

This lease made in duplicate this 15th day of August, 2016.

BETWEEN:

HER MAJESTY THE QUEEN, in right of the Province of Nova Scotia, as represented by the Administrator, Nova Scotia Department of Fisheries and Aquaculture, as appointed under section 54A of the Fisheries and Coastal Resources Act, SNS 1996, c. 25,

hereinafter referred to as "**THE ADMINISTRATOR**"

OF THE ONE PART

- and -

KELLY COVE SALMON LTD
1 FUNDY BAY DRIVE
ST. GEORGE, NB E5C3E2

hereinafter referred to as "**THE LESSEE**"

OF THE OTHER PART

WHEREAS the Administrator, under the provisions of the Fisheries and Coastal Resources Act, S.N.S. 1996, Chapter 25 (the "Act") and the Aquaculture Licence and Lease Regulations (the "Regulations"), is authorized to renew aquaculture licences and aquaculture leases;

AND WHEREAS pursuant to the Act the Lessee was issued Aquaculture Lease No. 1039 for February 8, 2012 for a five year term from April 27, 2011 to April 26, 2016;

AND WHEREAS the Lessee wishes to renew aquaculture Lease No. 1039;

NOW THEREFORE in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. The Administrator hereby grants to the Lessee a lease to use a 8.75 hectare area located in the body of waters known as Annapolis Basin, more particularly described in Schedule "A" attached to and forming part of this Agreement (the "site") for the Marine suspended cage cultivation of *Salmo salar* (Atlantic salmon), *Hippoglossus hippoglossus* (Atlantic halibut), *Gadus morhua* (Atlantic cod), *Oncorhynchus mykiss* (Rainbow trout) and *Meranogrammus aeglefinus* (haddock).
2. The term of this lease shall be for twenty years commencing on the 27th day of April, 2016 to the 27th day of April, 2036 with the right of renewal, in accordance with the terms of the Act and the Regulations.
3. The Lessee shall pay to the Minister of Finance and Treasury Board an annual fee as set out in the Regulations. The annual payment must be received by the anniversary date of the lease. Late payments are subject to a fee as set out in the Regulations.
4. The undertakings set out in Schedule "B" to this lease (the "undertakings"), form part of this Agreement, and the Lessee hereby agrees to comply with any conditions or limitations contained in the undertakings unless compliance for licensing purposes is expressly waived by the Administrator. The Lessee is responsible for confirming any undertakings and ensuring compliance with them.

5. The Lessee agrees to comply with any permits, protocols, approvals, licenses or permissions (the "licensing requirements") which may be required under the laws of the relevant municipality, the Province or Canada. The Lessee is responsible for confirming any licensing requirements and ensuring compliance with them.
6. This lease must not be assigned except with the written approval of the Administrator. If the Lessee is a corporation, any change in the right to control the corporation shall be deemed to be an assignment. No assignment shall be binding on the Administrator until approved by him in accordance with the Regulations.
7. In the event that the Lessee shall cease conducting an aquaculture business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver of its business assets, or avail itself of any proceeding in bankruptcy under any statute relating to insolvency or the protection of rights of creditors, the Administrator may revoke this lease and this Agreement shall be of no further force and effect subject only to the right of Her Majesty the Queen in right of the Province of Nova Scotia ("Her Majesty") to claim for damages.
8. The Lessee must adhere to the Farm Management Plan, as it is in effect for this lease from time to time, and any failure to adhere to the Farm Management Plan is a breach of this lease.
9. The Lessee shall submit to the Minister of the Nova Scotia Department of Fisheries and Aquaculture (the "Minister") an annual report stating such information as the Minister requires concerning the Lessee's use and the productivity of the site.
10. The Lessee is hereby prohibited from using the site in any way that would interfere with other leased aquaculture operations.
11. If the Administrator, in his or her sole discretion, is of the opinion that the aquaculture activities authorized by this lease are detrimental to or interfere with other leased facilities, the Administrator may revoke this lease without compensation.
12. Following the completion of a performance review, in accordance with the Regulations, of the aquacultural operation subject to this lease, the Administrator may vary any terms or conditions of this lease in order to address any concerns raised in the performance review.
13. The Administrator may revoke this lease without advance notice or compensation if the Lessee is found by a court of competent jurisdiction to be in violation of any law of the Province or Canada relating to fishery activities.
14. If the Lessee fails to perform any of its obligations under this lease, the Minister may have the obligations performed, with the amount of any costs incurred to be a debt due to Her Majesty, for which Her Majesty shall have a first priority charge on the aquacultural produce within the site.
15. If the Lessee is in breach of any term of this lease and such breach is not corrected within the time period set out in the notice from the Administrator, the Administrator may revoke this lease without further notice or compensation.
16. Should it become necessary for Her Majesty to expropriate the Lessee's rights under this lease, it is hereby agreed that the value of the lease for purposes of expropriation compensation shall not exceed the depreciated value of improvements made by the Lessee that cannot be removed from the site. No compensation may be claimed for the cancellation of this lease where compensation is paid or payable in relation to the expropriation of a lease for the same area.

- 17. Any notices required to be given under this lease may be sent by regular mail to the parties at their addresses set out in the heading of this Agreement, and notice will be deemed to have been received by the intended recipient thereof five business days from the date on which the notice is post-marked. The parties, by agreement, may effect notice by any other means. The Lessee must notify the Administrator of any change of address within thirty (30) days.
- 18. Nothing in this Agreement shall be taken as a warranty by the Administrator that the site may be used now or in the future by the Lessee for aquaculture purposes. The Administrator assumes no responsibility whatsoever for any private property rights or for the actions of other levels of government which may interfere with the use of the site for aquaculture purposes.
- 19. This lease shall be subject to the laws of the Province of Nova Scotia and the parties hereby agree to attorn to its courts.
- 20. This lease shall be subject to any changes made from time to time in the Act, the Regulations or any other relevant legislation.


IN WITNESS WHEREOF the Parties have caused this Agreement to be duly executed.

SIGNED, SEALED AND DELIVERED
in the presence of

HER MAJESTY THE QUEEN
in right of the Province of Nova Scotia, as
represented by the Administrator, Nova Scotia
Department of Fisheries and Aquaculture

[Redacted signature]

Witness

[Redacted signature] 

Administrator, Nova Scotia Department
of Fisheries and Aquaculture

[Redacted signature]

Witness

Kelly Cove Salmon Ltd.
Per: [Redacted signature]

Glenn Cooke



Schedule A
GPS COORDINATE INFORMATION SHEET

Application #: 1039
Applicant: Kelly Cove Salmon Ltd.
Location: Annapolis Basin County: Annapolis
Hydrographic Chart: 4396 Orthophoto #:
Dimensions of site: 160m x 464m x 209m x 461m Size: 8.75 ha.

Approximate Coordinates of Application:

Datum used: NAD 83

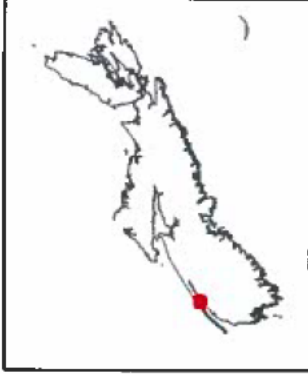
Centre coordinates (Approx.) Lat. 44° 39' 12.48"
Long. -65° 45' 22.68"

Corner #1	Lat. 44° 39' 20.34"	Corner #2	Lat. 44° 39' 20.40"
	Long. -65° 45' 27.36"		Long. -65° 45' 20.10"

Corner #3	Lat. 44° 39' 08.76"	Corner #4	Lat. 44° 39' 05.52"
	Long. -65° 45' 17.64"		Long. -65° 45' 17.58"

Corner #5	Lat. 44° 39' 05.40"
	Long. -65° 45' 27.06"

Note: The coordinates and dimensions for this site have been taken from the survey.



Aquaculture Site

1039

Centre
 Lat 44° 39' 12.48" Long -65° 45' 22.68"
 Corner 1
 Lat 44° 39' 20.34" Long -65° 45' 27.36"
 Corner 2
 Lat 44° 39' 20.40" Long -65° 45' 20.10"
 Corner 3
 Lat 44° 39' 08.76" Long -65° 45' 17.64"
 Corner 4
 Lat 44° 39' 05.52" Long -65° 45' 17.58"
 Corner 5
 Lat 44° 39' 05.40" Long -65° 45' 27.06"

DATUM NAD 83
 The above coordinates
 are from a legal survey



Application Information

Proponent : Kelly Cove Salmon Ltd.
 Site Location : Annapolis Basin
 Dimensions : 160m x 464m x 209m x 461m
 Area : 8.75 ha.

Chart No.
4396

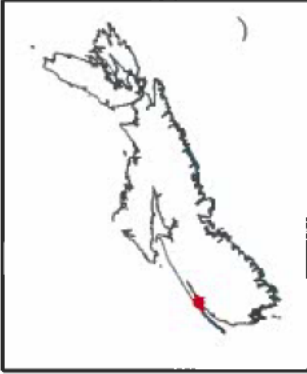


Issued Lease Low Water Mark

Disclaimer

This map should not be used for navigation or legal purposes. It is intended for general reference use only.

MK-1039-MAR-2016



Aquaculture Site <h1>1039</h1>	
Centre	Lat 44° 39' 12.48" Long -65° 45' 22.68"
Corner 1	Lat 44° 39' 20.34" Long -65° 45' 27.36"
Corner 2	Lat 44° 39' 20.40" Long -65° 45' 20.10"
Corner 3	Lat 44° 39' 08.76" Long -65° 45' 17.64"
Corner 4	Lat 44° 39' 05.52" Long -65° 45' 17.68"
Corner 5	Lat 44° 39' 05.40" Long -65° 45' 27.06"
DATUM NAD 83 The above coordinates are from a legal survey	



Application Information	
Proponent :	Kelly Cove Salmon Ltd.
Site Location :	Annapolis Basin
Dimensions :	160m x 464m x 209m x 461m
Area :	8.75 ha.

<input checked="" type="checkbox"/> Issued Lease <input type="checkbox"/> Property Boundary	<input checked="" type="checkbox"/> NS Bathymetry <input type="checkbox"/> Low Water Mark
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Chart No.	4396		Disclaimer This map should not be used for navigation or legal purposes. It is intended for general reference use only.
MK-1039-MAR-2016			

Schedule "B"

This Schedule sets out any undertakings required of the Lessee.

There are no undertakings required of the Lessee.

AMENDMENT TO LEASE

THIS INDENTURE made in duplicate the 12th day of May, 2022,

BETWEEN:

HER MAJESTY THE QUEEN, in right of the Province of Nova Scotia, represented in this behalf by the Minister of Fisheries and Aquaculture,

hereinafter referred to as "**The Minister**"

OF THE ONE PART

- and -

KELLY COVE SALMON LTD.
1 FUNDY BAY DRIVE
ST. GEORGE, NB E5C 3E2

hereinafter referred to as "**The Lessee**"

OF THE OTHER PART

WHEREAS pursuant to the *Fisheries and Coastal Resources Act*, S.N.S 1996, c. 25 (the "Act"), the Lessee was issued Aquaculture Lease No. 1039 ("Lease No. 1039") on August 15, 2016, for a term of twenty years from April 27, 2016 to April 27, 2036;

AND WHEREAS the Lessee wishes to amend Lease No. 1039 to change the boundaries of the aquaculture site;

AND WHEREAS the Nova Scotia Aquaculture Review Board, in accordance with the Act and the *Aquaculture Licence and Lease Regulations*, by decision dated January 28, 2022 (the "NSARB decision"), allowed the Lessee's application to amend Lease No. 1039 in order to change the boundaries of the aquaculture site;

AND WHEREAS the Minister, further to section 52 of the Act, wishes to amend Lease No. 1039 in accordance with the NSARB decision;

NOW THEREFORE, in consideration of the mutual covenants herein, the Parties agree as follows:

1. Lease No. 1039 is hereby amended by deleting "8.75 hectare area" in Clause 1 and substituting "29.1 hectare area".
2. Lease No. 1039 is hereby further amended by deleting its Schedule "A" and substituting the attached Schedule "A".

3. Except as expressly amended herein, Lease No. 1039 shall continue in full force and effect.

IN WITNESS WHEREOF the Parties have caused this Agreement to be duly executed.

SIGNED, SEALED AND DELIVERED
in the presence of

) **HER MAJESTY THE QUEEN**
) in right of the Province of Nova Scotia, as
) represented by the Minister of Fisheries and
) Aquaculture

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) [Redacted signature block]

W

) Honourable Steve Craig, E.C.N.S.

) Kelly Cove Salmon Ltd.

[Redacted signature block]

) [Redacted signature block]

Witness

) **GLENN COOKE,**
Vice-President

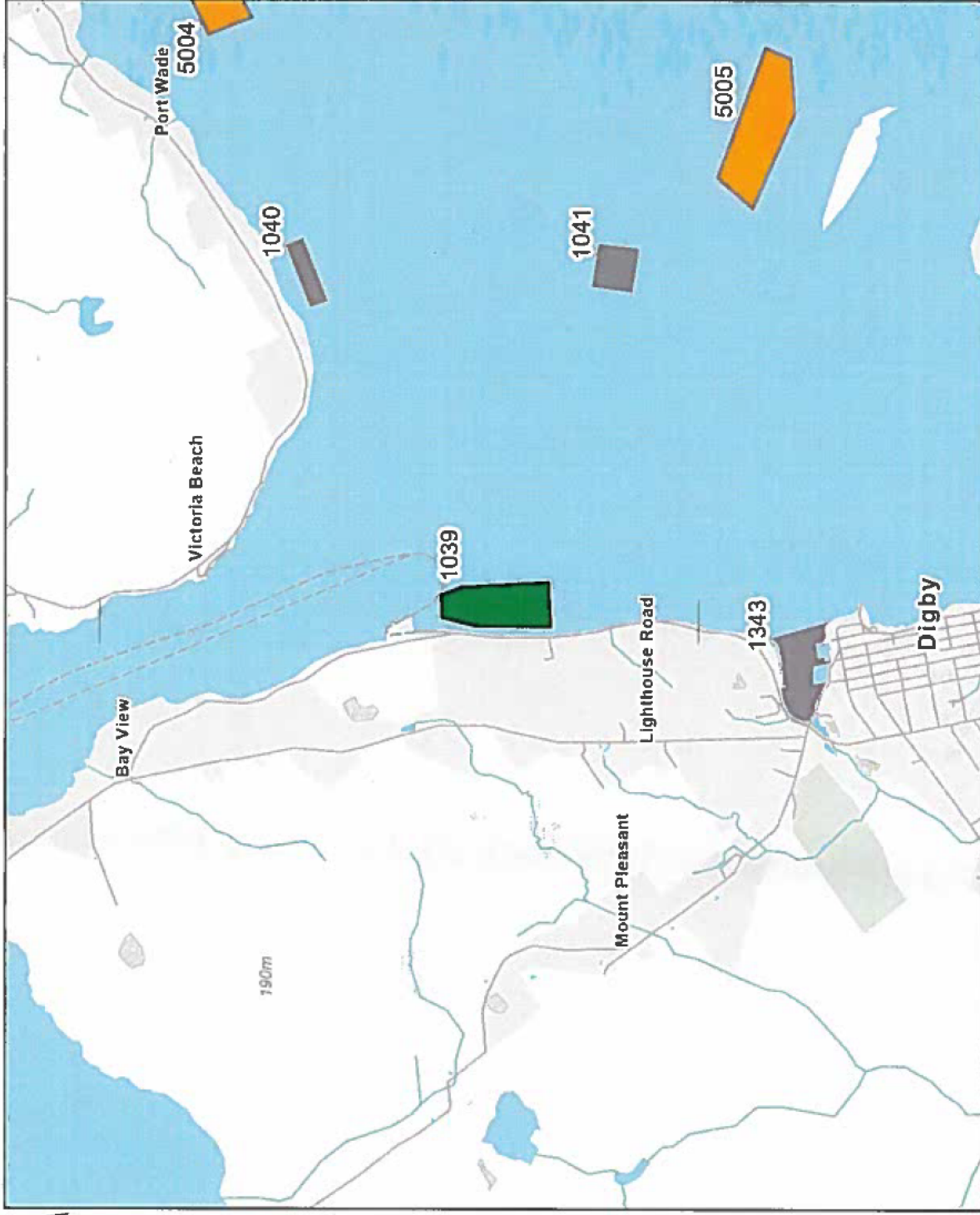
SCHEDULE A



Aquaculture Site 1039

Corner	Latitude	Longitude
1	44° 39' 27.630"	-65° 45' 24.292"
2	44° 39' 28.170"	-65° 45' 15.702"
3	44° 39' 22.818"	-65° 45' 12.461"
4	44° 38' 59.587"	-65° 45' 9.594"
5	44° 38' 58.538"	-65° 45' 26.318"
6	44° 39' 18.773"	-65° 45' 27.027"
Centre	44° 39' 11.967"	-65° 45' 18.761"

DATUM NAD 83 CSRS UTM Zone 20
The above coordinates are not from a legal survey



License/Lease Holder
Kelly Cove Salmon Ltd.

County
Digby

Waterbody
Annapolis Basin

Hectares
29.1

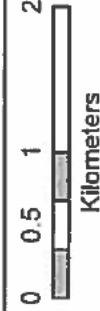
Species Type
Finfish

Culture Type
Suspended Culture

Chart
4396

- Issued Application
- Other Issued Lease

Issued Experimental



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SCHEDULE A



Aquaculture Site

1039

Corner	Latitude	Longitude
1	44° 39' 27.630"	-65° 45' 24.292"
2	44° 39' 28.170"	-65° 45' 15.702"
3	44° 39' 22.818"	-65° 45' 12.401"
4	44° 38' 59.567"	-65° 45' 9.594"
5	44° 38' 58.536"	-65° 45' 26.318"
6	44° 39' 18.773"	-65° 45' 27.027"
Centre	44° 39' 11.967"	-65° 45' 18.761"

DATUM NAD 83 CSRS UTM Zone 20
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License/Lease Holder Kelly Cove Salmon Ltd.

County Digby

Waterbody Annapolis Basin

Hectares 29.1

Species Type Finfish

Culture Type Suspended Culture

Chart 4396

 Issued Application

 Other Issued Lease



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Date: 2022-07-07

AMENDMENT TO LEASE

THIS INDENTURE made in duplicate the 21st day of September 2022.

BETWEEN:

HER MAJESTY THE QUEEN, in right of the Province of Nova Scotia, as represented by the Administrator, Nova Scotia Department of Fisheries and Aquaculture, as appointed under section 54A of the Fisheries and Coastal Resources Act, SNS 1996, c. 25,

hereinafter referred to as "**the Administrator**"

OF THE ONE PART

- and -

KELLY COVE SALMON LTD.

874 Main Street
Black's Harbour, NB
E5H 1E6

hereinafter referred to as "**the Lessee**"

OF THE OTHER PART

WHEREAS the Administrator, under the provisions of the Fisheries and Coastal Resources Act, S.N.S. 1996, Chapter 25 (the "Act") and the Aquaculture Licence and Lease Regulations (the "Regulations"), is authorized to amend existing aquaculture licenses and aquaculture leases;

AND WHEREAS pursuant to the Act the Lessee was issued Aquaculture Lease No. 1039 on August 15, 2016 for a term of twenty years from April 27, 2016 to April 27, 2036, authorizing the Marine Cage cultivation of Atlantic Salmon (*Salmo salar*), Atlantic halibut (*Hippoglossus hippoglossus*), Atlantic cod (*Gadus morhua*), Rainbow trout (*Oncorhynchus mykiss*), and Haddock (*Melanogrammus aeglefinus*);

AND WHEREAS pursuant to the Act the Lessee was issued an amendment to Lease No. 1039 on May 12, 2022 to change the lease size from 8.75 hectare area to 29.1 hectare area;

AND WHEREAS the Lessee is desirous of amending Lease No. 1039 to permit the Marine Cage cultivation of Lump fish (*Cyclopterus lumpus*), subject to whatever undertakings are prescribed by the Administrator;

AND WHEREAS the Administrator consents to amend Lease No. 1039 to permit the cultivation of Lump fish (*Cyclopterus lumpus*);

NOW THEREFORE, in consideration of the mutual covenants and agreements herein and the sum of \$1.00 and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

1. Lease No. 1039 is hereby amended by adding thereto "and Lump fish (*Cyclopterus lumpus*)" at the end of clause 1.
2. Except as expressly amended herein Lease No. 1039 shall continue in full force and effect.

SCHEDULE A



Aquaculture Site

1039

Corner	Latitude	Longitude
1	44° 39' 27.830"	-65° 45' 24.282"
2	44° 38' 28.170"	-65° 45' 15.702"
3	44° 38' 22.818"	-65° 45' 12.481"
4	44° 38' 59.587"	-65° 45' 9.594"
5	44° 38' 58.536"	-65° 45' 26.318"
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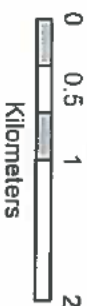
DATUM NAD 83 USRS UTM Zone 20
The above coordinates are not from a legal survey



Licensee/Lease Holder	County	Waterbody	Hectares	Species Type	Culture Type	Chart
Kelly Cove Salmon Ltd.	Digby	Annapolis Basin	29.1	Finfish	Suspended Culture	4396

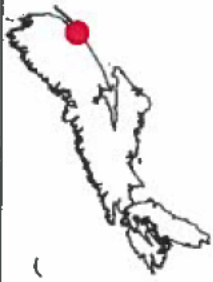
Amendment Application
 Other Issued Lease

Other Proposed Application
 Issued Experimental



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Data: 2022.05.16
Created By: JMK

SCHEDULE A



Aquaculture Site

1039

Corner	Latitude	Longitude
1	44° 39' 27.830"	-65° 45' 24.292"
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License/Lease Holder	County	Waterbody	Hectares	Species Type	Culture Type	Chart
Kelly Cove Salmon Ltd.	Digby	Annapolis Basin	29.1	Finfish	Suspended Culture	4396

- Amendment Application
- Other Issued Lease



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Date: 2022-05-16
Created By: LMK