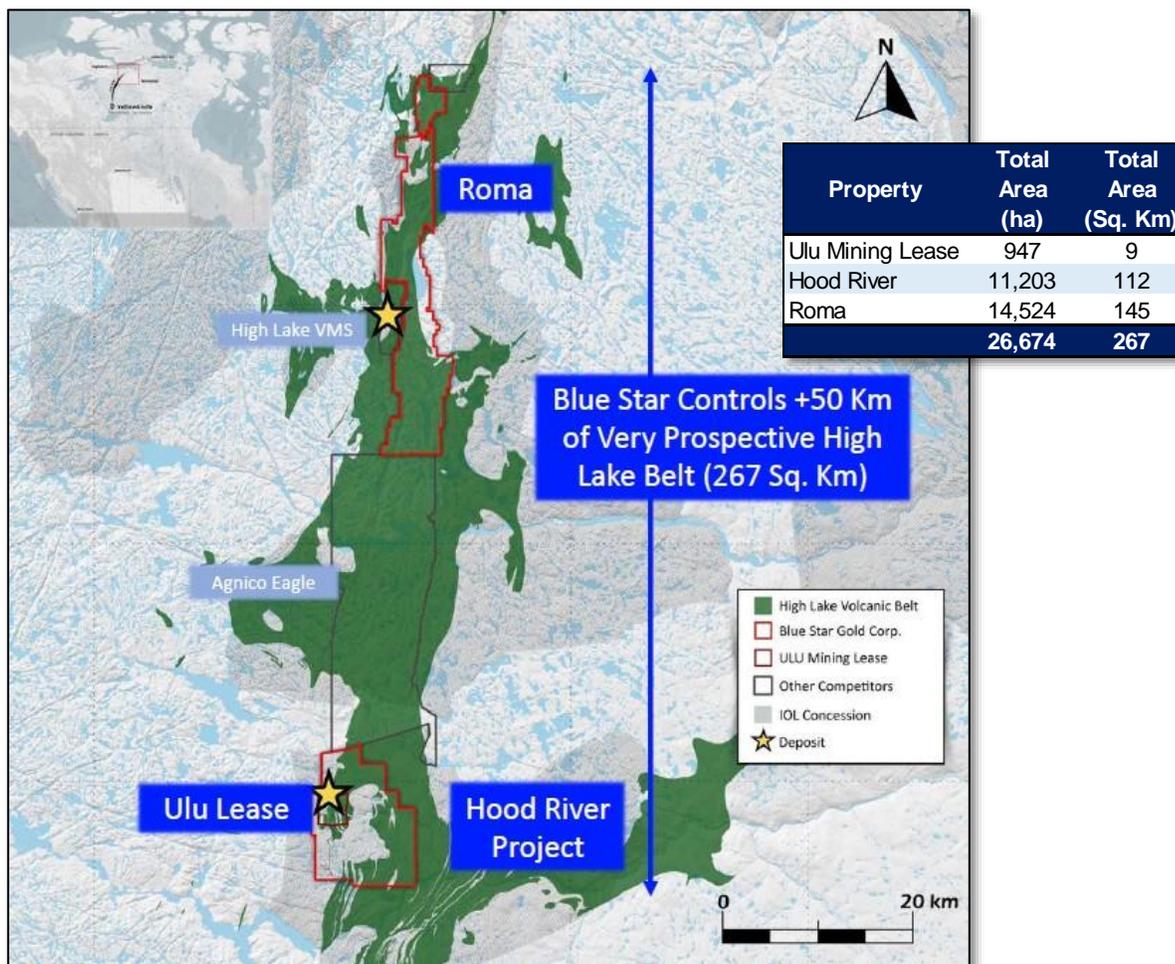
Blue Star’s projects include the Ulu Gold, Hood River, and Roma projects in Nunavut, Canada, in the HLGB. The Ulu Gold Project contains an NI 43-101 total resource (M&I and Inferred) of 831,000 Au oz.

Greenstone belts are highly prolific and synonymous with high-grade gold production and often contain ore deposits of gold, silver, copper, lead, and zinc. One example in Canada is the Abitibi Greenstone Belt which spans portions of Ontario and western Quebec. In its history, the Abitibi Greenstone Belt is reported to have produced over 180 million ounces of gold, plus millions of ounces of silver, and billions of tons of copper and zinc.

Nunavut is the largest and northernmost territory of Canada and was separated from the Northwest Territories in 1999. It is a sparsely populated but geographically vast Canadian territory and contains most of the Arctic Archipelago.

Blue Star’s Ulu Gold and Hood River projects are located approximately 530 km north-northeast of Yellowknife, Canada, while the Roma Project is located 48 km due north of the Ulu Gold Project. See [Figure 1](#) for a regional overview and [Figure 2](#) for project orientation in Nunavut.

Figure 2: Blue Star Project Properties – Agnico Eagle Property between Ulu/Hood River and Roma



Source: Company Presentation (March 2022)

3.1 Ulu Gold Project

The Ulu Gold Project consists of 947 ha (2,340 acres) containing numerous known gold occurrences and an NI 43-101 resource of 831,000 Au oz. at the Flood and Gnu zones.

According to the technical reports, existing resource at the Ulu property has the potential for expansion as the Flood Zone is still open at depth, the Gnu Zone is still open along strike and at depth, and the other peripheral gold showings or zones can be further explored.

The mineral claims at the Ulu Gold Project were originally staked in 1988 and the Flood Zone gold deposit was discovered in 1989.

Extensive exploration was conducted over the years by previous companies including **BHP Minerals**, **Echo Bay Mines**, **Wolfdan Resources Inc. (TSXV:WLF)**, and **Elgin Mining**.

Multiple gold zones were identified and delineated by **BHP**, in addition to the Flood Zone deposit, including the NFN, which is now part of the Hood River Property.

Elgin Mining completed a maiden NI 43-101 mineral resource for the Flood Zone in 2011.

There are almost 1,700m of underground development as the Ulu deposit has a decline and cross cuts from a small bulk sample executed by **Echo Bay**. By 2012, there had been almost 1,700m of underground development and approximately 90,000m of diamond drilling completed, primarily focusing on the Flood Zone.

As previously mentioned, **Blue Star** optioned that property in 2014 with the potential to earn up to an 80% interest, and the agreement was modified in 2017 so the Company could earn a 100% interest in the project. **Blue Star** satisfied the acquisition conditions in 2020 and now holds 100% interest in the property. The mining lease is renewable and expires in November 2038.

The Ulu mining lease is subject to royalty on gold production. In March 2005, **BHP** assigned a 5% net proceeds production royalty payable to **Royal Gold Corp. (NASDAQ:RGLD)** for gold production over 675,000 oz. **BHP** retains diamond rights on the property.

Figure 3: Ulu Mineral Resource

Flood Zone			
Classification	Tonnes	Au (g/t)	Au (ozs)
Measured	1,000,000	8.48	272,000
Indicated	1,500,000	6.90	333,000
Measured & Indicated	2,500,000	7.53	605,000
Inferred	891,000	5.57	160,000
Gnu Zone			
Classification	Tonnes	Au (g/t)	Au (ozs)
Inferred	370,000	5.57	66,000

1. Mineral resources, which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

2. Confidence in the estimate of Inferred Mineral Resources is insufficient to allow the meaningful application of technical and economic parameters. There is no guarantee that all or any part of a mineral resource can or will be converted into a mineral reserve.

3. The mineral resources in this estimate were calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

Source: Technical Report on the Ulu Gold Property (2015)

Benefits of this Location

Blue Star’s main project is the Ulu Gold Project, an advanced gold project in the HLGB. It is located approximately 50 km north of the Arctic Circle in the Kitikmeot region of western Nunavut.

A deep-sea port is currently planned at Grays Bay, which is located 100 km north of the Ulu lease. A proposed all-weather road is near the project boundary.

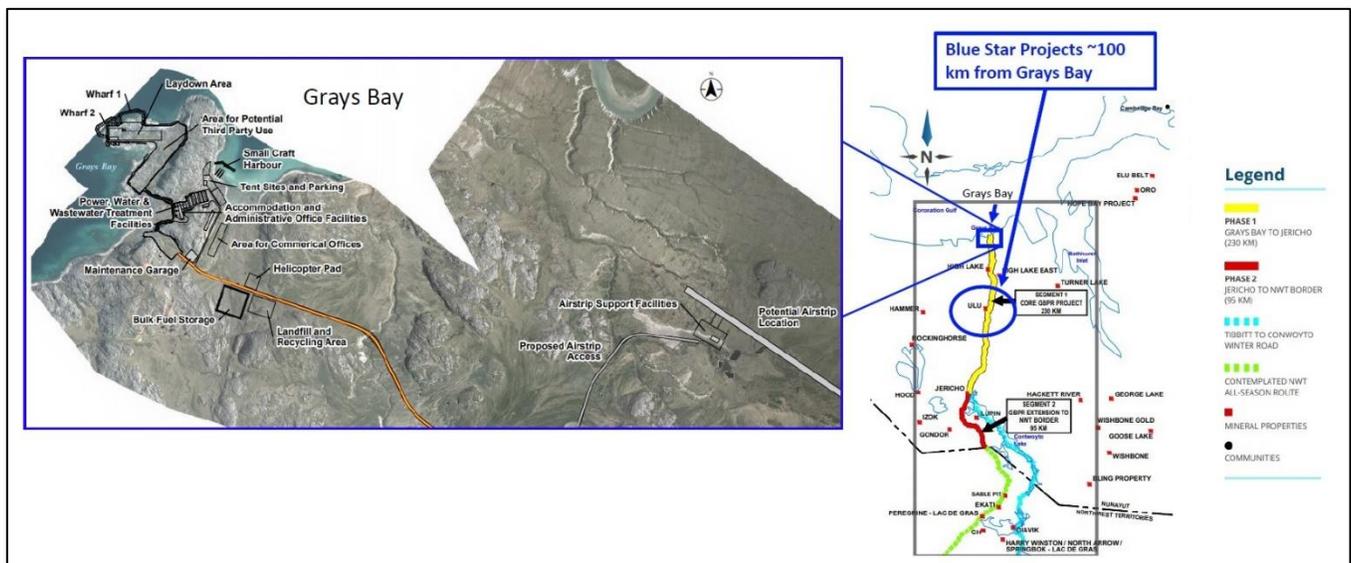
The Ulu Gold Project is contiguous on its eastern boundary to **Blue Star’s** Hood River Property and located 530 km north-northeast of Yellowknife, N.W.T. and 125 km west of Bathurst Inlet, Nunavut.

The past-producing Lupin gold mine lies 125 km to the west-southwest and the High Lake base metal deposit (MMG Ltd.) is 50 km to the east-north-east.

Access to the property is by helicopter, float plane, or aircraft landing at the gravel landing strip located about 1 km south of the property. Historically, the project has been serviced from Yellowknife by a winter ice road.

The Ulu Gold Property also has a substantial inventory of capital equipment, a **Weatherhaven** (www.weatherhaven.com) camp with a shop, and a 1,200-metre long airstrip.

Figure 4: Grays Bay’s Planned All-Weather Road and Deep-Sea Port Project



Source: Company Presentation (March 2022); eResearch

Geology and Updated NI-43-101 Resource

The Ulu Property hosts a 400-metre-long shear-hosted Archean lode gold deposit in the Flood Zone with metallurgical test results that demonstrated more than 90% of the gold is recoverable by gravity, flotation, and cyanidation. Please see [Metallurgical Testing](#) section for more information.

In 2015, **Blue Star** released an updated NI 43-101 report on the Ulu Gold Project that included an updated mineral resource estimate, which replaced the historic 2011 mineral resource estimate for the Flood Zone (see [Figure 3](#)).

The updated NI 43-101 report included a total resource of 831,000 Au oz. at the Flood and Gnu zones, as well as documenting numerous high-grade gold occurrences and priority drill targets, highlighting the potential to develop a multi-million-ounce gold resource.

For the Flood and Gnu zones, using a gold cut-off grade of 4 g/t, a total M&I resource of 2.5 million tonnes grading 7.53 g/t Au for 605,000 Au oz., and an Inferred resource of 1.26 million tonnes grading 5.57 g/t Au for 226,000 Au oz. The Flood Zone, containing the majority of the resource, is open on strike and at depth. The Company believes there is a significant high-grade gold resource that exists at the Flood Zone deposit.

Approximately 6 km away from the Flood Zone are several gold zones that are spatially associated with the Ulu regional fold and extended to the northern part of the Hood River Property.

Drill Results

See [Figure 5](#) for historical drill results from the 2020 drill program at the Ulu Project. Key results in 2020 included 14.95 g/t Au over 13.8m, 13.42 g/t over 7.0m, and 52.7 g/t over 2m.

In 2021, the Company drilled 25 drill holes totalling 5,012m with highlight holes including 20.8 g/t Au over 8.15m, 19.1 g/t Au over 4.9m, 52.7 g/t Au over 2.0m, and 11.06 g/t Au over 2.18m (see [Figure 6](#)).

See [Section 3.5](#) for the Company's 2022 exploration plans.

Figure 5: Ulu 2020 Drill Results

Hole ID	Zone or Target	From(m)	To(m)	Width (m)	Au (g/t)	Comments
BS2020ULU-002	Flood	9	16	7	13.42	
BS2020ULU-003	Flood	13	22	9	8.67	
"	Flood	110	118	8	8.26	
"	Flood	160	164	4	8.17	
BS2020ULU-005	Flood	426.2	440	13.8	14.95	upper zone
"	Flood	446	449	3	11.57	
"	Flood	453	455	2	9.26	
"	Flood	459	465	6	9.65	lower zone
BS2020ULU-006	Flood	407	411	4	12.5	
"	Flood	432	436	4	9.98	
"	Flood	487	501	14	4.23	
"	Flood	504	511	7	12.5	
BS2020ULU-007	Gnu	25	27	2	52.7	
BS2020ULU-008	Gnu				NSV	No Significant Value
BS2020ULU-009	Gnu				NSV	No Significant Value
BS2020ULU-010	Gnu				NSV	No Significant Value
BS2020ULU-011	Contact	53	54	1	3.96	

Source: Company News Release (January 14, 2021)

Figure 6: Ulu 2021 Drill Results

Hole ID	Target	From (m)	To (m)	Width (m)	Au (g/t)	Comment
21BSG-001	Flood Zone	7.77	12.68	4.91	19.1	Flood Zone - MV09
	includes	7.77	8.77	1.00	27.0	
AND	Flood Zone	25.48	32.48	7.00	6.9	Flood Zone - MV03
	includes	27.48	28.48	1.00	14.3	
21BSG-002	Flood Zone	164.48	167.12	2.64	13.00	Flood Zone - MV03
	includes	164.48	165.35	0.87	11.60	
	includes	165.35	166.25	0.90	14.50	
	includes	166.25	167.12	0.87	12.85	

HoleID	Target	From (m)	To (m)	Length (m)	Au (g/t)	note
21BSG-003	sediment contact	191.00	193.00	2.00	1.3	altered basalt core of fold
21BSG-004	sediment contact					n.s.i.
21BSG-005	Gnu Zone	138.20	138.80	0.60	2.9	previously unknown zone
21BSG-005	Gnu Zone	146.86	148.40	1.54	5.5	acicular target
21BSG-006	Gnu Zone	48.04	50.22	2.18	11.1	polymetallic vein
includes	Gnu Zone	48.04	49.15	1.11	18.1	polymetallic vein
21BSG-007	Gnu Zone	101.50	103.50	2.00	4.8	previously unreported
includes	Gnu Zone	101.50	102.50	1.00	8.3	previously unreported

Hole ID		From (m)	To (m)	Interval (m)*	Gold (g/t)**	Zn (%)	Note
21BSG007		157.86	158.84	0.98	26.5	0.020	unknown type
"		162.10	170.25	8.15	20.8	0.309	polymetallic
"	includes	162.10	164.00	1.90	61.7	0.199	polymetallic
"	and	168.00	169.56	1.56	28.8	0.978	polymetallic
"		211.22	212.22	1.00	16.5	0.007	polymetallic

Hole ID	Target	From (m)	To (m)	Length (m)	Gold g/t
21BSG-008	Gnu - polymetallic	nsi			
21BSG-009	Axis Zone	83.00	86.00	3.00	2.51
21BSG-010	Central Zone - C	91.00	94.00	3.00	5.21
Includes		92.00	93.00	1.00	7.57
21BSG-010	Central Zone - NEW	156.00	157.00	1.00	1.94
21BSG-011	Central Zone	20.00	21.12	1.12	1.08
21BSG-012	Central Zone	nsi			
21BSG-014	Central Zone	345.12	346.12	1.00	1.18
21BSG-014	Central Zone	358.58	362.62	4.04	2.72
Includes		358.58	360.62	2.04	3.60
Includes		361.62	362.62	1.00	3.55
21BSG-015	Axis/Central Zone	78.08	78.87	0.79	3.80
includes	Axis/Central Zone	78.08	78.44	0.36	6.80
21BSG-016	Axis Zone	88.05	89.49	1.44	2.26
Includes		89.00	89.49	0.49	4.30

HoleID	Target	From (m)	To (m)	Length (m)	Gold (g/t)	Note
21BSG025	Flood Zone	18.00	19.44	1.44	5.59	
and	Flood Zone	25.15	29.80	4.65	5.80	visible gold
includes	Flood Zone			0.85	8.10	
and includes	Flood Zone			0.58	9.13	
and	Flood Zone	38.35	38.78	0.43	9.18	
and	Flood Zone	44.13	45.00	0.87	1.85	
and	un-named	120.12	122.22	1.89	0.96	
and	Axis				n.s.i.	
21BSG020	Gnu new vein	111.76	117.10	5.34	3.72	
includes				0.83	12.95	
21BSG022	Gnu acicular	128.63	129.63	1.00	1.32	within anomalous 5.18m zone
21BSG023	Gnu old vein				n.s.i.	
21BSG21	Central-Gnu new vein	23.00	23.50	0.50	2.00	
and		38.15	39.10	0.95	1.53	150m step SE of discovery hole
21BSG24	Central-Gnu new vein				n.s.i.	scissor hole 0.58 g/t over 1m
21BSG018	Central-Axis				n.s.i.	
21BSG019	East Limb	16.20	17.14	0.94	2.07	hanging wall acicular zone
and		71.95	72.5	0.55	1.27	hanging wall quartz vein

Source: Company News Releases (September 1 and 22, 2021; October 28, 2021; January 19, 2022; February 15, 2022)

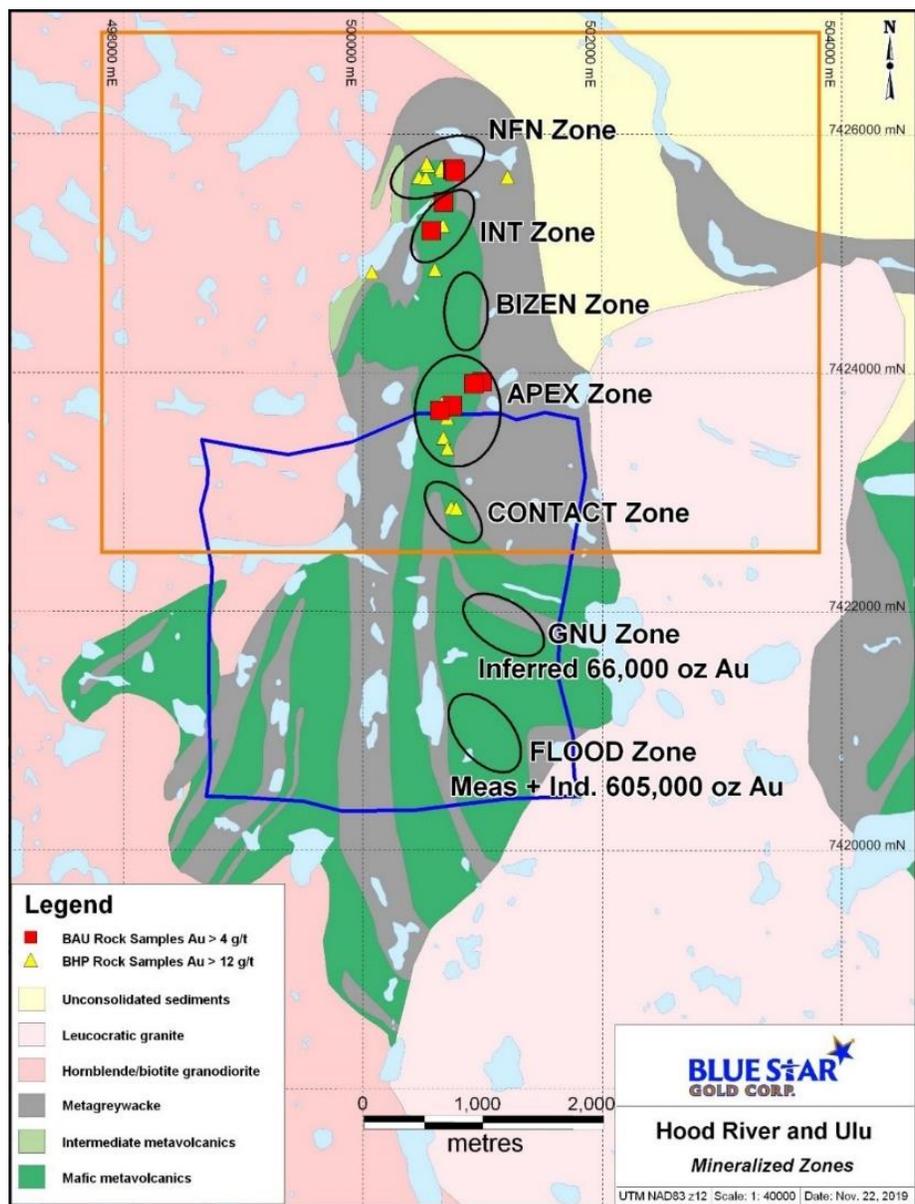
Licenses

The Company holds a 100% interest in the Ulu Property and the mining lease is renewable and expires in November 2038.

In 2020, **Blue Star** announced that it received a 10-year water licence for exploration and reclamation at the Ulu Project. The water licence allows for surface and underground exploration, the establishment of a new 60-person camp, and progressive reclamation of legacy infrastructure and contamination.

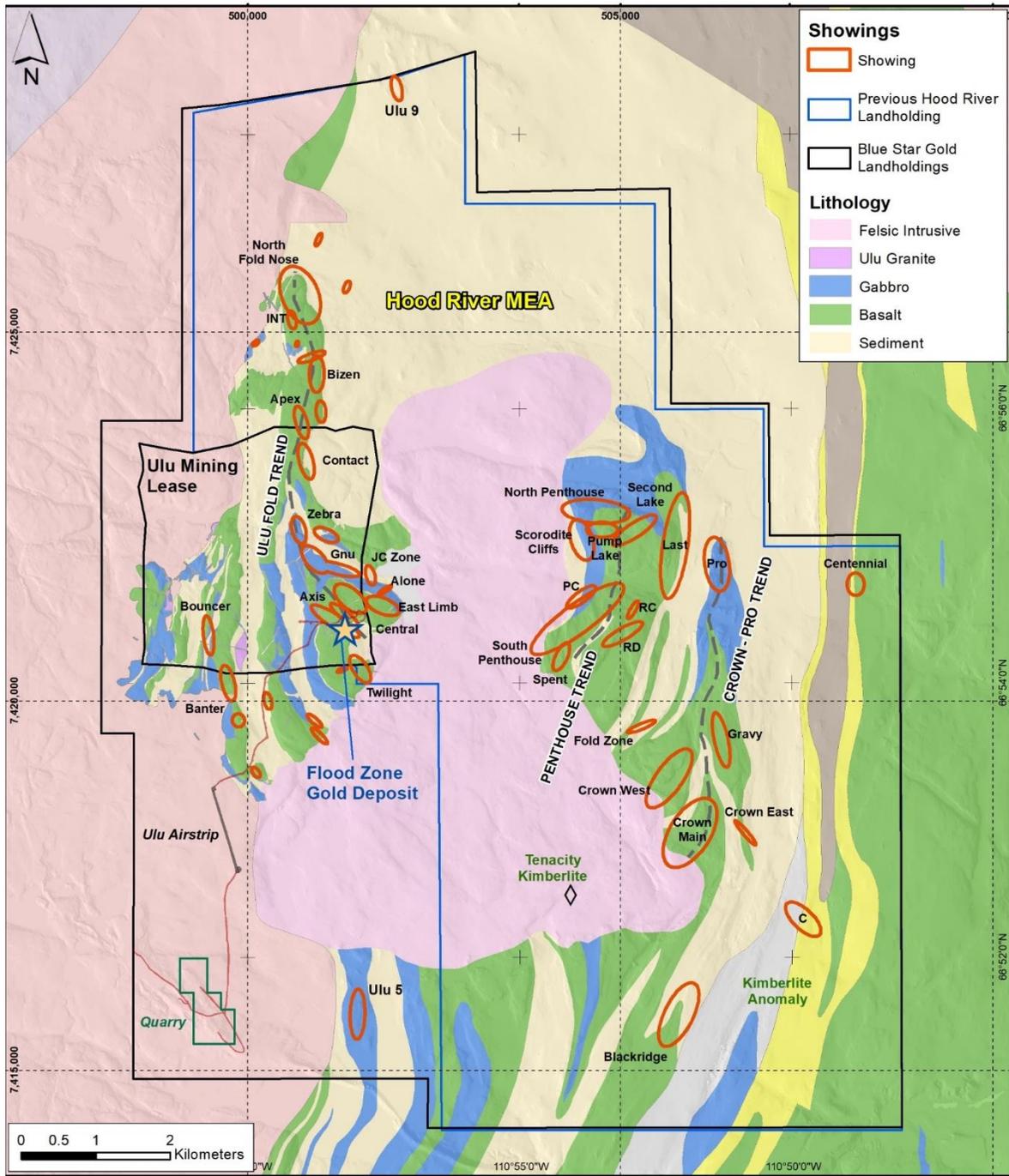
Reclamation security deposits previously posted to and held by the Kitikmeot Inuit Association ("KIA") (\$0.75 million) and the Minister of Northern Affairs (\$1.69 million) were considered adequate and remain unchanged under the amended and renewed licence.

Figure 7: Mineralized Gold Zones – Ulu Project (Flood and Gnu) and Hood River Project (NFN, Apex, Bizen, Contact, and INT)



Source: Company News Release (November 25, 2019)

Figure 8: Mineralized Gold Zones – Ulu Project (Flood and Gnu) and Hood River Project (North Fold Nose, North Penthouse, South Penthouse, and Crown)



Source: Company News Release (February 10, 2020)

3.2 Hood River Project

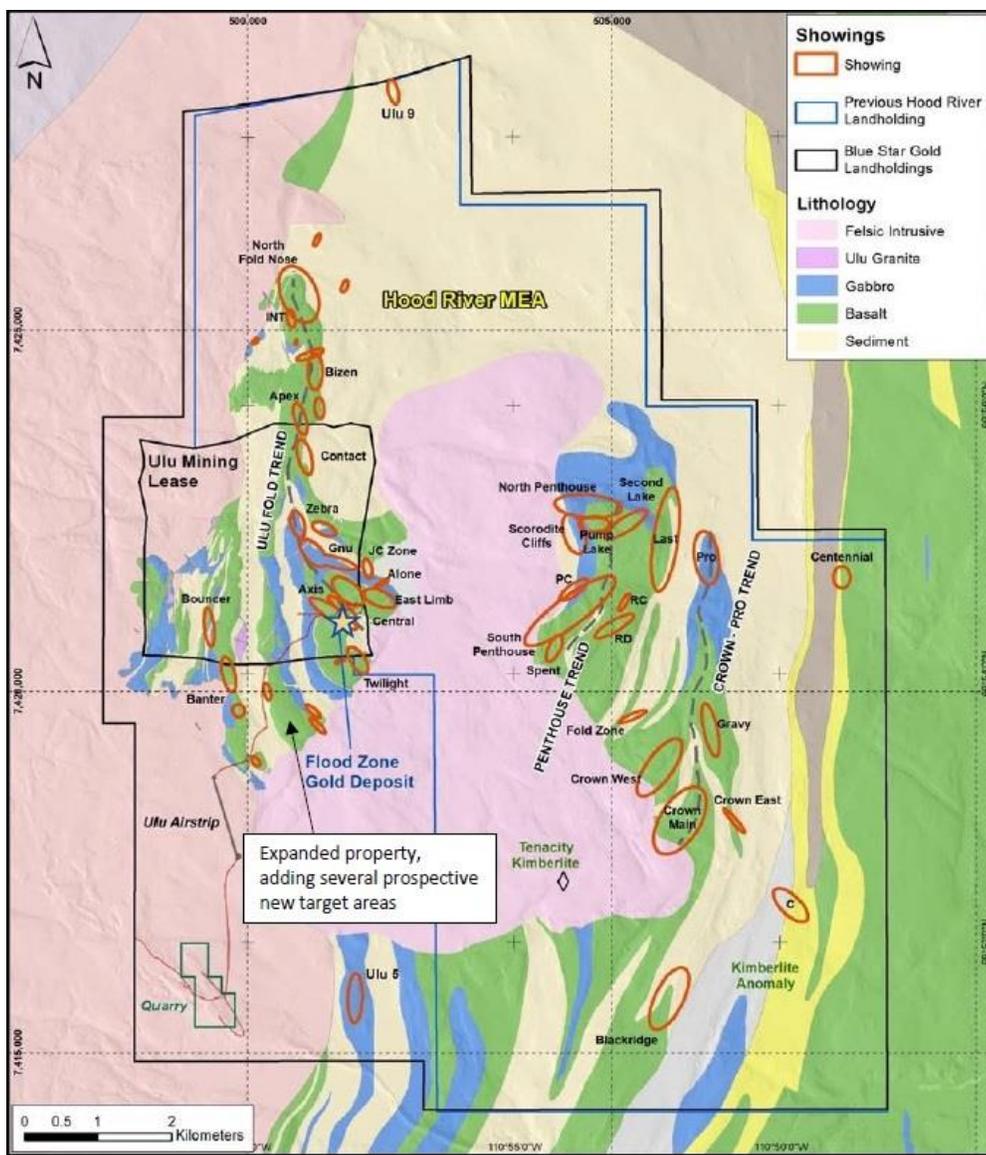
On January 25, 2022, **Blue Star** announced that it signed an expanded exploration agreement at the Hood River Project to increase the project area by 40% to 112 km² (11,203 ha; almost 27,700 acres).

As part of the expansion agreement, the Company gained a southern extension of the Ulu Project within the west limb, including the Flood Zone, which is a high-grade gold deposit with several prospective targets.

This new area includes drill-ready targets, including the Twilight Zone, which is 300m southeast of the Flood Zone deposit. Highlights from this area include channel samples grading 32.4 g/t Au over 0.55m and 4.72 Au over 0.43m.

Results from the 2021 exploration program are being used to plan this year’s drilling program. See the [Drill Results](#) section and [Section 3.5](#) for the Company’s 2022 exploration plans.

Figure 9: Hood River MEA Contiguous with Ulu Mining Lease



Source: Company Presentation (March 2022)

Location

Blue Star also owns a 100% interest in the Hood River Property, contiguous to the Ulu Gold Property lease to the north, south, and east, and is in the southern portion of the HLGB.

The Hood River Property is contiguous on its western boundary to **Blue Star's** Ulu Gold Property and located 530 km north-northeast of Yellowknife, N.W.T. and 125 km west of Bathurst Inlet, Nunavut.

Access to the property is by helicopter, float plane, or aircraft arriving at the gravel landing strip located about 1 km south of the Ulu Gold Property. In addition, historically, the Ulu Gold Project has been serviced from Yellowknife by a winter ice road.

Project History

Blue Star entered into an agreement in 2014 to purchase the property from **Inukshuk** and completed the transaction in 2018 after meeting the final condition by issuing 800,000 common shares valued at \$0.56 million.

The Hood River Property is held through a Mineral Exploration Agreement between **Blue Star** and **Nunavut Tunngavik Incorporated ("NTI")** to be renewed in 20 years. **NTI** is the legal representative of the Inuit of Nunavut for various purposes, including the right to mines, minerals, and royalties.

The Hood River Property shares boundaries with two internal **NTI** diamond properties that are surrounded by the property. Following the expansion of the Hood property, Blue Star now controls the diamond properties, included in the expanded project.

The property has minimum annual exploration work and expenditure requirements established by **NTI** to maintain the rights to the property. Each year, fees are due on the anniversary of the signing date of the Mineral Exploration Agreement, which, if not paid, can lead to the forfeiture of the agreement. After forfeiture, the ground title goes back to **NTI**.

The Hood River Property can only be accessed with an access permit, which is granted by the KIA annually. Also, all exploration activities, including mineralization, diamond drilling, and sampling require a Surface Land Use Permit from the KIA, as well as a Water License from the Nunavut Water Board. A Water License and an Access and Land Use Permit from the KIA are also required for a mineral exploration camp at the property.

According to **Blue Star**, it would not require a new camp for exploration as the Company can use the accommodations at the Ulu Project, which is adjacent to the Hood River Property.

In 2019, **Blue Star** completed detailed geological mapping and sampling of the surface showings, as well as an 11-hole inaugural drill program of 1,540m at the NFN gold zone in the Ulu Fold Trend at the Hood River Project.

Mineralization and Technical Reports

Mineralization on the Hood River Property was first identified in 1969. However, major exploration work was undertaken only between 1989 and 1993. No further exploration took place at the property until 2004. From 2004 to 2006, limited surface samples were collected from the area which verified the previous work carried out on the property.

In 2014, **Blue Star** filed an NI 43-101 Technical Report on the Hood River Property that included summaries of the property's attributes including its geology and exploration history, but the report did not include any resource estimate.

Currently, at least numerous gold showings have been identified on the property, with several high-grade gold occurrences on the Hood River East Property, including the shear-hosted gold mineralization at the Crown and Penthouse zones with potential gold trends similar to the Flood Zone on the adjacent Ulu fold trend.

The Hood River Property's major gold zones include the Apex, Bizen, Contact, Crown, Flood, INT, NFN, and Penthouse. Other gold showings include the Blackridge, Cowley, Last, and Pro zones.

The Crown vein mineralization has been mapped for about 800m along strike. The veins are up to 6m wide and sampling has returned values of 24.35 g/t Au over 1.0m and 13.47 g/t Au over 2.0m. Sampling the Penthouse veins has returned grab sample assays of up to 220.1 g/t Au.

A series of gold occurrences have been found along strike and north of the Flood zone, which are expected to be related to the 5-km-long Ulu regional fold.

Extending from the Ulu Mining Property to the Hood River North Property, the geological structure extends along the Ulu fold to the north, from the Flood and Gnu zones (Ulu Mining Project) to the NFN zone on the Hood River North Property.

Although with limited exploration, the NFN zone veins indicate the potential for high-grade mineralization over 1.5m to 2.5m widths, with a 2.0m chip sample returning an assay of 22.99 g/t Au.

Considering the number of high-grade gold showings that have been recorded on the property, the Hood River Project could have resource expansion potential at various targets.

Drill Results

Historical drill intersections from the Hood River Project include 9.16 g/t Au over 6.88m, 7.31 g/t Au over 6.03m gold, 10.3 g/t Au over 1.07m, and 3.65 g/t gold over 5.44m.

From **Blue Star's** recent drilling, see [Figure 10](#) for results from 2019, [Figure 11](#) for results from 2020, and [Figure 12](#) for results from 2021.

Key drill intersections include:

- 12.92 g/t Au over 6.0m;
- 15.19 g/t Au over 3.0m;
- 4.14 g/t Au over 10.0m;
- 5.89 g/t Au over 6.0m; and
- 13.87 g/t Au over 3.0m.

See [Section 3.5](#) for the Company's 2022 exploration plans.

Figure 10: 2019 Hood River Drill Results

DDH No.		From (m)	To (m)	Core Length* (m)	Au g/t	Ag g/t
HR-19-001		113.0	114.0	1.0	1.11	0.29
HR-19-002		56.0	62.0	6.0	12.92	3.56
	INCLUDES	56.0	57.0	1.0	1.51	2.06
		57.0	58.0	1.0	25.4	8.07
		58.0	59.0	1.0	48.7	9.56
		59.0	60.0	1.0	0.58	0.63
		60.0	61.0	1.0	0.66	0.82
		61.0	62.0	1.0	0.66	0.25
HR-19-003		61.0	64.0	3.0	15.19	5.45
	INCLUDES	61.0	62.0	1.0	31.1	14.7
		63.0	64.0	1.0	14.2	1.31
HR-19-004		78.0	88.0	10.0	4.14	2.91
	INCLUDES	78.0	79.0	1.0	1.51	1.18
		79.0	80.0	1.0	9.58	5.21
		80.0	81.0	1.0	9.7	19.7
		81.0	82.0	1.0	1.98	0.03
		84.0	85.0	1.0	10.3	0.26
		87.0	88.0	1.0	6.83	0.16
HR-19-005		64.0	66.0	2.0	5.33	2.05
	INCLUDES	64.0	65.0	1.0	9.51	3.43
		65.0	66.0	1.0	1.14	0.68
	AND	77.0	78.0	1.0	1.07	0.36
		78.0	79.0	1.0	1.12	0.32
HR-19-006		152.0	154.0	2.0	8.47	2.3
	INCLUDES	152.0	153.0	1.0	4.23	1.38
		153.0	154.0	1.0	12.7	3.21
HR-19-007		139.0	143.0	4.0	6.84	1.77
	INCLUDES	139.0	140.0	1.0	1.23	2.87
		140.0	141.0	1.0	10.95	3.23
		141.0	142.0	1.0	1.91	0.4
		142.0	143.0	1.0	13.25	0.57
HR-19-008		86.0	91.0	5.0	1.77	2.54
	INCLUDES	86.0	87.0	1.0	1.7	1.44
		90.0	91.0	1.0	5.86	1.09
HR-19-009		91.0	97.0	6.0	5.89	3.74
	INCLUDES	95.0	96.0	1.0	1.56	6.82
		96.0	97.0	1.0	32.5	12.6
HR-19-010		101.0	102.0	1.0	2.19	3.01
HR-19-011		33.0	34.0	1.0	0.45	0.29
		44.0	45.0	1.0	0.32	0.28

Source: Company News Release (November 25, 2019)

Figure 11: 2020 Hood River Drill Results

Hole ID	Zone or Target	From(m)	To(m)	Width (m)	Au (g/t)	Comment
HR20-013	NFN	109	111	2	13.18	
HR20-014	NFN	118	122	4	7.59	
HR20-016	NFN	143	145	2	10.85	
HR20-017	NFN	164	167	3	13.87	
HR20-021	NFN	141.5	143	1.5	6.39	
incl		142.1	143	0.9	8.70	
HR20-026	NFN				NSV	No Significant Value
HR20-029	Bizen	156	157	1	1.37	
AND		164	165	1	2.73	
HR20-030	Apex				NSV	No Significant Value
HR20-031	Apex	95	96	1	1.43	
HR20-032	Apex	34	36	2	3.53	
HR20-033	Crown	12	14	2	1.15	
AND		36	38	2	2.33	
incl		36	37	1	3.02	
HR20-034	Crown				NSV	No Significant Value
HR20-035	Crown	9	10	1	3.7	
HR20-036	South Penthouse	23	24	1	1.14	
HR20-037	South Penthouse	10	11	1	1.24	
AND		17	21	4	1.37	
HR20-038	South Penthouse	16	17	1	1.23	
AND		20	20.95	0.95	2.53	

Source: Company News Release (January 14, 2021)

Figure 12: 2021 Hood River Drill Results

HoleID	Target	From (m)	To (m)	Length (m)	Gold (g/t)	Note
21BSG013	NFN	101.29	101.95	0.66	2.33	
21BSG017	NFN	171.26	173.39	2.05	10.10	
includes	NFN			0.46	17	

Source: Company News Release (February 15, 2022)

3.3 Roma Project

The Roma project consists of nine highly prospective and underexplored mineral claim blocks located in the HLGB, approximately 30 km north of the Ulu and Hood River properties, which cover an area of 14,524 ha. The geologic setting and style of mineralization at the Roma Project are quite similar to that discovered at the Ulu Property.

Blue Star acquired 100% interest in the Roma Project in February 2021 after completing the final conditions of the deal. At that time, the Roma Property expanded the Company's control of prospective and underexplored mineral properties in the Nunavut territory to 16,645 ha, making it a district-scale project in the region.

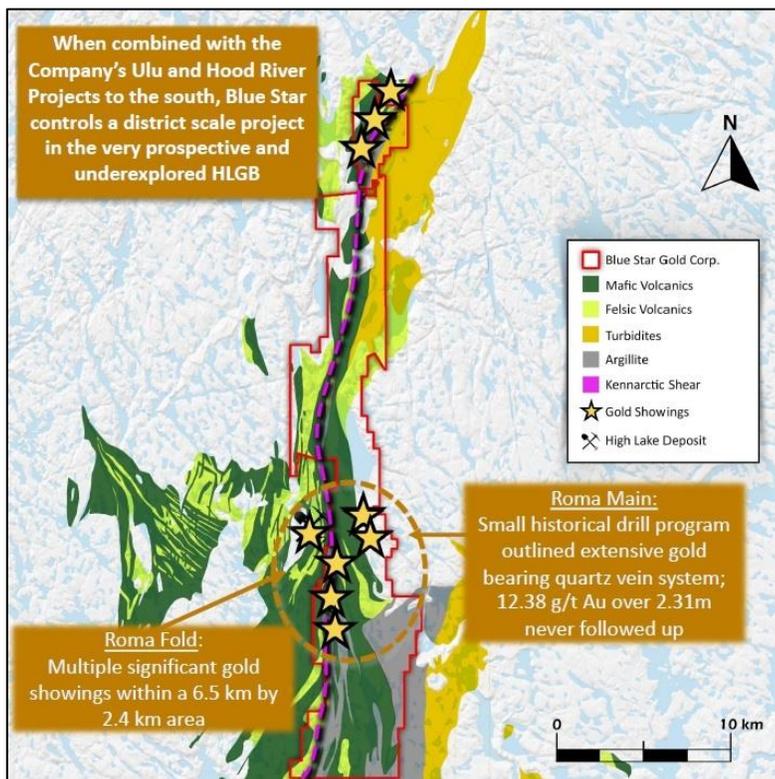
Multiple high-grade gold showings and mineral zones were discovered in the 1990s on the Roma Project within a 6.5 km by 2.4 km area. However, little to no follow-up work has been done on the property since then.

Chip samples over a depth of 1.5m were taken and returned values of up to 126 g/t Au and 24 g/t Au. Limited shallow drilling also took place at the property where 10 holes were drilled for a total length of 465m. Highlight holes from the drilling returned 12.38 g/t Au over 2.31m and 8.69 g/t Au over 1.87m.

On January 12, 2022, **Blue Star** announced that it signed an expanded exploration agreement at the Roma Project. The agreement expands the area by 89% to 145 km² (14,524 ha; over 35,800 acres).

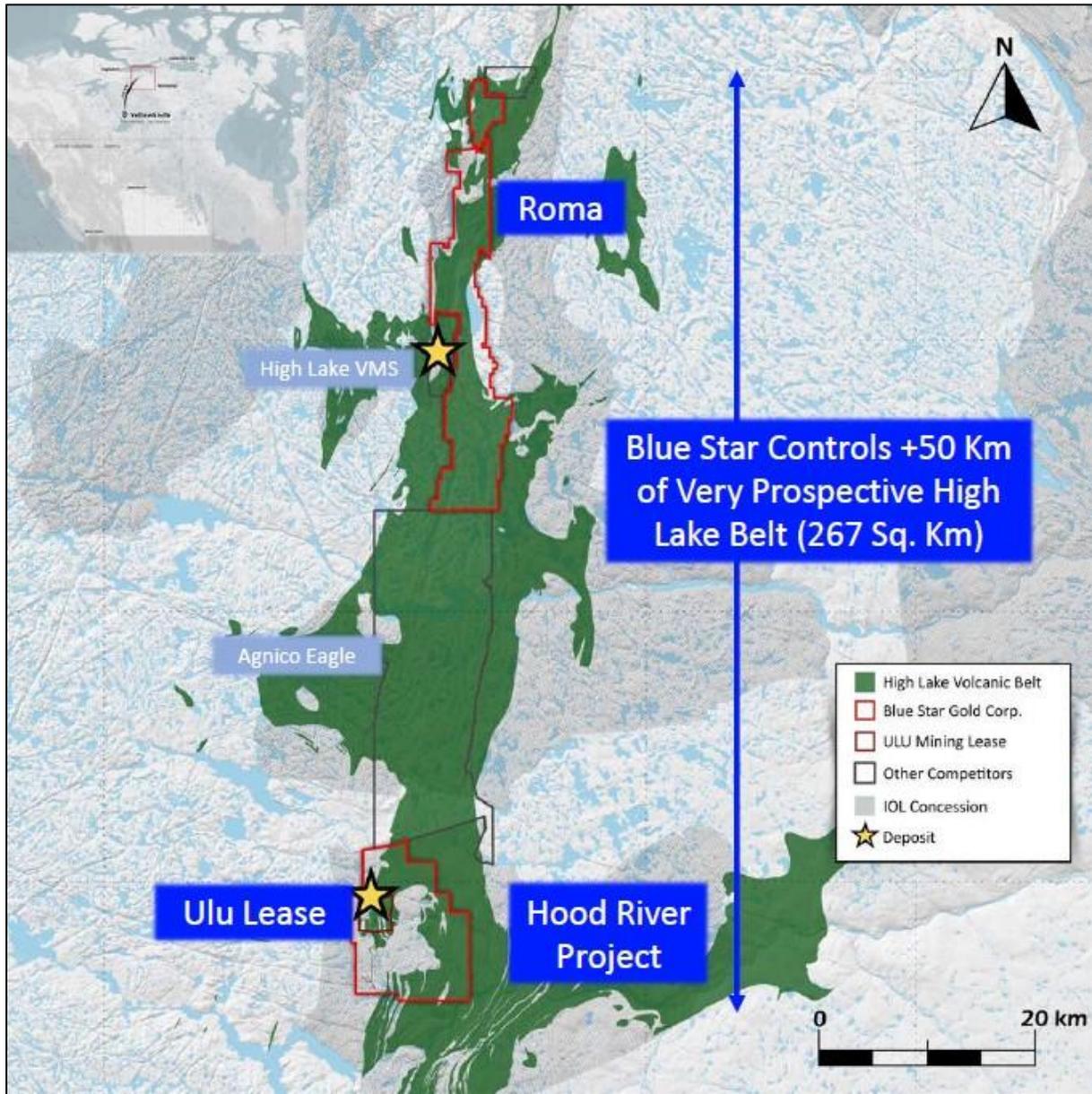
Importantly, there are several drill-ready targets at Roma Main, as well as many prospect target areas at North Roma and South Roma. Highlights from Roma Main include grab samples of 12.6 g/t Au and a drill intersection of 12.38 g/t Au over 3.2m.

Figure 13: Roma Project – Gold Showings



Source: Company Presentation (March 2022)

Figure 14: Roma Project ~30 km North of the Ulu & Hood River Properties



Source: Company Presentation (March 2022)

3.4 Regional Geology

Blue Star's Ulu Gold, Hood River, and Roma projects are in the HLGB in the Archean-age Slave Structural Province. According to the Company, "The local geology consists of variably metamorphosed clastic sedimentary and volcanic rocks that have been isoclinally folded with roughly north-south trends."

As illustrated in [Figure 15](#), in the middle of the Hood River Project there is a large leucogranite formation that is surrounded by greenstone rocks with the Ulu Gold mineralization occurring to the west of the leucogranite and the Hood River mineralization occurring to the east.

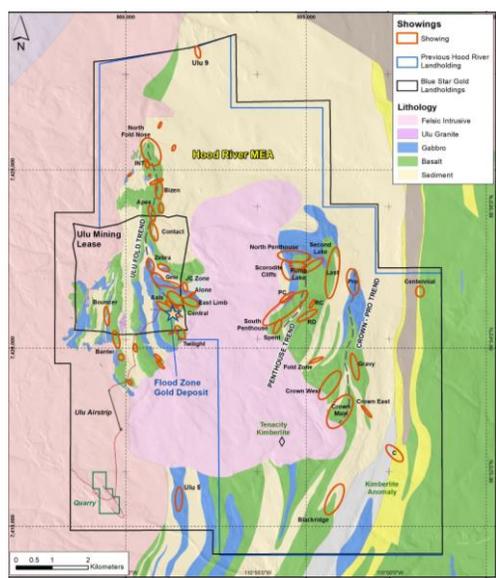
The Ulu Gold mineralization consists of well-defined gold-arsenic zones that appear to be structurally controlled by folding whereas the Hood River mineralization varies from high-grade quartz veins to massive sulphide styles of mineralization.

According to the Company's geological summary of the Ulu Gold Property (*Source: News Release April 14, 2015*):

- "The Flood Zone is hosted by iron-rich tholeiitic basalt and is composed of multiple anastomosing shear hosted auriferous zones.
- This steeply dipping system, which has been traced for 435m on surface, had been interpreted by various workers to have between 7 and 14 zones with individual zones ranging in true widths estimated from 2.0m to 17.9m.
- The current reinterpretation identifies one main anastomosing vein zone which occupies a fold hinge and essentially contains all of the previously interpreted zones plus additional mineralization which was not included in earlier interpretations.
- The depth of the Measured and Indicated resource lies between surface and a vertical depth of 525m. The deepest Flood Zone drill intersection is 14.9 g/t Au over 7.7m at 610m below surface."

In addition, **Blue Star** reported that the Roma Project's geologic setting and style of gold mineralization are similar to the mineralization found at both the Ulu and Hood River projects.

Figure 15: Pink Leucogranite Formation Between the Ulu and Hood River North Projects and the Hood River East Project



Source: Company (May 2022)

3.5 Exploration History and 2022 Exploration Plans

Exploration Work by Previous Mining Companies

Between 1989 and 2012, exploration and development work at the Ulu Gold Project was carried out by **BHP, Echo Bay Mines** (now owned by **Kinross Gold (TSX:K | NYSE: KGC)**), and various other mining companies. The past work included diamond drilling of 400 holes and approximately 1.7 km of underground development. The drilling programs conducted at the Ulu and Hood River properties produced approximately 100,000m of core.

The deepest drill intersection of potentially mineable width at the Flood Zone is 14.9 g/t Au over 7.7m in 90VD-75, a hole drilled by **BHP** at 610m below surface level.

Blue Star has created a Geographic Information Systems ("GIS") database for all the historic work on the Ulu and Hood River properties.

2019 Exploration Program

In 2019, **Blue Star** conducted a diamond drilling, prospecting, and sampling program on the Hood River Property, primarily focused on the NFN zone. The Company drilled 11 holes covering a total of 1,540m, and explored a series of gold mineralized zones, which can be mapped along the Ulu fold.

South from the NFN zone, **Blue Star** traced mineralized zones for 2.5 km to the claim boundary with the Ulu mining lease, and then for an additional 2.9 km south within the Ulu property to the Gnu and Flood gold zones. This prospecting and sampling conducted on the property produced 168 channel samples.

The sampling of mineralized rocks was also conducted along the Ulu fold trend, which confirmed zones found by the **BHP Group (LSE:BHPL | NYSE:BHP | NYSE:BBL | ASX:BHP | JSE:BI)**, a leading Australian mining company that resulted in the discovery of the INT gold zone in the 1990s. Channel samples taken from within the INT zone returned six high-grade results that included 25.20 g/t Au over 1m.

2020 Exploration Program

The 2020 Exploration Program was conducted from July to September 2020, which included diamond drilling at **Blue Star's** Ulu and Hood River properties. The Company drilled 38 holes totalling 7,624m.

Out of these, 10 holes were drilled at the Flood and Gnu zone deposits with an objective to:

- Collect additional geologic information from the properties;
- Confirm certain aspects of the geology models;
- Improve drill hole density, allowing possible upgrading of the resource category; and
- Expand the resource base.

The other 28 holes, including 14 in the NFN zone, were drilled to test exploration targets on both the Ulu and Hood River properties.

2021 Exploration Program

Although COVID-19 impacted the Company's exploration activities, from June 2021 to September 2021, **Blue Star** conducted an exploration program at the Ulu Gold Project and the Hood River Property. In 2021, the Company drilled 25 drill holes totalling 5,012m with highlight holes including 11.06 g/t Au over 2.18m and 52.7 g/t Au over 2.0m (see [Figure 6](#)).

Detailed mapping and sampling were conducted at the recently acquired Roma Project at the drill-ready and near drill-ready targets, and a heliborne magnetometry survey focused on the Roma Fold.

Other key highlights of this program included:

1. The Company drilled 25 holes on the Ulu and Hood River properties totalling 5,012m. The diamond core drilling was carried out to evaluate 11 targets in 6 target zones in the project locations. **Blue Star** collected 2,534 core samples for analysis (see [Figure 6](#) for drill results);
2. Approximately 2,495 line km of airborne magnetometry data were also collected during the program;
3. Initial field work was focused on evaluating known targets and geological controls at the Crown-Pro trend in the Hood River Area. This evaluation involved limited wide-spaced mapping and prospecting as well as a detailed evaluation of an inferred axial planar shear zone;
4. Promising results were delivered:
 - A newly discovered vein system in the Gnu area, approximately 750m northeast of the Flood Zone returned 8.15m of 20.8 g/t Au;
 - Other results from the GNU Zone included:
 - 2.18m of 11.06 g/t Au;
 - 5.34 m of 3.72 g/t Au;
 - At the Flood Zone, key results included:
 - 4.91m of 19.1 g/t Au;
 - 7.00m of 6.9 g/t Au;
 - 2.64m of 13.0 g/t Au.
 - NFN Zone: 2.05m of 10.10 g/t Au;
 - Shallow Flood Zone: 4.65m of 5.80 g/t Au.

2022 Exploration Plans

Planning is already underway for the 2022 exploration program that includes a drill program, regional geophysical and geochemical surveys, and select mapping and prospecting over areas that have been identified as highly prospective.

The Company is planning a drill program that includes:

- Testing additional targets to add resources around the recent successful drill holes of the Gnu Zone, "Central C", Axis, and NFN;
- Drill testing of high priority targets that did not get tested in 2021 including the Zebra and Contact zones;
- Evaluating the land package for other highly prospective targets including Twilight and Roma Main.

See Figures [7](#), [8](#), [9](#) and [13](#) for target areas.

3.6 Metallurgical Testing

Before it was acquired by **Blue Star**, several mining companies including **BHP Minerals**, **Echo Bay**, and **Wolfden Resources** performed metallurgical testing at the Ulu Gold Project. Reports indicated that the ore is amenable to cyanide leaching and approximately 90% of the gold could be recovered at 100% passing 200 mesh grind size.

Multiple flotation tests have also been carried out on ore from the Ulu Gold Project, which suggest that it is very amenable to flotation recovery with single pass coarser concentrates recovering over 95% of the gold.

Preliminary work completed by **BHP Minerals** suggests that only 90% of the gold in concentrates could be leached, which could result in an overall gold recovery of approximately 85%.

Metallurgical testing also determined that leach tails were amenable to scavenger flotation, increasing the potential gold recovery by 5% gold and bringing the overall possible gold recovery to 95%. However, the concentrate would be required to be treated on site to make that option viable. At an estimated 10% weight recovery, 120-170 tons of concentrate is generated each day.

For the tailings, a good alternative to flotation testing could be gravity recovery as it has lower capital and operational costs. In the past, **BHP Minerals** has also emphasized the use of gravity for pre-concentration test work. It is suggested that as much as 70% of the gold could be recovered with this technique.

Previous size analysis suggests that a proportionally higher percentage of coarse gold could exist in the feed as the grade increases. **Blue Star** might perform additional testing on the gravity recovery on multiple samples of different grades in order to compare the results to what has been predicted of the ore body. It would also clarify whether a pre-concentration gravity circuit is necessary.

Wolfden conducted metallurgical testing through **SGS Lakefield** and primarily tested the application of Gekko Inline Pressure Jig ("IPJ") on the Ulu ore. General ore characterization tests including head analyses, comminution and environmental evaluations were also completed. Additionally, cyanide detoxification, leach discharge settling, and gold recovery by resin loading were also briefly studied at the property. According to the tests conducted, approximately 50.8% of the gold was recoverable by using a gravity step with a final grind size of 81 microns.

In 2016, **Blue Star** retained **Tetra Tech** to perform an independent technical evaluation of the Ulu Gold Property to evaluate the mining and milling of Ulu mineral ores. Initial metallurgical testing resulted in 90.4% gold recovery by gravity separation, flotation, and cyanidation using a carbon-in-leach ("CIL") process and a grind size of 80% passing 44 microns. According to the technical report, there was a substantial amount of gold occurring in nugget form. These recovery results confirmed **Echo Bay's** metallurgical test results from the 1990s.

4.0 Gold Industry Overview

As illustrated in [Figure 16](#), at the start of 2020, the price of gold broke through US\$1,600/oz. before the COVID-19 pandemic sent gold sharply down below US\$1,500/oz. As government stimulus increased around the world and fears of inflation rose, many investors shifted some assets into gold to hedge themselves against inflationary spending, and gold broke past US\$2,000/oz. for the first time in August 2020.

After hitting an all-time high in August 2020 of almost US\$2,060/oz., the price of gold went on a downward trend toward the end of 2020, breaking below US\$1,900 in late September and below US\$1,800 at the end of November. Investors seemed to shift from gold into U.S. dollars and cryptocurrencies such as bitcoin ("BTC").

At the beginning of December 2020, the price of gold rebounded after Joe Biden's U.S. election win and the potential for another U.S. government stimulus package that could send trillions of dollars into the economy. Vaccine rollouts could lead to an economic recovery starting later this year. As the North American stock markets continue to oscillate around new highs and price-to-earnings ratios hit new 11-year highs, the risk for stocks is currently to the downside. However, the price of gold started to slide at the start of 2021 and is now finding support above US\$1,700/oz.

Additional competition for gold investors was BTC as it started to take on gold's position as a store of value. BTC reached an all-time high of US\$41,940 per BTC at the beginning of this year. As digital currencies experience stronger adoption, more capital is flowing into investments related to cryptocurrencies.

Figure 16: Gold Price Chart – Five Years



Source: [TradingView.com](#)

Price Performance in 2021

Gold closed approximately 4% lower in 2021, just above US\$1,820/oz. The gold price averaged almost US\$1,790/oz. in Q3/2021, marginally lower than the Q2/2021 average.

The gold price rallied into the year-end likely caused by the fast-spreading omicron variant of COVID-19 and a "flight-to-quality", but it was not enough to offset losses from earlier in 2021.

After the first half of 2021, when the price of gold dropped by more than 10%, gold was range-bound between US\$1,700/oz. and US\$1,850/oz. for much of the year.

Up until the third quarter of 2021, gold supply was flat year-to-date even though mine production has steadily increased throughout 2021 and was up 5%, but gold recycling contracted by more than 12% over the same period. Gold mine production was down in 2020, after steadily rising over the past few years. Besides the pandemic, research attributed the decrease in production to the reduction in exploration budgets.

In November 2021, the release of the U.S. October CPI raised concerns about inflation that sent gold higher to above US\$1,860/oz. but its breakout from a downward trend that started in August 2020 was short-lived.

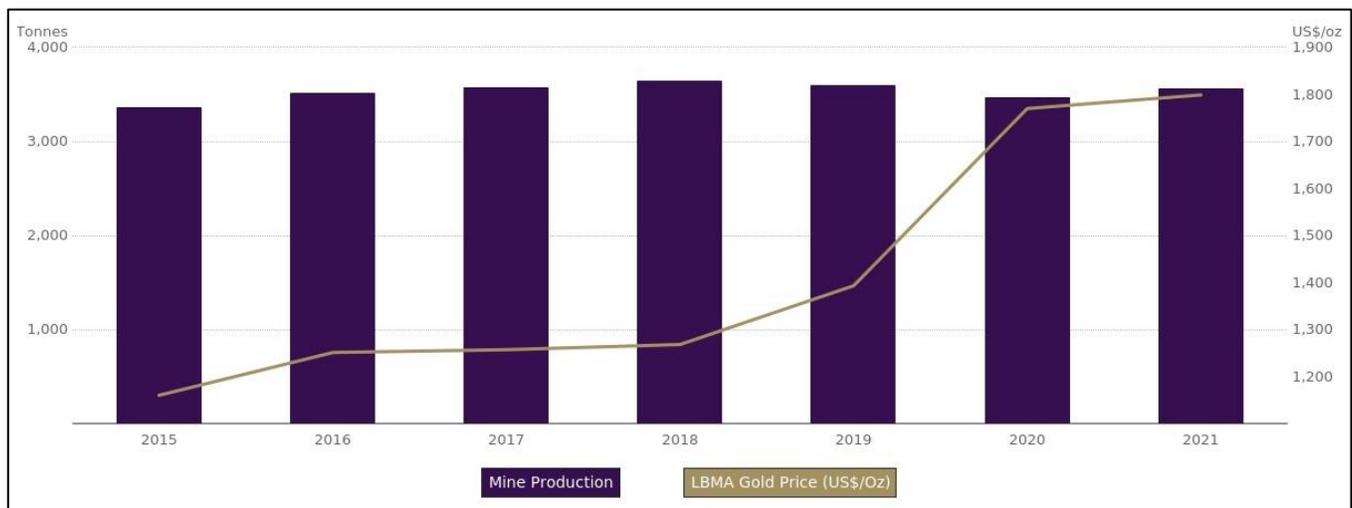
The gold price was supported by (1) concerns that inflation would not be transitory, (2) the market volatility linked to the omicron variant, and (3) new lockdown measures, but confronted headwinds from the potential of higher bond yields and a stronger U.S. dollar.

Price Performance in 2022

During the first quarter of 2022, the price of gold increased 8%, its best quarterly performance since Q2/2020. Also in Q1/2022, the sale of U.S. Mint gold coin hit the highest level since 1999.

Demand was fuelled by rapidly rising inflation rates and unexpected geopolitical risks for the Russian invasion of Ukraine.

Figure 17: World Gold Mine Production



Source: World Gold Council.

Gold Supply and Demand Trends

The **World Gold Council (WGC)** in its October 2021 report highlighted that global investment demand for gold fell 7% year-over-year in Q3/2021, which recorded large inflows in Q3/2020.

In 2021, the year-over-year demand from jewellery, technology, bar and coin investments, and central banks and other institutions buying could not offset the outflows from gold Exchange Traded Funds ("ETFs").

In 2022, gold investment demand remains strong. However, the price sensitivity of consumers may limit further price increases. Some evidence suggests that gold demand in markets such as India and China has been impacted by higher prices and rising COVID-19 cases.

Gold production from mines in 2021 hit 3,560.7 tonnes, slightly higher than 3,474.7 tonnes in 2020 but below 3,598.0 tonnes in 2019.

Since peaking in 2018, when the gold price averaged only US\$1,268/oz., gold production has been on a downward trend even as gold averaged US\$1,799/oz. per ounce ([Figure 17](#)).

While production is currently supported by higher gold prices, output will be weighed down by reserve depletion, lower-grade resources, and mine closures. Any decrease in the price of gold or increased costs could further impact supply from projects with large CAPEX or all-in sustaining costs (AISC).

Gold ETFs

According to the recent report from the WGC, Gold ETFs, a major buyer of gold, experienced net outflows of 6.4 tonnes (approximately US\$340 million) in December 2021 that followed the trends in the second half of 2021.

In December 2021, regionally, Europe and Asia registered net inflows into Gold ETFs while North America and other regions registered outflows.

North American outflows came from larger U.S. funds and could be attributed to the U.S. Federal Reserve indicating its intent to combat inflation with interest rate hikes while planning to scale back asset purchases early in the year. However, gold demand was supported by a "flight-to-quality" as the omicron variant resulted in new lockdowns.

In Q1/2022, gold ETFs inflows totalled 269 tonnes (US\$17 billion), the highest quarterly total since Q3/2020. The first quarter inflows more than offset the 174 tonnes of outflow in 2021.

Total assets in Gold ETFs now stand at 3,836 tonnes (US\$240 billion), the highest tonnage level since November 2020.

Cryptocurrency and Gold

In 2020, cryptocurrency funds received total investor inflows of US\$5.6 billion, a 600% increase year-over-year, according to **CoinShares**, a digital asset manager. Assets under management (AUM) for the whole sector reached US\$19.0 billion in 2020 compared with US\$2.6 billion in 2019.

In December 2021, the **WGC** commented that its analysis about investors switching to cryptocurrencies from gold revealed that cryptocurrencies had only a marginal effect on the price of gold without much statistical significance. The other investment possibility suggesting that cryptocurrencies were being bought instead of gold as a "better" inflation hedge, was also tested. The results showed that in the outlook of higher inflation expectations, gold also benefited from investor purchases.

5.0 Select Mining Projects in Canada's North

Northern Canada has emerged as a new mining and exploration hotspot with projects in Nunavut, the Northwest Territories, and the Yukon, and includes some of the following companies and projects.

Agnico Eagle Mines Limited (NYSE:AEM)

- www.agnicoeagle.com
- Market Cap: \$11.2 billion
- **Agnico Eagle** engages in the exploration, development, and production of mineral properties in Canada, Mexico, Sweden, and Finland.
- In Nunavut, it operates the Meliadine mine, the largest gold mine in northern Canada that produced 55,000 Au oz. in Q2/2021.
- **Agnico Eagle** also operates the Meadowbank mine in Nunavut which produced 85,500 Au oz. in Q2/2021.
- In February 2021, **Agnico Eagle** acquired **TMAC Resources** and the Hope Bay Property (Doris Gold mine, and Boston and Madrid deposits) in Nunavut. At one time, production from Hope Bay was the second-largest gold mine in northern Canada.

ATAC Resources Ltd. (TSXV:ATC)

- www.atacresources.com
- Market Cap: \$17.5 million
- **ATAC** is a gold-silver-lead-zinc exploration company with its flagship Rackla Gold Property, which comprises 8,739 claims over 1,700 km² located in the Mayo Mining District of Yukon Territory.
- **ATAC** is well-financed with approximately \$6 million in working capital.
- The Rackla Gold Property is comprised of three separate projects:
 1. Rau Project: Hosts the advanced-stage Tiger Gold Deposit with an M&I Mineral Resource of 464,000 Au oz. at an average grade of 3.19 g/t and a PEA with a pre-tax NPV(5%) of \$118.2 million and IRR of 54.5%;
 2. Osiris Project: Hosts an Inferred Mineral Resource of 1.7 million Au oz. at an average grade of 4.23 g/t;
 3. Orion Project: Hosts 13 Carlin-type gold prospects that are referred to as the Anubis Cluster.

Banyan Gold Corp. (TSXV:BYN)

- www.banyangold.com
- Market Cap: \$106 million
- **Banyan Gold** engages in the exploration and development of precious metals projects in Canada.
- Its primary assets are the AurMac and Hyland gold projects in the Yukon Territory.

Fortune Minerals (TSX:FT)

- www.fortuneminerals.com
- Market Cap: \$52 million
- **Fortune Minerals** is a development-stage company that was a past producer. The company is advancing its NICO Cobalt-Au-Cu project, which has a mine and mill proposed in the NWT.
- **Fortune Minerals** plans to produce a bulk concentrate at a refinery in southern Canada.

Fury Gold Mines Limited (TSX:FURY)

- www.furygoldmines.com
- Market Cap: \$105 million
- **Fury Gold** is a gold exploration company focused on projects in three Canadian mining regions: James Bay, Quebec; the Kitikmeot Region, Nunavut; and the Golden Triangle, British Columbia.
- **Fury Gold** owns a 100% interest in the Committee Bay gold project (Three Bluffs deposit) located in Nunavut, Canada, with a total Indicated Resource of 524,000 Au oz. (2.07 Mt at 7.85 g/t) and a total Inferred Resource of 720,000 Au oz. (2.93 Mt at 7.64 g/t).

Gold Terra Resource Corp. (TSXV:YGT)

- www.goldterracorp.com
- Market Cap: \$51 million
- **Gold Terra** is a gold exploration company that has assembled a district-scale land position near Yellowknife, Northwest Territories.
- It is currently focused on expanding and delineating gold resources at its Yellowknife City Gold Project and recently acquired the Con Mine Property from Newmont.

Metallic Minerals Corp. (TSXV:MMG)

- www.metallic-minerals.com
- Market Cap: \$60 million
- **Metallic Minerals** explores for silver, gold, copper, lead, and zinc deposits. Its flagship project is the Keno Silver Project in the Yukon which covers over 16,600 ha (over 41,000 acres).

Newmont Corporation (NYSE:NEM)

- www.newmont.com
- Market Cap: \$48.9 billion
- **Newmont Corporation** is a major precious metals and base metals producer.
- The company has operations and assets in various countries including the United States, Canada, Argentina, Australia, Chile, Dominican Republic, Ghana, Mexico, Peru, and Suriname.
- As of December 31, 2020, it had proven and probable gold reserves of 94.2 million oz. and a land position of 58,900 km².
- Coffee Gold Project, which covers 22,000 ha, may become one of the largest mines in the Yukon. The mine is expected to consist of four open pits – it is 130 km south of Dawson City. Coffee is anticipated to produce 2.6 million oz. of Au over 10 years.

Nighthawk Gold (TSX:NHK)

- www.nighthawkgold.com
- Market Cap: \$67.2 million
- **Nighthawk** is a gold developer exploring the Indin Lake Gold, in the Indin Lake Greenstone Belt, located approximately 200 km north of Yellowknife, Northwest Territories.
- It has a 900 km² land position within and a Mineral Resource Estimate of 58.2 Mt grading 1.44 g/t Au for 2.69 million Au oz. in the M&I category and 19.7 Mt grading 2.10 g/t Au for 1.33 million Au oz. in the Inferred category.

North Arrow Minerals Inc. (TSXV:NAR)

- www.northarrowminerals.com
- Market Cap: \$13 million
- North Arrow is a Canadian-based exploration company focused on diamond exploration opportunities in Canada, with projects located in Nunavut, Saskatchewan, and the Northwest Territories.

Rockhaven Resources Ltd. (TSXV:RK)

- www.rockhavenresources.com
- Market Cap: \$22.3 million
- **Rockhaven** is an exploration stage company that primarily explores for precious and base metal deposits. It holds a 100% interest in the Klaza gold-silver property, an Au-Ag-Pb-Zn project in the Whitehorse mining district, Yukon Territory, that has a total mineral resource (Indicated & Inferred) of 1.63 million gold-equivalent ounces.

Sabina Gold & Silver Corp. (TSX:SBB)

- www.sabinagoldsilver.com
- Market Cap: \$460 million
- **Sabina** is a late-stage gold-silver developer with a project based in Nunavut.
- Its flagship project is the Back River gold project comprising the Goose, George, Boulder, Boot, and Del properties that covers an area of almost 564 km².
- **Sabina** recently filed an Updated Feasibility Study on the Goose Mine, which highlighted a project that could produce 223,000 Au oz. a year for 15 years, with a payback of 2.3 years, and a post-tax IRR of 28% and NPV_{5%} of \$1.1 billion.

Seabridge Gold (TSX:SEA)

- www.seabridgegold.com
- Market Cap: \$1.5 billion
- **Seabridge Gold's** principal projects are:
 1. Kerr-Sulphurets-Mitchell property and Iskut project located in British Columbia, Canada;
 2. Courageous Lake property situated in Northwest Territories, Canada;
 3. Snowstorm project located in the Getchell Gold Belt of Northern Nevada; and
 4. 3 Aces project located in the Yukon Territory.

Silver Range Resources Ltd. (TSXV:SNG)

- www.silverrangeresources.com
- Market Cap: \$10.6 million
- **Silver Range** is a junior prospect generator resource exploration company focused on gold, silver, zinc, lead, and copper deposits.
- Its property portfolio comprises 40 mineral properties located in Nevada, the Northwest Territories, Nunavut, and the Yukon Territory.
- **SBG** has a portfolio of 43 properties, with 14 currently under option to others. Four other properties have been converted to royalty interests.

Sixty North Gold Mining Ltd. (CNSX:SXTY)

- www.sixtynorthgold.com
- Market Cap: \$6.5 million
- **Sixty North** is a gold developer advancing the Mon Gold property close to Yellowknife, NWT. The mine was previously operating from 1989-1997, producing 15,000 oz. of Au over that period. The project already has its production permit.

Snowline Gold Corp. (CNSX:SGD)

- www.snowlinegold.com
- Market Cap: \$60 million
- **Snowline** is a gold explorer focused on its Einarson and Rogue projects covering an area of 72,000 ha, in the Selwyn Basin, Yukon.

Triumph Gold Corp. (TSXV:TIG)

- www.triumphgoldcorp.com
- Market Cap: \$13.2 million
- **Triumph** is a junior exploration company that searches for gold, silver, copper, lead, zinc, and molybdenum deposits.
- Its flagship project is the Freegold Mountain polymetallic (Au-Cu-Mo-W-Pb-Zn) project in Yukon, Canada, with a total resource (Indicated & Inferred) of 2.1 million gold-equivalent ounces at an AuEq grade of 0.80 g/t.

Victoria Gold (TSX:VGCX)

- www.vgcx.com
- Market Cap: \$860 million
- **Victoria Gold's** flagship property is the 100%-owned Dublin Gulch property, which hosts the Eagle and Olive-Shamrock Gold deposit covering an area of 555 km² located in central Yukon, Canada.
- The Eagle Gold Mine is Yukon's newest operating gold mine with commercial production starting in 2020.

Western Copper and Gold Corporation (TSX:WRN)

- www.westerncopperandgold.com
- Market Cap: \$300 million
- **WRN's** flagship property is the Casino mineral property. It comprises 1,136 full and partial quartz claims, and 55 placer claims located in Yukon, Canada, and is currently in the permitting stage.

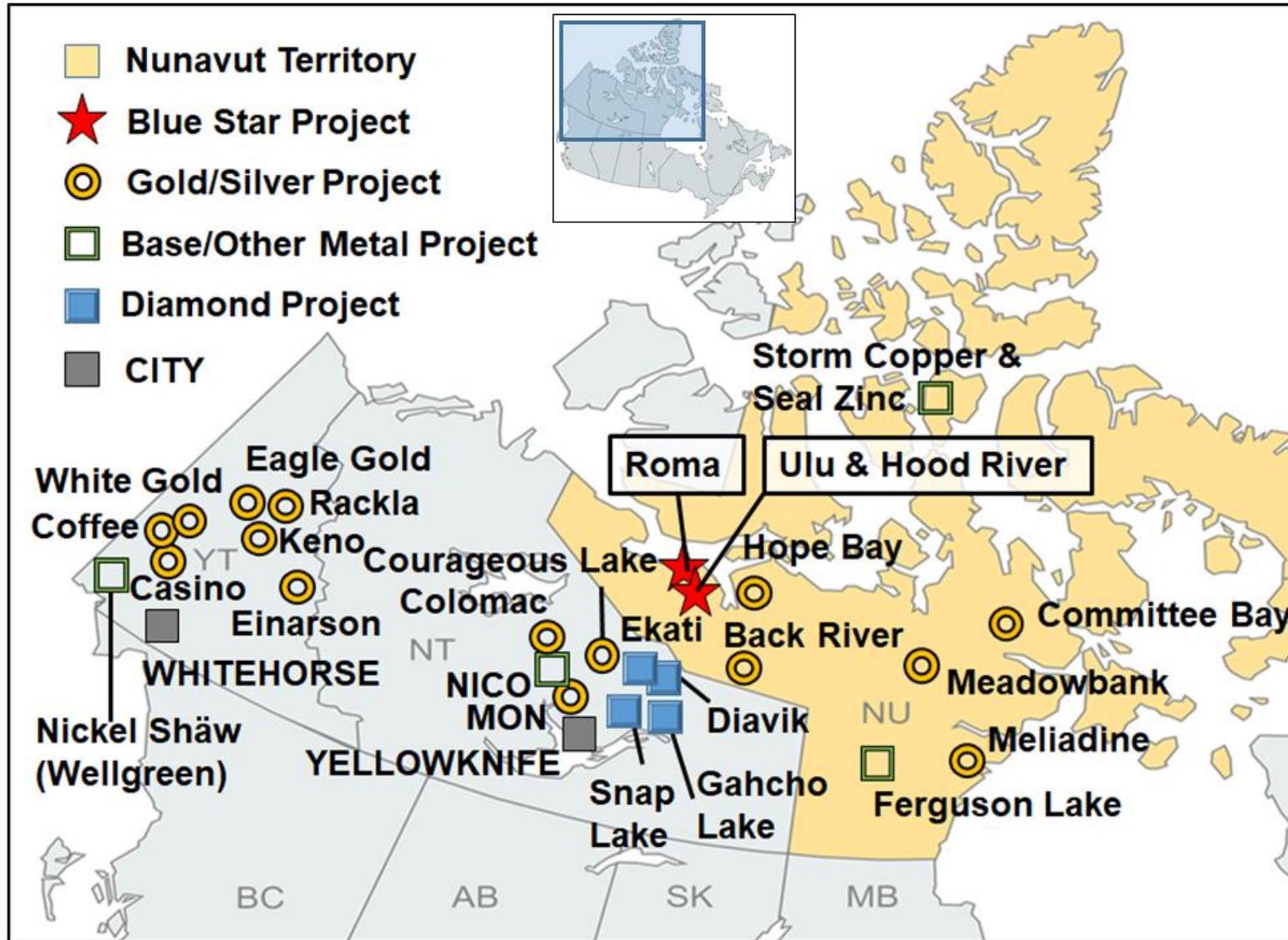
White Gold Corp. (TSXV:WGO)

- <http://www.westerncopperandgold.com/>
- Market Cap: \$100 million
- **White Gold** is a Canadian gold exploration company operating exclusively in the White Gold District located south of Dawson City in Yukon, Canada.
- **White Gold's** land package spans over 420,000 ha and its gold resources include the flagship Golden Saddle and Arc deposits which collectively contain Indicated Resources of 1,140,000 oz. at 2.28 g/t Au and Inferred resources of 402,100 oz. at 1.39 g/t Au, and the VG deposit, which contains Inferred Resources of 267,600 oz. at 1.62 g/t Au.

Diamond Projects

Recently, Canada has been one of the top three diamond-producing countries based on carats produced. Diamond mines in the area include the Diavik, EKATI, Gahcho Kué, and Snap Lake mines in the NWT, and Chidliak in Nunavut. **North Arrow Minerals Inc. (TSXV:NAR)** is also currently exploring for diamonds and has multiple projects in Nunavut and the NWT.

Figure 18: Regional Exploration Projects in Nunavut, the NWT, and the Yukon



Source: eResearch

6.0 Financial Statements, Capital Structure, & Cash Position

6.1 Capital Structure

December 2020 Financing

In December 2020, **Blue Star** closed a private placement by issuing approximately 22 million units, priced at \$0.08 per unit for gross proceeds of approximately \$1.75 million. Out of these proceeds, \$0.4 million was received by the end of November 2020. Each unit consisted of one common share and one common share purchase warrant. Each warrant was exercisable at \$0.11 per share for one year.

Financings in 2021

In January 2021, **Blue Star** issued approximately 1.52 million post-consolidation shares to settle loans and interest, totalling \$0.83 million at a deemed price of \$0.55 per share. The shares are valued at approximately \$1.6 million, priced at \$1.05 per share.

In February 2021, **Blue Star** issued 1.4 million post-consolidation shares as per the exercise of warrants, at \$0.75 per share, for gross proceeds of approximately \$1.05 million.

The Company also issued 0.3 million post-consolidation shares, valued at approximately \$0.69 million to Mr. Georg Pollert pertaining to a \$2.45 million loan received by **Blue Star** in December 2019. Additionally, the Company issued 0.1 million post-consolidation bonus shares, valued at approximately \$0.41 million to a non-related party concerning a \$0.25 million loan repaid in July 2021.

In the same month, pursuant to a Property Purchase Agreement, **Blue Star** issued 75,000 post-consolidation shares, valued at \$67,500 to acquire the Roma Property in the HLGB.

In June 2021, **Blue Star** closed the first tranche of its previously announced non-brokered flow-through and non-flow-through common shares via private placement. It issued approximately 1.46 million flow-through shares, priced at \$0.70 per share, and raised \$1 million in gross proceeds. **Blue Star** further issued approximately 2.45 million non-flow-through common shares, also priced at \$0.70 per share, and raised \$1.7 million in gross proceeds.

The Company consolidated its shares on a "one post-consolidated share for ten pre-consolidated shares" basis. Before the consolidation, 296.0 million shares were issued and outstanding; after the consolidation, the Company had approximately 29.6 million common shares issued and outstanding and the effective price of each share was \$0.70.

In July 2021, **Blue Star** issued 8.2 million post-consolidation shares pursuant to the convertible debts issued in July 2020 valued at approximately \$3.97 million. The Company also closed a non-brokered private placement and issued approximately 9.29 million common shares and 2.73 million flow-through shares, both priced at \$0.70 per share, for total gross proceeds of \$5.6 million.

The Company's total gross proceeds from all of the tranches, including the flow-through and non-flow-through share private placements, stood at approximately \$8.4 million.

The Company also announced that pursuant to the conversion of convertible debentures, it issued 8.4 million shares priced at \$0.50 per share.

At the end of August 2021, **Blue Star** had approximately 50.17 million post-consolidation common shares issued and outstanding.

In November 2021, the Company closed the final tranche of its non-brokered flow-through and non-flow-through common shares through private placement. It issued approximately 0.29 million flow-through shares, priced at \$0.72 per share, and raised \$0.19 million in gross proceeds. **Blue Star** further issued approximately 0.7 million non-flow-through common shares, priced at \$0.68 per share, and raised \$0.5 million in gross proceeds.

Stock Options

In December 2020, the Company granted approximately 1.06 million post-consolidated stock options to its directors, officers, and consultants, exercisable at \$1.10 per share for a term of three years, vested on the date of the grant. In March 2022, the Company granted 700,000 stock options to directors, officers and consultants that were exercisable at \$0.50 per share for a term of five years.

Warrants

As part of a convertible debentures private placement conversion that closed on July 3, 2020, **Blue Star** issued 8.2 million shares at a deemed price of \$0.50 per share in July 2021. Additionally, the Company announced that on July 12, 2021, a total of 7.85 million warrants were voluntarily cancelled by certain Warrant holders. The warrants were originally issued by the Company pursuant to private placements that closed on November 26, 2019 and July 3, 2020 and were exercisable at \$0.75 per share.

In December 2020, the Company closed a private placement and issued approximately 2.2 million post-consolidation units, priced at \$0.80 per unit, raising gross proceeds of \$1.76 million. Each unit consisted of one common share and one purchase warrant with each warrant exercisable at \$1.10 per share for a period of one year.

Share Count and Capitalization and Shareholders

Figure 19: Company Capitalization

Type	Share Count	Shares Outstanding (%)	Market Value (\$M)
Institutions	0	-	-
Individuals/Insiders	32,885,861	61.89	21.0
Public and Other	20,253,977	38.11	13.0
Total	53,139,838	100.00	34.0

Source: S&P Capital IQ (May 12, 2022)

Figure 20: Insider Shareholdings

Holder	Share Count	Shares Outstanding (%)	Market Value (\$M)
Georg Pollert, Director	24,284,961	45.70	15.5
Robert Pollert	6,255,700	11.77	4.0
Klaus Schmid, Director	2,173,700	4.09	1.4
Grant Ewing, CEO	121,500	0.23	0.1
Ke Feng Yuan, CFO	50,000	0.09	0.0
Total	32,885,861	61.89	21.0

Source: S&P Capital IQ (May 12, 2022); Company Reports

Figure 21: Derivatives

Type	Number	Weighted Average Exercise Price
Options	2,690,000	\$0.96
Warrants	2,798,910	\$1.03
Total	5,488,910	

Source: Company Financial Report (February 28, 2022)

6.2 Cash Position and Financial Statements

Blue Star has not proceeded with commercial production for any of its mineral projects and has no cash flows or operating revenues. Thus, it relies on the equity markets as its single source for operations working capital.

For a summary of the Financial Statements, please see [Appendix A](#).

During the three months ended February 28, 2022, **Blue Star** had a comprehensive loss of \$534,043 compared to a comprehensive loss of \$1,810,579 in the same period in the prior year.

Capital Expenditures vary depending on the exploration activity and were \$0.47 million in FQ1/2022 versus \$2.78 million in FQ4/2021, \$3.06 million in FQ3/2021, \$0.61 million in FQ2/2021, and \$1.04 million in FQ1/2021.

As of February 28, 2022, **Blue Star** had \$1.66 million in cash on its Balance Sheet and Total Liabilities of \$2.84 million, including \$2.34 million in Short-term Loans Payable.

One risk for the Company is that the Short-term Loan Payable of \$2.34 million exceeds the current Cash Balance of \$1.66 million.

Long-Term Deposits

As of February 28, 2022, **Blue Star** had the following long-term deposits:

1. A deposit of \$943,835 held by the KIA pursuant to its application to obtain a Land Use License to get access to the Inuit Owned Lands for the Hood River exploration camp and operations;
2. A deposit of \$1,685,542 held by the Crown-Indigenous Relations and Northern Affairs Canada, in relation to the Ulu Water License issued by the Nunavut Water Board for the reclamation liability of the mining license;
3. Advances of \$362,288 for exploration and evaluation expenditures.

Exploration and Evaluation Assets

Blue Star values its exploration assets as following:

- **Ulu Property:** \$10,196,402;
- **Hood River Property:** \$7,256,163;
- **Roma Property:** \$255,469;
- **Total:** \$17,708,034.

7.0 Valuation

We are Initiating Coverage on Blue Star Gold with a one-year Price Target of \$0.90 and a Speculative Buy Rating.

We are valuing **Blue Star** based only on the NI 43-101 resource of 831,000 Au oz. at the Ulu Gold Project. At this time, we are not assigning any value to the Company's other projects or targets.

Blue Star's goal is to define NI 43-101 Resources at both the Hood and Roma projects, and at other zones on the Ulu Project, as satellite deposits for a central milling facility at the Ulu Project near the Flood Zone deposit. These other projects and targets offer additional upside potential on the stock price as they are developed.

We calculated a Price Target of \$0.90 based on a Valuation Price of \$0.88 using the following assumptions:

- Using a multiple of 65x EV/oz.
 - The multiple of 65x was derived from the EV/oz. calculation of similar-stage companies, based on the average EV (US\$) per ounce. See "[Appendix E: Gold Comparison Companies](#)". The average of the NI 43-101/JORC Resource companies is \$65 EV/oz.
 - This valuation is supported by merger and acquisition (M&A) transactions in the gold industry over the past five years that resulted in an Average EV/oz. of US\$88 and a Mean EV/oz. of US\$55 (see [Figure 26](#) in Appendix F).
- The Adjusted Resource is based on the following formula: 100% credit for the Proven & Probable resource, 75% credit for the M&I resource, and 50% credit for Inferred resource.
 - Existing resource:
 - M&I: 605,000 Au oz.;
 - Inferred: 226,000 Au oz.
 - Resource for valuation = 75% x 605,000 + 50% x 226,000 = 566,750 Au oz.
- We are also assuming that Net Debt is zero (the Cash Balance in one year equals Debt), so that Enterprise Value equals Market Capitalization.
- We also assume there will be additional financings over the next year to fund exploration and possibly pay down the outstanding debt. We estimate the share count in one year will be 54.5 million shares.

Figure 22: Valuation Calculation

Adjusted Resource* (Au oz.)	Valuation Multiple (US\$/oz.)	Enterprise Value (US\$M)	Enterprise Value (C\$M)	Net Debt (C\$M)	Market Cap (C\$M)	No. of Shares in 1 Year (Est.) (M)	Valuation Price
566,750	65x	\$36.8	\$47.67	\$0.0	\$47.7	54.5**	\$0.88

Notes:
 *Adjusted resource calculated using 100% Proven & Probable, 75% Measured & Indicated, and 50% Inferred.
 **Assumes \$1 million financing at \$0.75 per share over the next year.

Source: eResearch

We are Initiating Coverage on Blue Star Gold with a one-year Price Target of \$0.90 and a Speculative Buy Rating.

Appendix A: Financial Statements

Figure 23: Income Statement

Blue Star Gold Corp. (TSXV:BAU) Income Statement (C\$, in thousands)	F2019 Nov 30, 2019	F2020 Nov 30, 2020	F2021 Nov 30, 2021	F2022-Q1 Feb 28, 2022
Total Revenue	0	0	0	0
Gross Profit	0	0	0	0
General & Admin Expense	1,193,522	2,668,989	2,277,778	527,782
Stock-Based Compensation	517,461	162,916	550,916	7,945
Exploration/Drilling Costs				
Depreciation & Amort.	1,709	29,587	168,204	41,935
Operating Expense Total	1,712,692	2,861,492	2,996,898	577,662
Operating Income	(1,712,692)	(2,861,492)	(2,996,898)	(577,662)
Other Non-Operating Inc. (Exp.)	0	0	(681,727)	43,619
EBT Excl. Unusual Items	(1,712,692)	(2,861,492)	(3,678,625)	(534,043)
Income Tax Expense	(323,855)	(280,299)	0	0
Net Income	(1,388,837)	(2,581,193)	(3,678,625)	(534,043)

Source: Company Financial Statements; eResearch

Figure 24: Balance Sheet

Blue Star Gold Corp. (TSXV:BAU) Balance Sheet				
(\$C, in thousands)	F2019 Nov 30, 2019	F2020 Nov 30, 2020	F2021 Nov 30, 2021	F2022-Q1 Feb 28, 2022
ASSETS				
Cash And Equivalents	94,725	128,043	2,433,209	1,663,495
Other Receivables	94,601	339,518	139,070	30,357
Prepaid Exp.	255,871	281,220	295,766	190,578
Total Current Assets	\$445,197	\$748,781	\$2,868,045	\$1,884,430
Gross Property, Plant & Equipment	713	369,795	521,576	479,903
Net Exploration And Evaluation Assets	4,992,290	10,607,385	17,233,182	17,708,034
Long-term Deposits		2,755,076	2,991,541	2,991,665
Right-of-use Assets	875,000	301,436	137,016	95,911
Total Assets	\$6,313,200	\$14,782,473	\$23,751,360	\$23,159,943
LIABILITIES				
Accounts Payable	582,511	670,637	119,233	77,832
Current Portion of Long-term Debt	492,154	1,551,225	2,281,562	2,339,026
Other Current Liabilities	376,185	610,031	351,241	313,478
Total Current Liabilities	\$1,450,850	\$2,831,893	\$2,752,036	\$2,730,336
Long-Term Debt	2,953,184	5,585,185		
Other Non-Current Liabilities	0	151,000	151,637	108,018
Total Liabilities	\$4,404,034	\$8,568,078	\$2,903,673	\$2,838,354
EQUITY				
Common Stock	8,964,629	15,385,183	33,937,314	33,937,314
Retained Earnings	(9,133,860)	(11,715,053)	(15,235,077)	(15,769,120)
Comprehensive Inc. and Other	2,078,397	2,544,265	2,145,450	2,153,395
Total Common Equity	\$1,909,166	\$6,214,395	\$20,847,687	\$20,321,589
Total Liabilities And Equity	\$6,313,200	\$14,782,473	\$23,751,360	\$23,159,943
Total Shares Outstanding on Filing Date (M)	129,600,304	147,970,628	53,139,838	53,139,838
Total Shares Outstanding on Balance Sheet Date (M)	129,600,304	147,970,628	53,139,838	53,139,838

Source: Company Financial Statements; eResearch

Figure 25: Cash Flow Statement

Blue Star Gold Corp. (TSXV:BAU)				
Cash Flow				
(\$C, in thousands)	F2019 Nov 30, 2019	F2020 Nov 30, 2020	F2021 Nov 30, 2021	F2022-Q1 Feb 28, 2022
Net Income	(1,388,837)	(2,581,193)	(3,678,625)	(534,043)
Depreciation & Amortization	1,709	29,587	168,204	41,935
Stock-Based Compensation	517,461	162,916	550,916	7,945
Other Operating Activities	(101,436)	656,063	1,261,982	17,972
Change in Account Receivable	0	0	200,448	108,713
Change in Account Payable	107,925	(107,623)	(168,626)	(11,018)
Change in Other Net Operating Assets	(154,602)	(149,258)	(254,921)	110,821
Cash Used in Operating Activities	\$(1,017,780)	\$(1,989,508)	\$(1,920,622)	\$(257,675)
Capital Expenditure	(1,919,740)	(7,416,027)	(7,239,491)	(464,516)
Cash Acquisitions	0	(380,273)	(252,506)	
Other Investing Activities	(875,000)	(194,534)		
Cash from Investing	\$(2,794,740)	\$(7,990,834)	\$(7,491,997)	\$(464,516)
Short Term Debt Issued	1,000,000	2,435,542	0	0
Long-Term Debt Issued	2,892,108	4,069,338	0	0
Total Debt Issued	3,892,108	6,504,880	0	0
Short Term Debt Repaid	0	(222,970)	(91,618)	
Long-Term Debt Repaid	0	0	(154,869)	(47,523)
Total Debt Repaid	0	(222,970)	(246,487)	(47,523)
Issuance of Common Stock	0	3,732,500	12,260,327	0
Share issuance costs	0	(750)	(296,055)	0
Total Dividends Paid	\$ -	\$ 3,731,750	\$ 11,964,272	\$ -
Cash from Financing	\$ 3,892,108	\$ 10,013,660	\$ 11,717,785	\$(47,523)
Net Change in Cash	\$ 79,588	\$ 33,318	\$ 2,305,166	\$(769,714)
Cash and Cash Equivalents, beginning of year	\$ 15,137	\$ 94,725	\$ 128,043	\$ 2,433,209
Cash and Cash Equivalents, end of year	\$ 94,725	\$ 128,043	\$ 2,433,209	\$ 1,663,495

Source: Company Financial Statements; eResearch

Appendix B: Key Management & Board of Directors

Management

Grant Ewing, P Geo, Chief Executive Officer (CEO)

- Grant Ewing, P.Ge, has been serving as the CEO at **Blue Star** since August 2020. Before joining **Blue Star**, he was the CEO at **Rockridge Resources Ltd. (TSXV:ROCK)**.
- Mr. Ewing has served as the CEO of multiple mining companies, including **Kiska Metals Corporation (TSXV:KSK)**, **Staccato Gold Resources (TSXV:CAT)**, and **Acadian Mining Corporation (TSXV:ADA)**.
- Mr. Ewing is a professional geologist with more than 25 years of mineral exploration experience in the industry. He holds a Bachelor's degree in Science from the University of Calgary, Alberta.

Andrea Yuan, Certified Public Accountant (CPA), Chief Financial Officer (CFO)

- Andrea Yuan is a CPA and has been the CFO at **Blue Star** since January 2020.
- Before joining **Blue Star**, Ms. Yuan served as the CFO of various companies, including **Glorious Creation Limited (CSE:GCIT)**, **WildSky Resources Inc. (TSXV:WSK)**, and **Vanity Capital Inc. (TSXV:VYC)**.
- Ms. Yuan holds a bachelor's degree in Economics from the **Shanghai University of Finance and Economics**, China.

Darren Lindsay, P Geo, Vice President, Exploration

- Darren Lindsay has been the Vice President of Exploration at **Blue Star** since January 2021.
- Mr. Lindsay previously worked as an Independent Director at **Visionary Gold Corp (TSXV:VIZ)**, as the Vice President of Exploration & Development at **International Consolidated Uranium Inc. (TSXV:CUR)**, and was the CEO at **Castle Peak Mining Ltd. (TSXV:CAP)**.
- Mr. Lindsay is a registered geoscientist in British Columbia, Nunavut, and the Northwest Territories with over 25 years of experience in mineral exploration, primarily orogenic gold systems.
- He holds two B.Sc Honours degrees, one in Geology from **the University of British Columbia** and the other in Biochemistry from **Carleton University**, Canada.

Advisors

Eugene Flood, P Geo, Technical Advisor

- Eugene Flood has been serving as a Technical Advisor at **Blue Star** since 2020. He has been the owner of **Flood Consulting** since 2000.
- While working for **BHP Minerals**, Mr. Flood discovered several mineralized zones on the Ulu Gold Property, including what is now known as the Flood Zone.
- Mr. Flood is a professional geologist with more than 35 years of global experience in mineral exploration, primarily orogenic gold systems. He holds a bachelor's degree in Geology from **Lakehead University**, Canada.

Peter Kuhn, Advisor

- Peter Kuhn served as a General Manager at Blue Star from August 2020 until retiring and now acts as an Advisor for the Company. He also served as an interim CEO at the Company before the appointment of Mr. Ewing.
- Mr. Kuhn was the President of Mining Development & Operations at **Centennial Resource Development Corp. (NASDAQ: CDEV)**, the President of **Thyssen Mining** in Regina, Saskatchewan, and the Chairman, Director and CEO at **Bullion River Gold Corp. (OTCBB: BLRV)**.
- Mr. Kuhn is an engineer and has been working as a mining consultant since 2001. He holds a master's degree in Engineering from the **Technical University of Clausthal**, Germany.

Board of Directors

Robert Metcalfe, Chairman

- Robert Metcalfe has been serving as an Independent Chairman at **Blue Star** since 2018.
- He is also a Director at several companies, including **Pasofino Gold Ltd. (TSXV:VEIN | OTCQB:EFRGF | FSE:N07)**, **BetterLife Pharma Inc. (CSE:BETR)**, and **Medcolcanna Organics Inc. (FRA:MO2)**.
- Mr. Metcalfe is a Member of the Institute of Corporate Directors (ICD) and the Law Society of Ontario. He holds two bachelor's degrees, one in Arts from **Dalhousie University**, Nova Scotia, and the other in Law from **Osgoode Hall Law School**, Ontario.

Judy Baker. Independent Director

- Judy Baker has been serving as an Independent Director at **Blue Star** since December 2018.
- She is also the CEO and Director of **Argo Gold Inc. (CSE:ARQ)** since July 2019.
- Ms. Baker has been the CEO of several companies, including **Superior Copper Corporation**, **God's Lake Resources Inc.**, **American Lithium Minerals Inc. (OTCMKTS:AMLM | OTCBK:AMLM)**, and **Canada Lithium Corp. (TSXV:CLQ)**.
- Ms. Baker has a master's degree in business administration from the Ivey School of Business, **University of Western Ontario**. She did her bachelor's in Mineral Exploration and Geological Engineering from **Queen's University**, Canada.

Dr. Georg Pollert, Non-Independent Director

- Georg Pollert has been serving as a Non-Independent Director at **Blue Star** since December 2018. He is a Chemist and Process Engineer from Berlin.
- Dr. Pollert previously served as the Chief Operating Officer (COO), Member of the Board, and HR Director of **Verbio Vereinigte BioEnergie AG (ETR:VBK)**.
- Dr. Pollert has experience in mining research, primarily coke oven gas production. He has also completed a Ph.D. in Chemical Engineering from the **Technical University**, Clausthal, Germany.

Klaus Schmid

- Klaus Schmid has been serving as an Independent Director at **Blue Star** since December 2018. He is also a Director at **Bürger-Energie-Fischerbach eG**.
- Mr. Schmid was a banker by profession and primarily focuses on corporate and investment banking.
- Mr. Schmid was one of the first investors in **EURASIA Holding**, and has invested in various resource companies. He is experienced in the junior and venture stock markets in Europe and North America.
- Mr. Schmid studied at the **Administrative and Business Academy**, in Freiburg, Germany.

Ken Yurichuk

- Ken Yurichuk has been serving as an Independent Director of **Blue Star** since May 2015. He is also an Independent Director at **Contrarian Resource Fund 2003 Management Ltd. of Ellipsiz Communications Ltd. (TSXV:ECT)** (formerly **NXA Inc.**)
- Mr. Yurichuk has served as a CFO at several companies, including **Contrarian Resource Fund 2003 Management Ltd., ValGold Resources Ltd., and NovaDx Ventures Corp.** He was also the Co-Chairman and Independent Director of **Emgold Mining Corp.**
- Mr. Yurichuk carries an extensive amount of accounting experience in both private and publicly traded companies across a wide range of businesses, including mining, real estate development, investment, and manufacturing.
- He holds a bachelor's degree in Commerce from **Ryerson University**, Canada.

Appendix C: Recent News Releases

Blue Star Gold Releases Final 2021 Results and Summarizes its 2022 Exploration Plans

February 15, 2022

- Flood Zone: Hole 21BSG025 returned 4.65m of 5.80 g/t gold from 25m below the surface.
- NFN Target: Hole 21BSG017 returned 2.05m of 10.10 g/t gold.
- Gnu Target: Hole 21BSG020 returned 5.34m of 3.72 g/t gold.
- Planning is underway for the 2022 exploration program. Currently, the Company is focusing on the following areas:
 - Adding ounces around recent successes: Gnu Zone, Central "C", Axis, and NFN zones;
 - Drill testing of high priority targets from the 2021 program that did not get tested: e.g., Zebra and Contact zones;
 - Evaluating the regional land package for highly prospective targets, including the Twilight and Roma Main zones.

Blue Star Gold Expands Hood River Mineral Exploration Agreement ("MEA") Adding Several High-quality Gold Target Areas

January 25, 2022

- **Blue Star** announced the signing of an expanded Hood River MEA with the NTI.
- **Blue Star** increased the Hood River Project area by 40% to a total of 112 km² and the expanded Hood River Project now includes the southern extension of the west limb of the Ulu fold that hosts the high-grade Flood Zone gold deposit.
- The expanded MEA adds several highly prospective targets including the near drill-ready Twilight Zone that lies approximately 300m southeast of the Flood Zone gold deposit.

Blue Star Gold Drills 5.21 g/t Gold over 3.00 Metres in a Structure Parallel to its High-grade Flood Zone Gold Deposit

January 19, 2022

- **Blue Star** provided results from an additional eight drill holes from its 2021 exploration program at its Ulu Project. Results from ten drill holes remain outstanding.
- Highlights from the recently completed drill program include:
 - Central Zone fence: Central-C (21BSG010) returned 5.21 g/t gold over 3.00m from approximately 50m below the surface;
 - Axis Zone: 21BSG009 returned 2.51 g/t gold over 3.00m;
 - Axis/Central Zone: 21BSG015 returned 3.80 g/t gold over 0.79m.

Blue Star Gold Acquires Roma Mineral Exploration Agreement Consolidating 40 Kilometres of the High Lake Greenstone Belt

January 12, 2022

- **Blue Star** announced the signing of an additional MEA with NTI and the staking of additional claims resulting in the continued consolidation of the Roma Project.
- **Blue Star** increased the Roma Project area by 89% to a total of 145.2 km² and now controls over 50 km of the prospective terrain of the Belt with its Ulu, Hood River, and Roma projects.

- In addition to drill-ready targets at Roma Main, five new prospective target areas at North Roma and four new target areas at South Roma have been identified following the recently completed geochemical sampling program

Blue Star Gold Announces Closing of a Non-Brokered Private Placement

November 29, 2021

- **Blue Star** announced it closed the final tranche of a non-brokered private placement of flow-through and non-flow-through common shares. The Company issued approximately 0.29 million flow-through shares priced at \$0.72 per share, and raised \$0.19 million in gross proceeds.
- **Blue Star** also issued 0.7 million common shares at \$0.68 per share, raising gross proceeds of \$0.5 million.
- The Company plans to use the net proceeds of the private placement for the exploration and development of its projects in Nunavut and general working capital purposes.

Blue Star Gold Announces Closing of First Tranche of a Non-Brokered Private Placement

November 17, 2021

- **Blue Star** announced the closing of the first tranche of its non-brokered flow-through private placement. The Company issued approximately 1.9 million flow-through shares at \$0.72 per share, and raised \$1.4 million in gross proceeds.
- The Company intends to use the proceeds to carry out further exploration and development work at its various projects in Nunavut.

Blue Star Gold Commences Trading on the OTCQB

November 16, 2021

- **Blue Star** announced that its common shares have been approved to commence trading on the OTCQB Venture Market under the ticker symbol **BAUFF**.
- The Company decided to trade on this US marketplace to provide current and potential US-based investors with better access, ease of trading, financial disclosures, home country disclosure, and real-time level 2 quotes.
- **Blue Star** also reported that it is in the process of completing the application for Depository Trust Company ("DTC") eligibility for electronic settlement and transfer of its shares in the United States.

Blue Star Gold Announces Non-brokered Private Placement of Flow-through Shares

November 4, 2021

- **Blue Star** announced that it plans to complete a non-brokered private placement of its flow-through common shares.
- The Company intended to raise up to \$0.2 million in gross proceeds with the private placement, priced at \$0.72 per share.
- **Blue Star** intends to use the proceeds to carry out further exploration and development work at its projects in Nunavut.

Blue Star Gold Drills 2.18m of 11.1 g/t Gold and 1.54m of 5.5 g/t Gold at Ulu Project

October 28, 2021

- **Blue Star** announced results from the additional five holes drilled at the Ulu Project in the HLGB, Nunavut. The Company confirmed the discovery of new vein systems at the Gnu Zone, now recognized as a region with several subzones.

- BS2020ULU-007 returned 2m of 52.7 g/t Au from the Gnu Zone, followed by 21BSG006, which returned 2.18m of 11.06 g/t Au. From the original Gnu target zone, 21BSG005 returned 1.54m of 5.53 g/t Au.
- Remaining samples from a new polymetallic vein discovery in the Gnu Zone region, 21BSG007 returned an additional intercept of 1.00m of 8.3 g/t Au from a shallower polymetallic quartz vein, parallel to the previously discovered vein, which returned 8.15m of 20.8 g/t Au.

Blue Star Gold Announces Investor Relations Engagement with G8 Strategies LLC

October 26, 2021

- **Blue Star** announced that it has entered into an Investor Relations and Marketing Agreement with **G8 Strategies LLC** to offer investor awareness services for the Company.
- **Blue Star** is looking to obtain an OTCQB listing to improve visibility and volume of share trading in U.S. markets.
- The agreement has been signed for an initial term of six months that commenced in October 2021 and will last until March 2022.

Blue Star Gold Provides Update on 2021 Exploration Program

October 20, 2021

- **Blue Star** released an update on its 2021 exploration program at the Ulu and Hood River properties, located in the HLGB, Nunavut.
- 25 drill holes were completed for 5,012m of diamond core drilling. 11 targets in 6 target zones were evaluated, and 2,534 core samples were collected for analysis.
- One result in the newly discovered vein system returned 8.15m of 20.8 g/t Au, approximately 750m northeast of the Flood Zone deposit.
- Two Flood Zone holes on the property returned 4.91m of 19.1 g/t Au, 7.00m of 6.9 g/t Au, and 2.64m of 13.0 g/t Au.

Blue Star Gold Drills 4.91 Metres of 19.1 g/t Gold in Flood Zone at its Ulu Project

September 22, 2021

- **Blue Star** shared an update on its 2021 exploration program that was being carried out at the Ulu and Hood River properties, located in the HLGB, Nunavut.
- The two holes at the Flood Zone, 21BSG001 and 21BSG002, returned 4.91m of 19.1 g/t Au and 7m of 6.9 g/t Au, and 2.64m of 13.0 g/t gold, respectively.

Blue Star Gold Drills 8.15 Metres of 20.8 g/t Gold in New Vein System at Ulu

September 1, 2021

- **Blue Star** shared an update on its 2021 exploration program that was being carried out at the Ulu and Hood River properties, and the maiden exploration campaign on the Roma Project, located in the HLGB, Nunavut.
- Hole 21BSG007, a follow-up hole below 21BSG005, intersected a new vein system in the Gnu zones, returning 8.15m of 20.8 g/t Au from 162.10m to 170.25m.
- During the process of core logging, visible gold was observed. A 2,495-line km detailed airborne magnetic survey was also completed over the key target areas on all project locations.

Appendix D: Company Risks

Blue Star is in the business of mining exploration and development, which inherently brings high levels of risk and uncertainty. The Company cannot guarantee that its exploration programs will assure profitable mining development.

Below we highlight other such risks.

Business and Operating Risks:

- **Blue Star** is still in the early stage of exploration with no history of economically profitable operations. Because these operations are speculative, there's no assurance that the Company would earn profit with its current or future exploration projects.
- **Blue Star** highly relies on the personal efforts and commitments of a few key personnel who are core to its operations. Losing these key individuals or the disruption of management could have a significant impact on the Company's business.
- The commercial viability of mineral deposits depends on a variety of factors, including the nature of the mineral deposit, metallurgy and physical structure, size grade, and real metal recoveries.
- **Blue Star's** forecasts are based on resource estimations and correct interpretation of geological data. Inaccurate predictions and differences in actual mineral supply can lead to losses, risking shareholders' returns on investment.
- The Company's business operations are subject to environmental disasters and hazards incidental to mining companies, including floods, explosions, cave-ins, and landslides.

Financial Risks:

- Because the Company's business is capital-intensive, issues such as undercapitalization and fluctuations in the market price of metals and minerals can lead to cash shortages.
- Although **Blue Star** has been able to obtain finances in the past by selling equity and debt securities and through joint ventures, there is no guarantee that it will get adequate financing in the future or that the terms of such financing will be in the Company's favour.
- **Blue Star** might have to spend more money on identifying and locating economically viable mineral deposits, developing metallurgical processes, and constructing mining and processing facilities at a particular site.

Legal & Regulatory Risks:

- **Blue Star** operates under several tax and labour laws and regulations pertaining to mining and exploration. Change in or violation of such laws can lead to penalties and other liabilities.
- In the case of extreme breaches, the permission to operate can be withdrawn temporarily or even permanently.
- Local, political and economic developments, including expropriation, invalidation of governmental orders, inability to obtain permits, and labour disputes can all affect the Company's operations and investments.

Geographical Risks

- **Blue Star's** Hood River Property project is located in the Arctic where it's extremely cold during winters. The temperatures can reach up to -45 degrees Celsius in the winter, making the target zones difficult to access during winters.

Appendix E: Gold Comparison Companies

Figure 26: Gold Comp Table – NI 43-101/JORC Resource Stage – Primarily Canadian Projects

COMPANY NAME	TICKER	PRICE	CASH (M)	DEBT (M)	EV (M)	EBITDA (M)	EV/EBITDA	EV/Oz.* (US\$/oz.)	LOCATION	PROJECT (Flagship)
NI 43-101/JORC RESOURCE										
Blue Star Gold	TSXV:BAU	\$0.67	\$1.66	\$2.45	\$36.4	-\$1.16		\$50	Nunavut	Ulu
55 North Mining	CSE:FFF	\$0.04	\$0.12	\$0.03	\$3.9	\$0.00		\$25	Manitoba	Last Hope
Aurelius Minerals	TSXV:AUL	\$0.28	\$1.33	\$0.50	\$12.5	-\$8.68		\$16	Nova Scotia	Aureus
Auteco Minerals	ASX:AUT	A\$0.06	A\$10.54	A\$0.17	\$111.9	-\$2.66		\$70	Ontario	Pickle Crow
Banyan Gold	TSXV:BYN	\$0.44	\$8.64	\$0.00	\$86.9	-\$2.30		\$87	Yukon	Hyland
Cartier Resources	TSXV:ECR	\$0.12	\$6.28	\$0.12	\$24.2	-\$1.30		\$14	Quebec	Chimo
Genesis Metals	TSXV:GIS	\$0.13	\$1.93	\$0.00	\$6.3	-\$3.36		\$9	Quebec	Chevrier
Getchell Gold	CSE:GTCH	\$0.40	\$3.64	\$0.00	\$38.3	-\$5.44		\$46	Nevada	Fondaway Canyon
Gold Terra	TSXV:YGT	\$0.22	\$2.15	\$0.00	\$47.0	-\$1.66		\$60	NWT	Yellowknife City
Grande Portage Resources	TSXV:GPG	\$0.35	\$5.09	\$0.00	\$33.1	\$0.00		\$24	Alaska	Herbert
HelioStar Metals	TSXV:HSTR	\$0.30	\$3.08	\$0.00	\$8.5	-\$8.53		\$33	Alaska	Unga
HighGold Mining	TSXV:HIGH	\$0.84	\$23.15	\$0.00	\$38.2	\$0.00		\$89	Alaska	Johnson Tract
Landore Resources	AIM:LND	£0.23	£2.31	£0.00	\$36.6	-\$4.43		\$43	Ontario	BAM
Magna Terra Minerals	TSXV:MTT	\$0.10	\$0.89	\$0.01	\$4.8	\$0.00		\$18	Newfoundland	Great Northern
Maple Gold Mines	TSXV:MGM	\$0.19	\$21.91	\$0.23	\$40.4	-\$6.31		\$38	Quebec	Douay
MAS Gold	TSXV:MAS	\$0.09	\$0.13	\$0.05	\$14.8	\$0.00		\$19	Sask.	Preview North
Nighthawk Gold	TSXV:NHK	\$0.00	\$13.83	\$0.00	\$45.1	\$0.00		\$13	NWT	Indin Lake
Osisko Development	TSXV:ODV	\$11.70	\$33.41	\$13.63	\$525.6	-\$55.21		\$108	B.C.	Cariboo Gold
Radisson Mining	TSXV:RDS	\$0.14	\$10.95	\$0.00	\$31.8	-\$1.96		\$85	Quebec	O'Brien
Red Pine Exploration	TSXV:RPX	\$0.41	\$10.16	\$0.16	\$37.0	-\$21.13		\$70	Ontario	Wawa
Renforth Resources	CSE:RFR	\$0.05	\$4.46	\$0.00	\$11.0	\$0.00		\$51	Quebec	Parbec
Rupert Resources	TSXV:RUP	\$4.80	\$49.75	\$0.00	\$931.5	-\$5.31		\$320	Finland	Pahtavaara
Satori Resources	TSXV:BUD	\$0.13	\$3.10	\$0.00	\$10.3	-\$0.59		\$42	Sask.	Tartan Lake
Sirios Resources	TSXV:SOI	\$0.07	\$0.83	\$0.04	\$17.1	-\$0.71		\$14	Quebec	Cheechoo
Talisker Res	TSX:TSK	\$0.23	\$12.57	\$0.59	\$60.5	-\$40.63		\$436	B.C.	Bralorne
Triumph Gold	TSXV:TIG	\$0.09	\$0.04	\$0.11	\$11.2	-\$5.04		\$7	Yukon	Freegold Mountain
Wallbridge Mining	TSXV:WM	\$0.28	\$39.49	\$0.10	\$212.1	-\$4.97		\$48	Quebec	Detour-Fenelon
West Red Lake	CSE:RLG	\$0.05	\$0.52	\$0.04	\$9.2	-\$0.98		\$19	Ontario	West Red Lake
White Gold	TSXV:WGO	\$0.46	\$9.65	\$0.00	\$65.1	-\$3.20		\$43	Yukon	Golden Saddle & Arc
Whitehorse Gold	TSXV:WHG	\$0.52	\$5.15	\$0.04	\$22.4	-\$2.02		\$46	Yukon	Skukum
Average					\$86.1			\$65		
Median					\$33.1			\$43		

Note: *Resources calculated using 100% Proven & Probable, 75% Measured & Indicated, and 50% Inferred

Sources: S&P Capital IQ; Company Presentations and SEDAR Filings; eResearch Corp.

Appendix F: Merger & Acquisition Activity in Mining

With gold and silver setting a new floors level at around US\$1,900/ounce and US\$22/ounce, respectively, market sentiment forecasting continued upside potential and a low interest borrowing environment, M&A activity has surged over the past year. Below is a sample of M&A activity in the precious metals industry over the past five years.

Figure 27: Recent Gold Mining Deals

Offer Date	Close Date	Acquiring Company	Target Company	Project Name & Location	Transaction Size (C\$ M)	Enterprise Value (C\$ M)	EV/oz (US\$)	
Mar-11-2022	pending	MAG Silver Corp. (TSX:MAG)	Gatling Exploration Inc. (TSXV:GTR)	Larder; Ontario	\$18.45	\$18.4	\$11	
Feb-28-2022	pending	Perseus Mining Limited (ASX:PRU)	Orca Gold Inc. (TSXV:ORG)	Block 14; Sudan	\$179.50	\$205.6	\$58	
Jul-13-2021	Jan-18-2022	AngloGold Ashanti Holdings plc	Corvus Gold Inc.	North Bullfrog; Nevada	\$456.18	\$552.5	\$175	
Mar-14-2021	May-19-2021	Evolution Mining Limited (ASX:EVN)	Battle North Gold Corporation	Bateman; Ontario	\$359.87	\$313.1	\$189	
Mar-10-2021	May-17-2021	Newmont Corporation (NYSE:NEM)	GT Gold Corp.	Tatogga; B.C.	\$385.81	\$437.9	\$41	
Jan-20-2021	Apr-07-2021	Eldorado Gold Corporation (TSX:ELD)	QMX Gold Corporation	Bonnefond South; Quebec	\$110.94	\$125.4	\$144	
Jan-05-2021	Feb-02-2021	Agnico Eagle Mines Limited (NYSE:AEM)	TMAC Resources Inc.	Hope Bay; Nunavut	\$460.61	\$389.1	\$42	
Nov-02-2020	Jan-21-2021	Yamana Gold Inc. (TSX:YRI)	Monarch Gold Corporation	Wasamac; Quebec	\$147.04	\$119.3	\$27	
Jul-29-2020	Oct-09-2020	Fury Gold Mines Limited (TSX:FURY)	Eastmain Resources Inc.	Eau Claire; Quebec	\$160.42	\$156.1	\$88	
Sep-23-2019	Nov-21-2019	Osisko Gold Royalties Ltd (TSX:OR)	Barkerville Gold Mines	Cariboo; B.C.	\$225.36	\$309.5	\$53	
Jan-07-2019	Mar-28-2019	Ascot Resources Ltd. (TSX:AOT)	IDM Mining Ltd.	Red Mountain; B.C.	\$44.56	\$41.8	\$41	
May-14-2017	Jul-10-2017	Eldorado Gold Corporation (TSX:ELD)	Integra Gold Corp.	Lamaque; Quebec	\$536.97	\$579.7	\$188	
						Average	\$270.7	\$88
						Median	\$257.6	\$55

Source: S&P Capital IQ; Company News Releases and SEDAR Filings; eResearch Corp.

Skeena Resources Announces Acquisition of QuestEx Gold & Copper Ltd. and Concurrent Sale of QuestEx Assets to Newmont Corporation

March 30, 2022

- **Skeena Resources (TSX:SKE)** announced that it has signed a binding agreement with **QuestEx Gold & Copper (TSXV:QEX)** whereby **Skeena** will acquire all of the issued and outstanding shares of **QuestEx** for \$0.65 in cash and 0.0367 Skeena's share, representing a total consideration of approximately \$48.6 million, or approximately \$1.20 per **QuestEx** share.
- **Skeena** has signed a concurrent binding agreement with **Newmont** to sell certain **QuestEx** properties to **Newmont** via an asset purchase agreement for approximately \$27 million.

MAG Silver to Acquire Gatling Exploration

March 11, 2022

- **MAG Silver (TSX:MAG)** announced that it entered into an agreement to acquire **Gatling Exploration (TSXV:GTR)** for 0.01702627 of a common share of **MAG** for each share of **Gatling** held that values **Gatling** at \$18 million or approximately \$0.40 per share.
- **Gatling** is a Canadian gold exploration company focused on advancing the Larder Gold Project, located in the Abitibi greenstone belt in northern Ontario, Canada.

Perseus Mining Limited Enters into Agreement to Acquire Orca Gold Inc.

February 27, 2022

- **Perseus Mining (ASX:PRU)** announced the acquisition of **Orca Gold (TSXV:ORG)** for \$215 million or 0.56 **Perseus** shares for every **Orca** share held. The implied consideration of \$0.896 per **Orca** share represents a 62.9% premium to **Orca's** last closing price.
- **Orca Gold** is a Canadian resource company focused on developing the 70%-owned Block 14 Project in Sudan for which a Feasibility Study was completed in September 2020 and has a Probable Reserve of 2.85 million gold ounces.

Osisko Development Announces Proposed Acquisition of Tintic Consolidated Metals

January 25, 2022

- **Osisko Development (TSXV:ODV)** announced that it has entered into definitive agreements with **IG Tintic** and **Ruby Hollow**, to acquire 100% of **Tintic Consolidated Metals** for approximately US\$177 million.
- **Tintic Consolidated** owns 100% of the producing Trixie Mine, as well as mineral claims covering more than 17,000 acres in central Utah's Tintic Mining District.
- Gold production from underground mining at the Trixie Mine in 2021 was 14,709 oz. at an average head grade of 59 g/t.

Kinross to Acquire Great Bear for \$29.00 per Share, Plus a Contingent Value Right

December 8, 2021

- **Kinross Gold** announced that it has entered into an agreement to acquire **Great Bear Resources (TSXV:GBR | OTCQX:GTBAF)** for \$29.00 per **Great Bear** common share on a fully diluted basis at approximately \$1.8 billion in cash and **Kinross** shares. **Kinross** will acquire **Great Bear's** flagship Dixie project located in the Red Lake mining district in Ontario, Canada.
- **Great Bear** shareholders could also receive contingent consideration of approximately \$58.2 million or \$1.00 per **Great Bear** common share in connection with the public announcement of commercial production at the Dixie project.

Newcrest Mining Agrees to Acquire Pretium Resources

November 8, 2021

- **Newcrest Mining Limited (TSX:NCM | ASX:NCM)** has entered into an agreement to acquire all of the issued and outstanding common shares of **Pretium Resources Inc. (TSX:PVG | NYSE:PVG)** for \$18.50 per share in cash or 0.80847 **Newcrest** shares per **Pretium** share.
- The deal adds **Pretium's** Brucejack Mine to **Newcrest's** portfolio of assets and increases **Newcrest's** gold production by over 300,000 oz. per year to more than 2.0 million gold oz.

Chifeng Jilong Gold to Acquire Golden Star Resources

November 1, 2021

- **Chifeng Jilong Gold Mining (SHSE:600988)** and **Golden Star Resources Ltd. (TSX:GSC)** announced that they have entered into a definitive agreement in which **Chifeng** has agreed to acquire all of the issued and outstanding common shares of **Golden Star** for US\$3.91 (\$4.85) per Golden Star share, totalling approximately US\$470 million.
- **Golden Star** owns and operates the Wassa underground mine in Ghana, West Africa.

Calibre Mining Announces Acquisition of Fiore Gold in Nevada

October 15, 2021

- **Calibre Mining Corp. (TSX:CXB | OTCQX:CXBMF)** and **Fiore Gold Ltd. (TSXV:F | OTCQB:FIOGF)** announced that they have entered into a definitive arrangement agreement whereby **Calibre** will acquire all of the issued and outstanding common shares of **Fiore**.
- **Fiore** shareholders will receive 0.994 of a **Calibre** common share and \$0.10 in cash for each **Fiore** common share held, implying \$1.80 per **Fiore** common share and values the deal at \$190.3 million.
- **Calibre** will be acquiring a 100% interest in **Fiore's** operating Pan Gold Mine in Nevada with gold production of approximately 50,000 oz. per year.

Gold Resource Corporation Enters into Arrangement Agreement with Aquila Resources

October 6, 2021

- **Gold Resource (NYSE:GORO)** announced that it entered into a definitive agreement to acquire **Aquila Resources (TSX:AQA)** for 0.0399 of a **Gold Resource** share per **Aquila** share, representing a consideration of \$0.09 per **Aquila** share or approximately \$30.9 million. **Aquila** is a development-stage company focused on the 100%-owned gold and zinc Back Forty Project in Michigan that contains approximately 1.1 million oz. of Au and 1.2 billion pounds of Zn in M&I resources.

Agnico Eagle and Kirkland Lake Gold Announce Merger of Equals

September 28, 2021

- **Agnico Eagle (TSX:AEM)** and **Kirkland Lake Gold (TSX:KL)** announced that they have entered into an agreement to combine in a merger to create a company with 48 million oz. in mineral reserves. According to the merger agreement, **Kirkland Lake Gold** shareholders will receive 0.7935 of an **Agnico Eagle** common share, valuing **Kirkland Lake Gold** at \$12.4 billion.

AngloGold Ashanti Signs Definitive Agreement to Acquire Corvus

September 13, 2021

- **AngloGold Ashanti (JSE:ANG | NYSE:AU)** and **Corvus Gold (TSX:KOR)** announced that **AngloGold** has agreed to acquire the remaining 80.5% of common shares of **Corvus** not already owned, at a price of \$4.10 per common share in cash or approximately US\$370 million. The transaction values **Corvus** common shares at approximately \$570 million (US\$450 million).

Fortuna Silver Mines and Roxgold Complete Combination

July 2, 2021

- **Fortuna Silver Mines Inc. (NYSE:FSM | TSX:FVI)** and **Roxgold Inc. (TSX:ROXG | OTCQX:ROGFF)** announced the completion of the previously announced business combination between **Fortuna** and **Roxgold**.

Silver X Mining and Latitude Silver Announce Closing of Business Combination

June 23, 2021

- The merger creates a new growth-focused silver producer and developer in Peru, led by a team with a proven track record, and well-financed with more than \$14 million raised in a concurrent financing.

Apollo Signs Definitive Acquisition Agreement to Acquire Stronghold Silver

May 12, 2021

- **Apollo Gold & Silver (TSXV:APGO)** entered into a definitive agreement to acquire all the issued and outstanding shares of privately held **Stronghold Silver Corp.** **Stronghold** holds the rights to three large-scale silver projects: Waterloo and Langtry in California and the Silver District in Arizona.

Evolution Mining to Acquire Battle North for \$274 Million in All-cash Deal

March 15, 2021

- Australia-based producer **Evolution Mining (ASX:EVN)** is acquiring **Battle North Gold (TSX:BNAU)** for \$343 million (US\$274 million) at \$2.65 per share. The all-cash offer represents a 46% premium to **Battle North's** last close and a 54% premium to its 20-day weighted average price.
- **Battle North's** Bateman and **Evolution Mining's** Red Lake complex are both in the Red Lake mining district in Ontario, Canada.

Appendix G: eResearch Disclosure

eRESEARCH CORPORATION

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ANALYST ACCREDITATION

eResearch Analyst on this Report: Chris Thompson CFA, MBA, P.Eng.

Analyst Affirmation: I, Chris Thompson, hereby state that, at the time of issuance of this research report, I do not own common shares, share options, or share warrants of Blue Star Gold Corp. (TSXV:BAU).

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